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DISCUSSION

**Educational Poverty by Design
A Case of Mismanagement of National Resources**

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Abstract

The purpose of this paper is to review and evaluate the causes of educational poverty in less developed countries. The basic intent in carrying out such a study is to define and derive the role of governing agencies in deliberately creating educational poverty in the country to safeguard the private interest of the rich and powerful ruling class of the society.

This study is of major interest because majority of people living in less developed countries are poor in spite of the fact that almost all these countries own ample human and material resources and they have accumulated huge amount of external debt to finance economic development projects to enhance economic wellbeing of the society. However, the common man in these countries is continuously suffering and has been denied access to basic amenities of life including education, health and social services.

The study found sufficient evidence to prove that educational poverty is the cause and consequence of income poverty. The rich and powerful ruling class in less developed countries is designing policies and strategies to keep the masses uneducated, unaware of their legitimate rights so that they can safeguard their own private interest.

The paper advocates a complete reversal in economic growth policies of the poor countries so that top priority is given to those projects and programs that directly benefit the common man in the society. Looking at the successful experience of highly progressive countries of the world, the study lays down a consistent plan to empower the common man and to alleviate poverty in less developed countries. The author calls for awareness among the people to exercise their economic and social rights so that the people of all strata can share equally the fruits of growth and prosperity.

Key words: Reversing Priorities, Incentive Payments, Competence, Define and Derive Basic

Introduction

The historical record shows that most of the poor countries in the world have remained poor in spite of the substantial amount of financial and material help contributed by the donor countries of the world. We also find very many rich families living in less developed countries, owning huge wealth in the form of land, factories, palatal houses and large bank balances, while majority of the population living side by side, and they are unable to afford even very basic amenities of life. There is a substantial evidence to suggest that the

common man has been neglected and denied all the possible economic welfare programs to keep him intentionally dependent on the rich and very powerful ruling class of the society.

The Western economic growth theories propagated by economists to explain the ways and means to overcome poverty in developing countries have proven ineffective so far. The trickle down effect of “Big Push” (Rosenstein- Rodan)¹ argument and “Balanced Growth” (Ragner Nurske)² theory rather promoted greater income inequalities, corruption and incompetence among the people living in less developed countries. Following the economic growth policies of the western world, the donors and the technical assistance giving agencies while collaborating with the ruling class in less developed countries picked up projects which directly benefitted the rich and affluent class of the society. Thus we see heavy investment gone into the construction of many monumental projects, such as dams, motorways, airports, weaponry and so on. Consequently, the decision makers in these countries paid little attention to very basic needs of the common man and therefore nothing much seems to have been spent on education, health and social services in order to alleviate poverty among the poor people in less developed countries.

To set the things right, the decision makers in the developing countries, are to reverse the economic growth priorities. The distribution of national resources is to be made more equitable to serve all the sections of the society without discrimination. We need to change the direction of our attention. Instead of giving all the attention to the most prestigious projects to maximize rate of return in the long run, it is more beneficial to pay attention to the immediate needs of the majority of people in the developing countries. For example employment for the entire workforce, quality primary education for all the school age children, basic health facilities for all the nationals and skill learning institutes to promote productivity and quality among the workforce to remain competitive in the job market.

The majority of workforce in less developed countries is facing unemployment of some kind. In fact, even those who are employed in these countries, they are working far less than their potential. Due to inadequate education and skills, a part of the work force in less developed countries is dropped out from the competitive job market, while those who are educated and skilled seem to be migrating to other countries where they can find better economic prospects. Population is the most valuable resource for less developed countries to compete in the international market. However, the useful and competitive ability of the population depends on its quality and productivity content. An unskilled workforce commands far lower value than an educated highly skilled workforce. Thus educated and skilled workforce is the primary requirement for turning around the economic performance of less developed countries.

Apparently, it is a case of educational poverty by design and the intent of the ruling class is such that the poor people are forced to live on subsistence wages at the best. Keeping a major proportion of the population uneducated serves the elite class of the society very well. People are hired at low wages for all kinds of jobs which is the main advantage for the high-income earners in poor countries. Poor countries are getting poorer largely because the people in the poor countries are denied their right to have proper education and skills to compete in the market to earn respectable living in the society.

Thus the main focus of this study is to highlight the extent and seriousness of the issues relating to educational poverty in less developed countries. It is largely a data based analysis of the facts collected from the secondary sources in respect of highly populous

countries of the world (top ten). In order to learn actual economic growth experience of rich, not so rich and poor countries, specific role model countries were identified for in depth analysis. In the light of detailed discussion and actual experiences of the role model countries, the study has presented basic guidelines for turning around the plight of the common man in less developed countries.

Extent of Educational Poverty

The international agencies like IMF, World Bank and Asian Development Bank have made special efforts to assist less developed countries in their planning, formulation and execution of projects and programs for promoting economic growth, but not much seems to have been achieved by the recipient countries. Many of these countries have remained poor since long and the common man has received very little in terms of basic amenities of life for a dignified living in the society. In fact, the outcome of all these efforts by the international bodies has been disappointing and failure. Instead of loaning to make motorways and to construct airports in these countries they need to go for projects directly benefiting the common man.

First thing first, a country must have a good quality of people to ensure that they spend their available time very efficiently to receive maximum return among various possible options to use their time. This is apart from the physical and financial assets a country may have to invest to produce those goods and services where it can make maximum profits. Again, a country needs to have well qualified professionals to make better use of the physical and financial resources of the country. However, to provide opportunities to do all these things we need to have well educated people to elect and select people to govern the economy to make intelligent decisions to run the national affairs.

Human poverty is the consequence of educational poverty for every society, may be it is as rich and resourceful as Pakistan, where plentiful human and material resources are there, but majority of its people are uneducated and denied gainful employment. Singapore and Japan are the examples where material resources are almost non-existent, but their people are of high quality and these countries are placed among the richest countries of the world. Similarly, China, South Korea and Malaysia are becoming role models to show the way human and material resources are to be used to secure an enviable place in the top class world economies.

Underdeveloped countries are to remain poor, even though they are provided with donations/aid of all kind and external loans to enable them to takeoff in the way Rostow⁴ described in his growth model. Even the Big Push growth theory of Rosenstein Rodan failed in Pakistan, because according to him there will be a trickledown effect of heavy investments in spreading industrial giants in the country. But all this never happened in Pakistan (1960-70) and the entire investment concentrated in the hands of a few families. It was highly beneficial for Pakistan even if quarter of that investment was used up to strengthen basic education system to ensure a quality primary education for all. Lack of education during all these years in Pakistan has derailed the economy and turned its valuable human and material resources fruitless.

Educational poverty is thus becoming a primary cause of poverty in the less developed countries where education has not been taken as a serious concern and the national resources are diverted to provide a comfortable life for the rich and powerful ruling class.

Taking world's most populous poor countries the extent of educational poverty is described below – see Table 1.

Table -1
Educational Poverty among Populous Countries

Countries	Population (Million)	Literacy Rate (% of Population)	Population Living (Below Income Poverty Line)
Bangladesh	151	43.1%	39.7%
Nigeria	155	68.0%	69.7%
Pakistan	176	49.9%	23.9%
India	1,189	59.5%	25.0%
Brazil	203	88.6%	26.1%
China	1,337	91.6%	2.8%
Indonesia	245	90.4%	13.5%

Source: ⁵CIA Word Fact books: 18 Dec. 2003 to 28 March 2011. Retrieved from <http://www.NationMaster.com>

In Table- 1, high literacy rate and economic wellbeing of the population seems to be presenting a very strong evidence to prove that the education plays a primary role in promoting national welfare. On the same lines the countries like Bangladesh, Nigeria, Pakistan and India seems to have given very low priority to education and therefore as a consequence the people living below poverty line is quite high.

The educational standards are growing much faster due to globalization and media revolution in the world. People no matter whether living in developed or underdeveloped world are striving for higher learning to compete and earn better living. The literate population in the world is increasing and more countries are achieving 100 percent literacy rate. In fact, more than half of the countries in the world have achieved almost hundred percent literacy rate (90 to 100 %), while 21 % of the countries are still lagging behind with less than 70 % literacy rate. (see Table-2)

Table-2
Education Statistics: Literacy Levels in the World

Range (Class Interval)	# of Countries		Cumulative Total	
	Total	%	Total	%
99-100	45	21	45	21
90<99	77	36	122	57
80<90	31	14	153	71
70<80	17	8	170	79
<70	44	21	214	100
Total	214	100	--	--

Source: CIA Word Factbooks: 18 Dec. 2003 to 28 March 2011. Retrieved from <http://www.NationMaster.com>⁵

Methodology

The Study is primarily undertaken to address a basic economic issue which has very wide spread Implications for molding and motivating a major segment of the society, covering nearly 80 percent of its total population. The author of this study is confident that this very basic issue has been deliberately left unattended.

In this study the entire emphasis is laid down on the data relating to economic performance of countries of different income levels, to see how far education has contributed in improving the welfare of the society. To find a workable solution for eliminating educational poverty, the study examined in depth the main causes of denying access to quality education to the people as a deliberate policy of the ruling class in several developing countries.

To discuss and analyze the subject of the study three model countries were identified from among top ten highly populous countries of the world. These three countries represented one each from, low income level countries, medium income level countries and high income level countries.

The study made specific recommendations of valuable significance for the developing countries where access to quality education has been limited to those who can afford it while leaving education of the majority of people in the hands of public sector management. Due to poorly funded public sector agencies such schools have poor infrastructure and largely untrained teachers.

Discussion and Analysis

The top ten highly populous countries in the world contain some 4 billion people (Year 2011 Population Statistics), which represent nearly 58 percent of the total world population. But all these countries are not economically well off. Interesting enough some of them are very poor and others are among the richest countries of the world. This indicates that population by itself is not necessarily the cause or consequence of poverty. In fact, income poverty is somehow linked with education levels. This study makes an attempt to find out how far education has contributed in explaining the income differentials among the top ten countries so that a realistic priority policy package can be drawn for turning around the economic performance of low-income countries. To initiate further discussion in this regard a brief account of the top ten countries describing their income differentials is given in Table-3.

Table.3
Extent of Income Differentials Among
Top Ten Highly Populous Countries

Country	Per Capita Income (Year 2007)	Population (Million-2011)
Bangladesh	\$1, 400	151
Nigeria	\$2, 300	155
Pakistan	\$2, 500	176
India,	\$2, 600	1,189
Brazil	\$4, 700	203
China	\$7, 400	1,337
Indonesia	\$11, 500	24
Russia	\$ 14,800	139
Japan	\$ 33,500	126
USA	\$ 45,700	312

Source: World Development Indicators database, World Bank, July 1, 2008.

Note: Per capita values were obtained by dividing the Total GDP data by the Population data.

In Table -3, the per capita income differentials are made basis to combine the countries in three convenient groups viz. rich, not so rich, and poor countries with the following distribution:

Rich	577 million people	14%
Not so rich	1785 million people	44%
Poor	1671 million people	42%
Total	4033 million people	100%

The above three defined income groups reflect actual amount of effort of the countries to attain the income status they have achieved. The study while examining the income differentials between various income level groups came to the conclusion that to eliminate educational poverty among less developed countries, it will be desirable to compare the economic performance of these three income level countries to prescribe useful guidelines for the poor countries so that they can be pulled out of poverty. However, to make an in-depth study of the important features of these countries, three representative countries were selected as follows:

Low Level Income Countries:	Bangladesh, Nigeria, Pakistan and India :
Representing Country:	Pakistan
Basis of Selection:	Having all the potential to perform better
Medium Level Income Countries:	Brazil, China and Indonesia
Representing Country;	China
Basis of Selection:	Showing excellent performance
High Level Income Countries:	USA, Japan and Russia
Representing Country:	Japan
Basis of Selection:	Achieved high recognition in productivity

Educational Poverty -- Pakistan:

The very first indicator of the level of educational poverty in a country is reflected by its literacy rates attained by different sections of the society. The latest estimates depict the following picture (see Table-4)

Table-4 Rate of Literacy-Pakistan

Year	Literacy (male)	Literacy (Female)	Overall Literacy Rate
2009/10	69.5%	45.2%	57.7%
2008/09	69.3%	44.7%	57.4%

Pakistan Economic Survey 2011/12, pp.138-40, Government of Pakistan, Finance Division, Economic Advisor's Wing, Islamabad www.finance.gov.pk

From Table-6 it is quite evident that literacy rate in Pakistan is far less than the rate achieved by progressive countries (close to 100%) of the world. In fact, even the literacy rate by its very definition is not sufficient base to call people educated. Hence the actual level of

educational poverty is much deeper than the data presented in various reports. To be called educated, every person needs to have completed primary education of an acceptable quality. The primary education enrolment data in this respect shows a very similar picture (see Table -5)

Table-5
Primary School Enrolment- Pakistan

Year	Enrolment Male	Enrolment Female	Overall Enrollment
2010-11	60%	53%	56%
2008-09	61%	54%	57%
2007-08	59%	52%	55%
2006-07	60%	51%	56%

Source: Pakistan Economic Survey 2011-12, Government of Pakistan, Finance Division, Economic Advisor's Wing, Islamabad, pp. 138-40.

In Pakistan the primary school completion rate in the year 2010 was about 63%, indicating that the dropout rate and failure rate was close to 37%. Thus if we add children who did not enroll plus those who dropped out/failed, the educational poverty at primary school level is critically very high and this evidence fully supports the fact that primary education has been deliberately neglected by the government at primary school level which ultimately affected ability to get gainful employment and hence income to live gracefully in the society.

The most important means to eliminate education poverty in any country is the availability of funds to pay for the school infrastructure, salaries to the administrative and teaching staff and to provide incentive payment to the parents, who cannot afford to send their children to school. So far the public expenditure on education is extremely low (see Table-6):

Table-6
Public Expenditure as a % of GDP-Pakistan

Year	Public Expenditure As a % of GDP
2009/10	2.05%
2008/09	2.10%
2007/08	2.47%
2006/07	2.50%
2005/06	2.24%

Source: Pakistan Economic Survey 2011-12, Government of Pakistan, Finance Division, Economic Advisor's Wing, Islamabad, pp. 138-40.

In Pakistan, the public expenditure on education (covering all levels of education) over the years has not changed very much, rather there is a declining trend noticeable in the information given in Table-6. In fact, a major proportion of the education budget is spent on higher education, while the funds released for running primary school system is far less than the amount needed to run a good quality primary school system. The precise share in the public expenditure for running primary school system in Pakistan is far less than the amount needed to run a good quality primary education for a reasonably longer duration, say for seven years and so.

Latest information released by Sustainable Development Policy Institute in their report “Clustered Deprivation: District of Poverty in Pakistan” show that Pakistan has some 58.7 million people (Year 2012) living below poverty line. This further supports the concern that in Pakistan people have been denied education, employment and hence income and are left to survive on their own. This phenomenon has promoted crime in Pakistan. Apart from unreported crimes of minor nature, such as snatching of mobile phones, vaults and purses, a large number of crimes of very serious nature are increasing and security problems in big cities have made life of the people miserable in Pakistan. In fact, crimes, such as target killing, bank robberies, house breaking, rarely heard before, are becoming common feature in almost all the big cities.

Japan and China: Rich and Not so Rich

The countries like China and Japan, have been recognized as highly progressive countries among the top ranking countries of the world. A brief comparison of their unique performance vis-à-vis Pakistan is given below to establish some of the crucial factors which created income differentials between the poor and the rich countries (see Table 7)

Table-7
Rich, Not so Rich and Poor Countries
Basic Factors Causing Income Differentials

	Rich Countries Japan	Not so Rich China	Poor Countries Pakistan
Population (Millions)	126.....	1,337.....	176.....
Per Capita Income (US \$)	33,500.....	7,400.....	2,500.....
Population Living Below Poverty Line	15.7%.....	2.8%.....	24%.....
Literacy Rate	99%.....	91.6%.....	49.9%.....
Duration of Compulsory Education	10 Yrs.....	9 Yrs.....	5 Yrs.....
Primary School Enrolment	Not Reported.....	100.....	56%.....
Primary School Duration	6 Yrs.....	9 Yrs.....	5 Yrs.....
Primary School Completion	102%.....	Compulsory.....	67%.....
School Children Out of School (Primary Level) Countries	6,844.....	Not Reported.....	6.3 million Ranked 1 in 149.....
Average Years of Schooling –Adults	9.5 Yrs.....	6.4 Yrs.....	3.9 Yrs.....
Public Spending On Education--%GDP	3.6%.....	Not Reported.....	1.8%.....

Sources: UNESCO Institute of Statistics, Education (all levels) profile- Pakistan”
 UNESCO Institute of Statistics, Education (all levels) profile- China”
 UNESCO Institute of Statistics, Education (all levels) profile- Japan”

Source: Pakistan Economic Survey 2011-12, Government of Pakistan, Finance Division, Economic Advisor's Wing, Islamabad, pp. 138-40.

The comparative picture presented in Table-7 is self-explanatory. However, a strong linkage between education and economic wellbeing of the society is established from the data presented in the Table-10. Given all the information in various sections of the study it is now a well established fact that educational poverty is the cause and consequence of poverty. Countries denying sufficient funds to run a quality primary education of reasonable duration are deliberately keeping their people poor for their own private interests.

Conclusions and Recommendations

There is a sufficient amount of statistical evidence to support the fact that less developed countries are poor because they failed to make best use of their available human and material resources. Nigeria quite rich in oil, still has majority of its people living below income poverty line. Singapore, without having any material resources of her own, made best use of its human capital and is now counted among richest countries of the world. In fact, people make all the difference in making their economies rich or poor.

The available record of economic performance of many of the less developed countries do suggest that poor countries are poor because they mismanaged and misused their own national resources and neglected their people and denied them their rightful access to education, employment, income and hence of basic amenities of life. Recently (Former Chief Economist of the World Bank) in his keynote presentation in the "Poverty and Inequality" development dialogue series organized by the World Bank concluded with the remark that redistribution of accumulated resources like education, health services, and access to credit among the poor was the least cost approach to attaining more equality.

Pakistan, a poor country, presents a model case of exploitation by the rich and powerful ruling class of the society. Since its independence in 1947, the country has deliberately maintained a low literacy rate, poor primary school system and provided very little funds for running the entire education system in the country (about 2% of GDP). The workforce by remaining without adequate education and skills cannot aspire for higher jobs and therefore, majority of the population lives on subsistence wages.

China is an excellent example to serve as a role model for Pakistan. In fact, China very carefully invested in the welfare programs of its people. All this has been done to improve the quality of its workforce to stand highly competitive in cost and productivity. China's system of education looks exactly like a pyramid, larger share to basic education smaller share to higher education. China also directed its local governments not to pursue middle-school education while primary school education was still developing.

After World War II Japan rebuilt its economy with the help of its human resource. A highly efficient workforce was made to compete in the international market by creating his own work ethics. It was all investment in people, which brought revolution in the product market at international level. The newly adopted systems, such as JIT and vendor industry, are to promote participation of the workforce to earn better living as an independent entrepreneur.

China and Japan provide sufficient evidence to show that primary education of longer duration (9 to 10 years) is to be made compulsory so that a competent workforce is developed as a national asset. In fact, countries like Pakistan, can transform their economies

from low income to highly efficient progressive nations of the world by following the track record of China and Japan. Spending on things other than people is less productive in the long run. The national investment priorities have to be reversed. All projects and programs directly benefiting the common man must be on the top of the list. In the list of common man's economic welfare program the priority ranking must be of the following order:

First Task

Employment for the entire workforce. This is to ensure a minimum level of income for every family to make them live respectfully and to minimize the crime rate in the society. This is likely to have immediate effect on the people's morale and it will reduce income disparities.

Second Task

Very strong drive to enroll all school age children for 8 to 9 years quality primary education where students are given academic as well as technical/professional training to enable them to do highly skilled jobs.

Third Task

Developing highly competitive vendor industry to share production process with the help of skilled workforce coming out from the primary schools. The best examples is auto industry, where several components are produced by the vendors and gained competitive ability in the international markets.

All other priority programs can follow to take care the rest of the responsibilities of governing the economy.

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Truth will make you free

“The truth which makes man free is for the most part
the truth which man prefer not to hear.”

Herbert Sebastian