



## Role of signaling factor in education sector

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### Abstract-

Education is important instrument for human development, social development, national development and progress. Education is fundamental right of every citizen regardless of gender, race, region, culture, caste, religion, physical appearance or linguistic differences. A developed nation is definitely an education nation. It is believed that good quality education improves economy, political participation and social cultural harmony quoted by DR.S. Radhakrishna Commission in 1948.<sup>1</sup>

### I. Introduction

Education is to transform it, to endeavour to relate it to the life, needs and aspirations of the people and thereby make it the powerful instrument of social, economic and cultural transformation necessary for the realization of the national goals. Education should be developed so as to increase productivity, attain social and national integration, accelerate the process of modernization and cultivate social, moral and spiritual values".<sup>2</sup>

Education is a powerful instrument which is used in most civilisations of the world to bring social equality or at least to eradicate social inequality among their members. Perhaps, this can be achieved only than when there is no discrimination against people from different class, caste, creed, social and economic status, religion and gender. An education system where all categories of students are treated equally is considered as an egalitarian education system. In egalitarianism, we need an education system where every student gets equal opportunities in education

to further their aspiration irrespective of their background.<sup>3</sup>

**Objective-** Post-Independence, the Government of India emphasized more on education, i.e., reading, writing and arithmetic to fulfil the expectations of Directive Principles of State Policy. "Education is powerful instrument for preparing our citizen in the knowledge society. It will mix globalization with localization, making our children and young ones to become world citizen while their roots deeply embedded in Indian culture and tradition" (Ministry of Human Resource Development). Dr. S. Radhakrishnan Commission (1948-49) states. "The most important and urgent reform needed in education is to transform it, to endeavour to relate it to the life, needs and aspirations of the people and thereby make it the powerful instrument of social, economic and cultural transformation necessary for the realization of the national goals. For this purpose, education should be developed so as to increase productivity, achieve social and national integration, accelerate the process of modernization and cultivate social, moral and spiritual values" (MHRD<sup>4</sup>).

Post-Independence, the first three decades seen slow growth rate due to high dropout rate and the differences between tribal and non-tribal. In 1960, the Dhebar Commission identified some problems behind the educational backwardness of tribal population. Identified problems were: imprecise generalization, inappropriate pedagogy utilized by teacher, poor economic conditions and subsistence economy. The Kothari Commission also emphasized paying special attention to the education of Scheduled

<sup>1</sup> UNIVERSITY EDUCATION COMMISSION 1948 and chairman was Dr. radhakrishnan.

<sup>2</sup> Pawan Agarwal, From Kothari Commission to Pitroda Commission (1964-66), 2007, Economic political weekly. vol.42, no.7 (feb 17-23), pp.554-557.

<sup>3</sup> JOHN A. CLARK, (Social justice, education, and schoolings: some philosophical issues) British Journal of Educational Studies, ISSN 0007-1005 DOI number: 10.1111/j.1467-8527.2006.00352.x Vol. 54, No. 3, September 2006, pp 272-287.

<sup>4</sup> Ministry of human resource development report 2016, pp1



Tribes. It also stated that “there are several tribal groups in India whose educational needs have been neglected almost completely” (Kothari<sup>5</sup>). It further recommended that for the development of tribal population several efforts have to be made through marketing, finance, health and education facilities.

## II. Methodology

The Census of 2011 data revealed that educational status of ST population in terms of literacy rate is not similar in every State. Further, it showed that some States, such as Mizoram (91.5%), Nagaland (80%), Manipur (77.4%), and Meghalaya (74.5%) with high concentration of tribal population, have high literacy rate. On the contrary, States such as Jharkhand (57.1%), Madhya Pradesh (50.6%), Odisha (52.2%), Rajasthan (52.2%) and Andhra Pradesh (49.2%) with high tribal population continue with low literacy rate.<sup>6</sup>

The main purpose of education is to carry the essential skills and knowledge to the receivers so as to make them well-informed, socialised and unprejudiced, open minded citizens having scientific and logical temper for their own well-being and that of the society and country as a whole.

According to Herbert Gintis there is debate whether education is more of a consumption activity or is merely a means of socialization (Herbet Gintis) or is an investment in human capital or is simply a signalling factor and acts as a filter.<sup>7</sup>

According to screening and signalling hypothesis the logical challenge doesn't come from schooling. (Weiss<sup>8</sup>). According to this hypothesis, schooling does not raise productivity; it unprejudiced signals the existence of differences in

productivity raising characteristics in individuals like learning ability, intelligence, cooperative spirit and other characteristics, which exist independent of schooling. Education does not transform students; it is indicator the original character to everybody. Employers pay for this sorting or signalling function of education. According to "The essence of a sorting mechanism is that it would not transform students but it would reveal the basic behaviours of schooling. If the school is a categorization mechanism, students with more schooling are more likely to possess a range of pre-school qualities, and these qualities explain their higher productivity, which in turns explains the returns to schooling".

If the sorting and signalling function of education is prominent then education either produces 'Credential inflation' or increasing 'defensive expenditure' (Thurow<sup>9</sup>). These merely raise cost of production. The central opinion is that "Though education is in some measure a consumption activity interpretation satisfaction to the person who receives it, it is predominantly an investment activity"(Schultz<sup>1</sup>, Becker,Barro, Gemmel, Sianesi and Reenen, <sup>10</sup> ). Empirical evidence both at macro and micro level suggest that education makes substantial contribution to productivity and national income and its growth (Krueger and Lindah, Topel, Griffith, Redding and Van Reenen, Cameron, Proud man and Redding, Benhabib and Spiegel, Denison)<sup>11</sup>.

## III. Conclusion

Education not only provides the much needed supplies and expertise but also guarantees access to high income and high grade occupation. Since education produces returns to the recipients, it affects the dynamics of the class structure of the society. That's why liberal societies aim to supply equal access to education to all segments of the

<sup>5</sup> Pawan Agarwal, From Kothari Commission to Pitroda Commission (1964-66), 2007,Economic poltical weekly.vol.42, no.7 (feb 17-23), pp.554-557.

<sup>6</sup>Ministry of tribal affairs, census 2011, office of the registrar general, India.

<sup>7</sup> Herbert Gintis,"1971, Educational production relationships:Education,technology,and the characteristics of worker productivity",The American Economics Review,vol.61,no.2,pp.266-279.

<sup>8</sup> Andrew Weiss,1995,Human Capital vs. Signalling Explanations of Wages, The Journal of Economic Perspectives, Vol. 9, No. 4 , pp. 133-154 Published by: American Economic Association Stable URL.

<sup>9</sup>Michael C. Barth and Lester C.Thurow (Review: Generating Inequality: A Review Article Reviewed Work: *Generating Inequality*

<sup>10</sup> The 3rd OECD World Forum on “Statistics, Knowledge and Policy” Charting Progress, Building Visions, Improving Life Busan, Korea - 27-30 October 2009 HUMAN CAPITAL AND ITS MEASUREMENT

<sup>11</sup>Michael C.Barth( Review: Generating Inequality: A Review Article ( Work: *Generating Inequality* by Lester C. Thurow(The Journal of Human Resources,vol12,no.1,1977:pp-92-102)Published By: University of Wisconsin Press.



society and pay individual on the basis of merit. In such a situation education acts as '*social lift*' and facilitates intergenerational mobility. Thus, the aim of education is to establish either "Meritocracy" or "Neo-liberal" society.<sup>12</sup>

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<sup>12</sup> Dr.Chitra saruparia and Dr.S.L..lodha  
(Developing Country Studies  
www.iiste.org ISSN 2224-607X (Paper)  
ISSN 2225-0565 (Online) Vol.3, No.3,  
2013 175 Private and Social Cost of  
Technical and Professional Education With  
reference to J.N.V. University, Jodhpur  
(Rajasthan).

According to Jalan 'a striking feature of growth record of developing countries is that most of the consistently fast growing countries also show a high literacy ratio.' The positive link between better-quality educational indicators and higher economic returns is partially borne out by the relatively faster growing South Asian countries. From 1960 to 2000, the Southeast Asian countries of Thailand, Malaysia, South Korea and more recently, China have recorded a striking increase in growth of per capita income. At the same time, these countries have also shown a consistent improvement in terms of their education indicators. Adult literacy rate (for 15 years and above) for the mentioned group of countries ranged between 99.8 per cent in Korea to 97.1 per cent in Malaysia. This is substantially higher than that prevalent in all developing countries (72.7 per cent), South Asia on the whole (54.3 per cent) and Sub-Saharan Africa (59.6 per cent) where growth has been much lower.

Developing countries are facing a big task to universalization of elementary education by an increasing pressure on government to reallocate public expenditure from tertiary to basic education, encourage privatization of higher education sector and ensure effective implementation of cost recovery scheme. The primary issues analysed are as follows: estimate the impact of household's economic status and variation in direct costs of education on household's demand for higher education; capture the extent of gender, caste differential in educational participation across various disciplines, for example, Arts, Commerce, Science and Technical Education.

Compare the magnitude by which the 'wealth effect' differs across these stream of studies. Increasing cost of higher education uses a significant unfavourable impact on the chances of attending

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higher education institutions. Especially vulnerable are those from the marginalized, deprived, underprivileged background. Youth belonging to SC and ST background have significantly lower odds of going to a higher educational institution compared to other social groups in rural area.

Education increases productivity of the receiver the entirely focus on the investment factor of education. Education provides supply and expertise to the buyers/sellers thereby assurances the workers access to high income and high grade occupations and jobs. Education is hence expected to lift the earnings profiles of the recipients of education. However, all streams and levels of general, technical and professional education do not add to the productive capacity and earnings to the same amount and cost of obtaining such education also differs. Differential social expectations across male and female offspring and additional dowry given to a relatively more educated girl (who are usually married to spouses with higher education and better employment status) are cited as reasons for this discrimination.