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THE ECONOMIC IMPACT OF EARLY CHILDHOOD EDUCATION IN INDIA

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E DUCATION IS A PRIMARY engine that drives economic growth and overall development of a nation, and within the ambit of education, early quality schooling has a substantial and everlasting impact on the wholesome development of a child. A strong foundation will certainly transform a child into a productive and empowered citizen of a nation adding value to Human Capital. The National Education Policy (NEP) 2020 has given access to quality early education to all and has become the beacon for the education system in India.

Education is extremely significant for the socio-economic progress of nations and societies. It alleviates poverty, improves health, promotes gender equality, peace and stability. It becomes all the more important to lay more than adequate emphasis on improving and investing in the education system.

As we delve into statistics to examine the interplay of early education and economic

impact, we find that an investment in adolescent development through one year of elementary education will increase the income potential of the individual by 7.02 per cent, that is, Rs 7,696. Add to this, another seven years of additional education up to standard XII, which will impact rise in the income of the individual to Rs 11,565. An increase of Rs 4,372 in the monthly income because of continuous education up to standard XII will amount to an overall increase of Rs 52,470 yearly. The eight years of

sustained education from grade V to XII of a child will not only be beneficial for the overall growth of the child but also impact in enhancing the economic value of his or her education.

The Foundational Literacy and Numeracy Report of the Institute of Competitiveness indicates that early education is crucial and important as it paves the way for future income. This income gain is driven from the period of early education, that is from grade five. The early years (three to 18 years) are the most extraordinary period of growth and development in a child's lifetime. Research shows that good quality early learning and early childhood development (ECD) programmes help to reduce the chances of drop out, repetition and improve outcomes at all levels of education.

Early childhood economic investment will have a substantial impact on the economic growth of the country too. According to 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 Rs 15,696 is made in Foundational Literacy and Numeracy (FLN), it leads to a benefit of Rs 5,98,537 to that individual over a period of 20 years.

Economic Investment in Foundational Learning can have a sizeable impact on the economic growth of the country. Investment in each child in Foundational Literacy and Numeracy will lead to a gain in overall GDP of between \$4 trillion and \$12 trillion towards India's GDP over the next 20 years.

On the flip side, it also shows that if a child misses on undergoing Foundational Literacy and Numeracy education, the evaluated gain of Rs 5,98,537 will not fructify and be lost. Therefore, it becomes pertinent to invest in early education for the development of an individual, to ensure returns in Human Capital of value and for reaping economic dividends.

The increase in income and completion of secondary education hinges upon the comprehensive infrastructure in primary schools to enable the child to attain sound FLN to motivate the child to finish

the secondary education. The drop-out rates are primarily because of a lack of strong early education. Besides this, the direct advantages from investment in FLN, such as improved health, gender equality, and decreased crime and child labour, will accrue, which will no doubt, be beneficial for the socio-economic growth of our society and nation.

The rate of return in education matches the worth of an average individual's lifetime earnings with the cost of his or her education, and if the return rate is positive and greater, it makes economic sense to invest in early education. This is a good ROI that further substantiates the UNICEF statement that, 'Investing in Early Childhood Development is one of the most cost-efficient and powerful strategies to achieve fair and sustainable development'.

Research further shows that good quality of "early learning and childhood development programmes" help to reduce the chances of drop out, repetition and improve outcomes at all levels of education. The importance of elementary education thus, should not be lost sight of at any cost.

Within the whole realm of education, the relevance of early education to the child during his or her foundational years of learning become most critical. As is a well-known, 90 per cent of the child's brain is developed by the age of five years, which has a lifelong impact. Quality and appropriate education at the foundational level prepares children for better comprehension of academic subjects later in life and also assists in acquiring the necessary wisdom and skills to deal with the challenges



and vagaries of life.

Knowing that the role and significance of the quality of early education cannot be overlooked, it will not be an overstatement to say that the best possible minds of academia and psychologists must prepare the education curriculum accordingly to equip the child adequately for future challenges.

India has the world's largest child population, a foresight that should not be lost sight of. We must capitalise on it, providing rich investments in early education, which will turn this segment of the population into a huge pool of human capital of great worth, ready to give impetus to the economic growth and overall development of the nation. **BW**

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