PREFACE

Economists during the past three decades have been paying increasing attention to the role of human capital in the process of economic development. The economists are suggesting that developing countries must increase investment in social sector.

The concept of human capital can be applied not only to education and training but also to the quality and productivity of the labour force which raises future income levels. A number of economists like T.W. Schultz, Denison, Mincer, G.S. Becker have emphasized the contribution of education to economic growth.

Most of the studies conducted so far have been in developed countries like United States and such empirical work has not been done for the Indian economy, may be because of non-availability of reliable and accurate data.

In the present study we concentrated on Higher education to demonstrate the role of education in economic development of the country.

The study is divided into four sections. The first section is the "Introduction" which outlines the importance, objective, scope and limitations of the study. We have made certain assumptions for the purpose of our study. Besides, secondary data has been used and should be taken with all its
shortcomings. Section II contains detailed analyses of the theoretical and empirical work done in the field of human capital formation. In section III we have analyzed the relationship between education and economic development of India since 1961. Though the period of study was from 1951 but due to unavailability of comparable data the year of reference has been taken as 1961. A priori there seems to be a high correlation between education and a country's level of economic development as expressed by net national product. The final chapter is by way of the recapitulation of the main findings in each section. Finally a select Bibliography has been appended.

At the end I wish to record my debt of gratitude to all those who helped in this work. It is difficult to enlist individually all my tutors and friends who assisted me, but I would like to thank Prof. Naseem Zaidi, Chairman Dept. of Economics for his encouragement and in particular my supervisor. Mr. A Mannan Siddiqui, Dept. of Economics A.M.U., for his faith and confidence in my ability, making it possible to contribute in small measure to the respectable collection of work already done in this field. I would also like to record my heartfelt thanks to Prof. Mahmood A. Raaz, Ex-Chairman. Dept. of Economics, whose original idea it was that I should work on this aspect of economics. I am deeply indebted to Prof. Ashok Mittal, Dept. of Economics for helping me with computational work and was more than willing to listen to my problems and
encourage me to finish it as early as possible, without his guidance and active
support this thesis would not have actualized. My thanks are also to Mr. Owais
Khan for his care and efficiency in typing this script; to the seminar incharge
Dept. of Economics and staff of Maulana Azad library for giving access to
material, to the office staff Dept. of Economics for their cooperation.

This thesis would not have seen the light of the day without the persistent
encouragement and inspiration of my parents. It was the good humour, patience
and understanding of my husband, brothers, sister and my little children which
made the completion of this work possible. My grateful appreciation is due to
them.

Date 26.4.2000.

Aligarh

Zeba Sheereen