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The field of economic growth has reawakened with a new emphasis on the combination of theory with empirical work. Education has emerged with the key role in the dissemination of new knowledge and of capacities to adapt as central to the growth process. This is of increasing importance in the new environment of knowledge-based and globalized economies.

But true economic development does not take place unless this pure economic growth is accompanied by other dimensions important to the quality of life such as education, good health, reduction in poverty and inequality, improvements in participatory democracy, political stability, a sustainable environment of forests, wildlife, air and water less violent crime and basic human rights. Yet these are also some of the aspects of human welfare to which education simultaneously contributes. (Mc Mohan, 1999).

The contribution of education to development is widely recognized. Ever since 1985 when the World Bank set poverty reduction as an important agenda and highlighted the role of primary education there in, the attention of policy makers, planners and development thinkers has shifted very systematically in favor of education.

Substantial policy research and consultancy research has established the strong linkages between education and poverty reduction, reduction in infant mortality rates, reduction in fertility, improvement in life expectancy and so on. Research also covered literacy and non-formal education.
Unfortunately these contributions are often not fully recognized. This is partly because they are hard to measure. There are measurements, but usually they are only for some sectors, and many are very particularistic and piecemeal at the micro level, if they exist at all. Furthermore, a structural approach that systematically measures and traces indirect impacts has not been employed.

The empirical work on relationship between public expenditure on education, development of education and economic growth for the Less Developed Countries (LDCs) has a well-established lineage with most works purporting to confirm the role of education as an engine of growth (Theodore Schultz, 1961; Bowman and Anderson, 1963; Blaug, 1969; Tilak, 1975; Nair, 1978 and Hicks, 1980).

It is important to note that no nation that has not expanded reasonably well its higher education system can achieve a high level of economic development (Tilak, J.B.G., 1997). International evidence shows that all advanced countries are those that have universalized secondary education and have advanced countries there is no single country, where higher education was not well expanded. In most developed countries higher education is fairly democratized, and is accessible to all. In fact, there are significant trends towards massification of the base of higher education. The gross enrolment ratio in higher education in advanced countries varies between 20 percent and as high as 90 percent. In contrast, in most of the developing countries, it is restricted to a small fraction of youth. No country could be found in the group of high-income countries with an enrolment ratio of less than 20 percent. A 20 percent enrolment ratio in higher
education seems to be the threshold level for a country to become economically advanced. The 20 percent enrolment ratio is a necessary, but not sufficient condition for development, as the enabling environment is also important, that enables education to considerably influence development.

Sustainable socio-economic development of a country requires sustainable education systems. It is necessary to build the educational edifice which focuses on human capital formation as well as human development.

Very rarely the linkages between education, human capital formation, quality of workforce with special reference to education and its impact on employment structure of an economy has been examined. No conclusive pattern of causality between education and employment structure has been confirmed from cross-sectional as well as individual country studies. The debate has centered on whether education development has a positive influence on growth or not. Since seminal work by Edding (1958), a large number of empirical studies, such as Denison (1964) and Harbison and Myers (1964) have sought to delineate factors capable of providing a satisfactory explanation of this debate. Majority of these studies has been conducted within the inter-country cross-sectional framework. So far we have not come across any systematic study on assessing the quality of workforce of workers with reference to education and its effect on employment composition. Hence, for a proper and meaningful perspective of the above-mentioned problem, the present study proposes to examine this issue at a more disaggregated basis like all the 17 districts of Punjab.
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