

The Influence and Mutual Promotion of Education and the Economy

Ruini Tu^{1,a,*}

¹Changsha WES Academy, Changsha, Hunan, China

a. ninatu.cwa@wes-cwa.org

*corresponding author

Abstract: In the 21st century, global competition around the economy and education is fierce. Under normal circumstances, the quality of education in countries with strong economic strength is good, while the quality of education in countries with relatively backward economies is not well guaranteed. This paper discusses the relationship between education and the economy, the reasons for this relationship, and the ways of their healthy development together. When discussing the relationship between the two, this paper compares the GDP of the United Kingdom and Nigeria with the current situation of education in the two countries and confirms that the relationship between economy and education is usually common progress. As for the reasons for the influence between the two, the paper discusses the two reasons for economic security education and education promoting the economy and divides them into two different types of reasons, direct and indirect. Education promotes the economy through commercialization and training of talents. The state sets up a minimum allocation system and follows the allocation formula to ensure adequate funding for education. To promote the common development of both, China has a good example, such as driving independent innovation through university strategy, providing creativity and skills for economic construction, and implementing compulsory education policies to coordinate education equality among regions, thus affecting balanced economic development.

Keywords: Education, economy, compulsory education, university strategy

1. Introduction

The 21st century is an era of vigorous economic and educational development. Business competition, innovation competition, and talent competition among countries are continuing, and countries are trying to develop their economies and consolidate education through various means. The main driving force of economic development comes from technology and human resources. Many countries strive to develop education, establish a good education system, cultivate talents and creativity, introduce excellent teachers, attract more excellent students, guarantee every student's right to education by formulating policies, encourage students from poor families to receive higher education by issuing scholarships and promote economic development through education. The state has also continuously increased investment to strengthen the construction of the education system, improve relevant facilities, and ensure the quality of education. The state promotes economic progress based on talent building. In these decades of development, education, and the economy are closely linked. Competition between countries is also closely related to these two aspects. However, if the

relationship between the two can not be properly handled mutual promotion can not achieve the best development effect. The purpose of this paper is to deeply understand the relationship between the two, find out the causes of this relationship, and seek ways to promote the common development of the two.

2. The Relationship between Education and the Economy

Education and the economy are mutually reinforcing. A good economic level is the basis for the development of education. Education is one of the major factors which affect economic development, most economic and social welfare is built based on education. It also plays an important role in narrowing the gap between rich and poor. It helps to improve production efficiency and scientific and technological innovation capacity and ensures the country's competitiveness in the world market [1].

The economy has a great guaranteed effect on the development of education. Meanwhile, the method and content of education still influence the economy between countries. Britain has a good economic development by having a great civic education. As a powerful country in education, Britain has a complete education system, and professional teachers, established the educational concept of innovation and entrepreneurship, and promoted the development of education toward internationalization [2]. In Britain, the government tends to turn civic education into character education. The emphasis on the moral enterprise of the individual has not only helped to stabilize society and quell political violence but has also calmed economic panic as more enterprising citizens have emerged. At the same time, Britain pays attention to students' attention to contemporary social problems and actively participates in solving them, cultivating students' critical spirit and understanding ability, which lays a foundation for future social and economic development [3]. The GDP of Britain has continued to increase in the past ten years and in 2022 the growth rate is about 4.1% [4]. It is ranked 6th in the world and 2nd in Europe [5].

However, there is a big difference in the situation between Nigeria and Britain. Nigeria does not receive funding from the government, and as public funding continues to decrease, the performance and efficiency of Nigerian institutions of higher learning are not at their best. Nigeria needs to face serious educational problems including lack of funding, lack of lecturers, lack of infrastructure, academic corruption, and other problems. So the quality of higher education institutions becomes worse and worse [6]. The economic development of Nigeria is different compared with Britain. Its growth rate is about 3.3%, but its GDP is less than Britain's about 26000 hundred million dollars [7,8].

There are huge differences in education and economic growth rates between rich and poor countries [9]. Education can promote the wide application of technology, improve the level of economic development, and promote the improvement of social civilization. The economy can also ensure the continued high-quality development of education. Based on this, it can be found that education and the economy often develop together.

3. The Reason of Influence Generation

The mutual influence of economy and education is reflected in the development of the country in these two aspects, and the reasons for this mutual influence will be discussed below.

3.1. The Reason of Education in Promoting the Economy

Here are two kinds of reasons why education can influence the economy, they are direct and indirect reasons. For the direct one, Education has also begun to move toward commercialization and marketization. Educational institutions can make certain profits by offering courses and tutoring students, which directly promotes economic development. This education industry has spread globally and has also led to several other industries. For the indirect one, education enables new

economic creation by training talents. For example, developed countries begin to vigorously improve entrepreneurship education because they believe that entrepreneurship is a major factor in economic development. More and more universities and postgraduate courses have begun to set up activities related to entrepreneurship education to help students cultivate their ability to start their businesses and the skills they need. These courses have a certain desirability in real situations. This kind of entrepreneurship education can not only establish entrepreneurial spirit but also cultivate excellent entrepreneurs, which is a 'catalyst' for economic growth [10].

3.2. The Reason of Economy in Ensuring Education

Unlike education, the economy often has a direct impact on education, which is directly reflected in the role of education funding. In some countries, a lot of money will be spent on education. These funds are earmarked for the consolidation and development of basic education. For example, in Britain, the economy has a great guaranteed effect on the development of education. The proportion of GDP invested in education in the UK has been at 4%-5% in recent years [11]. Britain is funded by the central government and has established a minimum funding system to safeguard school education. The Dedicated Schools Grant has three parts, which are The Early Years Block, The Schools Block, and the high needs Block. According to the funding formula, the minimum guaranteed system provides sufficient funds to ensure the good implementation of education [12]. Because of the precise donation numbers, Britain's education become a role model all over the world. Instead of the government of Britain, institutions in Nigeria do not receive funding from the government, and as public funding continues to decrease, the performance and efficiency of Nigerian institutions of higher learning are not at their best. Even if institutions of higher education want adequate funding to complete their projects, Nigeria is still unable to accept UNESCO's good advice on education funding, so there is a high risk of an education crisis [6].

4. Suggestion

To sum up, education and economic development are inseparable, and the progress of both is conducive to the efficient development of society. However, how to achieve the positive role of both also needs other factors. In some areas, it is often because of backward education or inequality that the economy is not sustainable and healthy development. The following will highlight the suggestions and cases of education promoting economic development, and here will give some examples of China to illustrate.

4.1. Take Strategy for Economic Development

Lack of talent and innovation is one of the main problems hindering economic development. The implementation of an education strategy is a very effective measure. In China, there is the implementation of university strategy, science, and education to rejuvenate the country's talent strategy and so on. University strategy is a successful approach to the development of higher education institutions. From opposing backwardness, conservatism, and blind innovation to inheriting and spreading human civilization, institutions of higher learning continue to improve the system setup, strengthen strategic guidance, and strive to create a good environment for training talents. To better cultivate innovative and high-quality talents, there are also good strategic suggestions for the integration of industry-university-research and science and education. Enterprises, research institutes, and universities can be combined so that students have sufficient resources to develop innovative skills. Different from this method, the second method tends to integrate teaching, coordinate development, and promote the common progress of teaching and scientific research. Both methods are to implement education strategies to promote the economy, but in the face of some existing

systems and policies, it is necessary to create a positive environment for innovation, bring this culture to enterprises, and realize the true sense of education to drive the economy [13]. At the same time, the government should continue to improve and implement the various principles in the education strategy, and vigorously cultivate talents and innovation. It is also necessary to build an innovation platform, support and encourage innovation and entrepreneurship, protect independent innovation, and add new vitality to economic development.

4.2. Promote Education Equity to Achieve the Common Development of Regional Economy

Economic backwardness caused by educational inequity is a major problem in the world. Universal primary education made great progress between 2000 and 2007 but has stalled in recent years. Lack of resources, inadequate support, and unequal policies have led to many students not receiving an equitable education. In China, the popularization of fair education has made great achievements. Through the continuous improvement of facilities and systems, the nine-year compulsory education policy has reduced the inequality between regions, and the problem of unbalanced development between urban and rural areas and regions has gradually decreased with the reasonable distribution of educational resources. Despite China's efforts to strive for educational opportunities for all people, there are still great challenges in allocating high-quality resources to disadvantaged and low-income groups, and regional stratification and Urban-Rural development still exist. However, China's path of promoting common economic development through regional education equality is worth learning and learning from [14]. Countries should make more efforts to popularize compulsory education, and the government should provide help such as scholarships to families with financial difficulties. While ensuring that every student can go to school, teachers are reasonably distributed equally, teaching standards are unified, the gap in teaching quality between regions is shortened, and residents are retained, to ensure the quality of education and the coordinated economic development of various regions.

5. Conclusions

This article mainly describes the relationship between education and the economy, the reasons why the two influence each other, how to play the positive role of the two to achieve mutual promotion, and mainly describes two means to promote the economy through education. The relationship between economy and education is mutual promotion and common development. There are two reasons for this mutual influence, namely indirect and direct. Education can promote the economy in a direct way such as through the commercialization of education to promote the development of some industries, but also through the cultivation of innovative talents to indirectly affect the economy; Economic security education is realized through some grants and security policies. The positive roles of both include implementing education strategies to develop the economy and achieving education equality to promote regional economic development. For example, China's university strategy cultivates students' entrepreneurial ability by combining research, schools, and enterprises; The realization of education equality to promote economic development is mainly through the implementation and supervision of compulsory education, coordination of resources, and maximization of assistance to the poor and vulnerable, all of which are ultimately for the common economic development between regions.

References

- [1] Ozturk, I. (2008). *The Role of Education in Economic Development: a Theoretical Perspective*. Available at SSRN, 1137541.
- [2] Lai, J., Z, W.J. and Wang, Y.L. (2023). *Pursuing Excellence and Diversity in Education: Building an Educational Powerhouse in the United Kingdom*. *References in Basic Education*, 8,57-67.

- [3] Jin, J.R., Li, X.Y. and Ian, D. (2016). *The Status Quo of Civic Education in the UK and the Relationship Between Social Media and Civic Education: An Interview with Professor Ian Davis*. *Education and Teaching Research*, 11, 1-7.
- [4] The World Bank. (2023). GDP growth (annual %)-United Kingdom. Retrieved from <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=GB&view=chart>
- [5] The World Bank. (2023). Gross Domestic Product 2022. Retrieved from <https://databankfiles.worldbank.org/public/ddpext/download/GDP.pdf>
- [6] Ogunode, N. J. and Musa, A. (2020). *Higher Education in Nigeria: Challenges and the Ways Forward*. *Electronic Research Journal of Behavioural Sciences*, 3.
- [7] The World Bank. (2023). GDP Growth (annual %)-Nigeria. Retrieved from <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=NG>
- [8] The World Bank. (2023). GDP (current US\$)-Nigeria. Retrieved from <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=NG>
- [9] Barro, R. J. (2001). *Education and Economic Growth. The Contribution of Human and Social Capital to Sustained Economic Growth and Well-Being*, 79(3), 13-41.
- [10] Ahmed, T., Chandran, V. G. R., Klobas, J. E., Liñán, F. and Kokkalis, P. (2020). *Entrepreneurship Education Programmes: How Learning, Inspiration and Resources Affect Intentions for New Venture Creation in a Developing Economy*. *The International Journal of Management Education*, 18(1), 100327.
- [11] Zhang, P. (2017). *Education Funding for Basic Education in the United Kingdom*. *China's Modern Education Equipment*, 12, 1-2.
- [12] Ding, R.C.(2017). *The Investment and Allocation of Financial Education Funds for Basic Education in the United Kingdom*. *Zhengzhou Normal Education*, 1,43-49.
- [13] Ma, X.B. and Cui, Sh. (2014). *Innovation-Driven Development: Regional Economy and Regional Education -- Summary of the 2013 Annual Conference of Reform and Development Planning Committee of China Education Development Strategy Society*. *Journal of Education*, Renmin University of China, 1,172-180.
- [14] Guo, L., Huang, J. and Zhang, Y. (2019). *Education Development in China: Education Return, Quality, and Equity*. *Sustainability*, 11(13), 3750.