



In the name of Allah, the most  
Beneficent, the most Merciful

# Foundations of Education

## Topics:

- ❖ Education as Investment
- ❖ Economic Foundations of Education



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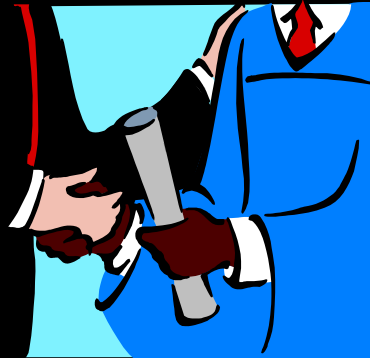
# Emphasis on Education

Today many countries place great emphasis on developing an education system that can produce workers able to function in new industries, such as those in the fields of technology and science.



# Education & Lifestyle

An individual with a bachelor's degree, on average, will earn that of a high almost 3 times as much as a school dropout



# A Better Society

A country's economy becomes more productive as the proportion of educated workers increases, since educated workers are able to more efficiently carry out tasks that require literacy and critical thinking.



# A Comparison

Countries with a greater portion of their population attending and graduating from schools see faster economic growth than countries with less-educated workers.



# More Education, A Better Economy

The highly educated earner spends and contributes significantly more to the economy than does the less-educated earner.



# Human Capital

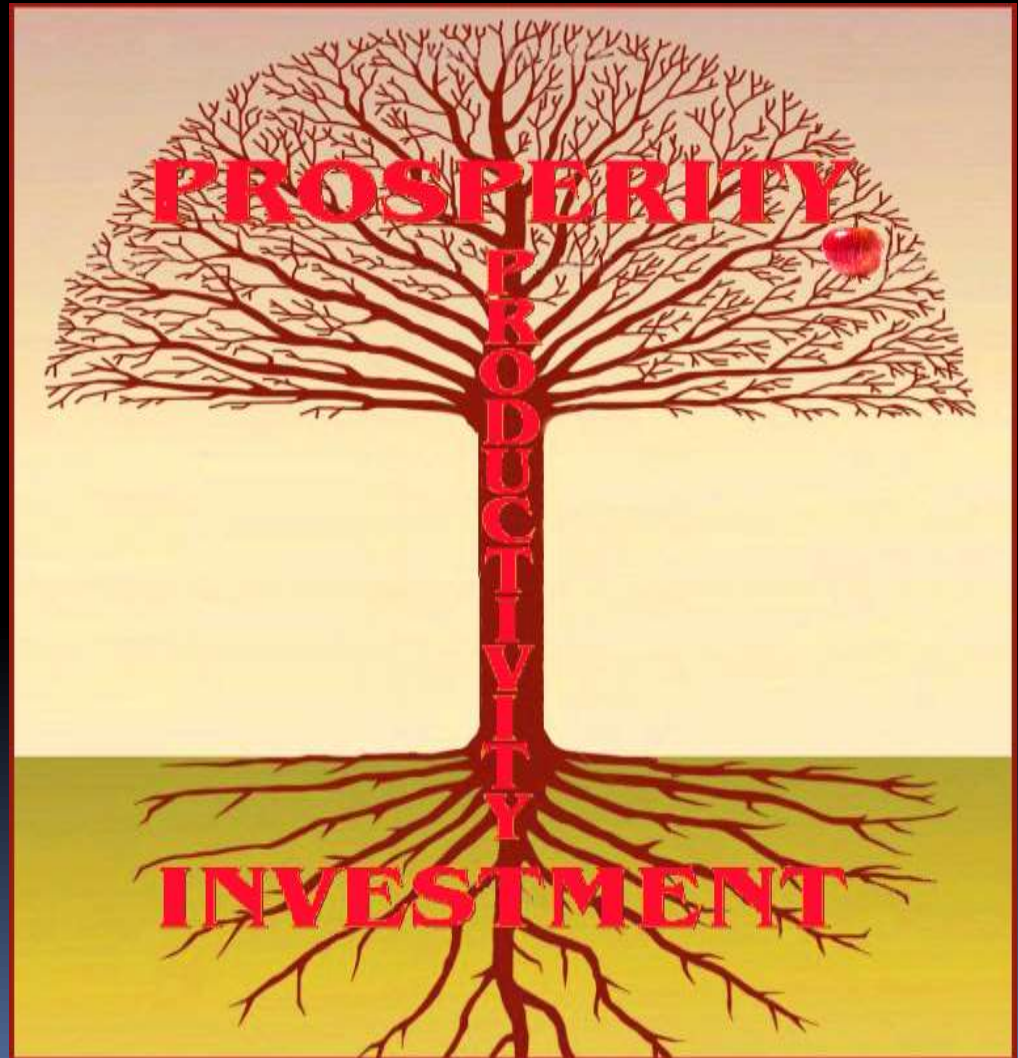
- The concept of human capital refers to :
- education
  - on-job training
  - work experience of the labor force





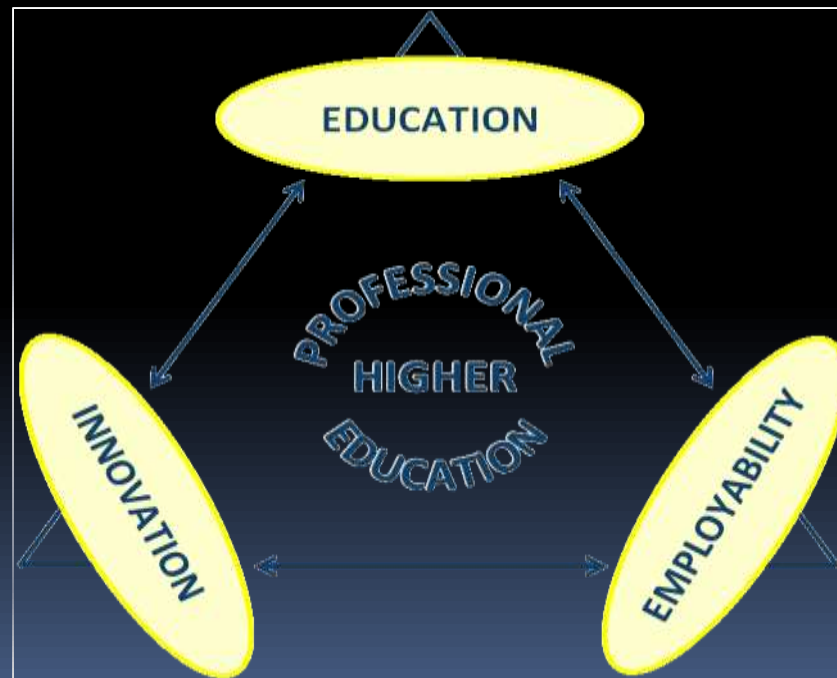
# Higher Productivity

- Such investments provide returns to the individual as well as to the economy as a whole.
- Individuals benefit from higher earnings, and the economy as a whole benefits from higher productivity.



# Education as Investment

- ❖ Education, more than any other social investment, raises the standard of living by increasing employability & income level, thereby increasing tax revenue to support even more education.



# Raising Standards

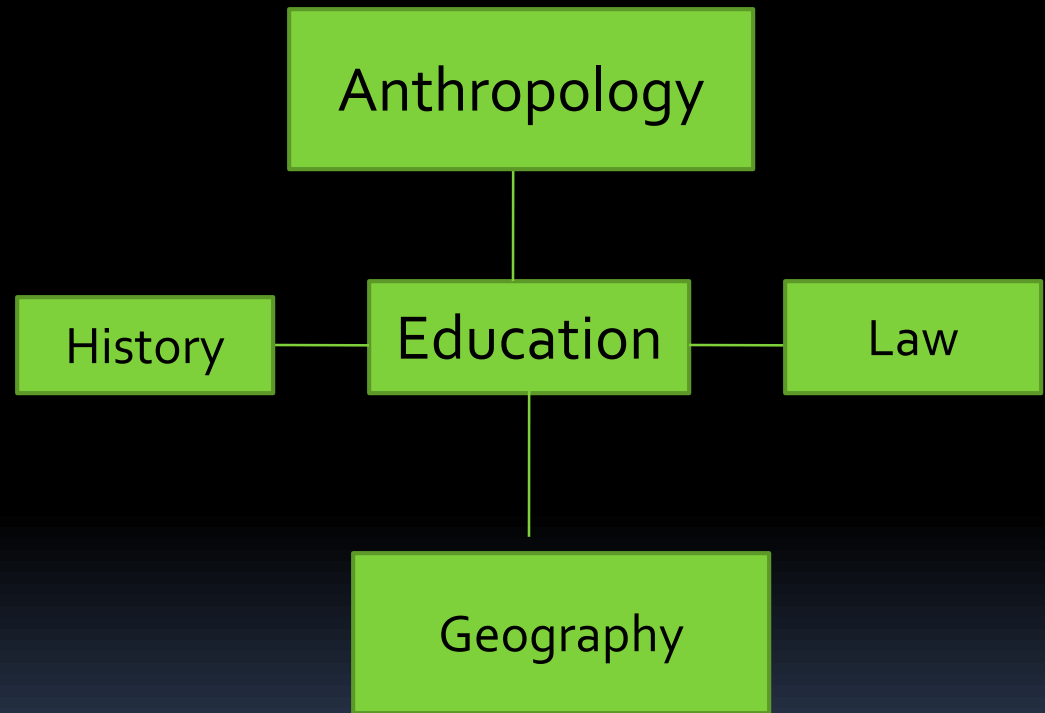
- Education also increases quality of life issues, not only for the educated individuals themselves, but throughout the entire community.
- Thus, education helps in raising standards



# Wide Influence of Education

Among the social sciences, it is difficult to find a discipline that is not related one way or another with the role of education in society.

## Disciplines of Social Sciences



# Impact of Education

- Education economists analyze both what:
  - determines or creates education
  - what impact education has on individuals and the societies and economies in which they live.

# Mission

➤ The primary mission of the economics of education group is to identify:

- opportunities for improved efficiency
- quality of education
- promote effective education reform processes



# Audrey Hepburn says:

Quality Education has the power to transform societies in a single generation, provide children with the protection of hazards they need from poverty, labor exploitation and disease and give them the knowledge, skills and confidence to reach their full potential.



# New Currency

Education is the new currency by which nations maintain economic competitiveness and global prosperity.



treat education as

# AN INVESTMENT



# Economic Prosperity

Education and training not only promote economic prosperity, but they can reduce inequality and the impact of disadvantaged backgrounds.



# Human Capital, An Asset

Education is the most effective way for able young people of poor backgrounds to rise in the economic hierarchy, because human capital is the main asset of 90 percent of the population.



# Education Inequality

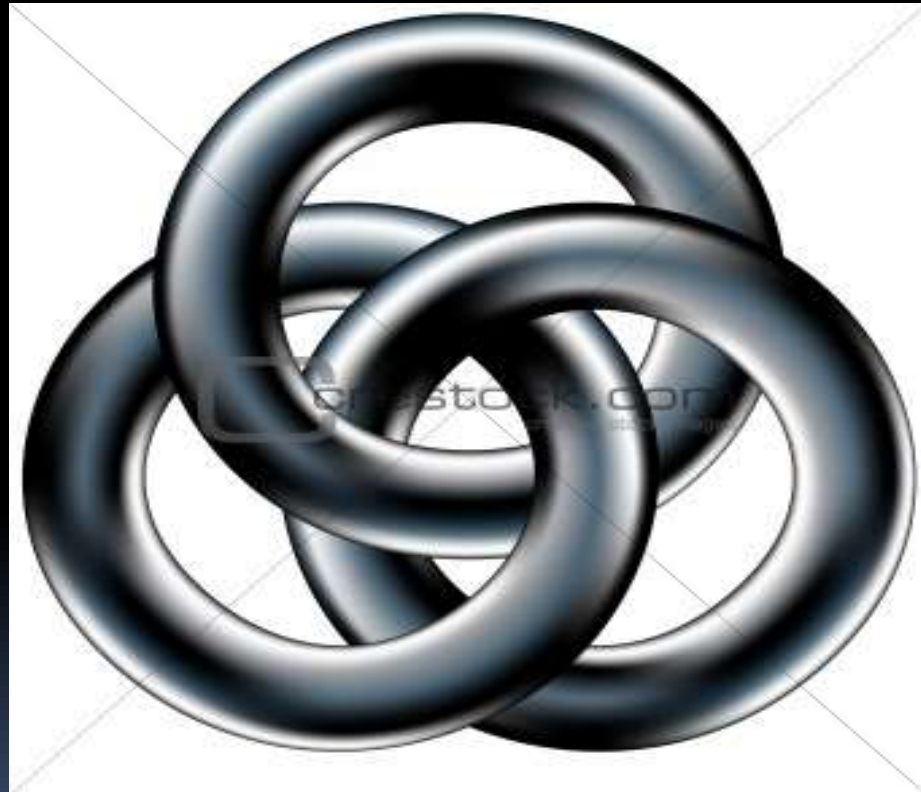
This is why income inequality in a nation is greater when inequality in education is greater. Indeed, income inequality is more generally related to inequality in all types of human capital: in training and health, as well as in schooling.



# Synergy between Knowledge and Human Capital

## ECONOMIC GROWTH

closely depends on the synergies between new knowledge and human capital, which is why large increases in education and training have accompanied major advances in technological knowledge in all countries that have achieved significant economic growth.



# Education, a Weapon

“Education is the most powerful weapon which you can use to change the world.”



# Importance of Education in Islam

• Are those equal, those who know and those who do not know?

(Al-Zumr, 09)



# Learn to Lead

Hence, it is clear that for individuals, societies and nations, education is the only foundation which can help them to lead in their prescribed or chosen fields.



# Education for All

Keeping in view the importance of education, it is the responsibility of government to invest in human capital for the betterment of the individuals and the prosperity of the country.





Questions are warmly welcomed

