

INFLUENCE OF EDUCATION OF THE POPULATION ON THE ECONOMIC GROW

Leontyeva S.M. Averkieva O.K.

Senior Lecturer Department of Economics and Finance, Perm National Research politechnical University, Perm, Russia

Student, Gr. FTSE-21b Perm National Research politechnical University, Perm, Russia

Received: 28.02.2024; Accepted: 26.07.2024;

Abstract

This article examines the influence of the population's education on the economic growth of the country. The article gives the concept and essence of the education of the population, identifies the factors that determine the level of education of the population, and determines the nature of the relationship between the level of education and economic development. In conclusion, problems of education of the population in the Russian Federation are identified.

Keywords: economic growth, level of education of the population, economic development, human capital.

Introduction

One of the most important and long-term goals of any country's economic policy is to stimulate economic growth or maintain its pace at a stable and optimal level. If the economy of a country is able to reproduce more aggregate output than was produced in the previous period, it is considered production expansion [7, p. 606]. Output itself cannot expand without underlying conditions that allow such positive dynamics. Therefore, for production expansion, and subsequently economic growth, it is necessary to have a clear understanding of which factors stimulate development and which, on the contrary, constrain it.

If we classify the factors influencing production development, we can distinguish between absolute and relative factors, which determine development paths such as extensive and intensive growth. Despite the differences in development paths, the underlying production factors are labor, land, and capital [12]. Among scholars and researchers whose work forms the foundation of this study are Denison E. F. [2], Perfilova I. S. [4], Frolova T. A. [6], Chepurin M. N., and Kiseleva E. A. [7].

At present, many developed countries face the problem of having reached their production peak by using only the basic factors of production. Therefore, governments are increasingly interested in innovative solutions to this issue. One of the first changes made by economists was the subdivision of capital into physical and human capital. Human capital includes the population's level of education. Education is a crucial condition for development because

increasing the level of education provides the foundation for a larger growth in the productive capacity of any country and, as a result, stimulates economic growth.

The term “population education” refers to the quality of an individual as a result of acquired knowledge and experience, which enables a person to navigate the surrounding world, adapt to it, preserve and enrich it, acquire new information about it, and continuously improve oneself through this process [3, p. 93].

In essence, the concept of education has a more spiritual meaning. This is because there are many different interpretations and criteria by which education can be defined. Every person understands “education” based on their own values and worldview. According to a lecture by Doctor of Medical Sciences O. G. Torsunov on this topic, an educated person is defined as a modest and humble individual [5].

Regarding criteria, the following judgments are most frequently highlighted:

- clarity and precision of concepts a person uses;
- definiteness and concreteness of thinking;
- ability to identify and solve problems;
- skill in asking questions and formulating hypotheses;
- awareness of connections between objects and phenomena;
- ability to predict developments based on analysis;
- skill in independently reconstructing missing links in the knowledge system using logical reasoning, etc. [3, p. 94].

In reality, this theory is highly ambiguous. Even considering the criteria above, they are insufficiently precise for evaluation and analysis. There is no clear understanding of the concept of “education.” Therefore, relying solely on personal criteria and values, it is impossible to accurately determine who is educated and who is not.

Consequently, such criteria are unsuitable for analyzing statistical data, and even more so, for comparing regions within a country or states globally. A proper solution is the introduction of the “population education index,” which accounts for varying degrees of population education.

The United Nations (UN) developed the Human Development Index (HDI), which includes the population education index, gross domestic product, and expected average life expectancy. Through the HDI, it is possible to isolate and determine the population education index and study it comprehensively. More specifically, the UN proposes the following criteria for calculating HDI:

1. average life expectancy;
2. per capita daily income;
3. average education level of the population in working age [9].

This approach focuses on improving the quality of human life and expanding and enhancing individual capacities in all areas.

The main strategic tool of this concept was developed in 1990 by Pakistani economist Mahbub ul Haq. The original idea of the study was simple: societal development should be assessed not only by national income, as had been the long-standing practice, but also by measurable achievements in health and education. It was assumed that these parameters, which have direct statistical expression, affect quality of life and therefore reflect its state. The Index is based not on subjective expert assessments but on real numerical data from official sources, and is therefore considered relatively objective and verifiable [9].

Thus, the Human Development Index provides a numerical representation of the population's education level and the degree of civilization of a country, state, or ethnic group. The annually published comparative table of HDI values allows for comparative analysis of human potential across countries and regions and for assessing progress in human development.

The main criterion for calculating the HDI is the average education level of the population in working age (Education Index, EI). This indicator reflects accumulated generational experience, quality of knowledge, and professional expertise acquired by the population and reproduced through the education system.

Education, as a purposeful and systematic process of acquiring and transmitting knowledge, skills, and competencies, plays a key role in the life of an individual, society, and the state. Education enables individuals to achieve remarkable heights, build careers, and become professional and in-demand specialists in their field. Education fosters self-confidence, realistic perspectives, and personal growth. It helps individuals unlock potential, acquire new skills, and develop literacy and morality. Continuous self-improvement and pursuit of knowledge contribute to a fulfilling life. Knowledge is therefore a crucial tool for achieving goals [4].

However, evaluating this criterion requires quantitative data. The most detailed data characterizing the overall education level of the population, including specific categories, are collected during population censuses. Census programs gather information on the education level of each individual and the types of educational institutions attended or completed [8].

Education Level (EL) is an indicator that characterizes an individual or group by the number of years spent in formal education institutions. This level is determined by the stage of education reached and the possession of a document certifying primary, secondary, or higher education. These stages (Figure 1) are defined according to the Law of the Russian Federation "On Education" [1, p. 2708].

Figure 1 – Stages of Education [compiled by authors]

1. **Preschool Education** – aimed at the all-round development of children according to age and individual abilities, fostering moral norms and social experience, typically received through preparatory programs at schools or private organizations.
2. **General Education** – includes primary, basic, and secondary (complete) education. This corresponds to grades 4, 9, and 11. Students advance to professional education only after completing basic general education.

3. **Vocational Education** –

- Initial vocational education (vocational technical school, PTU), providing basic qualification;
- Secondary vocational education (colleges, technical schools), providing intermediate qualification;
- Higher vocational education (universities, institutes).

4. **Postgraduate Professional Education** – advanced training for individuals with higher education.

Since education level is a statistical-strategic indicator reflecting the potential of the educated population and is calculated for the Russian Federation, its regions, and federal districts, it is necessary to understand its calculation.

Calculation elements include:

- Proportion of the population aged 15–19 enrolled in education, based on federal statistical observations and Rosstat data;
- Proportion of the labor force aged 22+ with secondary or higher education, relative to the total workforce of the corresponding age;
- Share of students in primary, basic, and secondary education programs participating in competitions and olympiads, relative to total enrolled students [11].

Although the education index is a versatile indicator, it has limitations:

1. It does not reflect education quality, which may be low or limited;
2. It does not fully account for differences in education accessibility due to age or duration of study;
3. It excludes students studying abroad, which may distort data for small countries.

Measures such as average years of schooling or expected years of schooling would be more informative but are not available for most countries [10].

In conclusion, the starting point for assessing the impact of population education on economic growth is the education system itself, which is largely responsible for overall education quality. It serves as a benchmark for other programs and must minimize flaws while tracking trends and development. Socio-economic processes in developed countries evolve rapidly, requiring innovative solutions. Therefore, understanding how to build a proactive education system is essential. Since the education system assumes a professional orientation role, it must be prepared for this.

References:

Vishnyakova S. M. *Professional Education. Dictionary: Key Concepts, Terms, Current Lexicon*. 1999. URL: https://professional_education.academic.ru, p. 2708.

Denison E. F. *Studies in Economic Growth Rates*. 1967.

Kodzhaspirova G. M., Kodzhapirov A. Yu. *Pedagogical Dictionary*. 2001, p. 93-94.

Perfilova I. S. *Role of Education in Modern Life*. 2018. URL:
<https://medconfer.com/node/18760>

Torsunov O. G. *What Constitutes an Educated Person*. 2018. URL:
<https://www.youtube.com/watch?v=h05MBMc3zx0>

Frolova T. A. *Economic Theory*. 2009, p. 560.

Chepurin M. N., Kiseleva E. A. *Course in Economic Theory*. 2004, p. 606–646.

Official site “16.1. Population Education Level.” 2020. URL: https://libraryno.ru/16-1-uroven-obrazovaniya-naseleniya-soc_stat2/

Official site “Human Development Index.” 2022. URL:
<https://gtmarket.ru/ratings/human-development-index>

Official site “Education Level Index.” 2022. URL: <https://gtmarket.ru/ratings/education-index>

Official site “Methodology for Calculating Education Level Indicator for Reporting Year.” 2020. URL:
<https://rosstat.gov.ru/storage/mediabank/CefqKITK/MET010005.pdf>