FINANCIAL STABILITY AND INDIA: A CHALLENGE AND SOLUTION FROM HEALTHY AND EDUCATED POPULATION

ATUL GUPTA
M.L.B. College of Excellence
Jiwaji University, Gwalior
(MP) INDIA

DR. SUDHIR SHARMA
M. L.B. College of Excellence
Jiwaji University, Gwalior
(MP) INDIA

ABSTRACT

Economics as branch of Social Science is always in search of a great solution for the contemporary and upcoming social and economic challenges. Though such solutions are the right of policymakers, but it became essential for us also to suggest at least. We analyzed that Poverty, malnutrition, illiteracy, and unawareness are the Indian economy's main problems, which give birth to other issues and slow economic development. After being republic, we had done number of changes in our economic policies to combat these challenges but the outcome is not satisfactory for all. Misbalance development has created a huge gap where rest are poor while few are rich enough to hamper policy changes. Present India is demanding to have a balanced or sustainable development pace. But question arise, how? Our analysis found that mere accumulation of Physical capital and tangible goods cannot provide sustainable development. Such development will remain for a short span of time and will not reach every section of society. The only possible way is to create a human resource as educated and healthy enough.

INTRODUCTION

India was imminent since ancient times when civilization was just started. Ayurveda and Charak Samhita are good examples of that which tells the best way of living a healthy life to

remain free from disease and tells the best methods of curing if you caught in. the matter of health became crucial because only a sound body can have a sound mind.

At the same time, India was known as Vishwaguru just because of its Ancient schooling methods and colleges that were educational hub and training centers. Nalanda, Takshila, Vikramshila, Valabhi, Somapura, Pushpagiri, etc., were the prominent centers. Here students learned different subjects and also took participated in the research. But due to invasion, we had lost our great system and became the mental slave of slaves.

Our study found that Educated and Healthy people can help India regain its lost glory of the Golden bird. The given analytical paper found that investment reduction in maternal mortality rate and infant mortality rate with the spread of education from Primary to Higher education leads to welfare for the Indian Economy. Reduction in MMR, IMR and increasing education for all coaches to a positive Indian economy increment. Spreading of education and health could be the mammoth procession against the slow Indian Economy.

India got its independence in 1947, and it is suggested that almost after 200 years of exploitative colonial rule. That rule was in a great debate between Indian and British historians. According to the British, it was a scientific and modern Era where inventions and discoveries supported India's new thoughts and philosophies. It was the time when India got civilized. In contrast, Indian Historians had suggested that as a dark era when Indian culture, tradition, and economy were caught in a colonial government storm. Numerous work is available as evidence suggesting that Britishers have taken away India's immense wealth. We can go through the work of grand old man and an Unofficial Ambassador of India 'Dadabhai Naoroji'. He was the first Asian to be MP of the British Parliament. His famous work 'Drain of Wealth' was an eye-opening work which was first unofficial counting of per capita income of Indian. According to work, the British took India's wealth towards Britain and through Indians into a whirlpool of Poverty, illiteracy, low productivity, malnutrition, and backwardness. After independence, India saw a number of social and economic fluctuations and to curb them. India planned investment measures for the Economy so that downfalls can be stopped and lifting of the downtrodden economy can be done. Though the manufacturing, agriculture sector, infrastructure, transportation, aviation, defense, etc., got enough importance, but the most crucial social sector could not get that much of importance. Social Sector is too important because it is the culmination of several components such as basic amenities like availability of Food, Water, Shelter, sanitation and poverty alleviation, etc. which are above of mere accumulation of physical capital.

Economic or financial stability is a critical component that controls all other sectors and factors of development. It became crucial for the Nation to make necessary arrangements to safeguard the economy from any fluctuation or shock. And for that, it is essential to find the

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responsible and robust pillars of development. In our paper, I strongly recommend that health and education are the two most believable pillars of development. I am sharing few reviews of what I have done so far in support of our paper.

Review

Dreze and Sen strongly support that vocational education is the most crucial reason behind any nation's development. They endorsed that health is the basic foundation that supports a human body to get an education. Then health and education work as a combined factor that promotes self, society, and the Nation.

Sudhir Ananda and Amartya Sen studied the Human Development Index as an improved measure of comparison between states and the Nations. They suggested that the accumulation of capital and physical infrastructure couldn't make an economy stable until the healthy and educated population supports it. The thing is that this is the health and education which determine qualitative and quantitative productivity in a nation. A nation rich in natural resources may or may not be developed, but a nation with human resources guarantees development.

A fascinating comparison was done by *Lavovsky* in 2001 and presented in a paper in the world bank. He analyzed that the labor force of underdeveloped countries is suffering from poor education and low-quality life. Due to this their productivity too poor and their development speed is too low. He suggested to underdeveloped countries to learn from the developed countries which have invested a handsome and planned investment in the health and education sector so far and because of that they are ripening fruit of sustainable development still.

In 2016*, Habib Nawaj Khan, Radzuan B. Razali and Afza Bt. Shafei* has done a time series analysis on data collected from Malaysia between 1981 to 2014 and presented their research in the paper entitled '*on the relationship between health, education and economic growth: Time series evidence from Malaysia.'* They proved that there is a positive and strong correlation between health, education, and economic wellbeing. Policymakers of Malaysia should invest in human capital formation or in Health and Education because both go hand in hand to remain in sustainable momentum.

David E. Bloom from the American Academy of Science and Arts studied the responsible development factor in America. He found that apart from the social science factor, political will and people's perception are also important determinants of development. He found that there is a strong and positive correlation between Health, Education, and Development. He gave his views with evidence under the '*Project Education, Health and development.*' He suggested from the cross-country analysis and found that the reason behind different social,

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political, and economic conditions of different nations lies in the investment done by policymakers in Health and Education. as much investment these two sectors can drag as many fruits the two can give to self, society, and the nation with equality.

The objective of the Work

1. To know the role of Health in promoting Education at various levels.

2. To Know the role of Health and Education as a combined factor in maintaining financial stability.

Hypothesis

a. There is a significant correlation between Health and Education.

b. There is a significant correlation between Health, Education, and Economic wellbeing.

Analytical Representation

Our motive is to make our hypothesis more practical than theoretical. Though the research based theoretical presentation is also acceptable and easy to understand, but we wanted to make our paper's theoretical presentation based on the analytical study. In this way, we would explain our findings in the most straightforward manner with mathematical and statistical justification. Researchers were aware that numerical collection of True data is a challenge for authentic and reliable statistical results. We had collected our (from 2005 to 2014) data from the most authentic sources. We had gathered our data from the Ministry of Statistics and Program Implementation, Government of India, Health and Education ministry, Reserve bank of India, Department of Higher Education, Ministry of Human Resource and Development, DISE, NUEPA.

Though such all organizations are working under Indian government but their method of data collection is different because of their area of working, structure of data and convenience as per the regional disparities. That's why collected data was not uniform and fit for statistical purposes. So to make the collected data suitable for calculation and application of selected tools and techniques, we had normalized the data (as per Pearson suggestions). We had applied Z-score (a statistical method of making data uniform and normal with standard parameters). The conversion of collected data into Z-scoreswas done in Excel, where we had applied the formula '*x-mean/standard deviation.*' Later the converted data was carried to SPSS (Statistical Package for Social Science), a statistical software presented by IBM for statistical calculation specially designed for the area of social science.

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VOL 8, ISSUE 2 www.puneresearch.com/scholar APR to MAY 2022
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ZNNI	ZMMR	ZIMR	ZENRSCV	ZENRHE
-1.49452	1.579273	1.336835	-1.6929963	-1.315784
-1.18457	1.191126	1.196116	-1.2792638	-1.142021
-0.84491	0.827238	0.914677	-0.5743863	-0.907497
-0.46675	0.463351	0.633238	-0.3675201	-0.725229
-0.20118	0.099463	0.211079	-0.2449327	-0.408456
0.176155	-0.26443	-0.21108	0.25307861	0.5472043
0.584924	-0.57979	-0.63324	1.01158812	0.7853883
0.93443	-0.8709	-0.91468	0.72044306	0.8482634
1.128642	-1.1135	-1.19612	1.04989668	0.9085945
1.367782	-1.33183	-1.33684	1.1240927	1.4095366

These are the Z-scores (converted values for making data normal). Normality is essential for further calculation. The given data then carried to SPSS, where we applied the regression. Linear Regression is a method which is best suitable to know the correlation between the selected variable, its magnitude, and the impact of the independent variable on the dependent variable. Step by step explanation of our statistical application is given below:

Correlation Table

		ZNNI	ZMMR	ZIMR	ZENRSCV	ZENRHE
Pearson Correlation	ZNNI	1.000	-.998	-.996	.976	.979
	ZMMR	-.998	1.000	.993	-.979	-.977

	ZIMR	-.996	.993	1.000	-.968	-.984
	ZENRSCV	.976	-.979	-.968	1.000	.962
	ZENRHE	.979	-.977	-.984	.962	1.000
Sig. (1-tailed)	ZNNI	.	.000	.000	.000	.000
	ZMMR	.000	.	.000	.000	.000
	ZIMR	.000	.000	.	.000	.000
	ZENRSCV	.000	.000	.000	.	.000
	ZENRHE	.000	.000	.000	.000	.
N	ZNNI	10	10	10	10	10
	ZMMR	10	10	10	10	10
	ZIMR	10	10	10	10	10
	ZENRSCV	10	10	10	10	10
	ZENRHE	10	10	10	10	10

The given correlation table is a result table of application of Regression analysis in SPSS.

The Z-NNI is considered as (Z-value of Net National Income), Z-MMR is considered as Z-value of maternal mortality rate, Z-IMR stands for Z-value of Infant Mortality Rate, ZENRSCV stand for z-value of enrollment is schools and ZENRHE is meant for Z-value of enrollment in higher education.

The given table suggests that ZNNI has a negative and strong correlation. With ZMMR it is -.998 and with ZIMR it is -.996. Negative sign shows as Maternal Mortality Rate and Infant Mortality rate decreases National Income increases. Or we can say that as national income increases, maternal mortality and infant mortality gets decreases. At the same time higher and

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(IMPACT FACTOR 3.14 IIJIF) INDEXED, PEER-REVIEWED / REFEREED INTERNATIONAL JOURNAL

positive correlation value of ZENRSCV .976 and ZENRHE .979 in comparison of ZNNI, strongly recommend high positive and strong correlation. It suggests to increase investment in school education and higher education so that National Income could get increases simultaneously.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
dimension01	.999[a]	.998	.997	.05519	2.137

a. Predictors: (Constant), ZENRHE, ZENRSCV, ZIMR, ZMMR

b. Dependent Variable: ZNNI

This is the representation of different statistical tests. We will discuss on R-square only. Because it is the essential value which informed to us for model fitness. In the given model R-square is .998 which is almost 100 percent and explains that the 'given model is fit to explain its objectives and hypothesis.
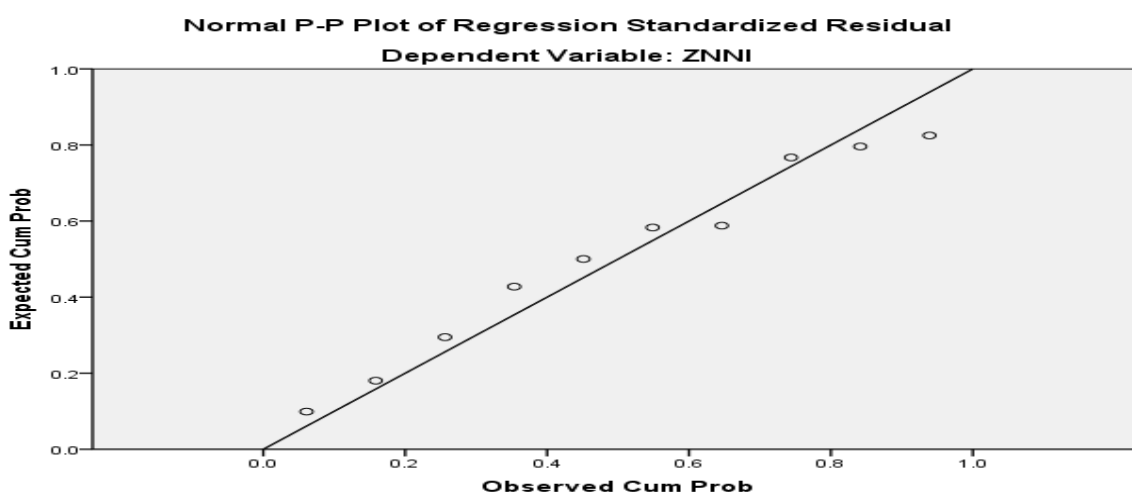
ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.985	4	2.246	737.493	.000[a]
	Residual	.015	5	.003		
	Total	9.000	9			

a. Predictors: (Constant), ZENRHE, ZENRSCV, ZIMR, ZMMR

b. Dependent Variable: ZNNI

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ANOVA table is also popular among analyst. It stands for analysis of variance, which tells how much the given model is a variance from the desired objective or in the simple manner it suggests Model's fitness. Our model is significant. The model is fit at 100 percent, or the model is explaining 100 percent objective and accepting the hypothesis. We can understand in a theoretical way is that if Maternal Mortality Rate and Infant Mortality Rate get down, we can have improved Net National Income. At the same time, when we invest in primary, secondary, and higher education, we get a highly favorable result. Our model is a combined result of improving Health and Education standards and their impact on the economy's Net National income.

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: ZNNI

This is the graphical representation of the linear regression model. The given model suggests the impact of variables of health and education on National Income. The normality plot is a tangent line moving from left to right where the data related to Health and Education moves along with the line. This suggests that the net national income as a dependent variable increases along with increasing the Health and Education facility's availability among Indians.

CONCLUSION

Our Economy is one of the world's dynamic economies which is growing faster. One main reason is its youngest population globally, which opens market for the developed Nations. Suppose India, in reality, wants to navigate our economic condition towards development. In that case, there is only one possible suggestion we wished to give our economic and political leader and to our fellow researchers that invest in human capital formation and basically in the Health and Education of Indians. As the population gets a Healthy body and educated mindset, we can have human capital or human resources. These humans are the ultimate gift

and only crucial asset of a nation for making our economy much stronger than the nation equipped with natural resources.

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