



The Impact of Education on Economic Growth

اثر التعليم على النمو الاقتصادي

by

MAYSOON MAHMOOD ALRAEE

**A dissertation submitted in fulfilment
of the requirements for the degree of
MASTER OF EDUCATION
MANAGEMENT LEADERSHIP AND POLICY**

at

The British University in Dubai

**Dr Christopher Hill
July 2018**

DECLARATION

I warrant that the content of this research is the direct result of my own work and that any use made in it of published or unpublished copyright material falls within the limits permitted by international copyright conventions. I understand that a copy of my research will be deposited in the University Library for permanent retention. I hereby agree that the material mentioned above for which I am author and copyright holder may be copied and distributed by The British University in Dubai for the purposes of research, private study or education and that The British University in Dubai may recover from purchasers the costs incurred in such copying and distribution, where appropriate. I understand that The British University in Dubai may make a digital copy available in the institutional repository. I understand that I may apply to the University to retain the right to withhold or to restrict access to my thesis for a period which shall not normally exceed four calendar years from the congregation at which the degree is conferred, the length of the period to be specified in the application, together with the precise reasons for making that application.

Signature of the student

COPYRIGHT AND INFORMATION TO USERS

The author whose copyright is declared on the title page of the work has granted to the British University in Dubai the right to lend his/her research work to users of its library and to make partial or single copies for educational and research use.

The author has also granted permission to the University to keep or make a digital copy for similar use and for the purpose of preservation of the work digitally.

Multiple copying of this work for scholarly purposes may be granted by either the author, the Registrar or the Dean only.

Copying for financial gain shall only be allowed with the author's express permission.

Any use of this work in whole or in part shall respect the moral rights of the author to be acknowledged and to reflect in good faith and without detriment the meaning of the content, and the original authorship.

ABSTRACT

This paper concentrates on the impact of education on the economic growth in the United Arab Emirates. It is an endeavor to investigate the degree to which level of education of the work power of UAE influences its economic development that is its yield level. Evolution can produce ethical circles of flourishing and opportunity. Substantial development and work openings enhance motivating forces for guardians to put resources into their youngsters' education by sending them to educational institutions. It may prompt the rise of a stable and developing gathering of business visionaries, which ought to create the weight for enhanced administration. Substantial financial development subsequently progresses human advancement, which, thus, advances financial development. The paper is divided into eight sections; the first part of the research includes the introduction of the research topic, background of the study, point of issue, research questions, procedures, significance of the study, and organization of the research paper. The second section is the literature review which supported the research topic and questions from the previous studies and explorations. The third part is the economic advancement of the United Arab Emirates. Moreover, the fourth part is the methodology for the research. It consisted of the data collection methods, i.e., the primary data and secondary data and the analysis of the data collected. The research design included both surveys and interviews. The survey was conducted online through Google forms. In the number of respondents of the study were hundred. They all were the individuals working in different field and reside in United Arab Emirates. Furthermore, the fifth chapter is the primary data research analysis of the survey, and the sixth part is the data analysis and findings of the investigation. The data were analyzed using different statistical tools such as pie charts and graphs. The qualitative data was examined using regression analysis and

correlation tests to find the link between the dependent and independent variables included in the study. The seventh part is the discussion of the results. In light of the revelations, conclusions were drawn, and recommendations were proposed to address these troubles in the last chapter of this study. Some of the recommendations were deduced from the research.

The outcomes uncover that income assumes a vital part of financial development fundamentally as a motor for development of the yield level. There is convincing proof that income expands profitability, proposing that education indeed is efficiency improving as opposed to only a gadget that people use to flag their level of capacity to the business. The finding is the relationship of the investigation completed through academic journals, and the web and the data assembled through audits and gatherings. It associated both the information and addressed how the learning consequences of the course are used as a piece of this endeavor. The talk is the point by point examination of the qualities and confinements of the entire assignment. The obstacles and restrictions of the work separated the issues to consider and avoid in future investigates.

Keywords: Education, Economic Growth, Income.

ملخص

تتركز هذه الرسالة حول أثر التعليم على النمو الاقتصادي في دولة الإمارات العربية المتحدة. إنها محاولة للتحقيق في الدرجة التي يؤثر فيها مستوى التعليم في قوة العمل في دولة الإمارات وعلى نموها الاقتصادي الذي هو مستوى إنتاجها.

التطور الكبير في العمل يعزز القوى الدافعة للأوصياء لوضع الموارد في تعليم أبنائهم عن طريق إرسالهم إلى المؤسسات التعليمية. مما قد يدفع إلى ظهور تجمع مستقر ومتطور من أصحاب الرؤى في مجال الأعمال، وهو ما من شأنه أن يخلق الوزن للإدارة المتطورة.

تنقسم هذه الرسالة إلى ثمانية أقسام؛ يتضمن الجزء الأول منها موضوع البحث، وخلفية الدراسة، ونقطة القضية، وأسئلة البحث، والإجراءات، وأهمية الدراسة، وتنظيم ورقة البحث.

القسم الثاني هو مراجعة الأدبيات التي دعمت موضوع البحث والأسئلة من الدراسات والاستكشافات السابقة.

الجزء الثالث هو التقدم الاقتصادي في دولة الإمارات العربية المتحدة.

الجزء الرابع هو منهجية البحث. وهو يتألف من طرق جمع البيانات، حيث اشتمل تصميم البحث على الاستطلاعات والمقابلات، كما تم إجراء الاستبيان عبر الإنترنت من خلال نماذج Google لمئة مستجيب للدراسة، جميعهم كانوا أفراداً يعملون في مجالات مختلفة وقيمون في الإمارات العربية المتحدة.

الفصل الخامس هو تحليل أبحاث البيانات الأولية للمسح، أما الجزء السادس فهو تحليل البيانات ونتائج التحقيق. وقد تم تحليل البيانات باستخدام أدوات إحصائية مختلفة مثل المخططات الدائرية والرسوم البيانية. تم فحص البيانات النوعية باستخدام تحليل الانحدار واختبارات الارتباط للعثور على الرابط بين المتغيرات التابعة والمستقلة المدرجة في الدراسة.

الجزء السابع هو مناقشة النتائج. في ضوء الكشف، تم وضع الاستنتاجات، واقتراحات وتوصيات لمعالجة هذه المشاكل في الفصل الأخير من هذه الدراسة.

تكشف النتائج أن الدخل يفترض جزءاً حيوياً من التطوير المالي بشكل أساسي كمحرك لتطوير مستوى العائد. هناك دليل مقنع على أن الدخل يوسع الربحية، مقترحاً أن التعليم هو في الواقع تحسين للكفاءة وليس فقط أداة يستخدمها الناس للإبلاغ عن مستوى قدراتهم على العمل. وهذه النتيجة هي علاقة التحقيق المكتمل من خلال المجالات الأكاديمية، والويب والبيانات المجمعة من خلال عمليات المراجعة والتجمع. ربطت كل من المعلومات وتناولت كيف يتم استخدام نتائج التعلم من الدورة كجزء من هذا المسعى.

Contents

CHAPTER 1	1
1.0: INTRODUCTION	1
1.1. Introduction.....	1
1.2. Background of the Study	1
1.3. The Point of Issue	4
1.4. Research Questions.....	4
1.5. Procedures.....	4
1.6. Significance of the Study.....	5
1.7. Organization of the Research Paper.....	5
CHAPTER 2	7
2.0: LITERATURE REVIEW	7
2.1. Introduction.....	7
2.2. Education in the United Arab Emirates	8
2.3. History of Education	10
2.4. Education Restoration.....	12
2.5. Significance of Education.....	14
2.6. Impact of Secondary School Enrollment	17

The Impact of education on the Economic Growth	
2.7. Impact of Education on Economic Advancement	17
2.8. Impact of Education on the Growth in Income.....	19
2.9. Implications of Human Capital Investment	19
2.10. Relationship Between Education and Economic Growth.....	20
2.11. Significance of Education in Different Aspects.....	20
2.12. Economic Advancement and Innovation.....	21
2.13. Conclusion	23
CHAPTER 3	24
3.0: ECONOMIC ADVANCEMENT IN THE UNITED ARAB EMIRATES	24
3.1. Introduction.....	24
3.2. Economic Advancement in the United Arab Emirates	25
3.3. Conclusion	29
CHAPTER 4	31
4.0: METHODOLOGY	31
4.1. Introduction.....	31
4.2. Methodology	31
4.3. Qualitative Research	31
4.4. Qualitative Research	32
4.5. Method of Collecting Information.....	32
4.5.1. Primary Data Collection Approach.....	32

The Impact of education on the Economic Growth

4.5.2. Secondary Data Collection Approach.....	33
4.6. Sampling	33
4.7. Nature and Method of Study.....	34
4.8. Research Analysis Technique	34
4.9. Hypothesis.....	34
4.9. Research Prototype	35
4.10. Method used to Analyze Data.....	36
4.10.1. Regression Test.....	36
4.10.2. Pearson Correlation Test.....	36
CHAPTER 5	37
5.0: PRIMARY DATA RESEARCH ANALYSIS	37
5.1. Introduction.....	37
5.2. Survey Analysis	37
CHAPTER 6	57
6.0: DATA ANALYSIS AND FINDINGS	57
6.1. Introduction.....	57
6.2. Analysis of Data.....	57
6.2.2. Statistical Mean and Standard Deviation of Income.....	59
6.2.3. Statistical Mean and Standard Deviation of Income.....	60
6.3. Findings.....	62

The Impact of education on the Economic Growth	
6.3.1. Pearson’s Correlation.....	62
6.3.2. Regression.....	64
CHAPTER 7	67
7.0: DISCUSSION.....	67
7.1. Introduction.....	67
7.2. Discussion on the Data Analysis and Findings.....	67
7.3. Summary of Previous Researches.....	70
7.3.1. Education is Important for Economic Growth in Pakistan (Kiani, 2013):	70
7.3.2. Impact of educational expenditure on economic growth in major Asian countries: Evidence from econometric analysis (Mallick et al., 2016):	70
7.3.3. Education, Human Capital and Economic Growth: Empirical Research on 55 Countries and Regions (1960-2009) (Wang et. al., 2016):.....	71
CHAPTER 8	73
8.0: CONCLUSION AND RECOMMENDATIONS	73
8.1. Conclusion	73
8.2. Recommendations.....	76
References.....	77
Appendices.....	82
Appendix 1: Questionnaire	82

Table of Figures

TABLE 1: EDUCATION RESTORATION RATES	14
TABLE 2: RATES OF CHANGE AT CONSTANT (2007) PRICES 2005-2010	25
TABLE 3: STATISTICAL MEAN AND STANDARD DEVIATION OF EDUCATION LEVEL (N=100)	57
TABLE 4: STATISTICAL MEAN AND STANDARD DEVIATION OF INCOME	59
TABLE 5: STATISTICAL MEAN AND STANDARD DEVIATION OF ECONOMIC GROWTH	60
TABLE 6: CORRELATIONS AMONG VARIABLES	62
TABLE 7: CORRELATIONS BETWEEN GROWTH AND HUMAN CAPITAL	63
TABLE 8: COEFFICIENTS.....	66
TABLE 9: SUMMARY OF MODEL.....	66

CHAPTER 1

1.0: INTRODUCTION

1.1. Introduction

The fundamental objective of this analytic paper is to devise a research paper for the impact of education on the economic growth. The intendment of this document is to determine the factors and evaluate how education has an impact on the economic development. It will include a detailed report regarding all the factors involved.

1.2. Background of the Study

Education and economic growth are entwined. A better approach to education has unquestionably added to the increased rates of economic development. The degree of the commitment to education to economic development depends on creating aptitudes, as well as on their application. There is proof that state drove advancement structures and unbending work markets don't support agile economic development, notwithstanding when the country offers a comprehensive approach to education and better quality of education. According to Hannum and Buchmann (2006), education is composed as a fundamental human right, and education of higher quality enhances individuals' well-being. As a mean of improvement, education cultivates and upgrades work aptitudes and necessary abilities, for example, certainty and amiability. These attitudes in people advance financial development on a societal level using expanded profitability and conceivably better administration. It is expected that education has an essential positive impact on financial development, however, to date the proof for this presumption has been

The Impact of education on the Economic Growth

shockingly powerless. Documentation demonstrates that, at the individual level, more years of tutoring lead to a higher wage. At the macroeconomic level, definite proof relating changes in instruction measures to financial development has so far been vague.

The part of enhanced education has been a focal piece of the advancement procedures of most nations and global associations, and the information indicates critical upgrades in school achievement over the creating scene in late decennium. The approach accentuation on education has reflected the accentuation of research on the part of economic growth and advancement. However, this accentuation has additionally turned out to be disputable because an extension of school fulfillment has not ensured enhanced the economic situation (Lant, 2006). Also, there has been worry about the exploration as inquiries have been raised about the translation of exact development examinations. It gives the idea that both the approach questions and the survey questions are firmly identified with the estimation of human income with educational achievement.

As indicated by Stevens and Weale (2003), there are two primary explanations behind hoping to discover some connection amongst education and economic development. As a matter of importance and no more broad level, it is instinctively conceivable that expectations for everyday comforts have risen such an enormous amount while the most recent thousand years considering education. Advancement of the sort delighted in Europe was not seen in the unskilled social orders that have continuously converged into the economy of the world during the last two hundred years. To the most easy-going onlooker, it must appear that there is a connection between logical progress and the path in which education has encouraged the advancement of learning. In any case, individuals with just extremely restricted instruction

The Impact of education on the Economic Growth

frequently think that it's hard to work at all in progressive communities. Education is required for people to profit by logical progress and also to subsidize to it.

On the other hand, at a more particular level, an extensive variety of econometric investigations demonstrates that the wages people can charge rely upon their level of education. However, if not the proportion of progress of yield every hour worked, at any rate, the standard of return every time collaborated in a nation, should rely upon the educational achievement of the populace. If giving on education conveys returns or the like, similarly as paying out on settled capital, at that point it is appropriate to discuss putting resources into business, as the partner to putting resources into settled money. A financing choice can determine the procedure of education.

It has been contended that increased rates of education are fundamental for nations to have the capacity to accomplish large amounts of financial development. In principle, emerging nations ought to become speedier than wealthy nations since they can receive forefront innovations effectively attempted and tried by rich countries. In any case, the market analyst contended that if the hole in training between a wealthy and an emerging country is too substantial, just like the case between the poorest and the most prosperous countries on the planet. The exchange of these advances that drive economic development emerges as problematic, in this way the economies of the poorest country in the world languish.

Essentially, the connections amongst education and economic development, wage conveyance and neediness lessening were settled. Educated individuals with the understanding and abilities expected to build their pay and extended open doors for business. It is valid for families. Standards for profitability, economic development and examples of pay conveyance are personally connected to the condition of education and the dissemination of educational

The Impact of education on the Economic Growth

convenience. Expanding global financial relationship and the developing significance of information-based process in economic development have elevated both the remuneration on education and the expense related to education shortages (Kaini, 2015).

The remaining of this paper is divided into four sections. Section two of the paper demonstrates a literature review. The methodology for the study is defined in the third part. The fourth section represents the results of the findings. Lastly, the conclusion, limitations, and recommendations are incorporated in the fifth section of this research paper.

1.3. The Point of Issue

The point of issues of this research is to determine and analyze the impact education has on the economic growth. The connection amongst education and economic development is affirmative, and this context is reliable in many sectors of the macrocosm. The improvements in the economic hypothesis, the part that education can perform in creating economic development and suggestions prone to be recommended for education will be examined in other section of the paper.

1.4. Research Questions

Following question is devised for the purpose of this research:

- What is the impact of education on the economic growth?

1.5. Procedures

The essential target of this article is to complete a preliminary examination on the connection between education and economic development. The process to follow for this study will begin with the inspection of the works of literature regarding the role of education and the

The Impact of education on the Economic Growth

effect it has on the development of an economy. Then the collected information will be examined and analyzed. The result will be based on the analysis, and lastly, recommendations for future research will be provided.

1.6. Significance of the Study

The point of this examination is to acquire about education in contributing the economic development of United Arab Emirates. This exploration is done to see the connection between education on the economic growth of UAE. The part of training might be diverse all through the development of the nation. The focal issue of this investigation is that educational accomplishment can prompt the expansion in economic growth and what are the benefits of education. Other than that, the definite link demonstrates that education is vital during the time spent during economic advancement. This way, through this exploration, we would have the capacity to look at the significance of education that improves the income of the individuals in accomplishing sustainable growth in the economy.

1.7. Organization of the Research Paper

This research paper consists of eight chapters. The overview of each section included in the study is given below:

- Chapter one is the introduction. It presents an introduction, background of the study, the point of issue, research questions, procedures, significance of the study, and organization of the research paper
- Chapter two is the literature review. It presented the It contains literature from the past researchers. The chapter provides documentation on the following topics; education in

The Impact of education on the Economic Growth

the United Arab Emirates, history of education, education restoration, the significance of education, the impact of secondary school enrollment. Impact of education on economic advancement, the impact of education on the growth in income, implications of human capital investment, a relationship between education and economic growth, and significance of education in different aspects, and economic advancement and innovation.

- Chapter three is the economic advancement of the United Arab Emirates.
- Chapter four is the research methodology. It consists of methods, qualitative research, qualitative research, the method of collecting information, primary data collection approach, secondary data collection approach, sampling, nature, and method of study, research analysis technique, hypothesis, research prototype, the method used to analyze data, regression test, and Pearson correlation test.
- Chapter five is the primary data research analysis. It contains the analysis of the survey that was conducted for this study.
- Chapter six is the data analysis and findings. It includes the analysis of data statistically. It has the mean and standard deviation of the data collected. It also has outcomes in which regression test and Pearson's correlation test is done to interpret the data mathematically.
- Chapter seven is the discussion of the results of the survey. It contains focus on the data analysis and findings. Moreover, it has a summary of the previous research.
- Chapter eight is the conclusion and recommendation. The conclusion summarizes the entire research completed on the topic, and then recommendations are given at the end deduced from the study and the findings.

The Impact of education on the Economic Growth

- At the end of the paper, the questionnaire for the survey is presented that was conducted online through Google forms.

CHAPTER 2

2.0: LITERATURE REVIEW

2.1. Introduction

The literature review provided in this document will analyze the impact of education on the economic growth in the light of various research done previously. This chapter will contain comprehensive summary regarding the study and its connotation for the research question.

Education includes both the educating and learning of information, legitimate direct, and specialized competency. It accordingly concentrates on the development of abilities, exchanges or callings, and additionally mental, excellent and stylish advancement.

Education is fundamental to the social and monetary improvement of a nation. It assumes an essential part in limit assembling and hurries the development of the entire economy through abilities, learning, and imagination. With better instruction neediness and pay, the imbalance can be decreased, wellbeing status can be enhanced, and high administration can likewise be actualized for better arrangements. The disease effect of instruction figures it the first segment for approach plot. The more significant part of the world's kin living in creating nations requires rebuilding their training keeping in mind the end objective to upgrade their profitability in numerous divisions of the economy through giving exceptionally skilled workers and managing their improvement requirements for fast industrialization, which is additionally the need of great

The Impact of education on the Economic Growth

importance. The legislature is doing grave endeavors to liven up the amount and nature of training through arrangement of better instructive offices inside the base required time.

Fundamentally, the linkage between education and economic growth, conveyance of pay and lessened neediness is very much perceived. Learned and talented individuals through better training expect more from the general public and need high salary and better work openings. It applies to every one of the family units at the national level. All around, monetary between reliance is rising, and information based instruction for financial development has likewise expanded the quality of training and the cost aligned with shortages of training.

2.2. Education in the United Arab Emirates

A specific connection amongst economic growth and education is congenital. Education and preparing are significant determinants of expanding profitability, and as a determinant emitting evolution. Education is viewed as an essential component in establishing the critical aptitude levels for development and modernism in the United Arab Emirates. The U.A.E Government provides free education to all U.A.E residents, and Arabic-talking offspring of exiles utilized in people in general division.

Educational foundations in the United Arab Emirates comprise of private schools, public schools, military schools, advanced education and professional preparing foundations. The current instructive structure was set up in the mid-1970s and consists of a four-level framework covering 14 years of training, as follows:

- Kindergarten (4– 5 years of age)
- Primary Education (6– 11 years)

The Impact of education on the Economic Growth

- Intermediate Education (12– 14 years)
- Secondary Education (15– 17 years)

For advanced education (i.e., undergrad, Master and Ph.D. programs) UAE residents are qualified to decide between getting an education in abroad through a liberal grant framework or Emirates University. Elementary school education is necessary for all U.A.E residents. The Higher Colleges of Technology, situated in a few Emirates, were built up in 1988 and are gone for offering three-year courses in specialized preparing in aptitudes, for example, accounting, aviation technology, banking, computers, information systems, business administration, engineering, and health sciences.

In his compelling article, Schultz (1961) focused on the part of education being developed. He sustained that knowledge could be considered as a procedure of collecting capital, which could build a specialist's efficiency and pay. He alluded to this interest in education as an interest in 'human capital.' Human capital is characterized as a gainful speculation epitomized in HR. Enhanced abilities and well-being result from consumptions on education, preparing projects, and therapeutic care. The ability level of the workforce in any economy is a determinant that has a vital bearing on financial execution (Chatterji, 1994).

Carnoy (1967) reasoned that income and education are very corresponded at both social and individual levels. Individuals naturally perceive this reality and therefore endeavor to evolve as educated as could reasonably be expected. The additional tutoring and endorsements individuals can aggregate, the better will be their odds of acquiring secure and better-paid employment. This want for generously compensated employments has made interest for

The Impact of education on the Economic Growth

education as a mean of the betterment of the economy. On the side of supply, a nation's political organizations decide:

- The amount of schools and classrooms at the primary, secondary, and college levels.
- Who obtains education at these schools.
- The sort of training and directions (values, states of mind, thoughts, and desires) understudies get.

2.3. History of Education

Some education has been accessible since antiquated circumstances. In England, there is a genuinely substantial number of schools which can follow their sources back to the times of Queen Elizabeth (albeit a preferably a couple of considerably more seasoned than the rule of King Edward VI). By the by, the development of education is to a great extent something which has occurred over the most recent 200 years. In the United Kingdom, the primary school did not end up noticeably obligatory until 1870. Extremely constrained free education on the secondary level was presented in 1907, and it was not until 1944 that comprehensive free optional training was given. Just a little minority profited from tertiary instruction until practically the finish of the twentieth century. Not at all like with primary and secondary education, there is, be that as it may, a vivacious open deliberation about what level of access is attractive. The historical backdrop of education as a sorted-out train is unmistakably connected with the ascent of the modern educators school, and the cutting edge division, school or personnel of instruction inside colleges. These organizations emerged in the late nineteenth and mid-twentieth hundred of years. The educational module of these establishments was apparently established on the confidence in

The Impact of education on the Economic Growth

the likelihood of an exploration of teaching method, and the conviction that examination in instruction could prompt the change of schools, educational systems, and the enhanced learning of people and gatherings. The primary setting of such exertion was the ascent of modern state educational systems. The association and administration of such frameworks required the collection of an extensive variety of information and its elucidation (Green, 1990).

Easterlin (1981) calls attention to it in 1850, not many individuals outside of North America and North-Western Europe had any academic education. Indeed, even in 1940 that was still valid in Africa and quite a bit of Asia and Latin America. The spread of proper school appears to have gone before the start of present-day financial development. It is likewise genuine that, in a few nations, there have been sudden increments in tutoring which are not trailed by surges in monetary advancement. Moreover, Easterlin recommends some confirmation that the sort of coaching is vital. Education in Spain was firmly reserved by the Church and concentrated on oral guideline in religion and a couple of manual aptitudes. Lack of knowledge stayed overflowing in spite of the level of school participation. He contends that it was the blend of instruction and Protestant Christianity which was in charge of the financial achievement of nations in North-Western Europe and their branches when there was a minimal monetary improvement somewhere else. The connection between primary instruction and the Reformation can be derived from the perception over that few schools originate before this. Tutoring may have various outcomes for people and society. For some individuals, there is some utilization esteem from the instructive procedure. People are new animals and appreciate learning and gaining further information. Notwithstanding concentrating on the speculation angles, the instruction may empower individuals to all the more thoroughly enjoy life, acknowledge writing and culture, and be more educated and socially-included natives. In spite of the fact that these

The Impact of education on the Economic Growth

and other potential results of tutoring are essential and ought not to be overlooked, the outcomes of instruction for employability, efficiency, and income are likewise of generous significance.

2.4. Education Restoration

An excellent report was given by Mincer (1974). He took a gander at singular income as a component of years of education and furthermore different factors, for example, experience and age. He found that for white guys not rendering their services at ranches, an additional time of training raised the profit of a person by around 7%. In any case, income had all the earmarks of being an expanding direct and diminishing the quadratic capacity of years of work. At the point when recompense was made for this, the arrival to a year's education expanded to 10.1%. The presentation of a quadratic impact in school and a cross-item term amongst training and experience recommended a more muddled example of profits yet indicated the beginning times of instruction being more important than the later stages. The figures of 7% or 10.1% exaggerates the arrival to society from putting resources into additional preparation for a person. It overlooks the cost of giving the education, the loss of income coming about because of time spent being instructed and the way that the advantages of instruction may rot with age and positively vanish once an individual resigns from the work compelling. Also, the investigation may be taken to induce that everybody is homogenous. The advantages of additional training is extraordinary for various people. Individuals can complete their practice at the time when the other expenses recently adjust the expected return of supplemental instruction to them. Given this suspicion, the figure measures the average performance every time of education up to the time when the peripheral come back to training just equivalent the minor advantage recognized by the person. With the reasonable presumption of declining negligible impacts of education, it

The Impact of education on the Economic Growth

takes after that this figure must be higher than the incremental gain of an additional knowledge of a year.

Psacharopoulos (1994) gives a universal study of rates of come back to instruction. The figures cover seventy-eight nations. They indicate back to necessary training going from 42% p.a. in Botswana to just 3.3% p.a. in the previous Yugoslavia and 2% p.a. in Yemen. The biggest rebound for secondary education was 47.6% p.a. in Zimbabwe, tumbling to just 2.3% in the previous Yugoslavia. The range for higher education was to some degree smaller, between - 4.3% p.a. in Zimbabwe and 24% p.a. in Yemen. It isn't evident that much can be gained from this individual information, yet totals, either by area or by pay level can normal out a portion of the fluctuation in the individual returns. In this manner, Psacharopoulos cites the accompanying returns by salary level

Salary Band	Social Rate of Return (% p.a.)			
	Income Mean	Primary	Secondary	Higher
Low Income (< \$610)	\$299	23.4	15.2	10.6
Lower middle income (\$610-\$2449)	\$1402	18.2	13.4	11.4
Upper Middle Income (\$2500-\$7619)	\$4184	14.3	10.6	9.5
High Income (> \$7619)	\$13100	n.a	10.3	8.2

The Impact of education on the Economic Growth

World	\$2020	20.0	13.5	10.7
-------	--------	------	------	------

Table 1: Education Restoration Rates

2.5. Significance of Education

Education is the thing that spots us in the public eye. It's how individuals encompassing know one ought to be dealt with by one's exercises which can be made by measure of information he or she has. Instruction isn't merely an issue of preparing the brain. Preparing makes for proficiency, however it doesn't realize fulfillment. Learning and effectiveness are fundamental which raises the training. No individual can make do without appropriate instruction. By methods for education, just a single's potential can be utilized to the highest degree. Education advises men how to think, how to work legitimately and how to decide. Through training just, a single can make isolate characters. It is the most imperative thing in life like our fundamental needs, sustenance, garments and asylum. Instruction shapes your life. It picks your confidence. With it, we can do the most things of the things individuals less instructed than us could do. Training isn't something that originates from sluggishness or something anyone can purchase at whatever point one might want. Instead, we need to acquire it.

The examination of the nexus amongst economic advancement and education has a long history. Adam Smith (1937), Schultz (1961) Marshall (1930) and others, underscore the significance of education as a national venture. In its broad frame, instruction alludes to the way toward giving information and gaining learning and aptitudes about thoughts, qualities, and ideas, borne out of education, practice, and experience. Knowledge can be granted to or imparted to others through formal and casual institutional courses of action, for example, schools. Each

The Impact of education on the Economic Growth

human undertaking requires some learning. It is the correct sustaining, transmission and use of such knowledge that ensures the improvement and sustenance of individual social orders (Abiodun, 2002). Education is central to the procedure of country constructing and ought to be given outstanding quality in the advancement endeavors.

The preparation of a human personality is deficient without education. Only because of education a man can get data for outside humankind to tell him with past and got essential data concerning present. Training is required for society. Man can't be considered merely regarding his natural presence. Instruction brings to the social part of man. A few examinations have analyzed the development instructive capital linkage experimentally. The more significant part of these studies are cross-sectional including creating, and created nations and there exists a little writing on the single-nation approach. All the more so the outcomes differ contingent upon the model particulars and the informational indexes being used. Despite the exact model that is received, there is by all accounts solid confirmation that higher education information sources increment profitability and financial development. In the wake of studying the experimental writing from an extensive variety of details, Akram and Pada (2009) exhibit a little diagram of the investigations led to the connection amongst instruction and financial development execution. A general accord which rises out of the survey of writing is that there exists a positive relationship amongst education and increase in economy.

A considerable number of researchers assume that human capital and work age has a positive fundamental relationship, putting particular complement concerning guideline on budgetary advancement. Blessed messenger de la Fuente (2003), affirmed this link by using Cobb Douglas creation limit and data from EU countries. The results show that with the average years of coaching for every additional year, the work benefit in the EU countries will be

The Impact of education on the Economic Growth

extended by 6.2% given the progression of coherent and mechanical progress, and the standard years of mentoring for every additional year may bring whole deal money related advancement of 3.1%. Afrooz et al. (2010) moreover examined the piece of the human capital on work productivity in support endeavors of Iran over the season of 1995-2006. The results show that preparation has a positive and essential effect on work productivity. Aggrey and Joseph's examination (2010) of East African gathering firms show that the standard preparing level is insistently associated with work effectiveness. Using the board data of 10 made and ten making countries, Sonmez and Sener (2009) found that preparation human funding to add to the money related improvement in both buildings and set upvote based systems.

Despite what might be expected, a few researchers contend that human capital has no advancing impact on work profitability (Kruegar, 2001). Bils and Klenow (2000) asserted that the part of human capital is misrepresented, and the substantial effect isn't huge. Vandebussche (2006) considered the impact of various parts of the human capital, utilizing information of 19 OECD nations amid 1960-2000. Partitioning the effect of human capital on two sections: impersonation and advancement, he found that it was the human capital with advanced education, as opposed to the average human capital, that had a critical advancing impact on add up to factor efficiency (TFP). Moreover, the advancing effect of essential instruction in created economies isn't self-evident. Some different researchers trust that the connection between human capital and commercial development is unverifiable. Mamuneas (2006) and mixed researchers contend that from the little perspective, an expansion of human capital can advance financial advancement, in any case, the outcomes aren't clear while examining from the naturally distinct point of view.

2.6. Impact of Secondary School Enrollment

Gylfason and Zoega (2003), inspected the effect of gross optional school enrolment, open consumption on education in respect to national wage and expected a long time of tutoring for young ladies to the appropriation of pay as measured by the Gini coefficient and in addition to financial development crosswise over nations. The examination found that these measures of education are identified explicitly with salary fairness. It considers likewise that progressively, and better education seems to energize financial development individually and also in a roundabout way through expanded social uniformity and attachment. Gradually and better training financed by open consumption can support the commercial growth and diminish imbalance in the appropriation of pay too. The investigation infers that instruction energizes economic development by expanding and enhancing human income as well as social and physical capital. On the off chance that spending on education conveys returns or something to that effect, similarly as expenditures for settled capital, at that point, it is sensible to discuss putting resources into money, as the partner to putting resources into settled capital. The procedure of education can be dissected as a venture choice.

2.7. Impact of Education on Economic Advancement

Ararat (2007) examinations the part and effect of education on financial development in the two most prominent economies of the former Soviet Bloc, to be specific, the Ukraine and the Russian Federation. The examination endeavors to gauge the noteworthiness of various instructive levels, including free and higher education, for starting generous monetary development that now happens in the two nations. This investigation evaluates the model of endogenous fiscal development and the arrangement of straight and log-direct conditions that record for many time slacks in the likely effect of advanced education on financial growth. The

The Impact of education on the Economic Growth

model estimation demonstrates that there is no massive effect of instructive achievement on economic development. The outcomes from the arrangement of conditions show that an expansion in access of populace to advanced education brings positive results for the per capita GDP development in the long haul. Expanding the quantity of school instructed pros prompts manageable financial growth. Advancing nations, where more significant part of the world's populace dwells, need to update educational approaches for advancing efficiency in various parts of the economy by growing very skilled labor and tending to their improvement requirements for fast industrialization. The legislature is endeavoring sincere endeavors to enhance the amount and nature of education by upgrading educational offices inside the base likely time.

Jorgenson and Fraumeni (1992) utilize development bookkeeping philosophy in a third era system to show that interest in human and physical capital records for a considerable extent of development in both the instruction and creation divisions of the US economy over the post-war period. In particular, the event in labor input is considered responsible for a little more than 60% of general financial development and increments in labor quality (instruction and preparing) clarify somewhere in the range of 42% of this work commitment. The connection between likely work compel quality, and financial development is maybe significantly more critical than the effect of human capital and school quality on singular efficiency and wages. Monetary growth decides how much change can happen in the general way of life of a broad public. Besides, the instruction of every individual has the likelihood of improving others off notwithstanding the distinct advantages just talked about. In particular, a more taught society may convert into higher rates of development, higher overall profitability through firms' capacity to present new and better creation techniques and speedier presentation of innovation. These externalities give additional motivation to being worried about the nature of education.

2.8. Impact of Education on the Growth in Income

Self and Grabowski (2004) analyzed the effect of education on pay development in India by sorting the school into the essential, auxiliary, and tertiary to decide if training, for every classification, casually affects development. Moreover, the training factors are additionally separated by sex and examination is done to determine if the easygoing outcomes change by sexual orientation. The results show that essential instruction has a fixed amiable effect on development than the impact for auxiliary training. Besides, it is evident that female training at all levels has the potential for producing financial growth while guys casually affect development just at an essential level. Individuals with just insufficient education frequently think that it's hard to work at all in propelled social orders. Education is required for individuals to profit by logical progress as well as to add to it. Numerous people put resources into education in the conviction that doing as such will yield future advantages, for example, more noteworthy business openings, higher income and all the more intriguing and fluctuated vocations. So also, numerous open arrangements urge singular subjects to expand their instructive fulfillment and improve their aptitudes and learning. Expanded educational achievement and abilities are not esteemed for their particular purpose but rather frequently because they are accepted to bring about better work market and social results.

2.9. Implications of Human Capital Investment

Bakare (2006) explored the development ramifications of human capital interest in Nigeria utilizing vector autoregressive mistake remedies component. The investigation uncovered that there is a hugely useful and institutional connection between the investments in human capital and financial development in Nigeria. It was discovered that 1% fall in rational

capital speculation prompted a 48.1% fall in the rate of expansion in net residential yield in the vicinity of 1970 and 2000.

2.10. Relationship Between Education and Economic Growth

Babatunde and Adefabi (2005) examined the long-haul connection amongst training and financial development in Nigeria in the vicinity of 1970 and 2003 through the utilization of Johansen cointegration procedure and vector blunder remedy system. Their discoveries uncover that the Johansen cointegration result sets up a long run connection amongst training and financial development. An accomplished work compel appears to altogether impact economic growth both as a factor in the generation work and through aggregate factor efficiency. Despite what might be expected, Ayara (2003) given proof on the connection between the Catch 22 of instruction and financial development in Nigeria utilizing the standard development bookkeeping model. The discoveries recommend that education has not had the typical positive development effect on economic growth.

Stevens and Weale (2003) decided a connection amongst instruction and financial development through the parameters of the wastefulness demonstrate. They utilized miniaturized scale and large-scale level information. At small scale level if people get the advanced education they will likewise get a higher wage. However, at full-scale level investigation demonstrated the comparable level of profits extended from 6-12 percent for every annum.

2.11. Significance of Education in Different Aspects

Temple (2000) inspected the significance of training on financial development. He saw that there is more prominent advantage of education coming about high profitability, thinking

The Impact of education on the Economic Growth

about positive impact economic development. Also, he stressed that the school has the focal part in the improvements of various segments of the economy.

Kerr (2001) clarified the significance of the education in creating financial development in his paper. This gathering will be a hotspot for uniting unique perspectives on instruction strategy outlines. In outlining training strategy, the issue isn't through which this approach will actualize, and the point is the arrangements ought to be an impression of best advances the nation's financial and social objectives.

Papademos (2007) contended that education assumed a huge part for the improvement of monetary market in Europe. He saw that training can additionally contribute with the usage of important measures to improve the amount and nature of instruction in Europe.

Obradovic in his investigation set up a relationship among instruction, human capital, and financial development. The training itself speaks to one of the essential parts of the personal money, which is a vital factor for demonstrating the economic growth. The role of education isn't just to instruct individuals yet, also, make and build up individual's ability for advancements, with a specific end goal to give successful help to the procedures of financial improvement. Besides, he included that instruction yield can be characterized as an error between the expansion in wage that one specialist gets and the bases of one year of tutoring contrasted with others.

2.12. Economic Advancement and Innovation

The significance of financial (development in normal expectations for everyday comforts) merits accentuation. Indeed, even clearly little contrasts in development rates will, on the off chance that they persevere over broadened timeframes, make colossal distinctions to the

The Impact of education on the Economic Growth

expectations for everyday comforts of the average national. Hence numerous financial experts have noticed that understanding the determinants of long-haul development is a standout amongst the unique monetary issues.

A focal principle of the new development hypotheses is that information creation and advancement react to financial motivations, and would thus be able to be affected by explicit strategy. The instruction and expertise development frameworks assume a vital part in encouraging advancement and propelling information. There are three primary measurements to this section. One is identified with the examination capacity of instructive foundations, especially colleges. Such research can be a vital wellspring of new thoughts and advances in information. Alternate measurements are identified with the showing capacity of colleges and universities. These instructive organizations prepare vast numbers of the researchers and specialists who will make future revelations. They likewise assume a focal part in the exchange of aggregated learning to new ages - in science and building as well as over an extensive variety of fields of study. The human capital of the workforce is in this manner viewed as a significant factor encouraging the selection of new and more beneficial innovations.

Broadening is imperative to advance economic improvement, to make openings for work for a quickly developing neighbourhood compel, yet additionally to lessen or spread the danger of a high financial fixation, which creates an economy helpless against outer occasions, for example, changes in the cost of the occupying item. An expanded monetary expansion can enhance the execution of the economy and limit instability and support the way of a possible advancement. All the more particularly, general uncertainty and its subsequent overflow impacts can be alleviated with the compelling improvement and broadening of high-esteem included generation and expansion of fares of administrations and products of high calibre. It is

The Impact of education on the Economic Growth

outstanding that cutting-edge development financial matters have concentrated on mechanical advancements and top innovation innovative work as the motor elements for economic development; specifically, endogenous development hypothesis features the significance of mechanical advance and efficiency of components (Helpman, 2004). Different lines of research have focused on likewise the part of organizations as a critical reason for long-haul development (Acemoglu et al., 2005). Late advancement encounters recommend that a suitable business condition is among the essential elements of possible improvement.

2.13. Conclusion

Taking everything into account, the discoveries from the overview of writing bolster the idea that training matters for economic development and advancement in both the created and creating nations. Moreover, as a nation, the interest in instruction is liable to asset imperatives, in this way, we have to set up the venture needs of all levels of training. Therefore, considers that investigate the impact of various level of instruction on financial development is required. This article broke down the effect of exercise on economic advancement by building a hypothetical model where well-being, guidance and different variables that influence commercial development are likewise presented. On this premise, it additionally researched the three-diverse effect of essential, auxiliary and advanced education on financial growth.

CHAPTER 3

3.0: ECONOMIC ADVANCEMENT IN THE UNITED ARAB

EMIRATES

3.1. Introduction

This chapter takes account of the economic development of the United Arab Emirates over the years. Thirty years prior, the United Arab Emirates was one of the slightest created nations of the world. Today, it has accomplished a salary level similar to that of the industrialized countries. The UAE did not go through the academic improvement arranges that most created nations appear to have encountered. Or maybe, its high oil incomes have enabled her to jump these phases to the phase of high mass utilization. Gigantic oil incomes have empowered the United Arab Emirates to easy route the typically troublesome and lengthy procedure of sparing and capital collection vital for monetary advancement.

The United Arab Emirates' economy, similar to others oils sending out nations, confronted extensive oil value unpredictability in the 1990's. In any case, in that decade the UAE encountered a genuine GDP development which midpoints around 7 for every penny. Quite a bit of this growth was made through expansion in non-oil segments: to start with, in vitality escalated, petrochemicals, composts, concrete and aluminum, and along these lines in tourism, exchange and assembling (Yousef, 2004). Along these lines, the UAE has been following a to a great extent fruitful broadening system far from oil reliance and has been similarly dedicated to its outward orientated development arrangement. The previous UAE vision intended to

The Impact of education on the Economic Growth

characterize the UAE's economy as a local budgetary focus and universal exchanging center has step by step been figured it out. High capital efficiency has separated into massive amounts of GDP, and the nation delighted in attractive development rates additionally in the period 2000-2005. However, work profitability remained low in the country, and aggregate factor efficiency gave an irrelevant commitment to financial development. Because of the absence of residential high-innovation segments, UAE went for obtaining and getting to outside innovation, specifical innovation from the very industrialized OECD nations, rather than producing its change.

3.2. Economic Advancement in the United Arab Emirates

The United Arab Emirates in the post-worldwide emergency are tested, in this way, by a weaker worldwide request, yet also by rivalry from different nations and more stringent universal money related markets. One of the principal lessons of the current global financial emergency for the developing business sector economies, similar to the United Arab Emirates, is that supported monetary development, later on, would require building up a superior ability to react to future emergencies through more vigorous administrative frameworks and a more expanded economy. Be that as it may, the UAE in the most recent decade encountered some relative change in its non-oil areas, accomplishing the objective of being the second most significant Arab economy and, as of late, the nation has been positioned as the seventh most grounded Asian economy. Table 2 demonstrates rates of progress in the UAE at steady costs (2007) over the timeframe of 2005-2010. The standards of achievement are alluded to the GDP of the aggregate economy, to the Value Added of Non-Oil division, and Value Added of Manufacturing Industries.

<u>Table 2: Rates of Change at Constant (2007) Prices 2005-2010</u>						
United Arab Emirates	2005	2006	2007	2008	2009	2010

The Impact of education on the Economic Growth

GDP Total Economy	4.9	9.8	3.2	3.2	-4.8	1.3
V.A Non-Oil Sector	6.4	9.0	9.3	6.0	-2.9	1.4
V.A Manufacturing Industries	6.6	7.3	1.9	10.3	-14.1	6.9

Source: UAE National Bureau of Statistics, National Accounts Division

Amid the years going before the global monetary emergency the UAE's economy was performing genuinely well. The United Arab Emirates GDP Growth Rate achieved an unequalled high of 9.8 percent in 2006. While in the following two years; 2007 and 2008 the pace of development has decreased to 3.2 percent at steady costs. The Non-Oil segment encountered a higher rate of expansion of 9.3 percent in 2007 and a decent 6.0 percent in 2008.

Alternately, the standard emergency has severely hit the United Arab Emirates economy, so the GDP contracted of 4.8 percent at consistent costs in 2009, drove by a severe fall in assembling, yet additionally in the land. The time of the emergency, i.e., 2009, hit more vigorously the economy all in all than the Non-Oil segment, which encountered a lessening of 2.9 percent. Be that as it may, the assembling businesses have especially endured with a decline of 14.1 percent. In any case, the economy recaptured certainty after the emergency. In 2010 the development of GDP was a respectable 1.3 percent at consistent costs. Moreover, as is recorded in the Annual Economic Report 2012 of the United Arab Emirates Ministry of Economy, amid 2011 the GDP has developed in the UAE at a rate of 4.2 percent at steady costs. Regardless of the political occasions in some Arab nations, the lower price of development of the worldwide economy from 5.2 percent in 2010 to 3.8 percent in 2011. The money related emergency at the Eurozone that decided a decrease in the GDP rate of development in the propelled economies to

The Impact of education on the Economic Growth

1.6 percent. Besides, the general population back are in decent well-being. In 2011 the public population obligation was 16.9 percent of GDP, though the Government's fiscal spending plan was more than 11.2 percent of GDP. Amid 2012 is enhanced further to 12 percent of GDP, due both to the repetitive counter approach actualized by the Government to maintain a strategic distance from potential spillovers from struggle stricken nations and to the blast of oil markets experienced in 2011. At long last, the recuperation of oil costs following the global monetary emergency has been keeping up the business suitability. Therefore, the UAE's economy has turned out to be astoundingly versatile to the challenges that have described the world economy; after the 2009 emergency, the UAE's Government has actualized some political change and more considerable interest in the less affluent Emirates.

Condition constitutes a subjective component of the development procedure. In UAE, there is an excessively incredible utilization of vitality, specifically oil, given its minimal effort, yet additionally of gas, that, in spite of the extensive interior creation, is likewise foreign by Qatar. Be that as it may, these natural assets are constrained, and their high utilization effects affect the earth, so another model of development should go for receiving inexhaustible elective assets. Moving towards a green economy may speak to a levelheaded and practical arrangement, in spite of the fact that it is exorbitant at any rate in the short run. As it were, today UAE is now a broadened economy, where non-oil divisions represent around 70 percent of the GDP. The enormous venture is being made in the area's foundation, regarding tourism, land, and relaxation, enhancing the economy. The wealthiest conditions of Abu Dhabi and Dubai have profited from the dominant part of this. In any case, the more impoverished northern emirates are additionally being created, with awards from focal government supporting the development of private and business properties, street and administration systems.

The Impact of education on the Economic Growth

In spite of the fact that the United Arab Emirates is in an applicable better financial state of a considerable lot of the Oil exporters nations of the area. Some of this advice fit splendidly to the circumstance of the country as, for example, the state of the work advertise and the sort of changes to expand the economic expansion. Looking to the future, by 2030 developing markets are relied upon to create 70 percent of world GDP development. The United Arab Emirates can be a hero of this normal pending situation. All depends on the direction that the UAE's economy will follow in the coming future. The UEA Vision 2021 as of now outlines an all-around characterized way towards a differentiated learning economy, be that as it may, as it has been contended in the former segment, the UAE's economy must satisfy certain conditions and it ought to recognize new business areas for its expansion.

Notwithstanding, regardless of the remarkable achievement of the United Arab Emirates in assembling an ideal business condition for development and own division advancement with negligible limitations on private-part exercises, universal exchange, and capital developments, there are territories where considerably more should be finished. Precisely, the general speculation administration stays prohibitive. To proceed with the procedure of broadening and improvement Government strategy should go for advancing development and market complexity through suitable administrative frameworks. This should be possible, for example, by issuing stable purchaser assurance laws, issuing venture laws, taking care of the issue of the entrance to business arrive and land-related other problems, making a more proficient and straightforward access to fund. Different financial strategies should keep supporting a stable macroeconomic condition, to advance the preparation of skilled work compel, to execute a productive open division and furthermore to put a more prominent accentuation on making a domain helpful for business, specifically to the little and medium ventures.

The Impact of education on the Economic Growth

Amidst the business divisions, tourism is now a vital segment of the UAE's economy. In 2011, 8.2 million abroad guests searched out the UAE as an occasion goal. Just the commitment of Hotel and Restaurant area to add up to GDP in 2011 has been equivalent to 2 percent. For quite a while, in Dubai, the experts have considered global tourism as a central component in their program of monetary enhancement. Tourism is firmly fixing to propels in transport and simple access via air; the UAE is capable today of giving a fitting and present-day interchanges foundation, with the general aeronautics industry that has advanced at speed. In any case, the UAE must attempt to keep up a high development of the UAE as a touristic goal, by expanding the length of stay, filling costly inns and relaxation settings, yet it ought to likewise endeavor to build up a tourism industry that is financially and naturally practical. Sadly, the UAE is producing the most elevated carbon impressions per capita on the planet. So the development out of extent of tourism will prompt condition disintegration, which, like this, ruins the characteristic excellence of the goal, subsequently turning into an ugly decision for the potential visitor. Along these lines, an improvement model of tourism that goes towards the green economy is predictable with the monetary needs and the earth.

3.3. Conclusion

The United Arab Emirates economy will keep on relying on the hydrocarbons part to drive development, yet the non-oil area is ending up progressively essential. On account of the significant modern tasks that will go ahead stream in the following years and to its 2021 Vision, which intends to put advancement, research, science, and innovation at the focal point of learning based very profitable and competitive economy. UAE remains the best goal for foreign capital in the GCC district. Since 2009, universal banks have expanded loan to the United Arab Emirates, despite officially high exposures. Additionally, the UAE when all is said in done, and

The Impact of education on the Economic Growth

Abu Dhabi specifically, have vast sovereign riches stores, set up to secure and keep up the future welfare of Emiratis, assuming a central part likewise in the advancement and administration of the business.

In spite of the majority of that UAE's Government ought to enhance the administrative frameworks. More ought to be done, particularly concerning the general speculation administration that remaining parts prohibitive. The target of macroeconomic security, through dominant financial, monetary and swapping scale control approaches, is additionally necessary to actualize auxiliary changes and to encourage the activity of speculators. In spite of the fact that, in the current monetary situation, it is conceivable that there could be issues of expanding financing costs because of the extended worldwide hazard avoidance impacted by the geopolitical strains in the neighboring nations and the money related problems in the eurozone.

The working of work showcase must be enhanced, so to make conceivable to make more profitable business. Likewise, add up to factor profitability must be expanded to encourage development. Similarly, the sexual orientation hole must be passed inside a timeframe not very long, and the young ages should discover more open doors for enterprise and business exercises. Since the critical drivers of a created information economy are innovation, advancement and excellent training, at that point innovative work must be at the focal point of government strategies of the UAE, and also advanced education. Also, the ecological approach is another important angle for executing another development demonstrate.

CHAPTER 4

4.0: METHODOLOGY

4.1. Introduction

This section of the paper contains information about the strategies and techniques we will use to control our investigation and address the raised issues. We will clarify the testing procedures, and the techniques to assemble primary data and secondary data for the paper.

4.2. Methodology

For this paper, we will utilize quantitative and qualitative techniques for study. Quantitative information is less soliciting to examine for the followers since it portrays the data as figures and numbers that are immediate. Qualitative data is ordinarily used to clear up suppositions through gatherings and reviews.

4.3. Qualitative Research

We can investigate a comprehensive exhibit of measurements through qualitative research of the social world, including the surface and weave of ordinary daily existence. The understandings, encounters, and imaginings of our exploration members, the ways that conventional procedures, organizations, talks or connections work, and the centrality of the implications that they create. Qualitative research will be utilized to concentrate on the graphic piece of the examination to pick up a comprehension of hidden reasons, assessments, and inspirations. Qualitative information accumulation strategies incorporate concentration gatherings and individual meetings.

4.4. Qualitative Research

We can explore an extensive display of estimations through qualitative research of the social world, including the surface and weave of the current day by day presence. The understandings, experiences, and imaginings of our investigation individuals, the ways that regular methods, associations, talks or associations work, and the centrality of the suggestions that they make. Subjective research will be used to focus on the realistic bit of the examination to get a perception of concealed reasons, evaluations, and motivations. Qualitative data collection systems consolidate focus social occasions and private gatherings. Subjective research is multimethod on the inside, including an educational, sensible approach to manage its point. It infers personal experts analyze things in their standard settings, trying to understand or decode, wonders the extent that the implication people exchange to them (Denzin and Lincoln, 1994).

4.5. Method of Collecting Information

For this research paper, we are utilizing secondary research. The secondary data will be collected from journals, academic papers, and online research over the internet. The information on past deals likewise has been gathered.

4.5.1. Primary Data Collection Approach

Primary data will be information assembled by a professional, specifically for this research purpose. Primary data will be information compiled because nobody has collected and distributed the data in a discussion open to people in general. Primary data is the information gathered for particular research objective (Hox and Boeije, n.d.). Different methods collected the primary data, for example, a survey will be conducted in which a questionnaire was distributed amongst the people. We've utilized survey strategy as it'll enable us to gather the information

required for running tests fitting to our exploration. The questionnaire was developed in a way that concentrated on withdrawing data about the respondent's range of work and their supposition

4.5.2. Secondary Data Collection Approach

Secondary data are the information compiled by a group not identified with the exploration think about but instead collected this data for some other purpose and at different time before. If the researchers utilize this information, then these end up noticeably secondary information for the contemporary patrons. These may be available in created, composed or in electronic structures. Subsidiary data is gathered for the other reason and reused in various studies (Hox and Boeije, n.d.). Secondary information proposes second-hand information which is assembled and recorded by any individual other than the customer for a reason, not relating to the ebb into the issue. It is the instantly open kind of data accumulated from various sources like censuses, government creations, inside records of the affiliation, reports, books, journal articles, destinations and so forth (Surbhi, 2016). The secondary information offers a couple of points of interest as it is effectively open, saves time and cash of the authority. For secondary research for this paper, information will be gathered from information available on the internet, journals, academic papers, and daily paper articles on the components influencing the economy.

4.6. Sampling

Sampling is a procedure of picking an agent test from an intended interest group that is under thought in the investigation. Sampling should be possible in different courses, concerning our examination we will utilize non-likelihood inspecting. Non-likelihood testing is an examining method where the specimens are accumulated in a procedure that does not give every one of the people in the populace square with odds of being chosen. Non-likelihood examining

The Impact of education on the Economic Growth

should be possible in various courses, for example, portion, comfort, and judgmental inspecting. To assemble information for our exploration, we've utilized convenience examining as that was the most financially stable, efficient and pertinent strategy we could've used.

4.7. Nature and Method of Study

Research configuration is an important rule to make the stream of investigating procedure to be efficient. Hardly any angles that include in this exploration configuration are information gathering, handling, what's more, written work of the report. It is done from the examination issues, and research means to see on education and economic growth and financial development.

4.8. Research Analysis Technique

The method used for analysis of data utilized as a part of this exploration is a quantitative strategy through the survey frames which are disseminated to the 100 chose respondents. It is to pick up data from the respondents about the connection amongst education and economic growth in adding to financial development. The survey shape is the instrument utilized by the analyst to gather information on few segments and components that suits the motivation behind this exploration. The elements in the survey shapes are finished by alluding to the poll from past specialists and adjusted by the reasonableness of flow consider targets.

4.9. Hypothesis

For this research, I have developed the following hypothesis:

H₀: There is a positive relationship between education and the economic growth.

H₁: There is a negative relationship between education and the income of the individuals.

4.9. Research Prototype

This study utilizes various undeviating models. There are two independent variables, education level and income, and one dependent variable that is economic growth in this model.

Independent variable: Education level (A_1), Income (A_2),

Dependent variable: Economy growth (B),

The multiple linear equation of this model is:

$$B = \beta_0 + \beta_1 A_1 + \beta_2 A_2 + \mu$$

Where,

B = Economy growth,

A_1 = Education level,

A_2 = Income,

μ = Error,

β_0 = Point of interception,

β_1, β_2 = Partial coefficients to A_1 and A_2 .

Numerous analysts (Afza and Nazir 2007; Obradovic 2009; Babatunde and Adefabi 2005) contended that the nature of tutoring is essential than the amount measured, for instance, achievement years. The most usually utilized pointers for instruction are school enlistments as a proportion to add up to utilized work constrain, grown-up proficiency rate, trades at a level of GDP, work compel interest and wellbeing.

4.10. Method used to Analyze Data

Information is examined by utilizing measurable examination given the react from polls. The product used for the information investigation is Statistical Package for the Social Sciences (SPSS) adaptation 22. This product helps during the time spent elucidation of the gathered information with a specific end goal to test the centrality of the dependent variable and independent factor precisely. There are two sorts of test that will be completed in this examination to be specific regression test and Pearson correlation test.

4.10.1. Regression Test

Regression test examines the extent of the connection between one dependent variable and more than one independent factor. The area between the dependent variable and independent elements depends on the estimation of R^2 . R^2 or the deciding coefficient is the proportion of progress of the reliant variable, economy development (B) which is clarified together by the independent factors, education level (A_1) and income (A_2).

4.10.2. Pearson Correlation Test

Pearson's correlation coefficient is the examination insights that measures the actual relationship, or relationship, between two nonstop factors. It is known as the best strategy for measuring the relationship between elements of intrigue since it depends on the technique for covariance. It gives data about the size of the affiliation, or connection, and besides the heading of the relationship. Correlation assesses the extent/quality of at least two factors. The relationship investigation does not consider which variable that impacts it. The quality of association depends on the estimation of r . The higher correlation coefficient, r demonstrates a stable positive relationship as the esteem approaches +1.

CHAPTER 5

5.0: PRIMARY DATA RESEARCH ANALYSIS

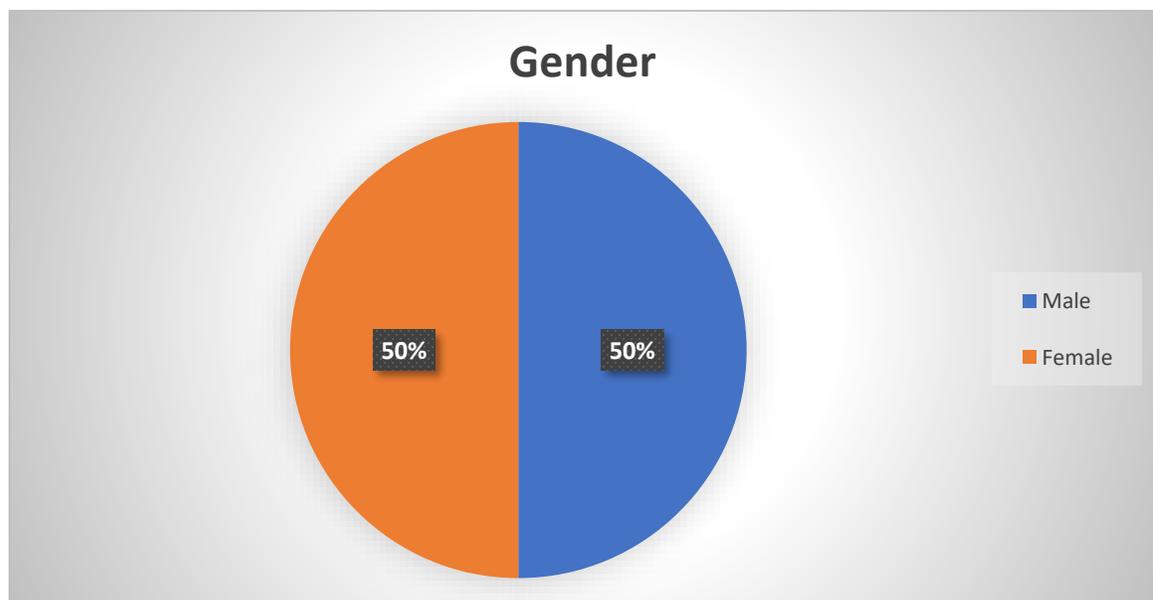
5.1. Introduction

The following chapter includes analysis of the survey that was conducted regarding the impact of education on the economic growth. The sample size of the investigation was chosen based on area under study. The field under study people working in United Arab Emirates. Therefore, the target audience was the individuals working in different organizations in UAE.

5.2. Survey Analysis

The survey was conducted online through google forms from the respondents. The analysis of the responses is demonstrated in the form of pie charts, histograms, and graphs below.

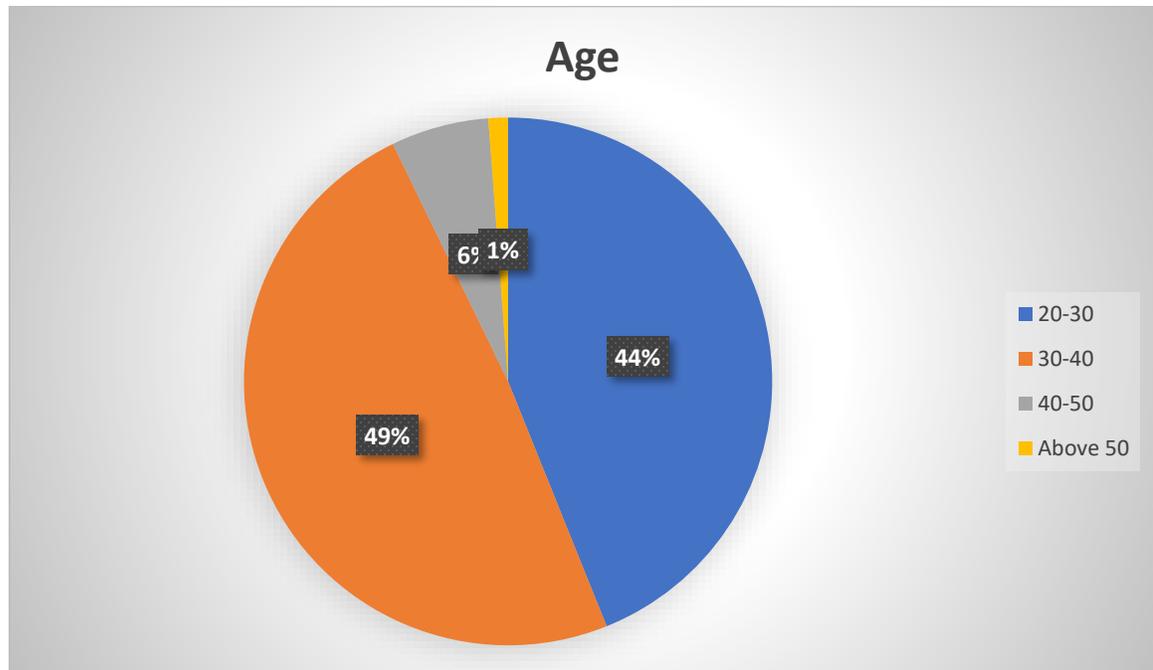
Question 1: Gender of the respondents.



The Impact of education on the Economic Growth

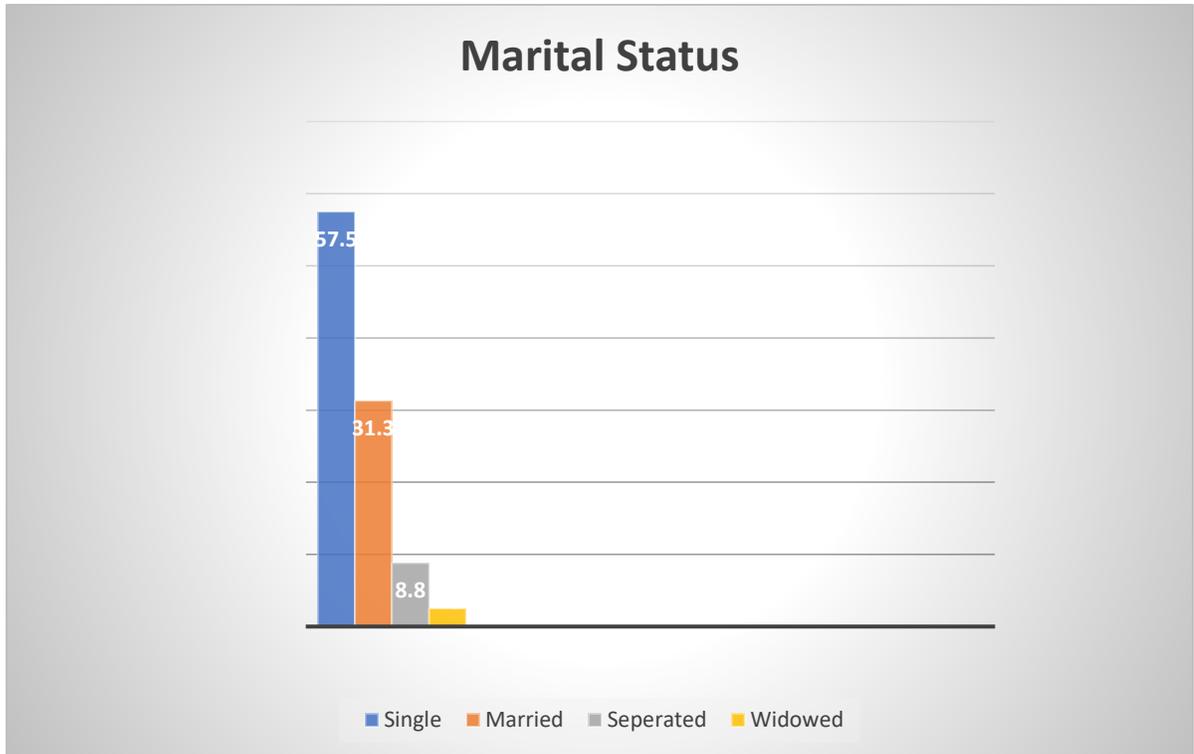
Eighty people took the survey. Amongst them fifty percent were males, and fifty percent were females. Hence, the survey has an unbiased opinion of both genders.

Question 2: Age of the surveyors.



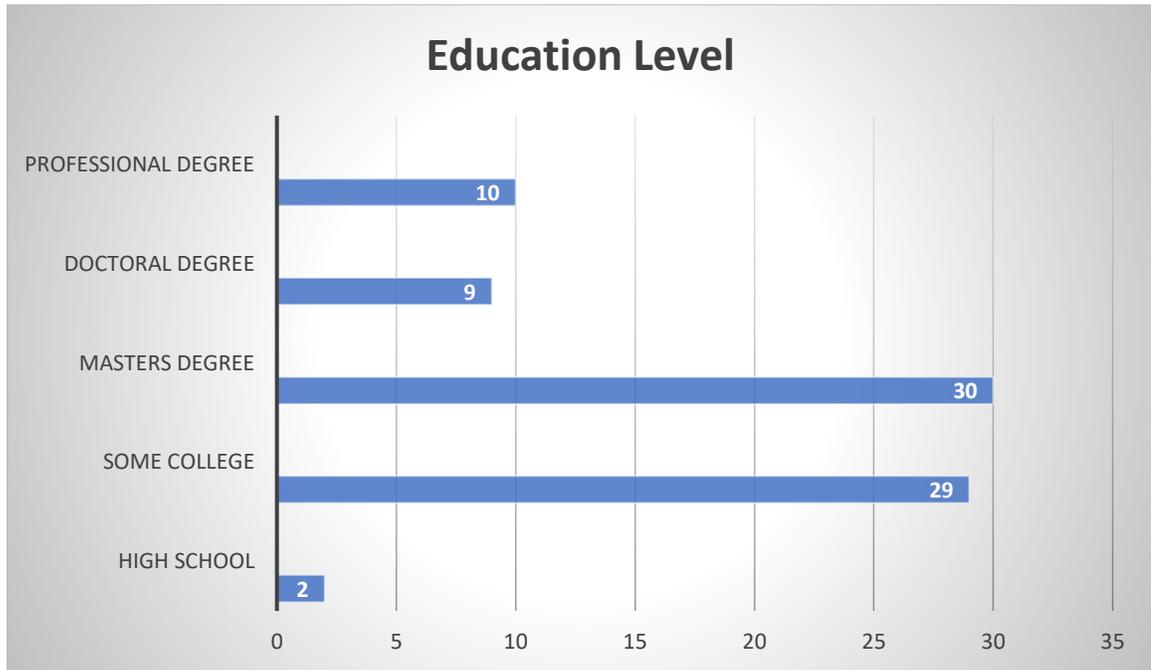
The second question was about the age of the respondents. The question comprised of four categories namely 20-30, 30-40, 40-50, and above 50. There was forty-four percent of respondents belonging to 20-30 age group. Forty-nine percent of individuals lies between 30-40. Furthermore, six percent people lie in the age group of 40-50. And there was only one individual amongst the people who took part in the survey who was above 50 in age. This signifies that the majority of the people who took part in the study lies between twenty to forty years.

Question 3: Marital Status of the respondents.



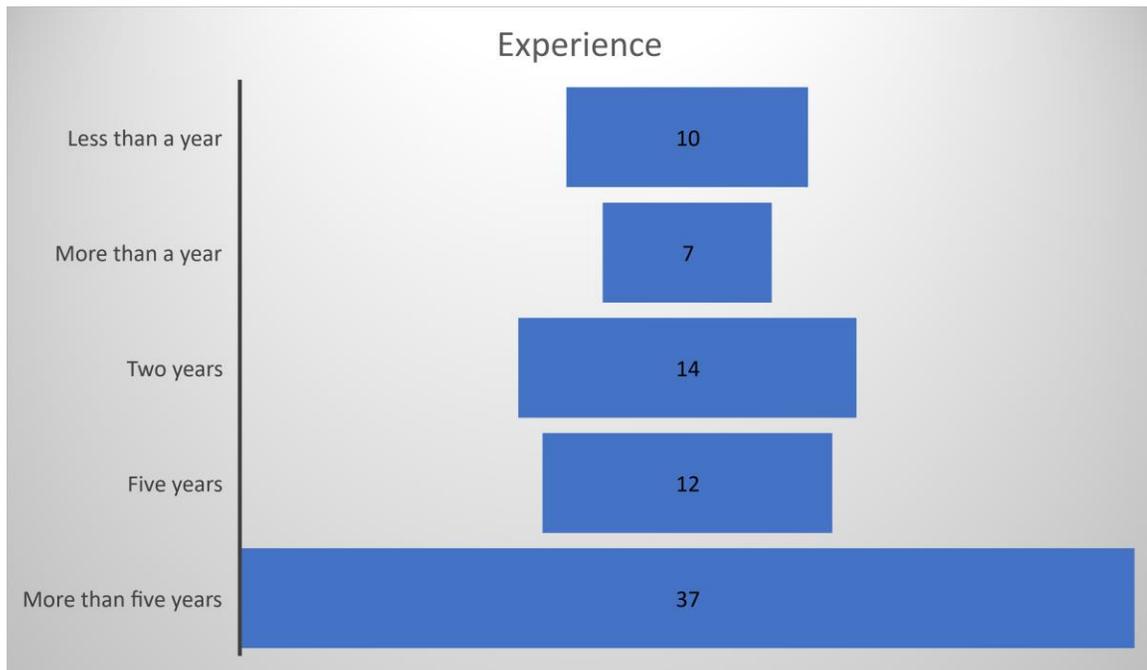
The third question was regarding the marital status of the participant. Out of eighty respondents, fifty-seven percent of individuals were single. Thirty-one percent of people were married, nine percent were separated, and three percent individuals were widowed.

Question 4: Education level of the respondents.



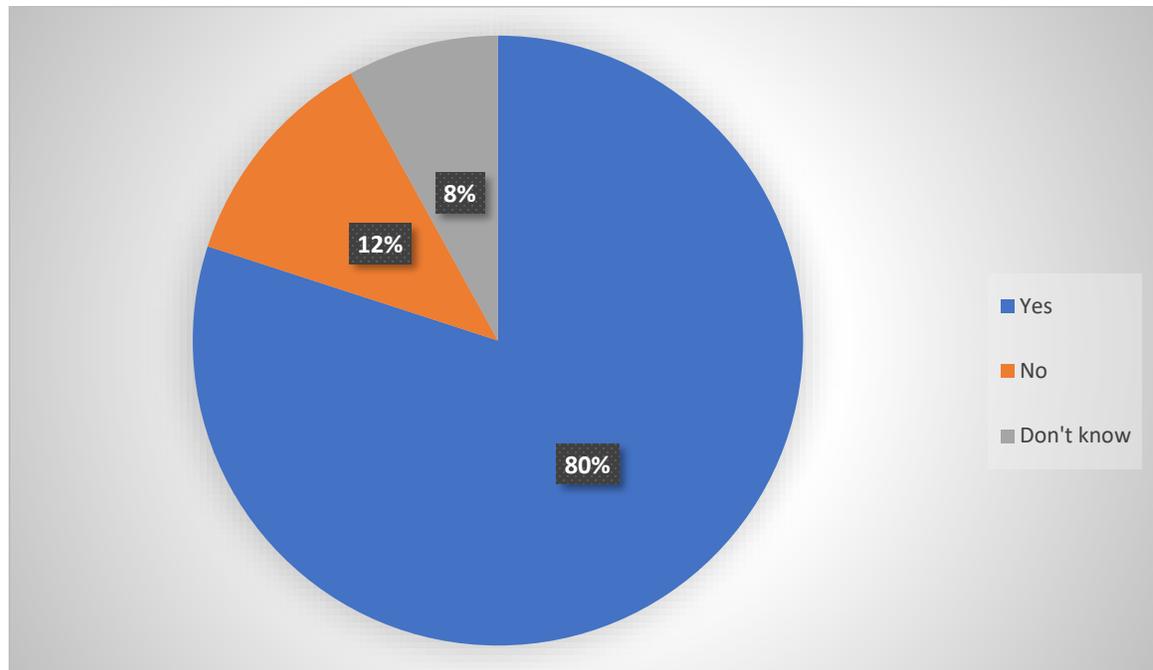
The fourth question of the survey was regarding the education level of the surveyors. The above bar chart shows the number of the people along with the level of education. From the figures, it can be concluded that only one percent of the people who were a part of the survey were high school graduates. Thirty-six percent of them were college graduates, thirty-eight percent had master's degree, eleven percent had a doctoral degree, and thirteen percent of the people had some professional degree. It can be seen that the more significant part of the respondents is either college graduates or had master degree.

Question 5: Experience of the surveyors.



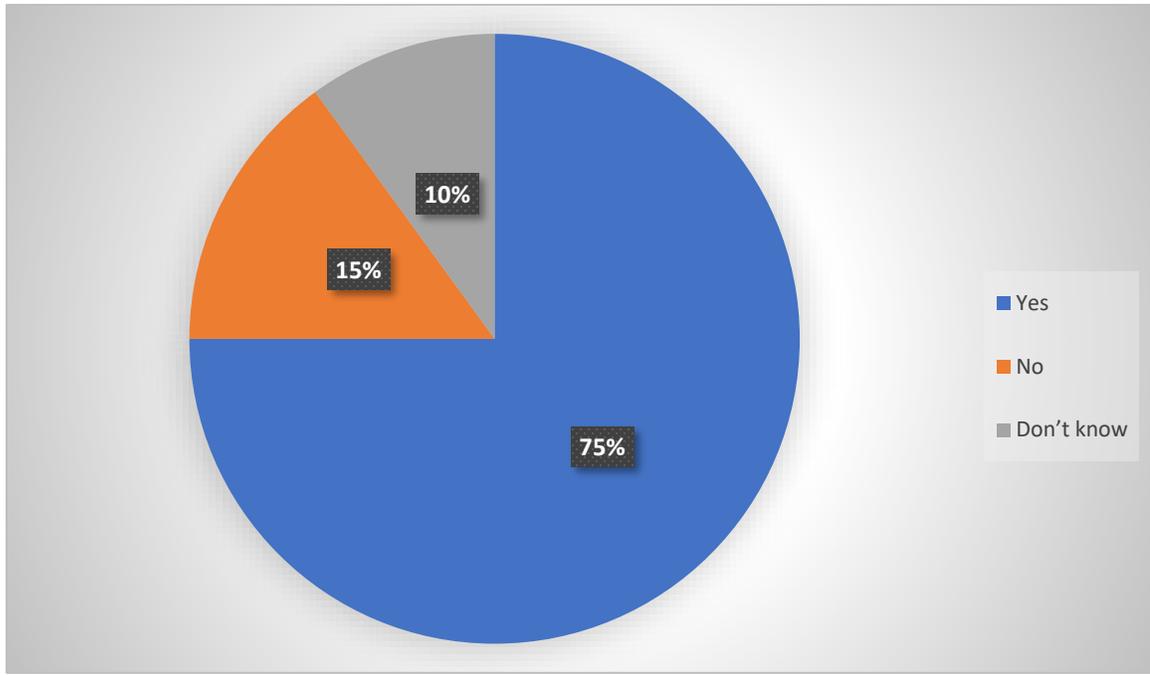
The fifth question was regarding the experience of the people included in the survey. The above diagram shows that the highest numbers of individuals had an experience of more than five years of working in their respective departments. Forty-six percent of individuals had an experience of more than five years, fifteen percent of people had an experience of five years, approximately eighteen percent of respondents had an experience of two years. Moreover, around nine percent and twelve percent of people had an experience of more than a year and less than a year respectively. The results show that people have understanding regarding the workplace and are well-aware of all the issues related to it.

Question 6: Does education level assume a crucial part of your future accomplishments?



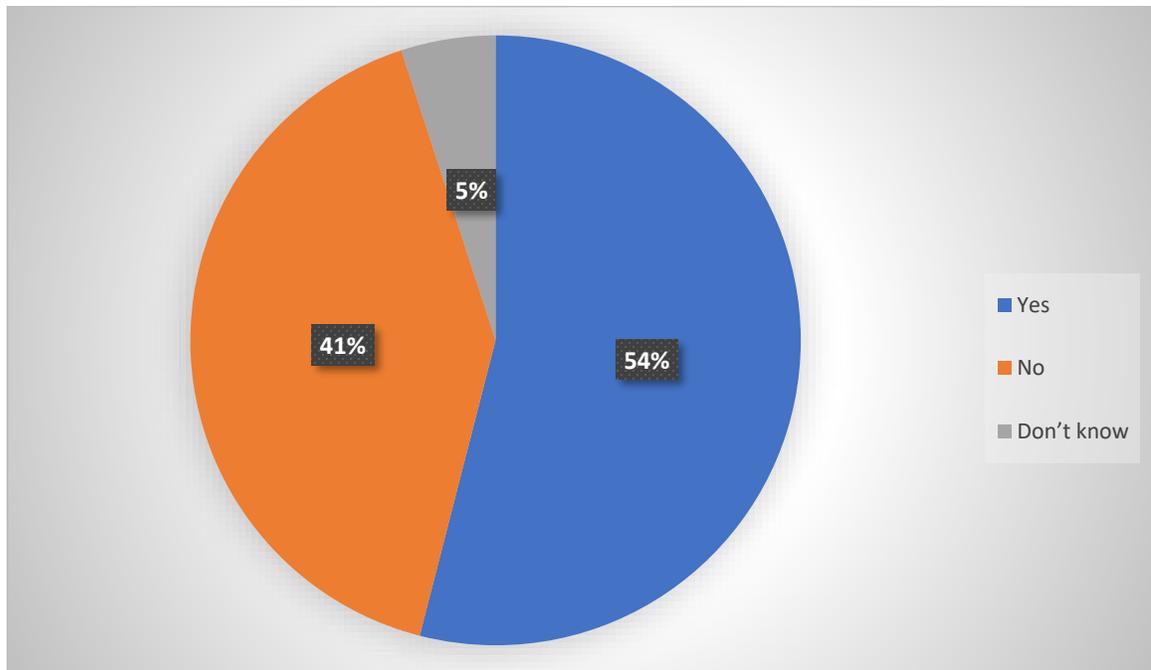
The sixth question was does the education level assumes a crucial part of your future accomplishments. Out of 100 respondents, eighty percent people agree to the statement. Twelve percent of the participants of the survey said no, and eight percent said that they don't know. Hence, it can be said that majority of the population thinks that the level of education indeed plays an essential role in their future accomplishments. According to most of the people, it is vital to have good education for a better future.

Question 7: Does advanced education demonstrates higher salary indicates?



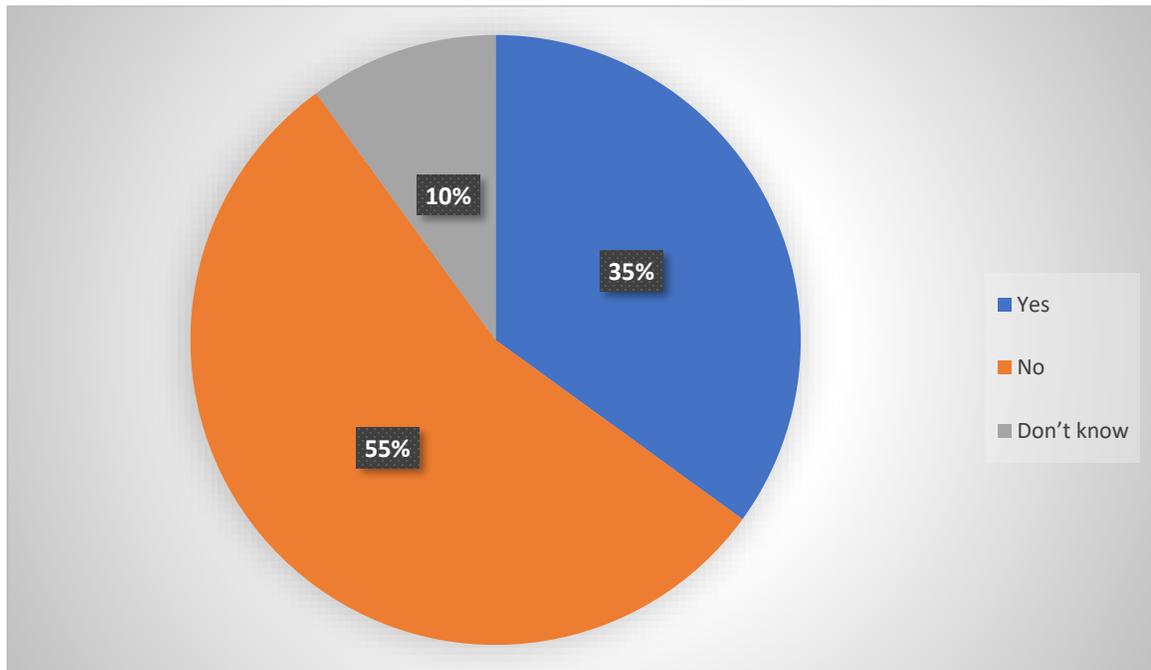
The seventh question of the survey is whether advanced education demonstrates higher salary indicates. Seventy-five percent of surveyors agreed that advanced education shows higher pay suggests. It tells that because of individuals the more advanced education one attains, the better the chances are of getting a good job with higher salary. In the sight of fifteen percent, people advanced education does not demonstrate higher wage indicates and ten percent people are unsure about it. Hence, a more significant number of people inclined toward getting higher and advanced education for better job prospects in the future.

Question 8: Does recent degree of education is adequate in improving your vocation advancement?



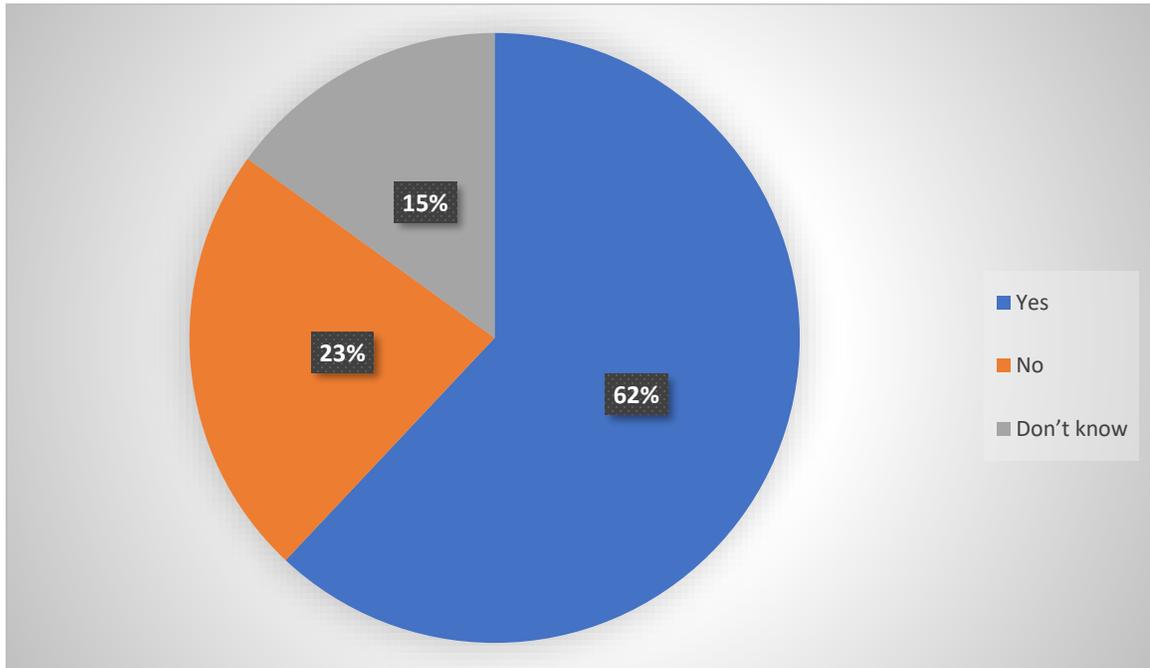
The eighth question is whether the recent degree of education is adequate in improving your vocation advancement. According to fifty-four percent of individuals, the degree they have is competent in developing their job growth. However, forty-one percent of people think that their current education is not enough to advance in their field of work. There is a need to achieve more knowledge in their area of expertise to improve at work. Five percent of respondents opted for the don't know option. It tells that they are not sure if they need to have more education or is their current degree enough for them to progress at work.

Question 9: Does government give enough money related guide and help for your education improvement?



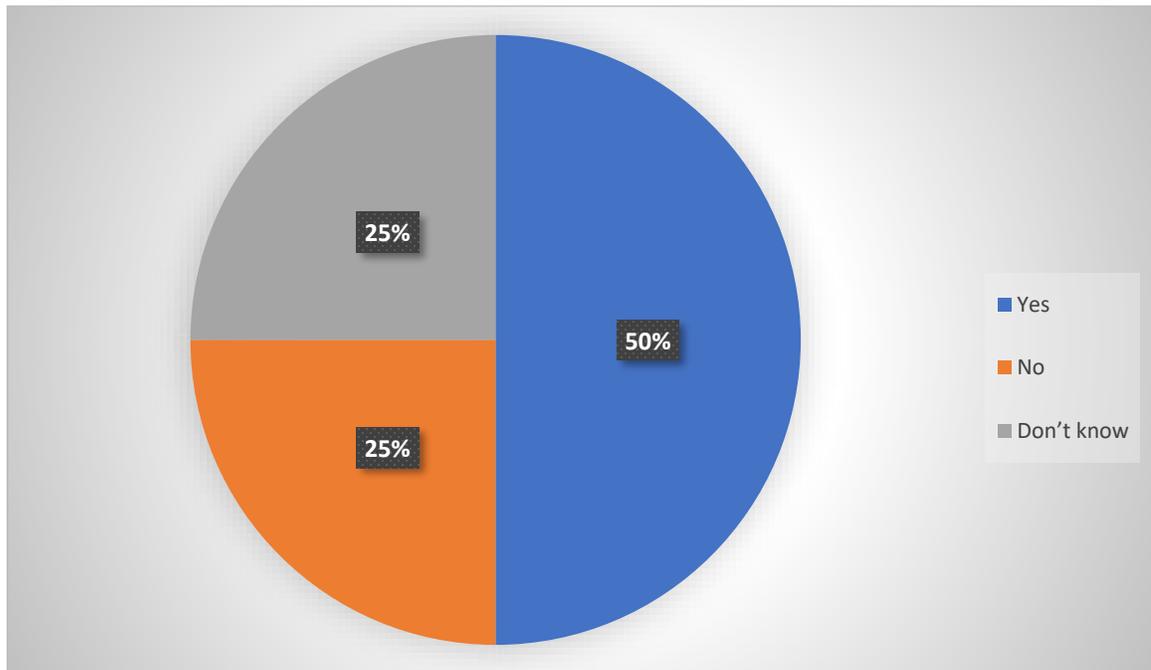
The ninth question was whether government give enough money related guide and help for the education improvement of people. Out of hundred respondents, thirty-five percent surveyors agreed that the government provides enough money pertaining guide and support for the education improvement of people. But fifty-five percent of the respondents disagreed that the government give enough money related guide and help for the education improvement of people. Furthermore, ten percent of people are not sure about the statement. The result of this question shows that given a majority of the population government does not provide any sort of monetary help to acquire education. Government should help the individuals for the betterment of the economic conditions of the country.

Question 10: Does your present level of instruction demonstrate the aptitudes and prerequisites required by your boss?



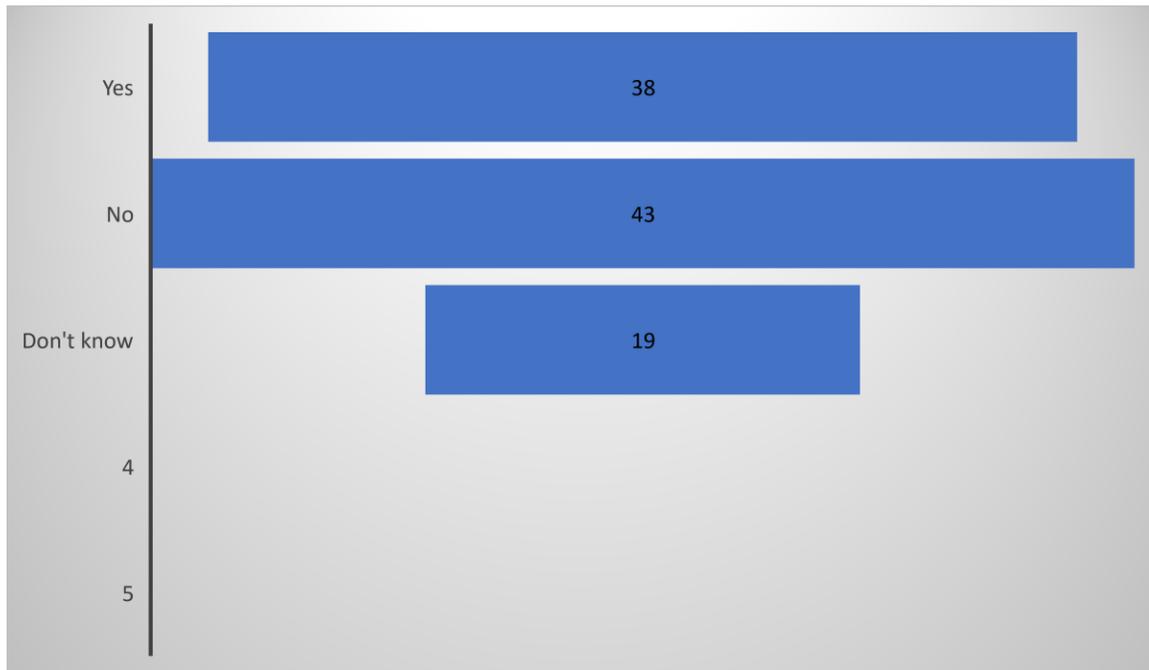
The tenth question of the survey was does the present level of instruction of the people demonstrate the aptitudes and prerequisites required by their boss. Sixty-two percent people said that their current level of education is enough to prove the aptitudes and prerequisites required by their employer. Twenty-three percent of people said that the present level of instruction of the people does not demonstrate the abilities and requirements required by their boss. However, fifteen percent of people don't know if their current level of education is enough or not.

Question 11: Does the high paid activity and low paid employment impact by education level?



The eleventh question of the survey was does the high paid activity, and low paid employment impact by education level. Fifty percent of the respondents agree that the education level impacts the high paid activity and low paid employment. However, twenty-five percent of people do not agree, and twenty-five percent don't know if education level impacts the top paid activity and low paid work. Education does play an essential part of the employment and the salary of the employees.

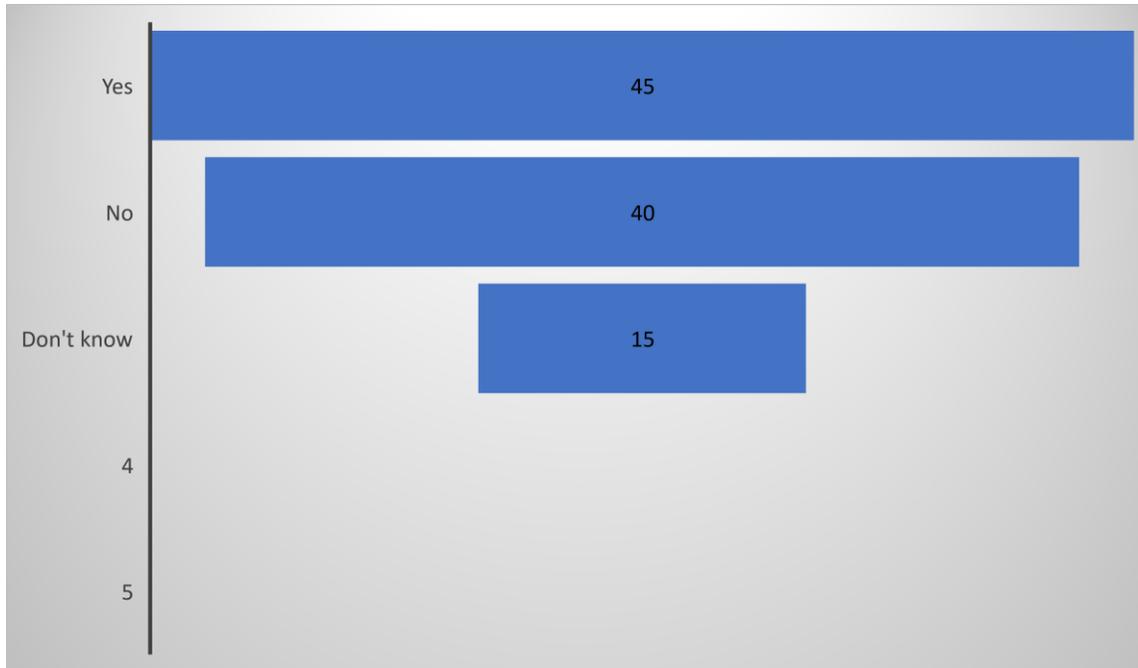
Question 12: Does Urban range and country zone's education level and expertise has a connection in getting higher wage?



The twelfth question was whether the public range and country zone's education level and expertise have a connection in getting a higher wage. Thirty-eight percent of individuals said yes, the general range and country zone's education level and skill has a relationship in getting a higher wage. Moreover, forty-three percent said that there is no connection between the public range and country zone's education level and expertise. And nineteen percent of respondents don't know if there is any connection between the two of them.

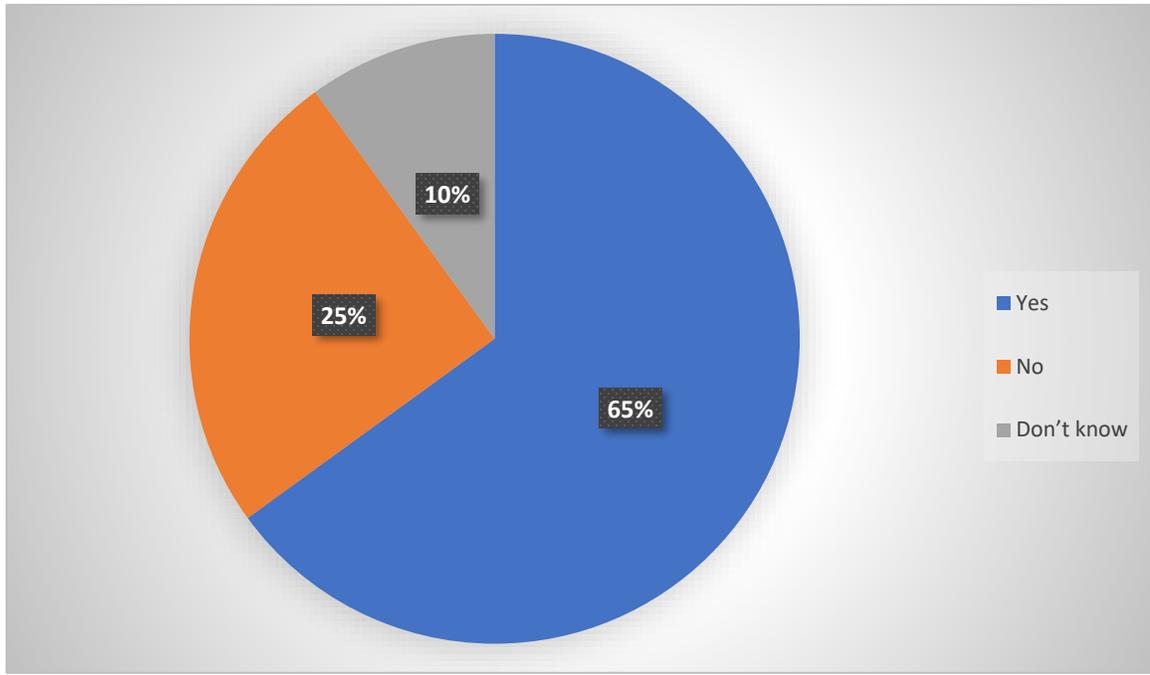
Question 13: Does getting higher wage enough for you and your whole family?

At



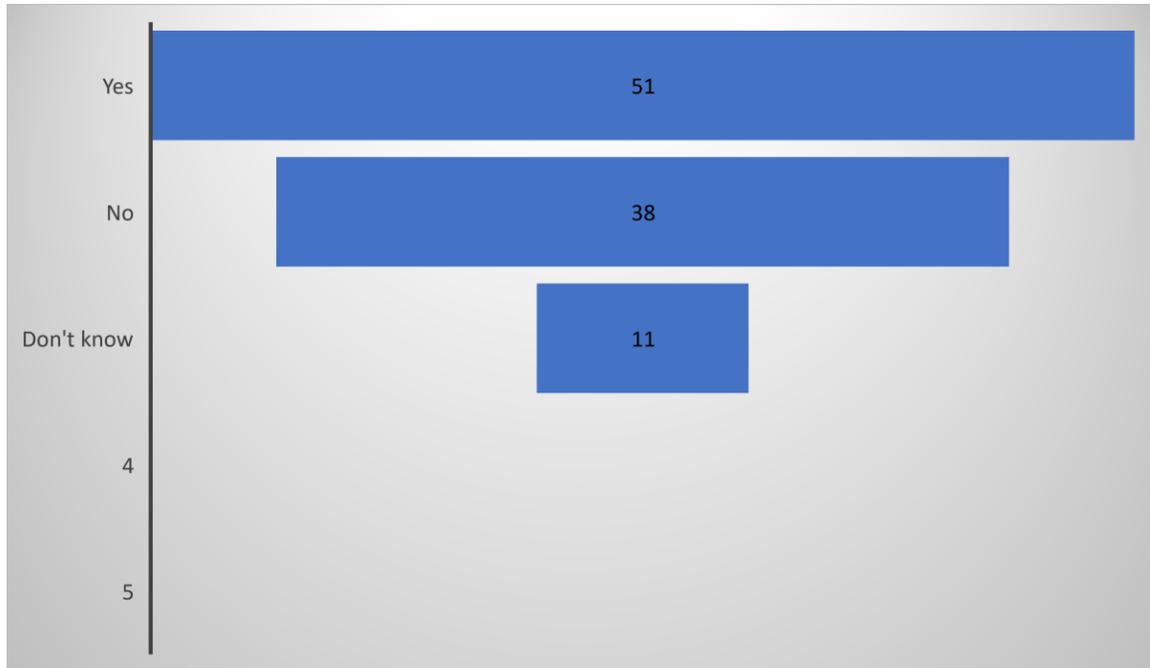
The thirteenth question of the survey was if getting higher wage enough for the individual and his/her family. Out of hundred respondents, according to forty-five percent of the people higher salary is adequate for them and their families. Furthermore, forty percent of the participants think that just higher wage is not enough. Fifteen percent of the people are indecisive about the statement. Organizations should give other benefits to their employees apart from the salary they get.

Question 14: Does optional and tertiary segment guarantee high salary appears?



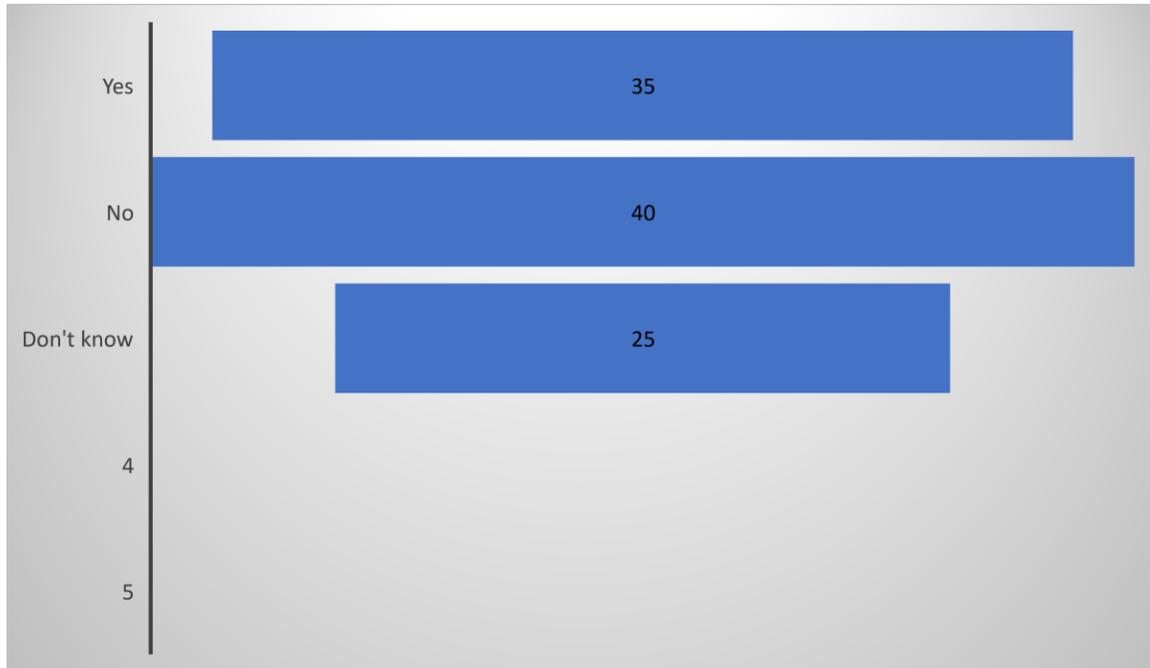
The fourteenth question was does optional and tertiary segment guarantee high salary appears. Sixty-five percent of people said yes that the free and tertiary segment guarantee high wage outcomes. Twenty-five percent of respondents said that no the free and tertiary segment guarantee high salary appears. And ten percent of the people don't know if the free and tertiary segment guarantee more wage outlooks.

Question 15: Does your abilities adequate inside the working extension?



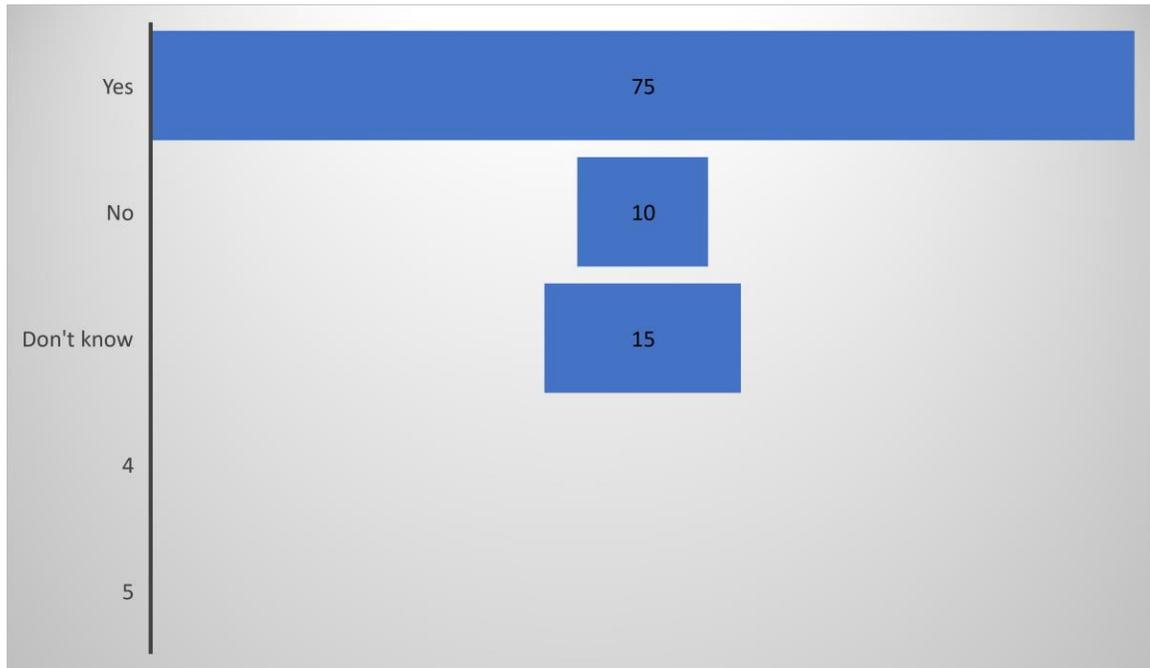
The fifteenth question of the survey was whether the abilities of the individual is adequate inside the working extension. Fifty-one percent of respondents out of a hundred said that their talents are sufficient inside the working place. Thirty-eight percent said that their abilities are not adequate inside the working area. However, eleven percent don't know if their capabilities of the individual are sufficient inside the working place or not.

Question 16: Is the country growing in the aspect of economy?



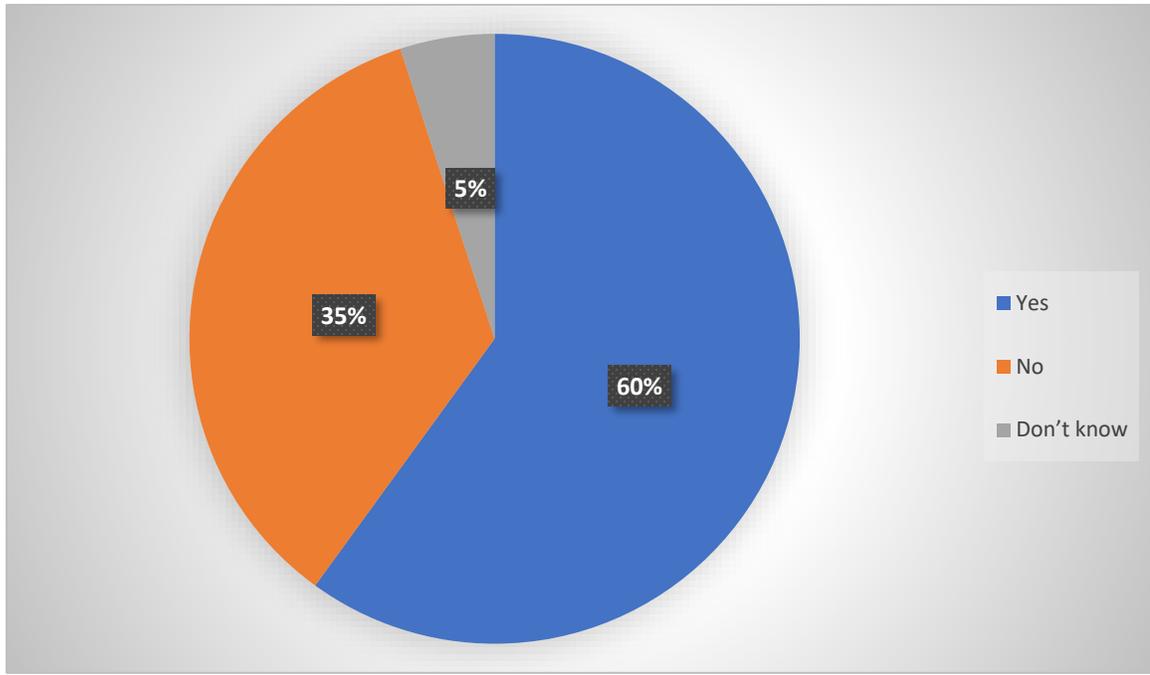
The sixteenth question of the survey was if the country is growing in the aspect of the economy. Out of hundred participants, thirty-five thinks that the state is advancing concerning the economy. However, forty percent of the surveyors believe that the country is not growing economically. And twenty-five percent of people don't know if the state is making economic advancement or not. The results suggest that majority of the population either don't think that the economy is growing or they don't know if there is any change in the economic conditions or not.

Question 17: Does education can bring towards greater economic growth?



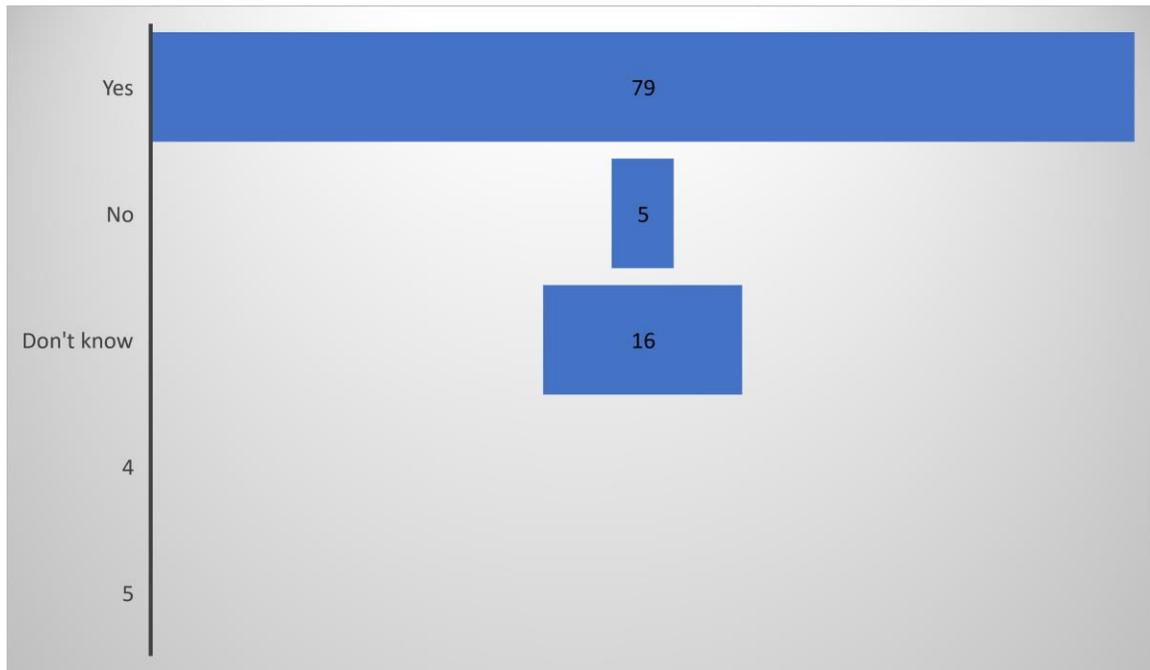
The seventeenth question of the survey was could education bring towards more significant economic growth. Out of hundred surveyors, seventy-five thinks that education can bring towards higher economic growth. Ten percent of people do not believe that education brings towards more considerable economic growth. And fifteen percent respondents don't know if knowledge can help in economic growth or not. Hence, a majority of the population have an opinion that education is essential for the growth of the economy of a country.

Question 18: Does strong income can bring towards greater economic growth?



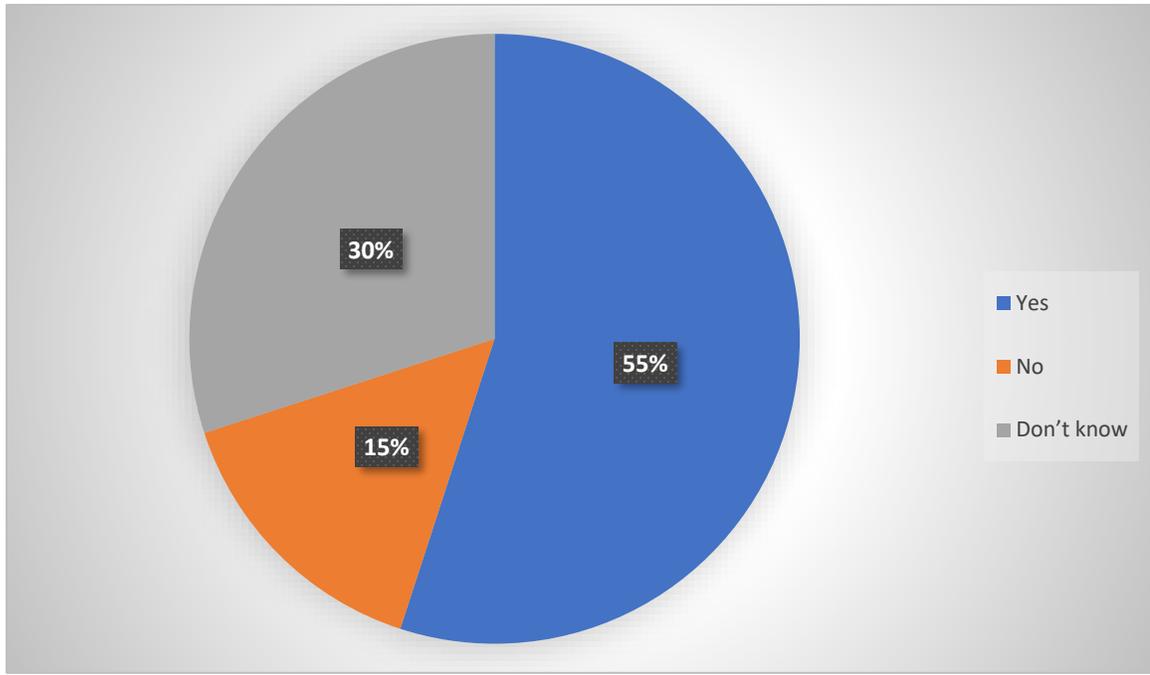
The eighteenth question of the survey was does strong income can bring towards more significant economic growth. Sixty percent out of hundred respondents agrees that strong income can bring towards more considerable economic growth. Thirty-five percent of the entire population does not believe that substantial income can bring towards higher economic growth. And five percent of the people don't know whether strong income can bring towards more significant economic growth.

Question 19: According to you, is the role of government is important to achieve economic growth?



The nineteenth question of the survey was whether the role of government is important to achieve economic growth. Out of hundred surveyors, seventy-nine percent of the people thinks that the government play an important role in the development of the economy of the country. five percent thinks that the government do not play an important role in the development of the economy of the country. However, sixteen percent of the individuals don't know whether the government play an important role in the development of the economy of the country.

Question 20: Do you think the country is substantial in its economic growth?



The last question of the survey was according to people whether the country substantial in its economic growth. Fifty-five percent of the respondents think that the state is significant in its economic growth. Thirty percent of the individuals do not believe that the country is substantial in its economic growth. However, fifteen percent don't know whether the state is significant in its economic growth.

CHAPTER 6

6.0: DATA ANALYSIS AND FINDINGS

6.1. Introduction

This part of paper will analyze the data gathered for the purpose of analysis through different statistical methods.

6.2. Analysis of Data

This segment will examine about mean, standard deviation to assess the most elevated amount and the least level between the factors of economic growth, education level, and income.

6.2.1. Statistical Mean and Standard Deviation of Education Level

Table 3: Statistical Mean and Standard Deviation of Education Level (N=100)

Factors	Mean ± Standard deviation	Minimum	Maximum
Does education level assume a crucial part of your future accomplishments?	3.0100±0.7850	2.00	4.00
Does advanced education demonstrates higher salary indicates?	3.4000±0.7250	2.00	4.00
Does recent degree of education is adequate in	3.2400±0.8890	2.00	4.00

The Impact of education on the Economic Growth

improving your vocation advancement?			
Does government give enough money related guide and help for your education improvement?	2.8500±0.7700	2.00	4.00
Does your present level of instruction demonstrate the aptitudes and prerequisites required by your boss?	3.1600±0.8610	2.00	4.00

Depending on of Table 3, proclamation on does education level assumes a crucial part of your future accomplishments has a mean of 3.0100. Next, getting advanced education demonstrates higher salary indicates mean of 3.4000. A mean of 3.2400 is on if the recent degree of education is adequate in improving your vocation advancement. Does government give enough money related guide and help for your education improvement every once in a while, has a mean of 2.8500. Finally, does your present level of instruction demonstrates the aptitudes and prerequisites required by your boss reflects a statistical mean of 3.1600.

6.2.2. Statistical Mean and Standard Deviation of Income

<u>Table 4: Statistical Mean and Standard Deviation of Income</u>			
Item	Mean ± Standard deviation	Minimum	Maximum
Does the high paid activity and low paid employment impact by education level?	3.2400±0.7930	2.00	4.00
Does Urban range and country zone's education level and expertise has a connection in getting higher wage?	3.4800±0.7310	2.00	4.00
Does getting higher wage enough for you and your whole family	3.0900±0.6050	2.00	4.00
Does optional and tertiary segment guarantee high salary appears?	3.4800±0.7310	2.00	4.00
Does your abilities adequate inside the working extension?	3.1700±0.7660	2.00	4.00

The Impact of education on the Economic Growth

From the Table 4, a division between the high paid activity and low paid employment impact by education level with statistical mean = 3.2400. Urban range and country zone's education level and expertise has a connection in getting higher wage with statistical mean = 3.4800. The announcement getting higher wage does your wage enough for you and your whole family has statistical mean = 3.0900. Optional and tertiary segment guarantees high salary appears statistical mean = 3.4800. In conclusion, on the announcement does your abilities adequate inside the working extension appears statistical mean = 3.1700.

6.2.3. Statistical Mean and Standard Deviation of Income

Table 5: Statistical Mean and Standard Deviation of Economic Growth

Factors	Mean ± Standard deviation	Minimum	Maximum
Is the country growing in the aspect of economy?	3.1700±0.6520	2.00	4.00
Does education can bring towards greater economic growth?	3.6400±0.7180	2.00	4.00
Does strong income can bring towards greater	3.4900±0.7320	2.00	4.00

The Impact of education on the Economic Growth

economic growth?			
According to you, is the role of government is important to achieve economic growth?	3.6400±0.7180	2.00	4.00
Do you think the country is substantial in its economic growth?	3.4000±0.7250	2.00	4.00

From Table 5, statistical mean of 3.1700 is from the announcement does the country is developing in the part of the economy. Does training can bring towards more prominent financial development appears statistical mean of 3.6400. Does sustainable income can bring towards an unprecedented economic growth in appears statistical mean of 3.4900. As on the announcement whether the part of government is essential to accomplish financial development in with statistical mean of 3.6400. On do you think country is steady in its economic development appears statistical mean of 3.400.

6.3. Findings

6.3.1. Pearson's Correlation

<u>Table 6: Correlations among variables</u>		
Variables	Education	Economy growth
Education		
Pearson correlation	1	0.710**
Significant (two-tailed)	0.000	
N	100	100
Economy growth		
Pearson correlation	0.710**	1
Significant (two-tailed)	0.000	
N	100	100
**Correlation is significant at the 0.01 level (two-tailed)		

The Impact of education on the Economic Growth

Examination of Pearson Correlation demonstrates a positive relationship between the variable of economic growth and education level. There is a substantial connection amongst instruction and economy development where $r = 0.710$, $P < 0.01$ appears in Table 6. The higher is the training, the higher is the financial development in United Arab Emirates. In this way, elective theory is acknowledged demonstrating that there is a definite connection amongst education and economic growth.

Table 7: Correlations between growth and human capital

Variables	Growth	Human capital
Economy growth		
Pearson correlation	1	0.896**
Significant (two-tailed)	0.000	
N	100	100
Income		
Pearson correlation	0.896**	1
Significant (two-tailed)	0.000	
N	100	100

**Correlation is significant at the 0.01 level (two-tailed)

Investigation of Pearson connection demonstrates a definite association between the variable of economic growth and income. There is a substantial connection between income and economy development where $r = 0.896$, $P < 0.01$ appears in Table 7. The greater is the income, the greater is the economic growth. Hence, elective speculation is acknowledged demonstrating that there is a definite connection between income and economic development.

6.3.2. Regression

$$B = \beta_0 + \beta_1 A_1 + \beta_2 A_2 + \mu$$

$$B = 0.374 - 0.434A_1 + 1.352A_2 + \mu$$

$$= (0.134) (0.077) (0.090)$$

Table 8 is a multiple linear regression model. Depending on the model, B is the dependent variable of economic growth. There are two independent variables; A_1 – Education and A_2 – Income. β_0 correlations is the intercept point with the value of 0.374. Next, β_1 is the partial coefficient to A_1 with the value of -0.434 and β_2 is the partial coefficient to A_2 with the value of 1.352. Finally, μ is error. The numbers that are written in the brackets; (0.134), (0.077) and (0.090) are the values of standard error. This model demonstrates a negative connection between the economic development and education level. Conversely, economic growth and human capital describe a positive relationship. 0.374 shows economy development is 0.374 when instruction and human capital are zero or steady. Also, -0.434 shows that if there is a diminishing of 1% in education, it will influence the economic development to diminish as much

The Impact of education on the Economic Growth

as 56.6% accepting that other independent variable which is income is consistent. 1.352 shows that if there is an expansion of 1% in income, it will influence the economic development to diminish as much as 135.2% expecting that another independent variable which is education is consistent.

Table 9 demonstrates the value of R_2 , 0.851 where 85.1% changes in the dependent variable B , economic growth, can be interpreted together with the independent variables A_1 , education and A_2 , income, while the remaining 14.9% can be elucidated by the different variables aside from A_1 that is education level and A_2 that is income.

The Impact of education on the Economic Growth

<u>Table 8: Coefficients</u>					
Dependent variable: Economy growth					
Model	Standardized		Standardized Coefficients	T	Significant
	Coefficients				
	B	Standard Error	Beta		
Constant	0.375	0.134		2.789	0.006
Income	1.352	0.090	1.346	15.045	0.000
Education	-0.434	0.077	-0.051	-5.596	0.000

<u>Table 9: Summary of Model</u>				
Model	R	R ²	Adjusted R ²	Standard error
1	0.923a	0.851	0.848	0.25472

CHAPTER 7

7.0: DISCUSSION

7.1. Introduction

This section of the paper discusses the analysis and the findings of the data regarding the topic. Furthermore, it also puts a light on the results of the previous research conducted on the same research topic.

7.2. Discussion on the Data Analysis and Findings

This present research's general goal is to learn about the impact of education in contributing the individual income and economic development. The particular goal is to distinguish the significance education in enhancing financial development, decide the relationship of individual income and education and recognize whether schooling can prompt economic growth through the venture of human income.

An aggregate of hundred respondents includes in this exploration having a place with various fields. These respondents comprise of working gathering individuals. The respondent's highlights used to clarify through statistic factors, for example, age, ethnic, conjugal status, number of relatives, sexual orientation, the highest level of education, most elevated instructive level, occupation and gross family unit pay. The factors utilized as a part of this examination are instruction and human salary which has been adjusted by the ebb and flow inquire about reasonableness. As indicated by this study, the aggregate respondents comprise of hundred individuals with the square with investment from both genders, fifty females and fifty males.

The Impact of education on the Economic Growth

Because of the correlation test, the investigation demonstrates that there is a definite connection between the independent variable education and economic development. There is a free association among education and economy advancement where $r = 0.710$, $P < 0.01$ shows up. Along these lines, the elective hypothesis is recognized showing that there is a definite association between education and economic development. Also, there is a significant association amongst salary and economy advancement where $r = 0.896$, $P < 0.01$ shows up. The more prominent is the pay, the more noteworthy is the financial development. Henceforth, the elective hypothesis is recognized showing that there is a distinct association amongst wage and monetary advancement.

Proof on the part of mental abilities in advancing economic development clarifies the unverifiable impact of human income on development. The effect of human income winds up noticeably stable when the concentration swings to the part of education. Intellectual abilities of the populace instead of unimportant school fulfillment are intensely identified with singular profit, to the dispersion of income, and above all to economic development.

The advanced world has kept up large amounts of net enlistment at around 95 percent. Unstable economies have somewhat enhanced over these two decades. In any case, creating nations have shut a portion of the gap of their enlistment rates contrasted with those in established countries. Advanced nations additionally made critical increases, so the end of tutoring gaps has been moderately moderate. However, there is almost sure that there have been consistent picks up in creating nations. It is valuable to look further into the connection between human wage as measured by instruction and financial development. Regardless, primarily on account of the distinctive advancements that are being utilized, the general association amongst aptitudes and development might be more critical to the Organization for Economic Cooperation

The Impact of education on the Economic Growth

and Development nations than in creating nations. Also, given the more fundamental and less innovatively propelled advances in building countries, there may a more grounded interest in essential abilities and a weaker interest for abnormal state aptitudes in creating nations.

There is an edge impact on the connection amongst education and economic development. The outcomes demonstrate education have a unique positive effect on monetary. This might be on account of that specialist with education can better ace innovation and have a more creative capacity, which is to a significant degree significant in this day and age. In this manner, government open use should give careful consideration to education with the goal that more youngsters can get advanced education and abstain from entering work showcase too soon. Just in that way would we be able to expand the extent of work compel with advanced knowledge, lastly advance the economic improvement of the nation.

The regression analysis shows a negative association between the economic advancement and education level. Then again, economic development and human income portray a positive relationship. 0.374 shows economy improvement is 0.374 when education and human income are zero or enduring. Additionally, -0.434 demonstrates that if there is a decreasing of 1% in education, it will impact the monetary advancement to lessen as much as 56.6% tolerating that other autonomous variable which is pay is steady. 1.352 demonstrates that if there is an extension of 1% in salary, it will impact the financial advancement to decrease as much as 135.2% expecting that another independent variable which is instruction is reliable.

7.3. Summary of Previous Researches

7.3.1. Education is Important for Economic Growth in Pakistan (Kiani, 2013):

This paper surveys the part of instruction in advancing financial interests that spotlight the role of educational prominence. Much confirmation from creating nations recommends that education has the tying influence on economic development. The fundamental reason for this examination was to take a gander at the outcomes of a portion of the principal macroeconomic factors on Pakistan's financial development amid 1980-2009 taking four various instruction levels including Primary, Middle, High school, and other school enlistments as a proportion to add up to utilized work constraint. Different factors incorporate fares, Basic wellbeing unit (BHUs), as primary macroeconomic factors. Essential instruction is well thoroughly considered to be a vital precondition for quickening development. The strategy producers recommended that the measures ought to be embraced to enhance the necessary training framework in Pakistan, with the goal that an all-inclusive enrolment rate in essential instruction might be accomplished in not so distant future. What's more, it gauges may likewise be taken to upgrade the education rate in the nation to help the financial development in Pakistan.

7.3.2. Impact of educational expenditure on economic growth in major Asian countries: Evidence from econometric analysis (Mallick et al., 2016):

The examination explores the progression of use on instruction and financial development in chose 14 noteworthy Asian nations by utilizing adjusted board information from 1973 to 2012. The after effects of Pedroni cointegration express the presence of long-run balance connections between consumption on training and financial development in every one of the

The Impact of education on the Economic Growth

nations. The FMOLS comes about uncovered a positive and measurable massive effect of instruction consumption on the monetary advancement of all the Asian 14 countries (Bangladesh, Saudi Arabia, Hong Kong, Japan, Nepal, Pakistan, India, Malaysia, The Philippines, China, Sri Lanka, Turkey, Thailand, and Singapore.). Further, the board vector blunder revision (PVECM) presents unidirectional Granger causality running from financial development to consumption on instruction both in the short-and over the long haul. Use on education just Granger causes economic growth in long-keep running in every one of the nations. As a gathering, the FMOLS demonstrates a positive effect of the instructive use on financial development. The investigation contends that training part is one of the crucial elements of economic progress in each of the 14 Major Asian nations. Training part ought to be given need, and a great looking offer of aggregate consumption of the legislatures ought to be made on instruction area by upgrading different rudimentary, higher and specialized instructions in the individual countries to have the skilled labor for the long haul economic improvement.

[7.3.3. Education, Human Capital and Economic Growth: Empirical Research on 55 Countries and Regions \(1960-2009\) \(Wang et. al., 2016\):](#)

This article built a board information model to explore the impact of training human capital on financial development, utilizing the most recent instruction information of 55 nations and districts from 1960 to 2009. Interim, by subdividing instruction human capital into advanced education, auxiliary training, and essential training, it additionally looks at the impact of various training level on financial development. Besides, while bringing wellbeing human capital into the model, we investigated the effect of different economic improvement level and some essential recorded occasions. The outcome demonstrates that when all is said in done, training human capital has a critical positive effect on financial development. The positive impact of

The Impact of education on the Economic Growth

advanced education on economic growth is mainly vital, be that as it may, the essential training and auxiliary instruction does not significantly affect financial development; concerning human capital, future, and per capita GDP development likewise demonstrated a substantial positive relationship.

CHAPTER 8

8.0: CONCLUSION AND RECOMMENDATIONS

8.1. Conclusion

This present research's general goal is to learn about the impact of education in contributing to the economic growth of United Arab Emirates. The particular goal is to recognize the significance of education in also including, making an incentive to financial growth, decide the relationship of education and income and acknowledge whether education can prompt economic development through the venture of income. For accomplishing manageable development and advancement in the United Arab Emirates, it is essential to proceed with help with destitution decrease and create social and monetary framework all the more significantly instruction. Since numerous years the unsustainable financial development is troubling in United Arab Emirates. The elements in charge of this circumstance were ominous fiscal development, political unsteadiness, carelessness in the educational area, awful peace circumstance and sick fascination for the outside financial specialists. The unsustainable economic progress can be connected with high swelling rate, amounting financial shortfall, expanding external obligation and obligation adjusting, feeble outside interest for Emirates items, low level of physical what's more, human capital, troublesome climate. It is past question that instruction is a critical supporter of financial success. For accomplishing a substantial development, education ought to be given best need more especially in creating nations. The most critical effect of the instruction can be seen in two courses in building countries. Right off the bat, training will furnish individuals with the energy of essential leadership which could ingrain sexual orientation

The Impact of education on the Economic Growth

fairness. Also, educating the general population of advancing nations intend to make more supportable decisions which will make a superior world to live in.

Fundamentally, the connections amongst economic development and education, salary circulation and neediness decrease were settled. Education prepared individuals with the information and aptitudes they expected to expand their salary and extended open doors for business. It is valid for families and domestic economies. Degrees for efficiency, financial development, and designs of wage dispersion are personally connected to the state of instruction and the distribution of educational opportunity. Expanding worldwide economic interdependency and the developing significance of knowledge-based handle in financial development have raised both the premium on education and the taken a toll related to education shortfalls.

Based on the correlation test, the Pearson Correlation demonstrates a positive relationship between the variable of economic growth and education level. There is a substantial connection amongst instruction and economy development where $r = 0.710$, $P < 0.01$ appears in. The higher is the training, the higher is the financial development in United Arab Emirates. In this way, elective theory is acknowledged demonstrating that there is a definite connection amongst education and economic growth. Moreover, a definite association between the variable of economic growth and income. There is a substantial connection between income and economy development where $r = 0.896$, $P < 0.01$ appears. The greater is the income, the greater is the economic growth. Hence, elective speculation is acknowledged demonstrating that there is a definite connection between income and economic development.

The regression test illustrates that the value of R^2 , 0.851 where 85.1% changes in the dependent variable B , economic growth, can be interpreted together with the independent variables A_1 , education and A_2 , income, while the remaining 14.9% can be elucidated by the

The Impact of education on the Economic Growth

different variables aside from A_1 that is education level and A_2 that is income. Therefore, two hypotheses are accepted here. Both, education and income have positive impact on the economic growth of the United Arab Emirates.

As far as the research system, this examination clarified the discoveries in light of the survey study approach. The survey was conducted online through Google forms and was taken by 100 respondents who are from different departments of working individuals at the United Arab Emirates. The use of dependability test and factual investigation depicts by and large about the correlation between education and the economic growth of UAE.

To produce adjust of economic development, the progressions on work showcase must be observed and the demand for education and abilities that are being set up in an economy. The entire arrangement of education ought to make and build up individual's capacity for advancements and their procurement keeping in mind the end goal to give viable help to the procedures for financial improvement. The interest in instruction isn't just the need to build income stock yet, also, a need to accomplish higher expectation for everyday comforts. The contribution on education can make a better income of the individuals which can consequently suit the utilization of present-day innovation in the creation procedure by limiting great reception costs. Interests in education can desirably affect the more noteworthy business openings and higher lifetime income. In this way, it can make more prominent business openings and higher lifetime income respect increment add up to yield of products and ventures.

8.2. Recommendations

The country's strategies must be organized on the upgrades of different establishments to have financial improvement. The nations should make such arrangements which could help brilliant instruction for all, and it would be just fruitful when the legislatures upsurge the uses of the training segment of their countries. Additionally, in the meantime, the nature of instruction ought to be made reasonable for all by sponsoring the training. This procedure could upgrade the cost of giving education, however, would diminish the value of educational achievement; along these lines expanding the interest in training and this, like this, increment the load of human capital (Idrees, 2013). On account of short run, use on education does not Granger cause economic development. The unique business areas ought to be creative mechanical exercises and inventive expert and specialized administrations, whose learning dangerous items and governments must be expected to residential market, as well as to foreign markets. The efficient use of human advancement arrangement in the UAE, as an inseparable unit with industrialization, urbanization, and modernization, is one of the uncommon cases of a nation which has utilized efficiently pay from its immense characteristic assets for its long-haul improvement over a brief period

The arrangement producers proposed that the measures ought to be embraced to enhance the essential instruction framework in the United Arab Emirates, with the goal that an all-inclusive enrolment rate in necessary training might be accomplished in not so distant future. Likewise, measures may also be taken to upgrade the proficiency rate in the nation to support the financial development in UAE.

References

- Abiodun, A.A. (2002). Rebuilding the Foundations of Education in Nigeria. *Newsletter of the Social Science Academy of Nigeria*. 5(2). pp21-31.
- Acemoglu D., Johnson S. and A. Robinson. (2005). Institutions as a fundamental cause of long-run growth, in P. Aghion and S. N. Durlauf, eds. *Handbook of Economic Growth*. Amsterdam, Elsevier.
- Afroz, A., Rahim, K.B.A., Noor, Z.B.M. and Chin, L. (2010). Human Capital and Labor Productivity in Food Industries of Iran. *International Journal of Economics & Finance*. 2, 47-51. Retrieved from <http://dx.doi.org/10.5539/ijef.v2n4p47>
- Afza, T. & Nazir, M.S. (2007). Human Competitiveness and Human Resource Development. Department of Management Sciences COMSATS Institute of Information Technology, Pakistan Economic and Social Review.
- Aggrey, N. and Joseph, L.E.S. (2010). Human Capital and Labor Productivity in East African Manufacturing Firms. *Current Research Journal of Economic Theory*. 2. pp. 48-54.
- Akram, N. and Pada, I. (2009). Education and Economic Growth: A Review of Literature. Retrieved from <http://mpa.ub.uni-muenchen.de/16200/>
- Ararat, O. (2007). Role of Education in Economic Growth in the Russian Federation and Ukraine. Retrieved from <http://mpa.ub.uni-muenchen.de/7590>. 01 January 2007
- Ayara, N.N. (2003). The Paradox of Education and Economic Growth in Nigeria: An Empirical Evidence. In.: *Human Resource Development in Africa*, (ed.) Ozo-Esan, P. and

The Impact of education on the Economic Growth

Evbuomwan G. Selected Papers for the 2002 Annual Conference of Nigerian Economic Society. pp. 371-394.

Babatunde, M.A and R.A. Adefabi. (2005). Long Run between Education and Economic Growth in Nigeria: Evidence from the Johansen's Cointegration Approach". Paper presented at the Regional Conference on Education in West Africa: Constraints and Opportunities, Dakar, Senegal, November 1st -2nd, 2005, Cornell University/ CREA/ Ministerede l'Education du Senegal.

Bakare, A.S. (2006). The Growth Implications of Human Capital Investment in Nigeria: An Empirical Study. *Journal of Economics and Social Studies*. University of Ado-Ekiti. pp. 110-125.

Bils, M. and Klenow, P.J. (2000). Does Schooling Cause Growth? *American Economic Review*. 90. pp. 1160-1183. Retrieved from <http://dx.doi.org/10.1257/aer.90.5.1160>

Carnoy, M. (1967). Rate of Return to Schooling in Latin America', *Journal of Human Resources*.

Chatterji, M. (1994). Training Subsidies, Technical Progress and Economic Growth. ESRC Development Economics Workshop on Endogenous Growth, University of Leicester.

Denzin, N., & Lincoln. Y. (1994). *Handbook of Qualitative Research*. Thousand Oaks, CA, US: Sage Publications Inc.

De la Fuente, Á. (2003) Human Capital in a Global and Knowledge-Based Economy. Part 2. Assessment at the EU Country Level. Recercat Principal.

Easterlin, R. (1981). Why isn't the Whole World Developed? *Journal of Economic History*.

The Impact of education on the Economic Growth

- Green, A. (1990) Education and state formation: The rise of education systems in England, France and the USA, London: Macmillan.
- Gylfason, T. and Zoega, T. (2003). Education, Social Equality and Economic Growth: A View of the Landscape. *CESifo Economic Studies*. 49. pp. 557-579.
- Hannum, E. & Buchmann, C. (2006). The Consequences of Global Educational Expansion: Social Science Perspectives. American Academy of Arts and Sciences.
- Helpman E. (2004). The Mystery of Economic Growth, Cambridge (MA), The Belknap Press of Harvard University Press.
- Hox, J. J. and Boeije, H. R. (n.d.). Data Collection Primary Data vs Secondary Data.
- Idrees, A.S. and Muhammad, W.S. (2013). Does Public Education Expenditure Cause Economic Growth? Comparison of Developed and Developing Countries. *Pakistan Journal of Commerce and Social Sciences*. 7. pp. 174-183.
- Jorgenson, D.W. and Fraumeni, B.M. (1992). Investment in Education and US Economic Growth. *Scandinavian Journal of Economic*. 94. pp. 551-570
- Kaini, A. (2015). The Role of Education on Economic Growth of Pakistan. Federal Urdu University of Arts, Science and Technology.
- Kiani, A. (2013). Education is essential for economic growth in Pakistan. School of Economic Sciences, Federal Urdu University of Arts, Science and Technology. *African Journal of Business Management*. 7(26).
- Kerr, R. (2001). Education and Economic Growth. New Zealand Business Roundtable. Wellington. 41. pp. 1-19

The Impact of education on the Economic Growth

- Krueger, A.B. and Lindahl, M. (2001). Education for Growth: Why and for Whom? *Journal of Economic Literature*. 39. pp. 1101-1136. Retrieved from <http://dx.doi.org/10.1257/jel.39.4.1101>
- Lant, P. (2006). Does learning to add up add up? The returns to schooling in aggregate data. In *Handbook of the Economics of Education*. Amsterdam: North Holland. pp. 635-695.
- Mamuneas, T.P., Savvides, A. and Stengos, T. (2006). Economic Development and the Return to Human Capital: A Smooth Coefficient Semiparametric Approach. *Journal of Applied Econometrics*. 21. pp. 111-132. Retrieved from <http://dx.doi.org/10.1002/jae.813>
- Mallick, L., Das, P.K. & Pradhan, K.C. (2016). Impact of educational expenditure on economic growth in major Asian countries: Evidence from econometric analysis. *Theoretical and Applied Economics*.
- Mincer, J. (1974). *Schooling, Earnings and Experience*. Columbia University Press, New York.
- Obradovic, S. (2009). Education and Economic Growth. *Lex Et Scientia* 16(1). Pp.377-384.
- Papadenos, L. (2007). Human Capital and Economic Growth. 35th Economic Conference by National bank Vienna.
- Psacharopoulos, G. (1994). Returns to education: a global update. *World Development* 22. pp. 1325-1343.
- Schultz, T.W. (1961). Investment in Human Capital. *American Economic Review*. 51. pp 1–17.
- Sonmez, F.D. and Sener, P. (2009) Effects of Human Capital and Openness on Economic Growth of Developed and Developing Countries: A Panel Data Analysis. *World Academy of Science, Engineering and Technology*. 30. pp. 1242-1246.

The Impact of education on the Economic Growth

- Stevens, P. & Weale, M. (2003). Education and Economic Growth. National Institute of Economic and Social Research. 2, Dean Trench Street. London SW1P 3HE.
- Surbhi, S. (2016). Difference Between Primary and Secondary Data. Key Differences. Retrieved from <http://keydifferences.com/difference-between-primary-and-secondary-data.html>
- Temple, J (2000). Education and Economic Growth. Seminar on Economic Growth and Government Policy.
- Vandenbussche, J., Aghion, P. and Meghir, C. (2006) Growth, Distance to Frontier and Composition of Human Capital. *Journal of Economic Growth*. 11. pp. 97-127. Retrieved from <http://dx.doi.org/10.1007/s10887-006-9002-y>
- Wang, Y. & Liu, S. (2016). Education, Human Capital and Economic Growth: Empirical Research on 55 Countries and Regions (1960-2009). Scientific Research Publishing.
- Yousef, T.M. (2004). Development, Growth and Policy Reform in the Middle East and North Africa since 1950. *Journal of Economic Perspectives*. 18 (3). pp. 91–116.

Appendices

Appendix 1: Questionnaire

1. Gender:

- Male
- Female

2. Age

- 20-30
- 30-40
- 40-50
- Above 50

3. Marital status:

- Single
- Married
- Separated
- Widowed

4. Education:

- High School
- Some College
- Masters Degree
- Doctoral Degree
- Professional Degree

5. Experience:

- Less than a year
- More than a year
- Two years
- Five years
- More than five years

6. Does education level assume a crucial part of your future accomplishments?

- Yes
- No
- Don't know

7. Does advanced education demonstrates higher salary indicates?

- Yes
- No
- Don't know

8. Does recent degree of education is adequate in improving your vocation advancement?

- Yes
- No
- Don't know

9. Does government give enough money related guide and help for your education improvement?

- Yes
- No
- Don't know

10. Does your present level of instruction demonstrate the aptitudes and prerequisites required by your boss?

- Yes
- No
- Don't know

11. Does the high paid activity and low paid employment impact by education level?

- Yes
- No
- Don't know

12. Does Urban range and country zone's education level and expertise has a connection in getting higher wage?

- Yes
- No
- Don't know

13. Does getting higher wage enough for you and your whole family?

- Yes
- No
- Don't know

14. Does optional and tertiary segment guarantee high salary appears?

- Yes
- No
- Don't know

15. Does your abilities adequate inside the working extension?

- Yes
- No
- Don't know

16. Is the country growing in the aspect of economy?

- Yes
- No
- Don't know

17. Does education can bring towards greater economic growth?

- Yes
- No
- Don't know

18. Does strong income can bring towards greater economic growth?

- Yes
- No
- Don't know

19. According to you, is the role of government is important to achieve economic growth?

- Yes
- No
- Don't know

20. Do you think the country is substantial in its economic growth?

- Yes
- No
- Don't know