

# Educational Development as a Business Project Traditional and Technological Approaches

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## ABSTRACT

The following article analyzes provision of education in less developed countries from the economic perspective. Improvements in the world economy, globalizations, economic and cultural integration requires new sources for development and growth. Less developed country with large population provides potential for growth of the whole world. Investment in the educational programmes for the people with low literacy rates is a profitable project for the multinational companies, governments and societies. Long run projects with uncertain forecasting horizon and high potential returns require financial resources and cooperation. Detailed analysis of two educational systems — traditional and technological provides insight in the advantages and drawback of the both. Implementation of new technologies and on-line education in the less developed countries may bring considerable benefits for the world players and increase in social welfare.

*Keywords: educational development, technologies in education, technological approach, literacy, education, less developed countries*

## I. INTRODUCTION

There are three main outstanding drivers for economic development — technological advances, healthcare and educational systems. Globalization, international integration, worldwide trade and multinational companies make awareness about development the main concern not only for countries aiming at world leadership in some spheres and markets, but also pushes agricultural and traditional primary sectors countries towards development. For the first, investment in development is a way of sustaining world competition and keeping the market share, while latter are involved because of multinational companies reallocating production in developing countries to reduce costs and optimize production chain.

Among three main drivers, education can be considered superior [1]. Firstly, more literate people care more about their health at any level, from simple hygiene to regular vaccination. The challenge is not only the construction of good medical systems to improve the life expectancy and health statistics, but teaching population how to use that system. Greater life expectancy and healthier population means higher quality of labour force, so directly benefits the business.

Secondly, new technologies not only come from research and development departments of universities, but also from product creation or production processes. Consequently, improvement the workers skills and

abilities enable them to contribute to the development of their production process where low position workers are the best experts. Higher literacy rates improve motivation and initiative for such low scale, but important development processes.

## II. EDUCATION AS AN INVESTMENT PROJECT

In previous years, educational and medical problems were referred as mostly social and were responsibility of governments and non-profit organizations. Nowadays, because of widening of production chain and easy movement across borders, large business cannot benefit only from attraction of "brain" worldwide. Multinational companies are aware of the further sustainable growth of the business that can only be reached with investment in human capital.

Questions of the human capital investment becomes more economical rather than social, so the concern of profits and revenues.

Even cheap and low skilled labour in less developed countries requires training and basic education to improve productivity, so that benefit the multinationals and add to profits.

Previously, governments were blamed for low financing of the social programmes such as basic education for poor. Primary education is provided by mainly educational centres in underpopulated territories. Consequently, low literacy rates in

developing countries could be explained by low financing.

Movement of focus of multinational companies on human capital investment [2] can be treated as great solution for the problem of underfinancing. Large scale companies have significant funds or easy access to financing that can be used to improvement in education levels.

Investment in education becomes a profitable business and contribution to development and growth, beneficial to everyone. Population gain access to free training, educational resources, schools and training centers, business obtain qualified and highly productive workers that brings growth, governments benefit even twice: less should be spend on education from budgets and freed finance can be reallocated to another spheres. The other benefit for governments comes from higher tax revenues, as greater productivity leads to higher production and profits and higher corporate tax payments. Moreover, better skilled labour earns more and income tax collection improved.

Perspective stated above draws picture of great potential for the worldwide growth. Educational improvement leads to boost in almost all spheres of the world economy, economical and further social growth are expected to skyrocket.

However, educational improvement is not that easy and cannot be solved only by greater financing.

### **III. DEVELOPMENT OBSTACLES**

Detailed business plan should be provided before the project gets financing. No matter whether the project is small scale like bakery or large scale, even worldwide as in case of investment in human capital by multinational companies. Any business or government requires positive expected profitability of the projects they invest in.

The main tendencies in world education are determined by developed countries. That is explained by finance availability, greater expertise and existence of educational management. Specialist form top universities and committees produce a lot of research about most efficient educational methods and approaches. However, research based on the data collected from developed countries, findings and conclusions made basing on such data frequently do not fit the population, preferable young population, of the developing counties.

To develop best educational strategies to implement in the developing and less developed countries researches meets the first challenge — lack of reliable data. According to the World bank report developing world have little information on who is learning [3]. Countries of interest for multinationals are those with

large population and lack of work places, for example India, Pakistan, China, Iraq, etc. Most of such countries refers to countries with primary sectors production, constructing largest parts of countries' GDP. The typical industries for primary sectors are agriculture and extraction that implies low population density. Such population distribution produce two main obstacles for efficient implementation of educational systems.

First obstacle is collection of information about existing educational opportunities if any, abilities of the population and type of education and training given population requires. Unfortunately, the latter may not be taken into account as the main role of education for developing and less developed countries — provision of labour force with skills required by multinational companies. The commercial approach may lead to mismatch between aims of business and needs of the population, cultural contradictions and destruction of traditions. Information collection is typically costly. Developing countries usually lacks historical statistical data. Primary data collection may increase cost of the educational project twice or even more.

The second obstacle that population density leads to is the failure of the traditional schools' construction investment. From the economics point of view, building of traditional school in many remote villages or small cities requires great financial flows, while productivity of each school will be too low comparing to initial costs, due to the low attendance. Such project may only be profitable in terms of population literacy rates, growth rates with years or even decades. Not many businesses are willing to wait for investment returns for so long. Long term investment aiming at economic growth could be financed by governments, but budgets of less developed counties could not afford such amount of financing. Actually, it's a trap. Businesses have access fund and are interested to improve the labour force, but requires quicker returns form it. Governments need to increase economic activity and lack finance for educational system improvement. Economic activity can be increased with literate population.

### **IV. IMPLEMENTATION OF NEW TECHNOLOGIES IN EDUCATION IN LESS DEVELOPED COUNTRIES**

Implementation of the new technologies can be considered as a way for cost reduction comparing to traditional schooling. Distant education methods, online schooling could increasing profitability. Moreover, distant educational methods can be used by all types, ages and categories of people. In less developed countries people of all ages may lack basic education. Teaching of people of different age groups is not effective via traditional schooling. Development of information technologies enables to cover the greater

share of population by providing access to education materials from all over the world. Online education considerably reduces costs on schools, universities and educational centres construction, staff training, security and equipment.

Technological approach requires completely different types of investment. Less developed countries lack internet access, especially in remote and rural areas. In order to provide it, construction of the network is needed. Orbital satellites and ground signal catching systems should be installed.

Benefit of technological approach in delivering education to less developed countries is the existence of positive externality of worldwide network. Internet access enlarges not only educational opportunities, but also increases the information transfer speed in almost all economic and social spheres. Population in less developed countries represents potential consumers for primary consumer goods and services. Providing the internet access to these people will open new markets to national, multinational and foreign businesses.

When applying technological approach investors should be aware of the availability of devices with internet connection for the whole population. Income levels in less developed countries are low, so that is important to assure that technological advances are accompanied by social propaganda of the usefulness of the new technologies for the people. Otherwise, poor people would not spend part of their low incomes to buy the gadgets. Generally, low educated people are conservative and introduction of new technologies may take time or even be resisted by them. That is why support of media, local governments and respected individuals is crucial in the process of implementation of the new technologies.

Moreover, public may have problems with the usage of the new technologies, so devices required for education should be simple and user friendly.

## **V. TEACHER AS A MAIN SOURCES OF THE SUCCESS**

The other challenge in introducing worldwide education is teachers. Change starts with a great teacher [4] The main driver for the new process of learning is inspiring teacher. It may be difficult to motivate people in poor countries to spend their time on education. Education gives only future profits. Potential students should understand the exact benefits they will get spending so much effort on education. Only motivated professional teacher can involve each and everyone in the process and show the new world and opportunities that will be opened to those who will manage the process of education.

To make education most effective in reaching the goal of higher productivity of labour, peoples' self-motivation is highly important. Any actions that people are required or obliged to do give rise to resistance and social tension, especially in traditional societies. That is why the role of the teacher is considerably greater than simple information provider.

Teacher is a missionary of educational system [5] who inspires people, shows creativity, passion for study and determines the objectives and mission of the new system.

In traditional education system, employment of qualified teaching staff in off line schools and educational centers is a question of concern. Good teacher is partly question of proper education and partly question of a talent. In order to effectively introduce new knowledge to people in developing and less developed countries teachers should be locals with knowledge of cultural and religious peculiarities of nation and implement this knowledge in teaching and learning processes to achieve greater effect. Foreigner may fail to do that. The question is who will be the teacher, how to select people to be a teacher for their fellow citizens and how the training process will be organized. Moreover, another question is who will be the teacher for future teachers.

Methodology of education, new techniques and methods [6] are created, tested and introduced in developed countries that have an experience, historical background and examples of implementation of different teaching methods. Analysis of the effectiveness of different methods takes time and money. If business consider creation of new educational system in less developed countries as investment project that should bring expected return, there will be no space for testing different methods of education and ways of teaching. Business will provide finance only if the suggested method would work and bring results as quickly as possible. Taking into consideration the arguments of best effectiveness, teacher of future teachers should come from developed countries. There exist volunteer programs that invite students and young teacher to give classes in less developed countries both for kids and for teaching staff. However, the scale of such teacher's mobility and experience sharing is small. In order to global education process starts and be successful, worldwide teacher mobility programme should be introduced and vividly accepted and approved by governments and businesses. The success would be achieved only with the help of global cooperation and agreement.

## **VI. COSTS AND BENEFITS OF THE TECHNOLOGICAL APPROACH**

Technological approach makes experience sharing and teaching process cheaper, quicker and more effective. Online education, conferences, webinars and workshops enables professors and teaches to introduce their findings of new teaching methods, provide training and share the experience with each other. Variety of communication channels and sources of information will give teacher in remote areas possibility for self-education and professional development. Motivation of the teacher is crucial for the whole educational process. When a class teacher from the distant area in India has an opportunity to take part or become a speaker in a global conference without leaving the town, the results of the teaching process can be improved considerably. Online format provides constant support and access to 24 hours advices from colleagues all over the world.

The other benefit of online education is possibility of easy monitoring and control. Businesses prefer to get regular reports and see results of their investment during the project life. Otherwise, it will be a challenging task to find investors for such large scale and long-lasting projects like new educational system in less developed countries.

Economic benefit is obvious. Once created networks that connects population of less developed countries with world wide web will cost considerably less than provision of regular subsidies for teachers to give them an opportunity to take part in conferences and teachers' training programmes off line. Off line format is useful for university professors and helps to improve personal networking, but it is too costly and immobile for the purpose of education provision and extension for the remote areas.

New teaching methods, techniques and methodologies are created in developing country and then implemented in developing and less developed countries. The problem of cultural and local difference and intellectual mismatch of the population of different countries remains unsolved. Methodologies tested on the developed countries' population may not effectively fit the people from less developed countries. World bank report argues [3] that level of development of human capital is quite low in less developed countries that makes many successful methodologies too complicated for the poor population. These challenges should be further investigated and discussed.

Development is an endless process. Deeper development overcomes problem of the basic needs and further questions of the satisfaction of the psychological needs appear. Developed countries aware of equality [7] and equal opportunities for the people all over the world. Unfortunately, this goal is difficult to achieve. In

educational sphere provision of equal treatment, equal level of information and complexity of such information is unrealizable. The main reason for education equality failure is different levels of development of human capital [8]. The idea is that developed and developing countries start from different positions and the distance that people of various nations have to cover to be equally educated differs considerably.

Digestibility of information depend on the level of personal development. Worker from the rice plantation is not expected to become a physician after providing him full information about the universe. The educational process will take years, new generation will be more and more developed then previous one. Information technologies could speed up the process, but development will always be a long run project.

## **VII. CONCLUSION**

Technologies are considered to be characteristics of developed countries. Creation of new technologies requires significant financial investment, so only developed countries and multinational companies can afford to finance research and development. However, implementation of technologies, thus forcing the process of growth in less developed countries can benefit the whole world. Traditional educational methods do not provide fast increase in literacy rates among low skilled population. New technologies, especially on-line education for all types, ages and categories of population can significantly increase the growth rates of the developing and developed economies. Globalization makes business worldwide. Multinational companies reallocate production to less developed countries to reduce costs. Increase in productivity of the labour force would bring benefits for everyone. Multinationals get cheap qualified labour and increase in production, moreover, access to the population of the less developed countries is a new consumer market with increasing purchasing potential. Government obtain benefits in a form of increasing tax payments, reduction of the social educational subsidies and economic growth in the developing countries. People in less developed countries would get more career opportunities, education give them knowledge from all over the world. People can learn how to organize its own business, be more productive or create something on line. People are the main force for the growing economy. Investment in human capital is the investment in the future.

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