YOUR LOGO

HUMAN DEVELOPMENT—EDUCATION

FACULTY OF ECONOMICS

THAMMASAT UNIVERSITY

Module 10
Semester 1

EE463 Globalization and International development

Health and education are closely linked

- Education increases knowledge and skills; improves returns to investment in health
- Good health improves returns to investment in education; lowers the rate of depreciation of educational capital

What is human capital?

- Human capital = skills, knowledge, experience possessed by an individual or population that can be used to create economic value
- Human capital expands human capabilities
- Human capital is a prerequisite for productivity

Human capital and development

- Rise in earnings of workers in advanced industrialized countries = growth in human capital
- Poor countries remain poor because of insufficient investment in people
- Health and education are both a means and basic objective of development

Types of human Investments

- Formal education
- Vocational training
- On–the job training
- Government training programs
- Specialized training
- Health facilities and services
- Health insurance

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EDUCATION ISSUES AND CHALLENGES

Definitions

- Gross enrollment rate: total number of children enrolled in a given school category divided by the number of children of that age group
- Net enrollment rate: total number of children enrolled relevant to the of the age group divided by the number of children in that age group
- Grade survival rate: estimate of how many children actually complete a certain grade level

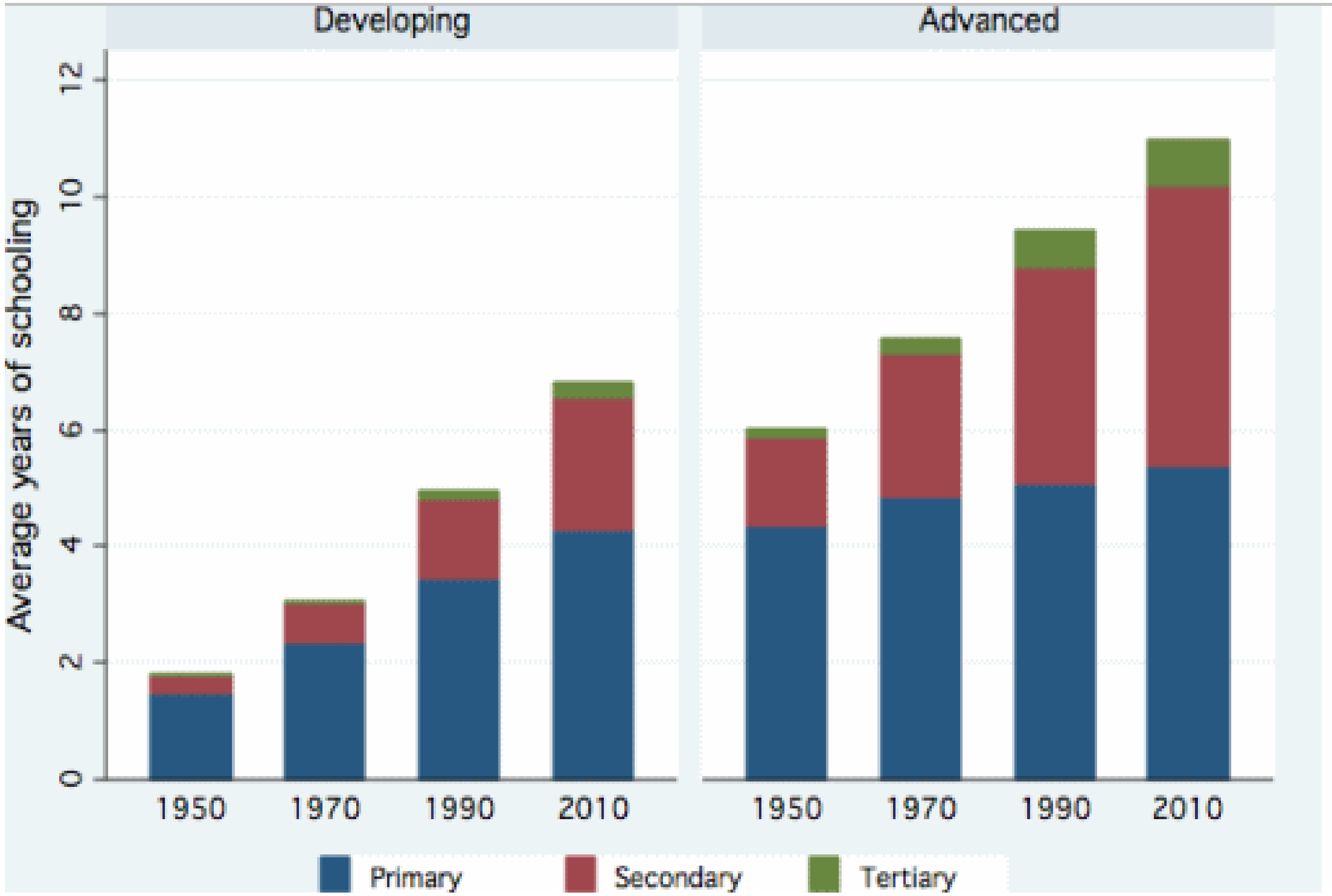
Example GER: for primary school there are 1 million children enrolled. However there are 1.2 million children aged 6-12 years old.
GER=1/1.2= 83.3%
If there are many children enrolled that are older than 12 years, GER can be more than 100%

Definitions

- Primary education: Grades 1-6
- Secondary education: Grades 7-12
- Tertiary education: university level
- Educational attainment: the highest degree of education by a single individual
- Educational stock: amount of schooling embodied in a population
- Educational flows: the net change in stocks as a result of school enrollment patterns

Education: global trends and patterns

- In general more people worldwide are getting more education
- Educational attainment worldwide is uneven
- Gross enrollment rate in tertiary education:
  - advanced countries: 67%
  - middle income countries: 25%
  - low income countries: 7.5%

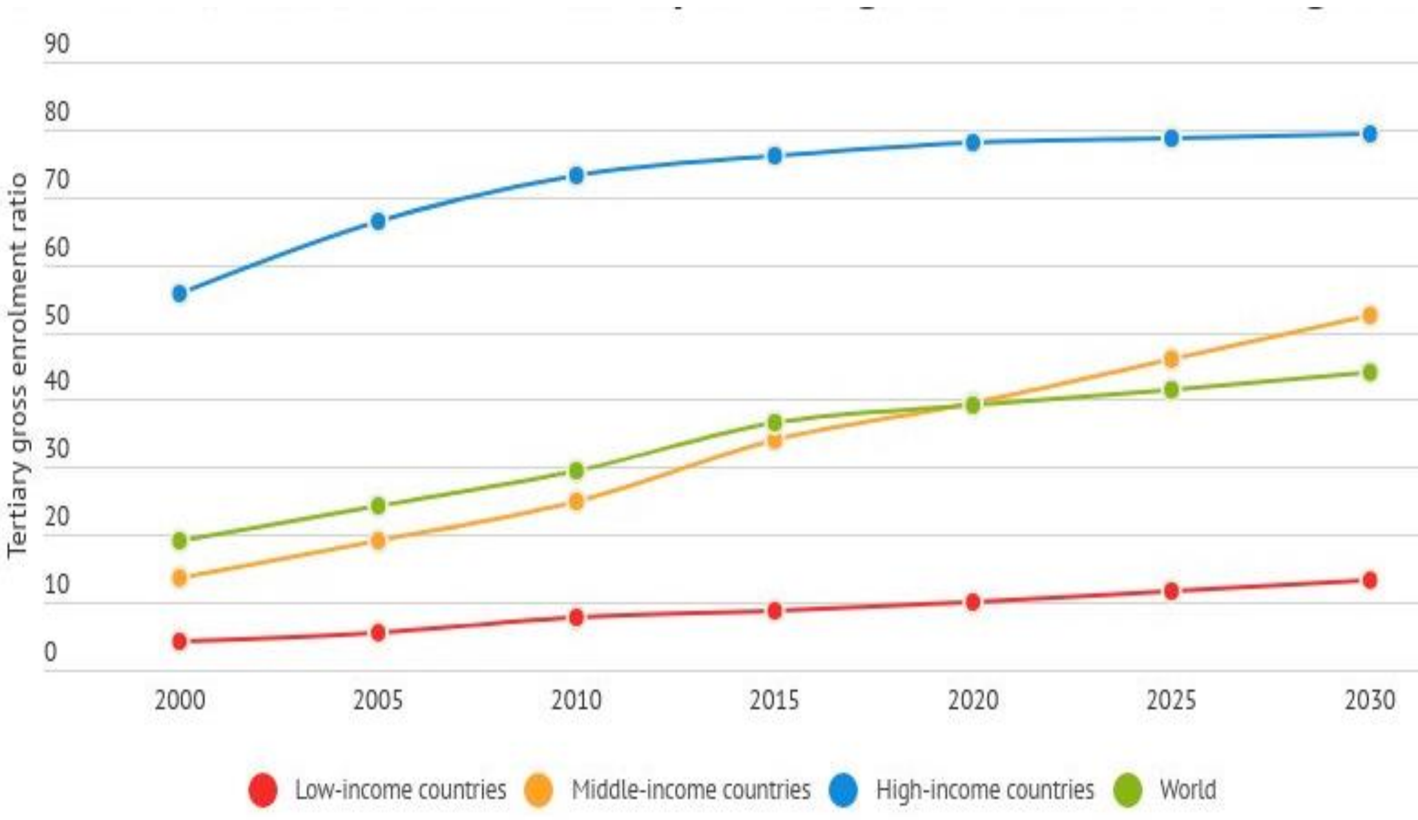


Education: comparisons

- United States: only 6% of adults did not complete primary school
- Brazil: 25% adults did not complete primary school
- Bihar and Uttar Pradesh (India): 50% adults did not complete primary school

The situation is changing…

- For primary education, gross enrollment rate has been high in East Asia, Central Asia and Latin America
- Middle income countries can expect a great rise in tertiary education, reaching 52% by 2030
- However, close to 70 million children worldwide are not in school



Changes in schooling and GER

Region	Primary		Secondary		Tertiary	
	1975	2005	1975	2005	1975	2005
Asia and Pacific	113	111	37	73	2.5	20
Europe and Central Asia	97	97	85	88	33	55
Latin America and Carribean	109	118	38	90	13	30
Middle East and North Africa	82	106	31	76	11	26
South Asia	77	110	27	50	4.5	10
Sub-Saharan Africa	59	92	11	32	1.2	5.3
High Income Economies	98	100	79	98	34	62

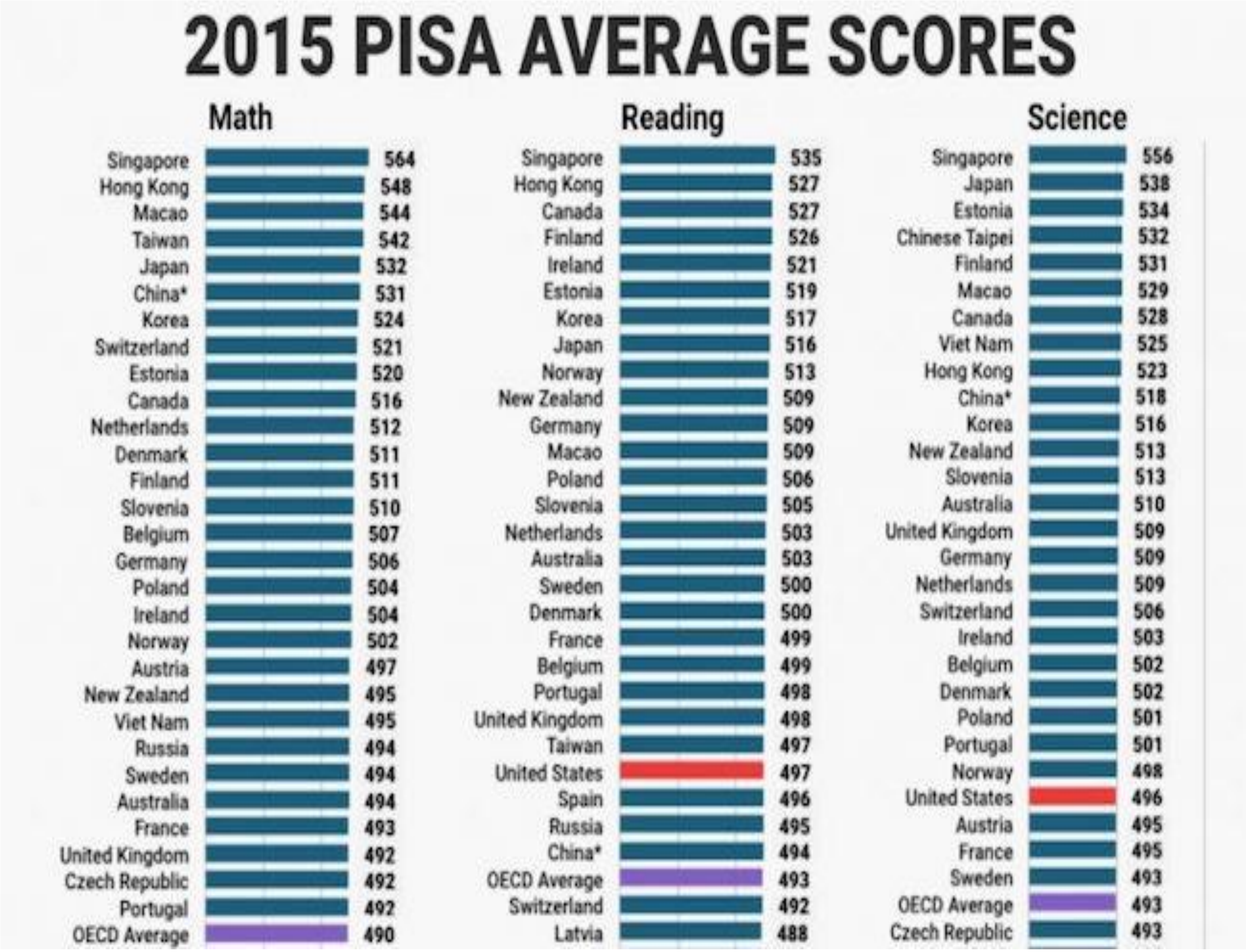
Source: UNESCO Institute of Statistics 2006

Challenges in education

- Investments in education are long-term; no quick results in the short term
- Achieving primary education remains an important goal; much progress achieved in the past 50 years
- Expanding secondary and tertiary education: still a challenge for many countries; requires investments
- Prioritizing investments: universal primary education? secondary education? or tertiary education?

Schooling vs learning

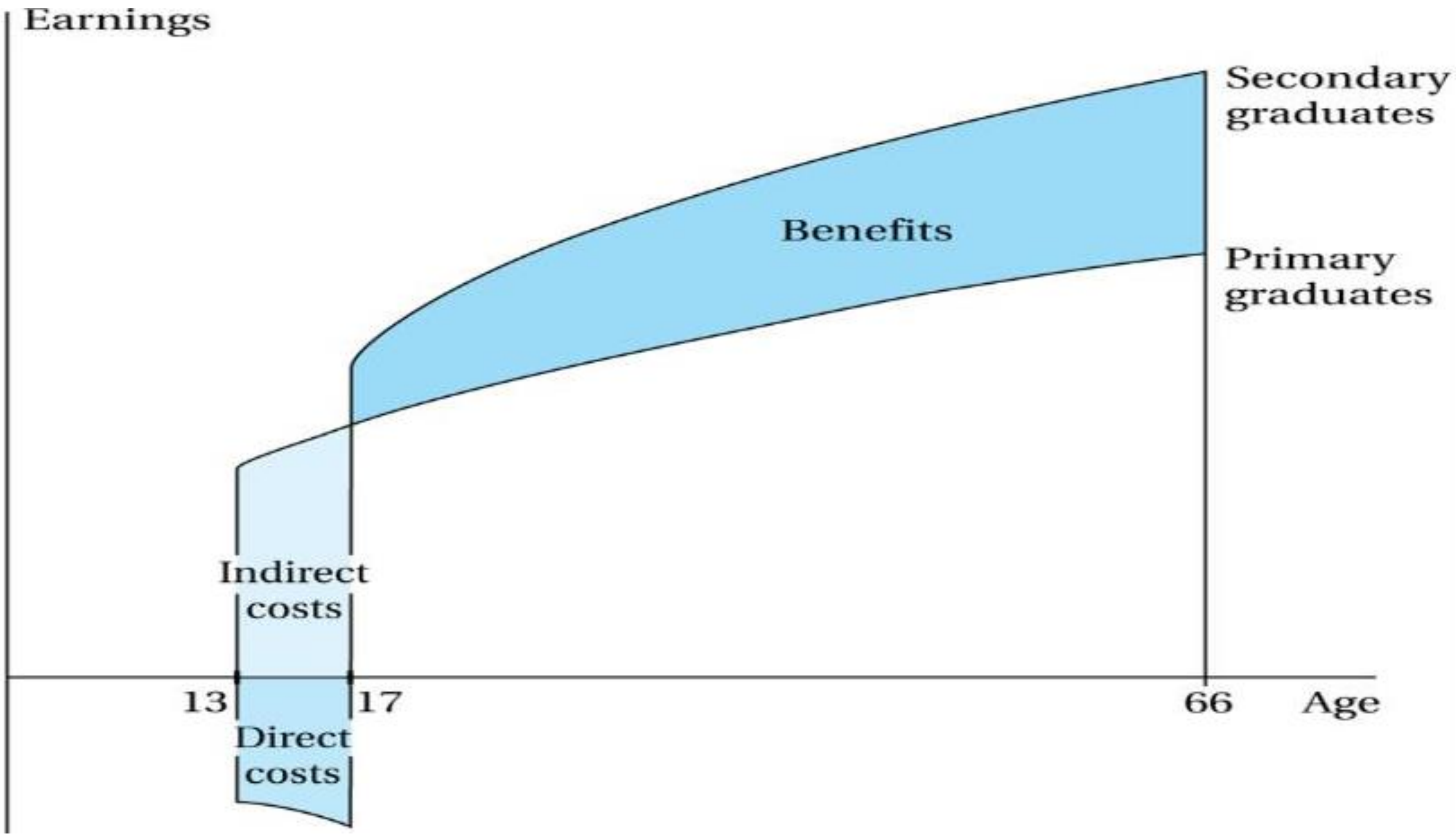
- Schooling is a means to acquire knowledge and skills
- Learning: acquired knowledge and skills
- Going to school does not necessarily result in gaining knowledge
- PISA (Programme for International Student Assessment): a measure of learning



Rate of Return of Schooling

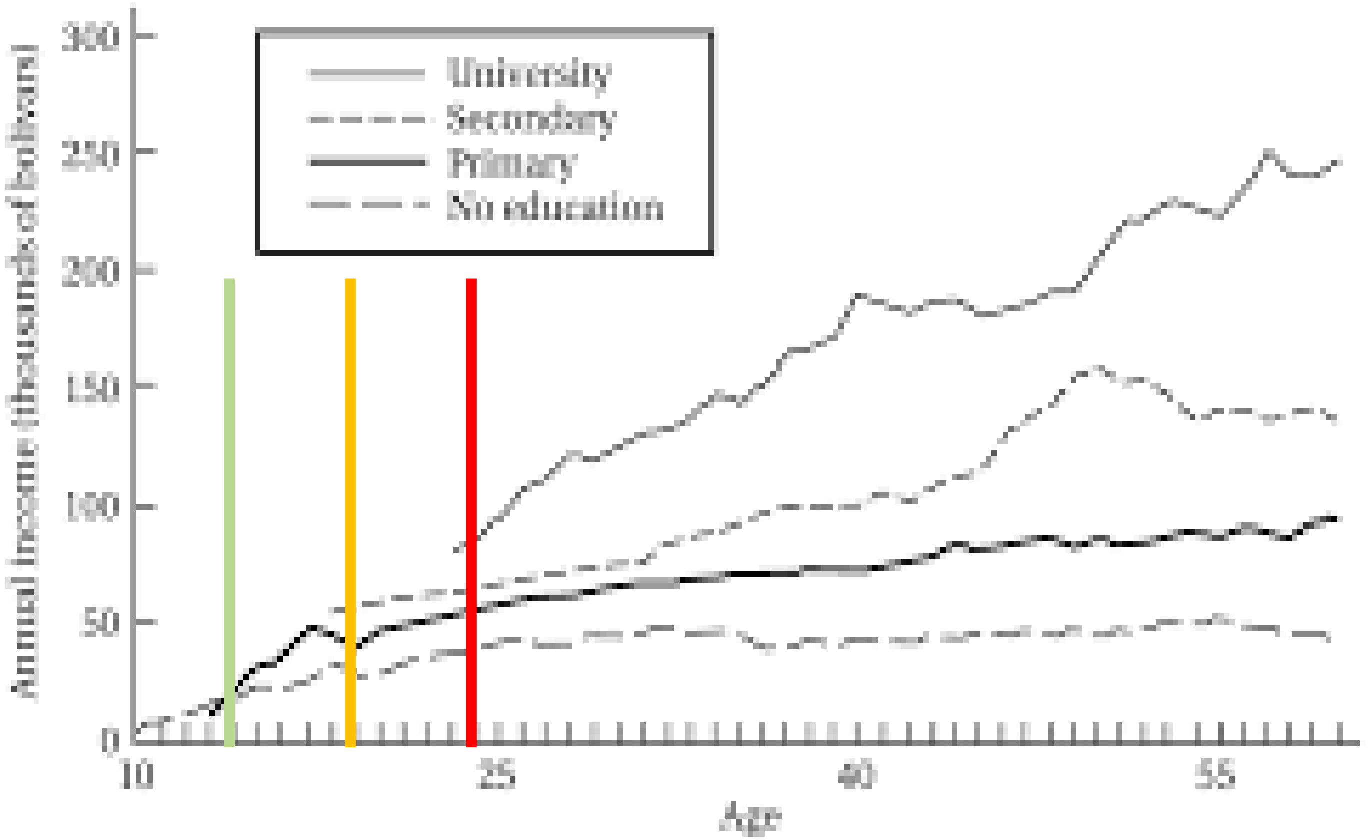
- Higher educational attainment will likely give higher returns/ income
- Decision to pursue higher education:
  - direct costs
  - indirect costs
  - opportunity costs
- In deciding whether to pursue secondary education, benefits should exceed costs

Rate of return: primary vs secondary schooling



Earnings by Level of Education

- People with higher levels of education tend to earn more at the same age level



Source: George Psacharopoulos, *The Profitability of Investment in Education: Concepts and Methods* (Washington, D.C.: World Bank, 1995). Reprinted with permission.

Gender in education: developing countries

- Education tends to favor boys over girls; however gender gap has decreased over time
- 1960: average schooling for males was 3.1 years; for females, 2.0 years
- In 2010: 7.6 years for males and 6.5 years for females
- Gender disparities still exist in South Asia, the Middle East and Sub-Saharan Africa

Challenges to girls’ education

- Poverty is the most disruptive factor for girls’ education
- Traditional expectations still limit women’s learning opportunities
- Rural women are less likely to receive further education
- Scholarships help girls further their education

Summary

- Education and health are interrelated; both are important in the formation of human capital
- During the past five decades, significant changes in terms of educational attainment has been achieved worldwide, particularly in primary education
- Investments in education have resulted in improvements in human capital and improving the well-being of millions of people

Summary

- Challenges remain; more than 4 out of 5 children live in low and middle income countries without proper education and learn very little
- Despite progress in education and schooling, results has been uneven and there are significant variations across countries and regions
- Investments in education yield good returns; however the investment is long term; while the poor have more, immediate needs

Summary

- In deciding whether to pursue higher level education, returns to schooling is a deciding factor, involving considerations of benefits against costs
- There are still gender disparities in education; however overall the situation is improving

THANK YOU!