YOUR LOGO

HUMAN DEVELOPMENT–EDUCATION

FACULTY OF ECONOMICS, THAMMASAT UNIVERSITY

Semester 2 2022

EE463 Globalization and International development

What is human capital?

Skills, knowledge, experience possessed by an individual or population that can be used to create economic value

Why is human capital important?

- Expands human capabilities
- A prerequisite for productivity
- Growth in human capital increases workers' earnings
- Countries remain poor because of insufficient investment in people

Health and education are closely linked

- Education increases knowledge and skills; returns investments in health
- Good health returns investments in education; lowers the rate of depreciation of educational capital
- Health and education are both a means and objective of development

Types of human Investments

- Formal education
- Training: vocational, on-the-job, specialized
- Government training
- Health facilities/services
- Health insurance

Education trends and issues

Definitions

- *Gross enrollment rate*: total children enrolled in a given school category divided by the number of children in that age group
- *Net enrollment rate*: total children enrolled relevant to the age group divided by the number of children in that age group
- *Grade survival rate*: percentage of children who actually complete a certain grade level
- *Educational attainment*: the highest degree of education by a single individual

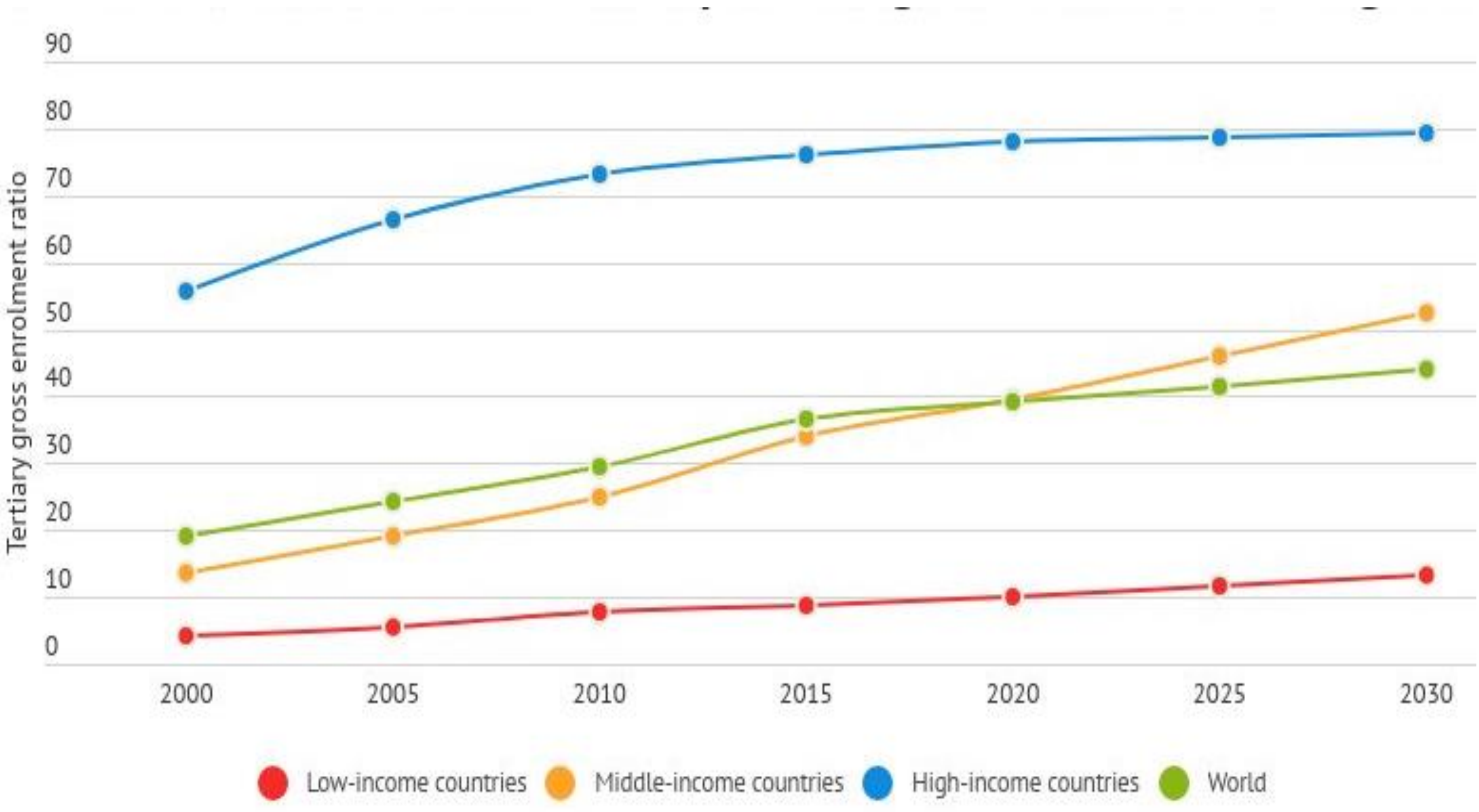
Educational levels

- Primary education: Grades 1-6
- Secondary education: Grades 7-12
- Tertiary education: university level

Global trends and issues

- More people worldwide are getting more education
- Primary education: much progress achieved in the past 50 years
- However educational attainment worldwide is uneven
- About 70 million children worldwide are not in school

More people are getting education



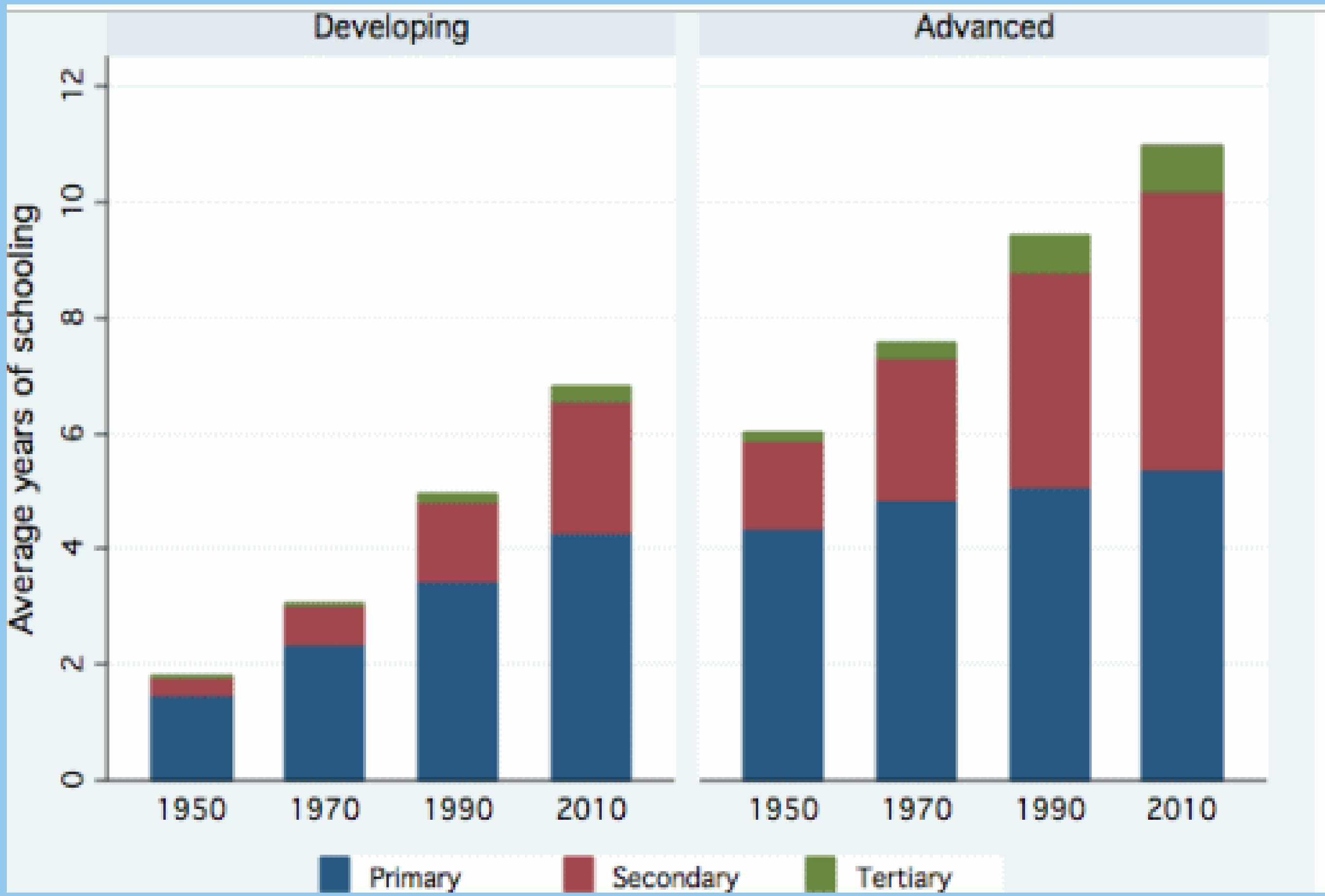
Primary educational attainment

Adults not completing primary school:

- United States: 6%
- Brazil: 25%
- Bihar and Uttar Pradesh (India): 50%

Gross enrollment in tertiary education

- Advanced countries: 67%
- Middle income countries: 25%
- Low income countries: 7.5%
- Middle income countries can expect a great rise in tertiary education, reaching 52% by 2030



Progress in gross enrolment ratio, 1975-2005

	Primary		Secondary		Tertiary	
Region	**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

Prioritizing educational investments

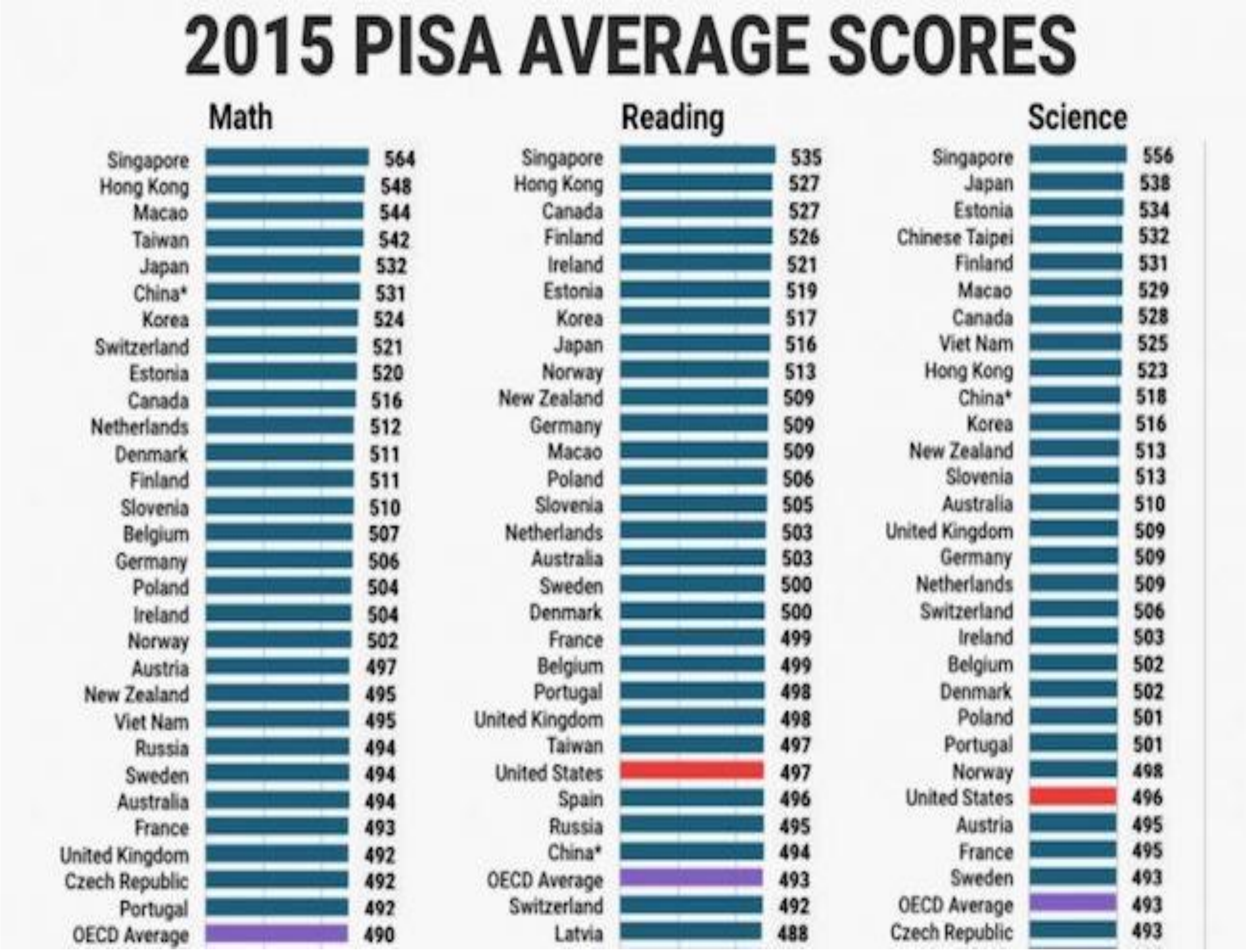
- Achieving universal primary education remains an important goal
- Expanding secondary and tertiary education: still a challenge for many countries
- Choosing priority investments:
  - School level?
  - Geographic area?
  - Teaching facilities or teachers?

Challenges in education

- Investments in education are long-term; no quick results in the short term
- How to evaluate effectiveness of education programs?
- How to prioritize investments:
- School level?

Schooling vs learning

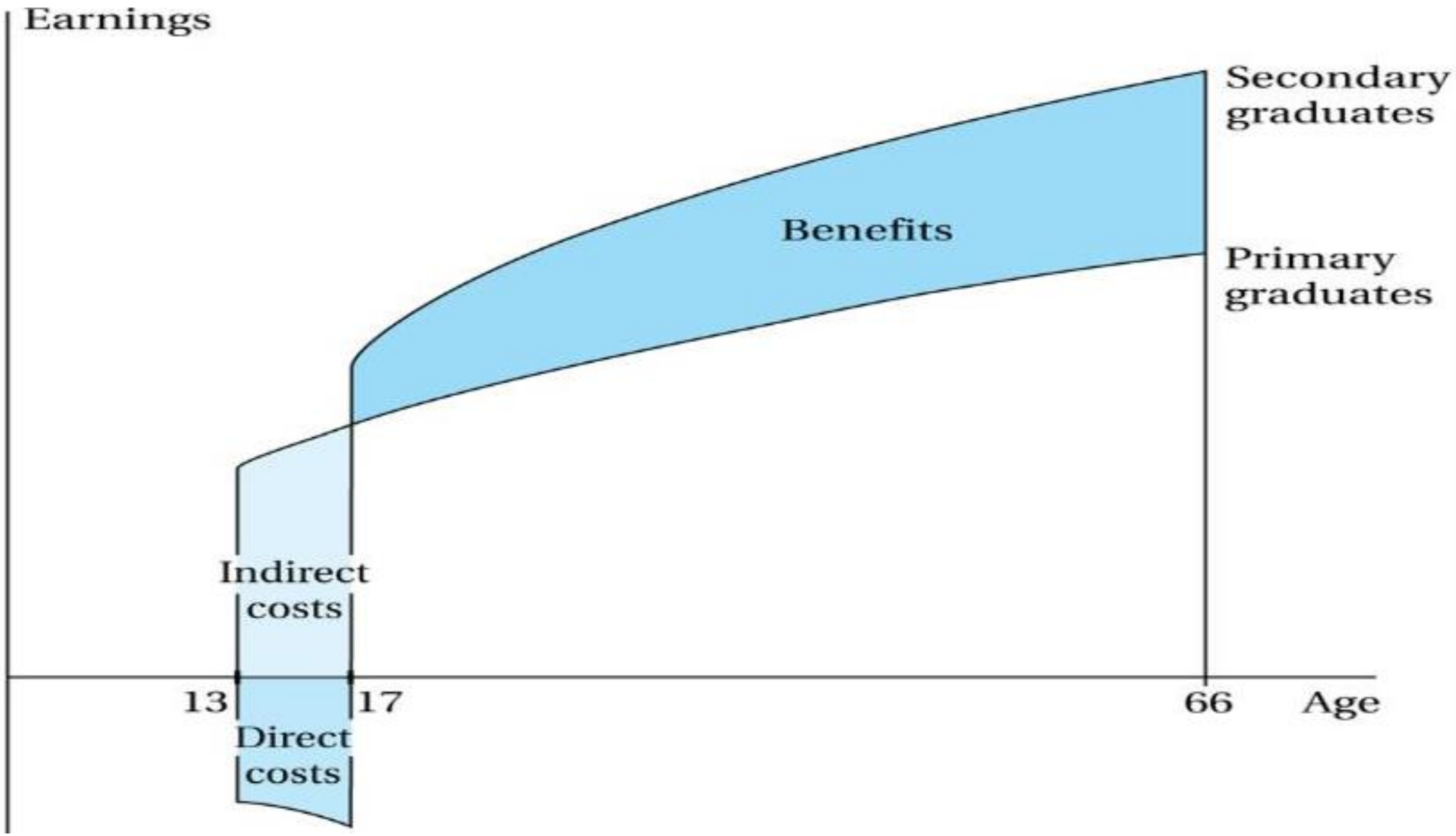
- Schooling is a means to acquire knowledge and skills
- Learning: acquired knowledge and skills
- Going to school does not necessarily result in gaining knowledge
- PISA (Programme for International Student Assessment): a measure of learning



Rate of Return of Schooling

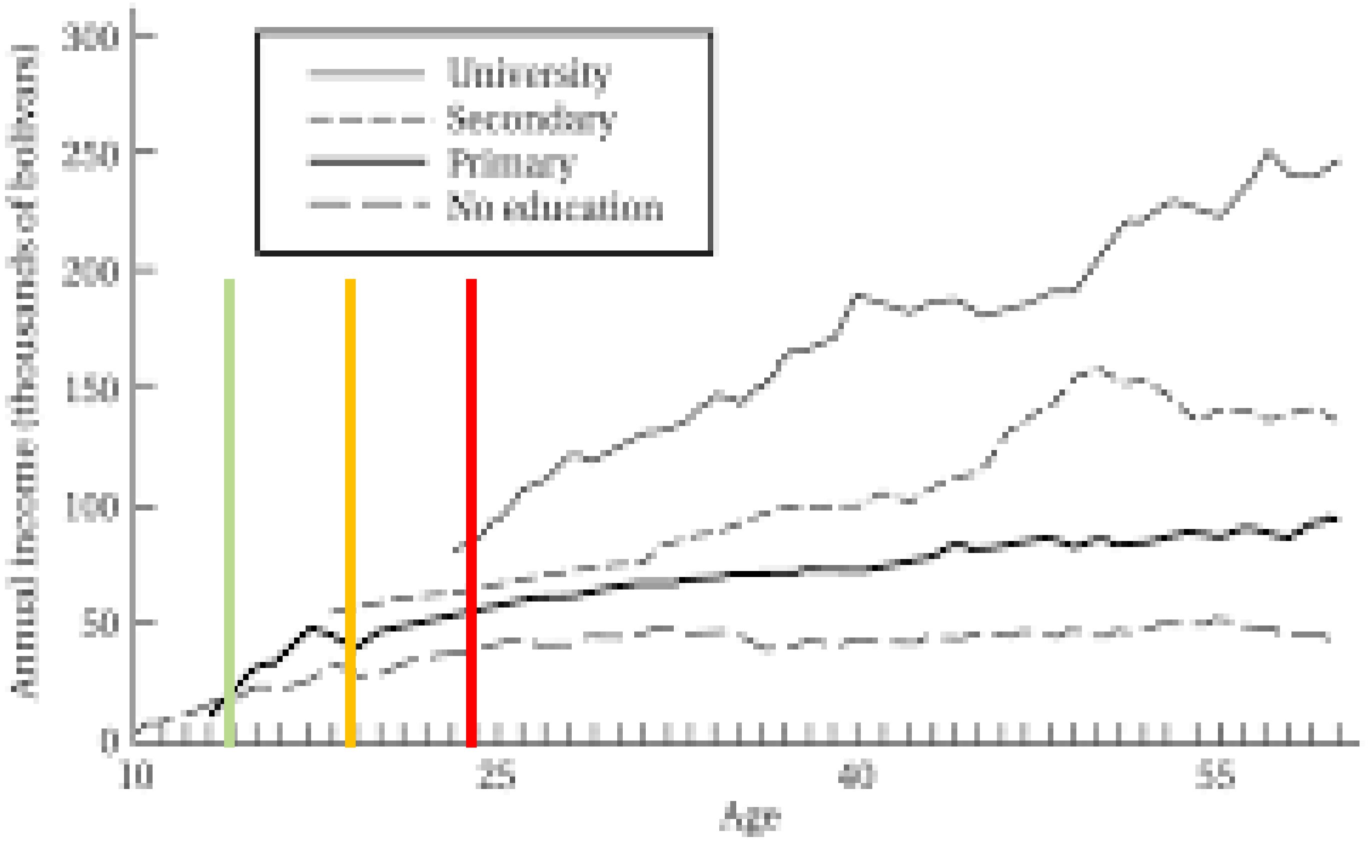
- Higher educational attainment will likely give higher returns/ income
- Decision to pursue higher education:
  - direct costs
  - indirect costs
  - opportunity costs
- In deciding whether to pursue secondary education, benefits should exceed costs

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



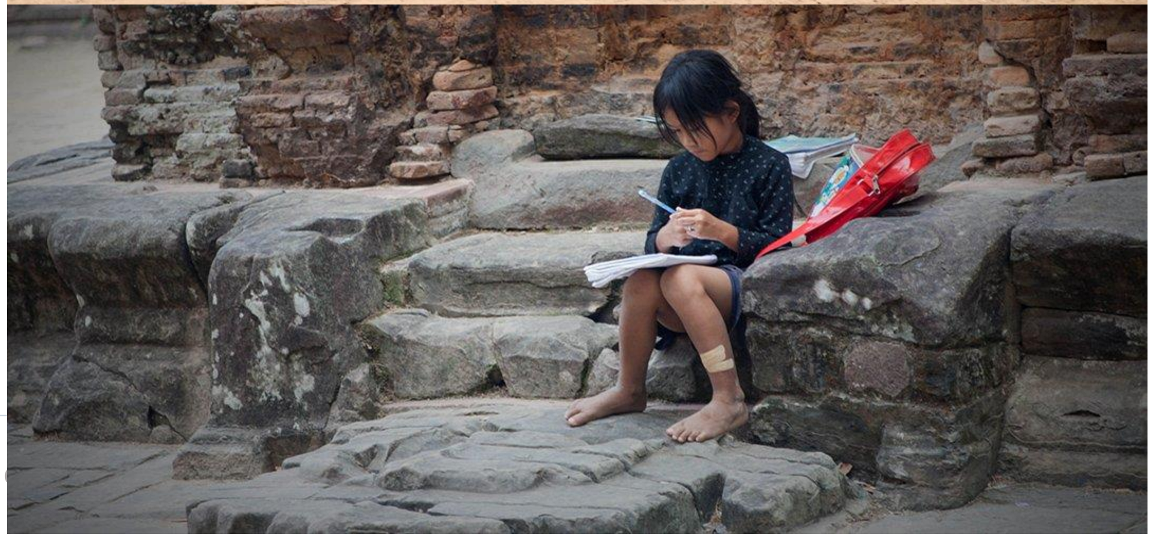
Source: George Psacharopoulos, *The Profitability of Investment in Education: Concepts and Methods* (Washington, D.C.: World Bank, 1995). Reprinted with permission.

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 i

THANK YOU!

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