
Global Economic Issues

4. Education



Education & Health as Joint Investments for Development

- Greater health capital may improve the returns to investments in education
- Greater education capital may improve the returns to investments in health
- Better educated mothers tend to have healthier children

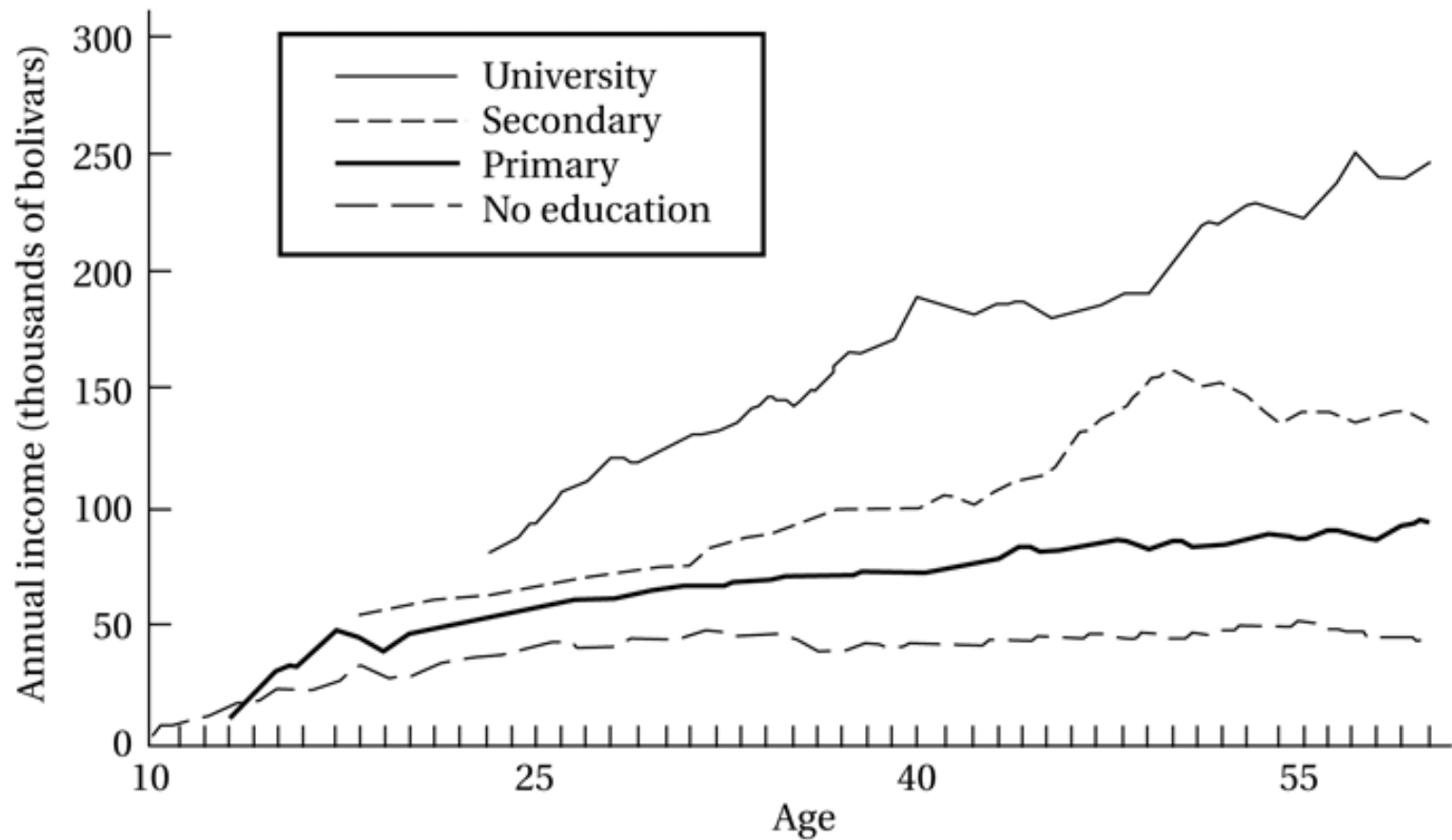
Table 4.1 Primary School Enrollment and Pupil-Teacher Ratios, 2009

Region or Group	Net Primary School Enrollment (%)	Primary Pupil-Teacher Ratio
Income Group		
Low	80	45
Lower Middle	87	23 ^a
Upper Middle	94	22
High	95	15
Region		
East Asia and Pacific	93 ^a	19
Latin America and the Caribbean	94	25
Middle East and North Africa	91	24
South Asia	86	40 ^a
Sub-Saharan Africa	73	49
Europe and Central Asia	92	16

^aData for 2009.

Source: Data from World Bank, *World Development Indicators, 2010* (Washington, D.C.: World Bank, 2010), tabs 2.11 and 2.12.

Figure 4.1 Age-earnings profiles by level of education:
Venezuela, 1995



Source: International Bank for Reconstruction and Development / The World Bank: *The Profitability of Investment in Education: Concepts & Methods* by George Psacharopoulos, 1995. Reprinted with permission.

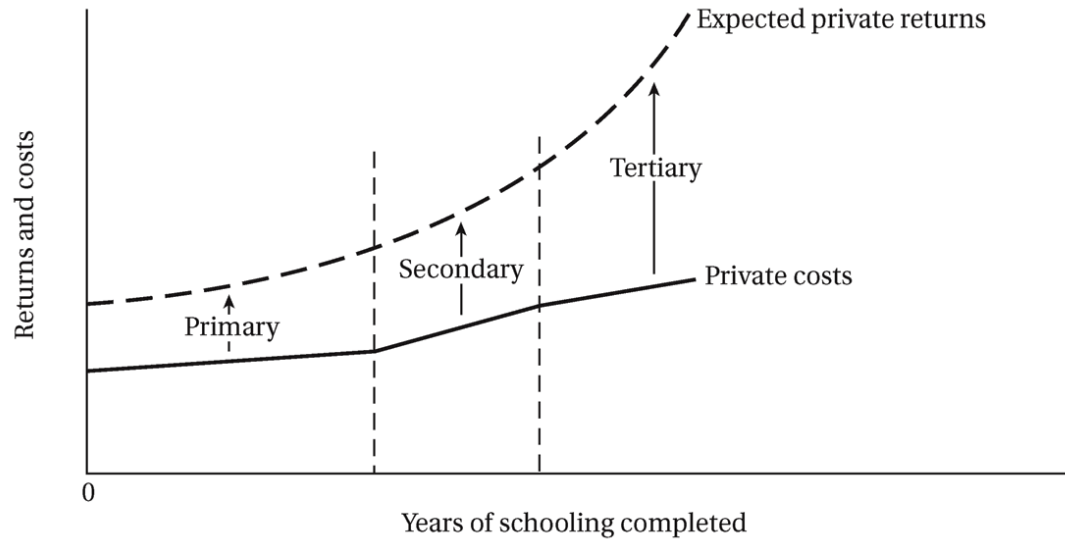
Table 4.2 Rates of return on education investment by level of education, country, type, and region

Country Type and Region	Social Rate of Return (%)			Private Rate of Return (%)		
	Primary	Secondary	Higher	Primary	Secondary	Higher
Developing						
Sub-Saharan Africa	24	18	11	41	27	28
Asia	20	13	12	39	19	20
Latin America	18	13	12	26	17	20
Developed	14	10	9	22	12	12

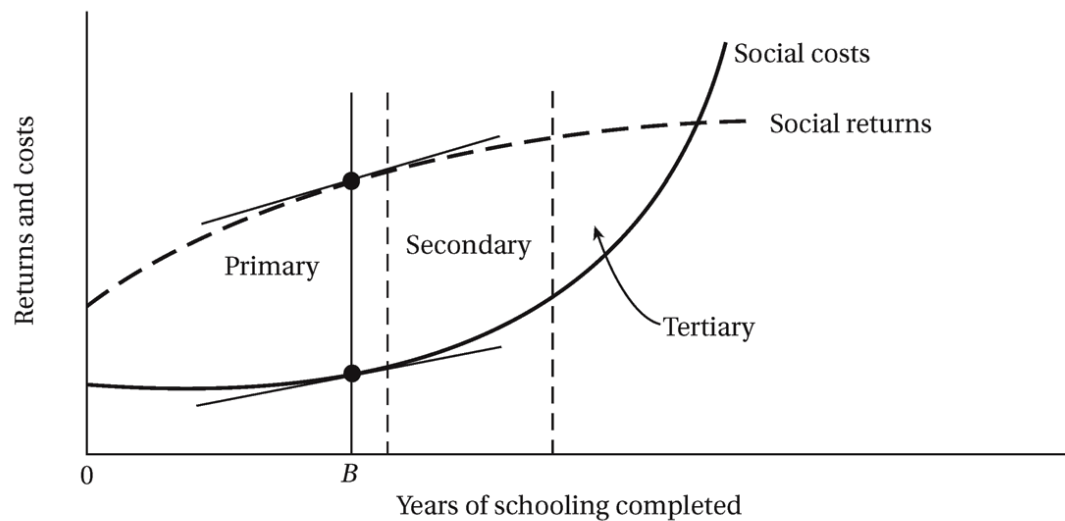
Source: George Psacharopoulos. "Returns to investment in education: A global update," *World Development* 22 (1994): 1325–1343, tab. 1. Copyright © 1994. Reprinted with the permission of Elsevier.

Note: How these rates of return were calculated is explained in note 20 at the end of this chapter.

Figure 4.3 Private versus social benefits and costs of education



(a) Private returns and costs



(b) Social returns and costs

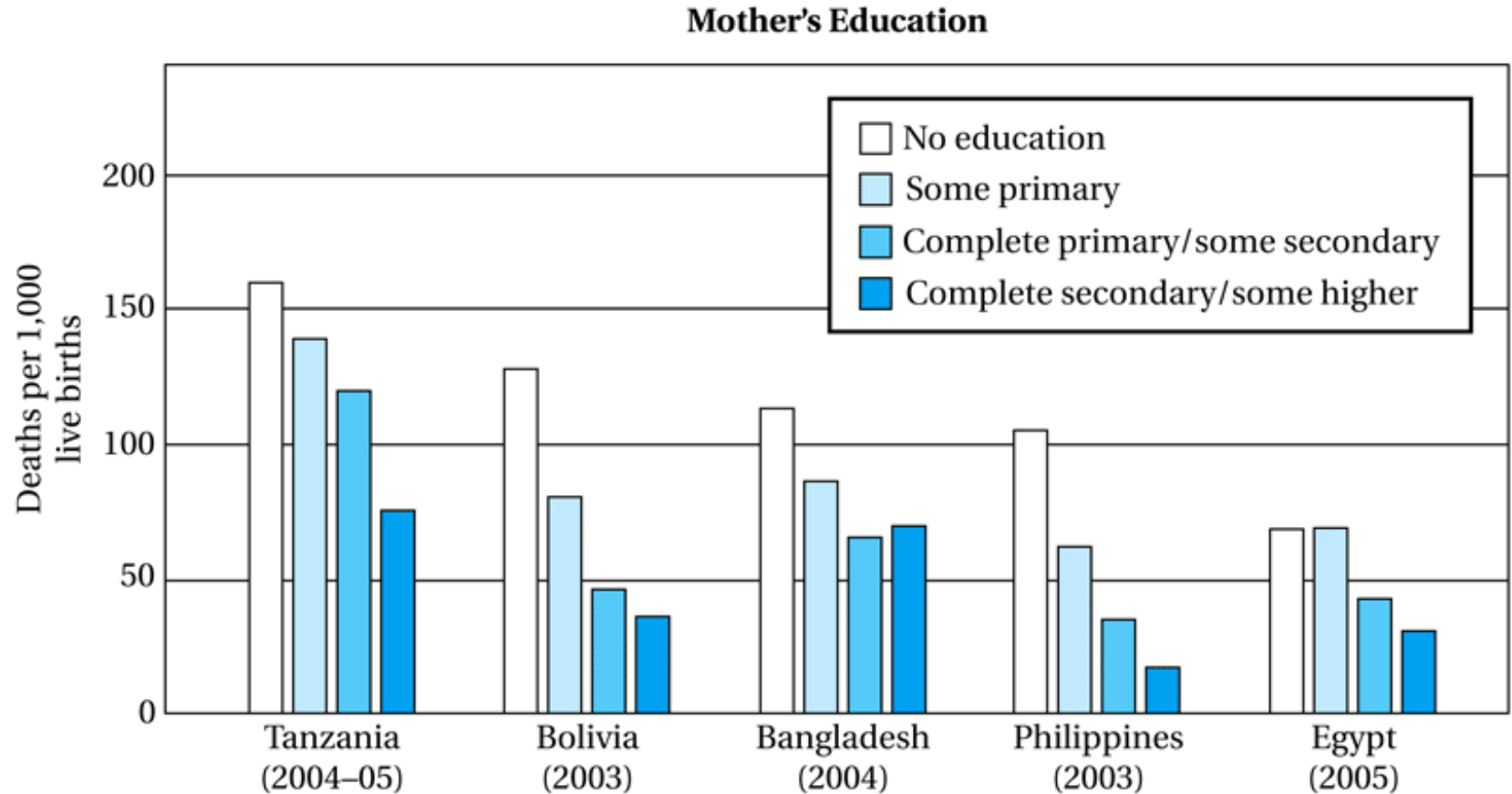
The Gender Gap: Women & Education

- Young females receive less education than young males in nearly every LDC
- Closing the educational gender gap is important because:
 - The rate of return on women's education is higher than that of men in developing countries
 - It increases productivity and lowers fertility
 - Educated mothers have a multiplier impact on many generations
 - It can break the vicious cycle of poverty and inadequate schooling for women

The Gender Gap: Women & Education

- *Millennium Development Goals (MDG)* address inequality and we're beginning to see the first stages of convergence.
- *The Sustainable Development Goals (SDG)* which are currently being developed to replace the MDG (expired in 2015), also address the Gender Gap.
- *Half the Sky* by Nicholas Kristof and Sheryl WuDunn

Figure 4.6 Correlation between Under-5 Mortality and Mother's Education



Source: International Bank for Reconstruction and Development/World Bank, *World Development Indicators*, 2007 (Washington, D.C.: World Bank, 2007), p. 119. Reprinted with permission.

Table 4.3 Male and Female Education Rates

Country	Adult Literacy		Youth Literacy		Net Primary Enrollment		Net Secondary Enrollment		Gross Tertiary Enrollment	
	Female Rate (% ages 15 and older)	Female Rate as % of Male Rate	Female Rate (% ages 15–24)	Female Rate as % of Male Rate	Female Ratio (%)	Ratio of Female to Male	Female Ratio (%)	Ratio of Female to Male	Female Ratio (%)	Ratio of Female to Male
Argentina	97.2	100	99.1	100	98	0.99	82	1.07	77	1.51
Mexico	89.6	97	97.6	100	98	1.00	65	1.03	23	0.98
Malaysia	85.4	93	97.3	100	93	1.00	81	1.14	38	1.41
Saudi Arabia	69.3	80	93.7	96	57	0.92	51	0.96	33	1.50
Peru	82.1	88	95.7	98	97	1.00	69	1.00	34	1.03
Tunisia	65.3	78	92.2	96	98	1.00	69	1.04	33	1.36
Indonesia	86.8	92	98.5	100	93	0.98	57	0.99	15	0.79
Guatemala	63.3	84	78.4	91	91	0.95	32	0.92	8	0.72
Laos	60.9	79	74.7	90	82	0.94	34	0.85	5	0.63
Ghana	49.8	75	65.5	86	58	1.01	33	0.86	2	0.48
Togo	38.5	56	63.6	76	72	0.85	14	0.48	1	0.20
Kenya	70.2	90	80.7	101	77	1.00	40	1.01	2	0.61
Guinea	18.1	43	33.7	57	58	0.84	14	0.51	1	0.19
Benin	23.3	49	33.2	56	72	0.78	11	0.49	1	0.25
Côte d'Ivoire	38.6	63	52.1	74	50	0.80	15	0.57	3	0.36
Zambia	59.8	78	66.2	91	80	1.00	21	0.78	2	0.47
Burkina Faso	15.2	52	24.8	65	35	0.77	8	0.68	1	0.31
Niger	15.1	35	23.2	44	32	0.71	5	0.67	—	0.36

Source: United Nations Development Program, *Human Development Report, 2006* (New York: United Nations, 2006), tab. 26. Used with permission.

Note: Countries listed in order of Human Development Index rank.

Greg Mortenson on *Bill Moyers Journal*

- [January 15, 2010 episode of Bill Moyers Journal](#)
- [Central Asia Institute](#)