

## EarthTrends: Featured Topic

Title: **Rx for Health: Education**  
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Well-educated, healthy populations are of fundamental importance in raising levels of socioeconomic development. Numerous studies now document the positive correlations among, for example, women's education, reduced fertility, and improved child health, and also between literacy rates and average per capita incomes. The World Bank argues that human resources—which include labor, the returns on educational investments, and social organizations—are one of the most important components of the wealth of most nations (World Bank 1997:5-15).

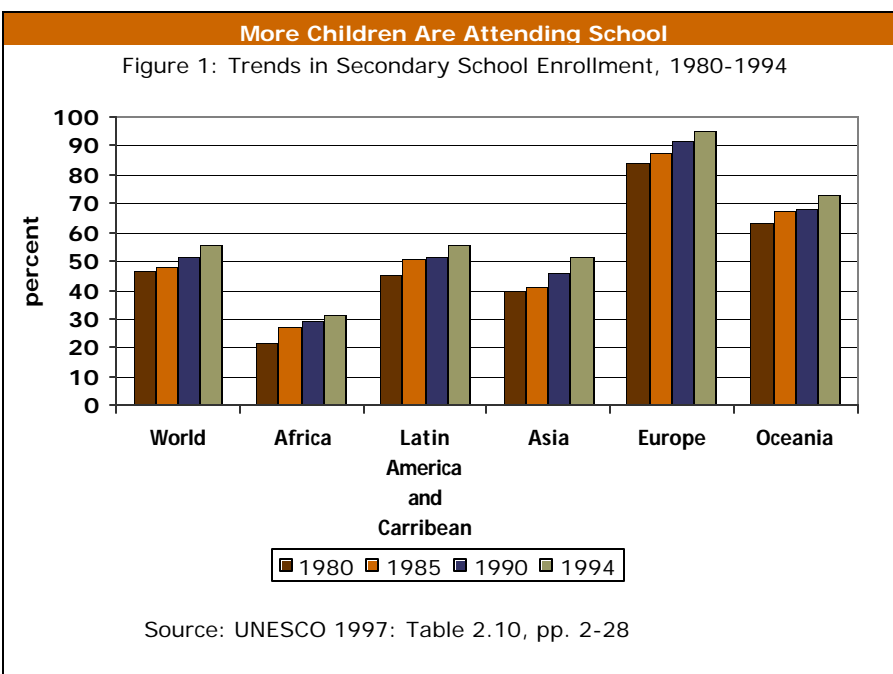
Good education and health do not follow as an automatic consequence of economic growth but depend on government action, especially policies that target primary-level education and health care. The provision of high-quality basic social services benefits the poorer members of society, who cannot afford private alternatives, as well as the economy as a whole.

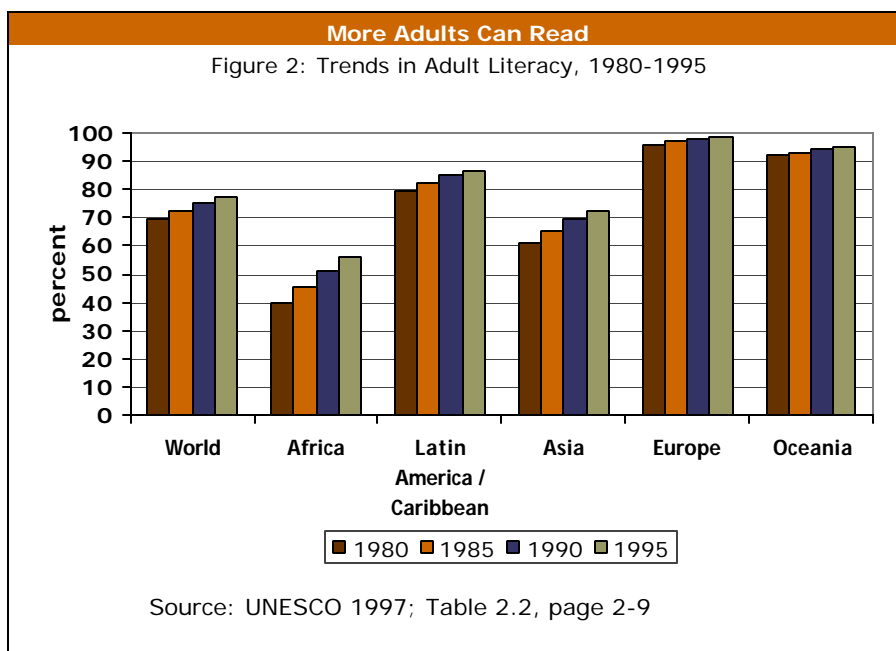
One multicountry study has indicated that a 10-percent increase in life expectancy raises the national economic growth rate by about 1 percent per year (UNDP 1997:76). Other research suggests that

increasing the average education of the labor force by 1 year raises the GDP by 9 percent, although this holds true only for the first 3 years of extra education, with diminishing returns thereafter (UNDP 1997:76).

Investment in basic social services usually has more impact on human development and economic growth than does spending on higher education or advanced medical facilities. It has been estimated that the social rate of return for all developing countries averages 24 percent for primary schooling, 15 percent for secondary schooling, and 12 percent for postsecondary

education (UNDP 1996:74). Many economists now attribute much of the economic success of the "Asian tigers" to their governments' commitment to public funding of primary education as the foundation for development. In 1960, Pakistan and the Republic of Korea had similar incomes but quite different school enrollment ratios—30 percent in Pakistan and 94 percent in Korea. Over the next 25 years, per capita GDP in Korea grew to three times that of Pakistan. It has been estimated that if Korea's enrollment ratio had stayed the same as Pakistan's, its per capita GDP would be





about 40 percent less than it is today (UNDP 1996:76).

Educational achievements worldwide have improved significantly over the past 30 years; the proportion of children attending school has risen, and adult literacy programs have helped to spread basic reading skills. (See Figures 1 and 2.)

The gender gap (the difference in educational attainment between boys and girls) has also narrowed at all educational levels, with the greatest progress being made in the Arab states, followed by Southeast Asia and Latin America (UNDP 1995:29). However, nearly two thirds of the world's 840 million illiterate adults are women (UNDP 1997:30). In sub-Saharan Africa, the gender gaps in adult literacy and higher education rates are still widening. This situation has serious implications for child

health and food security, given that women in rural areas of the region are almost solely responsible for child nutrition and produce up to 80 percent of basic foodstuffs (UNDP 1997:30; FAO 1996).

Human health has also improved significantly in recent decades. Globally, average life expectancy has risen to 65 years, and the life expectancy gap between the industrialized and developing countries has almost halved since 1960 (WRI 1998). Deadly diseases such as polio, leprosy, and neonatal tetanus may be eradicated in the near future (WHO 1996:v). Infant and child mortality rates have fallen in all regions. Despite this progress, infectious diseases remain the leading cause of death of children under age 5 worldwide, and new diseases such as acquired immune deficiency syndrome (AIDS) and new varieties of

hemorrhagic fevers have emerged (WHO 1996:14-16). Unfortunately, the least developed countries have experienced the smallest gains in key indicators of human health, and the gap between them and developing countries as a whole is widening.

### **Investment in Public Education and Health**

Despite the evidence that public and private expenditures on basic social services appear to bring the greatest returns on capital in terms of promoting GDP growth, investment levels have risen slowly or erratically in recent decades. Public expenditures on education have fallen, as a proportion of gross national product, in many world regions since the 1980s. Military budgets have also fallen in much of the developing world but are still comparable with those for education (UNDP 1997:226-227).

Public financing of health and education is increasingly augmented by private investment. In many industrialized countries, governments are faced with looming fiscal crises brought on by the expanding demands of comprehensive welfare systems. Individuals are therefore being required either to contribute more to state education and health systems or to seek private alternatives. Citizens in many developing countries are also required to foot much of the bill for social

services, but far fewer of them are in a position to do so. Among low-income countries, for example, private sources account for 80 percent of total education spending in Haiti and nearly 60 percent in Uganda and Vietnam (World Bank 1997:55). In such situations, the poor majority of the population has quite limited educational opportunities.

There is, as yet, no evidence of a significant trend to shift spending toward basic social service provision in sub-Saharan Africa, where public expenditures are most skewed (Binswanger and Landell-Mills 1995:22). Raising the level of investment in human capital there, and in parts of south Asia and Latin America, will be essential if the current downward spiral of poverty, underemployment, and resource degradation is to be reversed. However, some

governments in these regions are beginning to spend more on primary education and health care, and these programs provide encouraging examples for others to follow. A number of countries have achieved far greater improvements in human development than are usual for their income level, thanks to enlightened policies that address the needs of the broad majority of their citizens.

Kerala State, in India, is an apt example. Despite quite low income and productivity growth since 1970, Kerala's citizens enjoy a life expectancy on a par with Hungary and literacy rates comparable with those in Norway. By 1991, the fertility rate had dropped to 1.8 children per woman, below the replacement rate (Visaria and Visaria 1995:22). Almost all villagers now have access to a school and a modern health clinic within a radius of 2.5

kilometers. Newspapers and telecommunication facilities are also available in the great majority of villages. These successes are the result of a strong political commitment to mass education and health care dating back to the 19th century. Important support has come from social policies that have achieved relatively equitable land distribution, an efficient food distribution system, and a breakdown of the restrictive caste system. Attitudes toward women are enlightened; girls outnumber boys in higher education, and Kerala has appointed the first female chief justice, surgeon general, and chief engineer in India. Social investment appears to be paying off. Kerala's annual growth rate in per capita income was almost twice that of India between 1987 and 1992 (UNDP 1996:81; Basheer 1995:14-17).

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