

# Education for sustainable, shared prosperity

## Successful education systems fuel economic growth, but depend on countries first identifying the policies that will help promote learning for all

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A productive labour force is the result of an efficient, equitable, good-quality education system; this is the crux of the drive for sustainable growth, employment and social equity. An effective education system emphasises learning for all, and the reason for this is simple: learning promotes growth, development and poverty reduction. The equity aspects of a strategy for learning are crucial because major access challenges remain for disadvantaged populations at all education levels.

Strategies to reach the most vulnerable, and partnership between the public and private sectors are crucial to achieve such goals. Emphasising the central role for public-private partnership, Liberian president Ellen Johnson Sirleaf said recently that growth alone could not provide answers and we have to build capacity.

### The major challenges on the way to securing sustainable prosperity

Securing sustained prosperity hinges on growth, which depends on favourable policy change, matching the skills produced by the education system with the demands of the labour market, as well as macroeconomic stability around the world. However, according to the World Bank, growth in the Middle East and North Africa is expected to remain weak for the next two years, while growth in developing countries will pick up from 4.8 per cent in 2013 to a slower than previously expected 5.3 per cent this year, 5.5 per cent in 2015 and 5.7 per cent in 2016.

According to the Organisation for Economic Co-operation and Development (OECD), more than 75 per cent of people in Norway aged 15-64 years have a paid job, compared with nearly 60 per cent in Mexico.

These figures are consistent with each country's educational performance – only 36 per cent of adults aged 25-64 have earned the equivalent of a high-school degree in Mexico, compared with 81 per cent in Norway – although the quality of education plays a significant role in the quality of employment.

Mexican students scored on average 420 points in reading literacy, maths and science in the OECD's Programme for International Student Assessment (PISA), lower than the OECD average of 497, compared with 500 in reading literacy, maths and science by the Norwegian students. OECD secretary general Angel Gurría has fittingly said that competitiveness and future job prospects will depend on what people can do with what they know.

The lack of a fair distribution of skills in society is another factor contributing to overall inequality. Highly unequal income distribution, lack of access to education and poor-quality education for the poor aggravate the problem severalfold. If access is inequitable, it diminishes the performance and compromises the social and economic benefits of schooling. Ghana is a case in point: in the past, the country suffered from access and equity issues along gender, geographic and socioeconomic lines; but the country has made gains by adopting appropriate policies, such as equalising educational opportunities at the basic level.

### Education as a central contributor to meeting these challenges

Education produces human capital with relevant skills, capable of helping to meet the challenges of economic growth and social equity. The distribution of skills in society is closely related to the distribution of income, and economic growth is strongly affected

by the skills of workers. Since 1995, upper-secondary graduation rates have increased by an average of eight percentage points among OECD countries with comparable data. Although graduation rates are not measured in terms of skills, the improved education performance has certainly contributed to producing the human capital that is central to meeting the challenges of society. Students in high-performing OECD countries are graduating at a better rate than are students in low-income countries. Based on the OECD evidence alone, countries need to invest in education for sustained prosperity.

Growth research demonstrates that what people actually learn in school significantly changes the role of education in economic

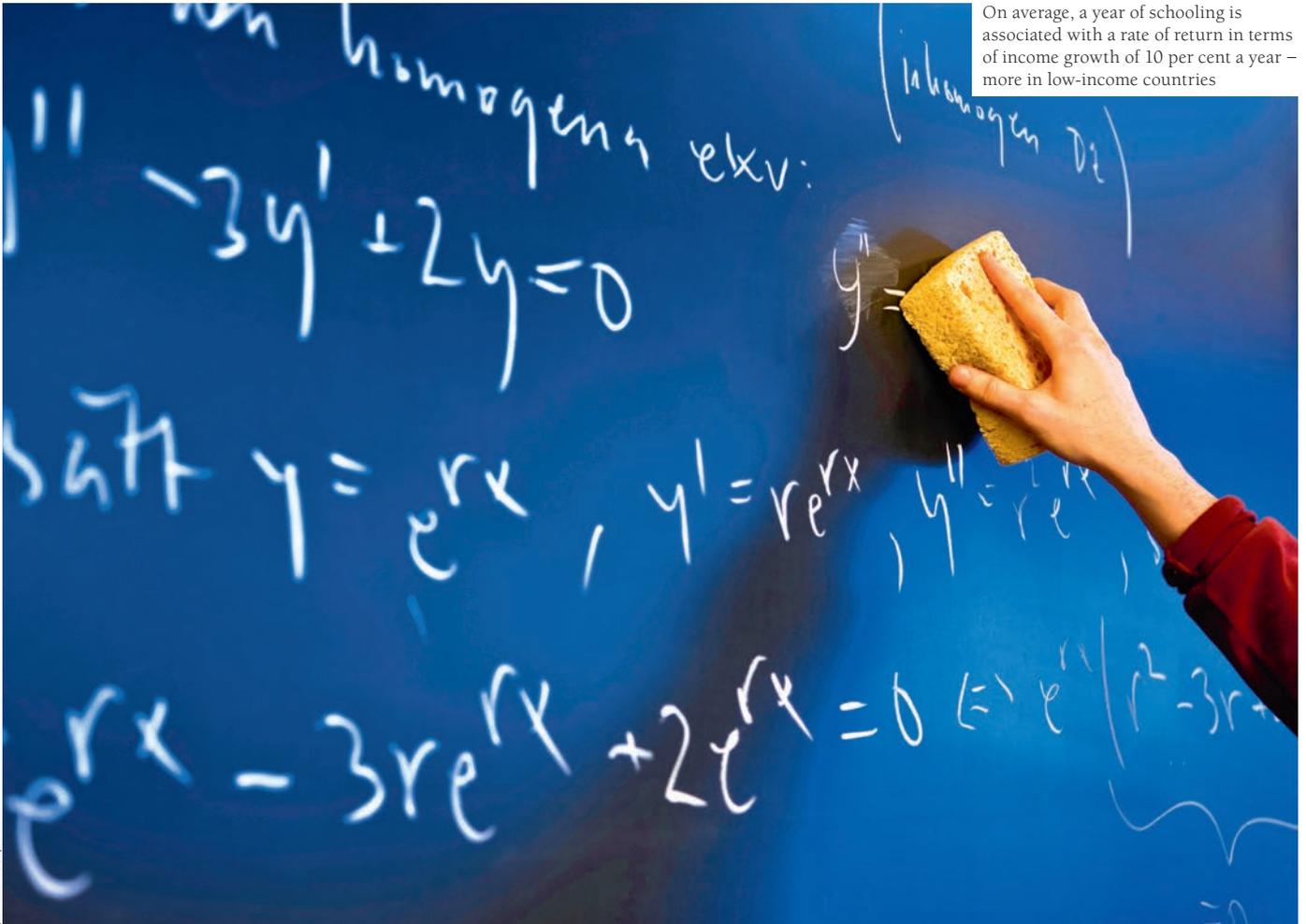
## Research shows that what people actually learn in school changes the role of education in economic development

development. That is, a good education orients individuals with a set of skills relevant to the market, at the same time making them more likely to find a job that meets their aspirations.

A good education is an important requisite for finding a job. In Norway, 88 per cent of individuals with at least a tertiary education have a paid job, compared with an estimated 56 per cent for those without an upper secondary education. Even in Finland, whose students consistently perform well in the PISA tests, an estimated 85 per cent of individuals with at least a tertiary education are working, compared with an estimated 42 per cent for those without an upper secondary education. Similarly, in Austria, an estimated 86 per cent of individuals with at least a tertiary education have a paid job, compared with an estimated 50 per cent for those without an upper secondary education. These statistics demonstrate that the more educated an individual, the better the chances of employment, whatever the country.

Returns to investment in education are a useful indicator of the productivity of

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schooling, and an incentive for people to invest in their own human capital. Each year of schooling contributes to an individual's earnings. On average, a year of schooling is associated with a rate of return in terms of income growth of 10 per cent a year. This is higher in low-income countries, demonstrating the need for further investment in education where the supply of schooling is scarce.

Only a productive education system can ensure sustainable, shared prosperity. The elements of a successful education system can be pieced together using the results of the Systems Approach for Better Education Results (SABER), the World Bank initiative to collect and analyse policy data on education systems around the world through evidence-based frameworks, highlighting the policies and institutions that help promote learning for all. Those elements include the following.

First, information is required on where the education system is and where it needs to go. The SABER Education Management Information System helps countries identify areas for improvement in data collection, comprehensive data system management and the use of data in decision-making.

Second, information obtained from assessments on whether all students in an education system are learning – and how

well – is crucial to improving education quality and learning for all.

Third, competent teachers – selected from the best candidates, supported by the right training and incentivised according to results – serve as the motivated and qualified individuals for desired results. Research suggests that salaries and alternative employment opportunities are important influences on the attractiveness of teaching. Effective teacher retention is an important facet of a successful education system.

Fourth, good governance is another ingredient for a successful education system. The right policies on school autonomy and accountability, the role of government in education, and public-private partnerships are crucial, especially during times when a country's economy is weak.

#### How the G7 leaders can help

Helping countries identify and implement the best policy mix depends on the availability and use of data, evidence from the field, and a concerted effort to innovate, take risks and make policy based on evidence. The G7 leaders at Brussels can contribute to these efforts by facilitating three revolutions:

1. A data revolution: the availability of data will make policymakers more

knowledgeable about the state of the various education systems, and more sensitive to their needs. This will also allow countries to assess existing policies and make the necessary interventions to ensure sustainable and shared prosperity.

2. An evidence revolution: the call for and use of more evidence of policies that make a difference will make a case for good governance. At the same time, the evidence-based practice would complement the readily available data, and also help policymakers contextualise the work in education.
3. A service delivery revolution: the right environment encourages innovation, risk-taking and evidence-based policymaking. The propensity for innovation and risk-taking can help growth become a norm, not just in developing countries, but all around the world. This is all done in the name of building better systems for shared prosperity and growth.

Enabling countries to use education for sustainable and shared prosperity is the inevitable intervention for today. Such a revolution is very much in the reach of world leaders, and a responsibility they all share. ■