



Education and Development

All agree that the
single most important
key to development
and to poverty alleviation
is education.

James D. Wolfensohn
World Bank President

EDUCATION
THE WORLD BANK

Education is key to achieving the Millennium Development Goals (MDGs)

In September 2000, 189 countries unanimously adopted the Millennium Development Goals, which have been commonly accepted as a framework for measuring development progress.

- **Eradicate poverty and hunger.** Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day
- **Achieve universal primary education.** Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling
- **Promote gender equality and empower women.** Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015
- **Reduce child mortality.** Reduce by two-thirds, between 1990 and 2015, the under 5 mortality rate
- **Improve maternal health.** Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio
- **Combat HIV/AIDS, malaria, and other diseases.** Have halted by 2015, and begun to reverse, the spread of HIV/AIDS and incidence of malaria and other major diseases
- **Ensure environmental sustainability.** Halve, by 2015, the proportion of people without sustainable access to safe drinking water
- **Build a global partnership for development.** All international economies work toward achieving the MDGs through increased development assistance, debt reduction, reduced barriers to trade, and special efforts to address the needs of poorest countries

Education ... is both the seed and the flower of economic development.

(Harbison and Myers 1965, p. xi)



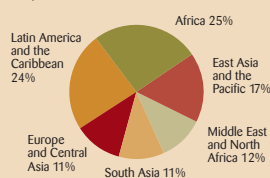
The World Bank and Education

Education is at the heart of the World Bank's mission to reduce global poverty. It is central to helping countries invest in growth and invest in people.

The World Bank is the largest single external financier of education. Since its education funding first began in 1963, it has provided over \$30 billion in loans and credits. The World Bank portfolio constitutes nearly \$10 billion in commitments under implementation in 79 countries; the World Bank makes more than \$1 billion in new commitments each year.

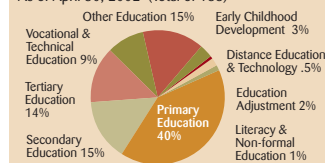
Portfolio of Education by Region

As of April 30, 2002 (Total of 155)



Portfolio of Education by Subsector

As of April 30, 2002 (Total of 155)



The Bank is committed to helping countries accelerate progress in educational attainment. For the poorer countries, a high priority is to help—together with other external partners—achieve universal primary completion by 2015, with a strong focus on closing the gender gap. In mutually reinforcing ways, the Bank helps countries:

- design and implement sound policies and needed reforms
- build capacity within countries and strengthen institutions
- knowledge generation and dissemination including lessons in worldwide experience in development
- mobilize financial resources, both through its own lending and its ability to leverage other financing

The Bank's education programs are wide ranging in nature. Examples include support for classroom construction, increasing the supply and distribution of textbooks, support for teacher education, increasing female literacy, building the knowledge-based economy through investments in higher education reform programs, transform education systems through investments in modern technologies, and expansion of access in rural areas, emphasizing girls in particular.

Education makes a difference. . .

Investment in education benefits the individual, society, and the world as a whole. Broad-based education of good quality is among the most powerful instruments known to reduce poverty and inequality. With proven benefits for personal health, it also strengthens nations' economic health, by laying the foundation for sustained economic growth. For individuals and nations, it is key to creating, applying, and spreading knowledge—and thus to the development of dynamic, globally competitive economies. And it is fundamental for the construction of democratic societies.

Education is among the “personal freedoms” to which all human beings should have a claim, says Nobel Prize winner Amartya Sen.



. . . To the individual

- **Improves health and nutrition.** Education greatly benefits personal health. Particularly powerful for girls, it profoundly affects reproductive health, and also improves child mortality and welfare through better nutrition and higher immunization rates. Education may be the single most effective preventive weapon against HIV/AIDS.
- **Increases productivity and earnings.** Research has established that every year of schooling increases individual wages for both men and women by a worldwide average of about 10 percent. In poor countries, the gains are even greater.
- **Reduces inequality.** Education is a great “leveler”, illiteracy being one of the strongest predictors of poverty. Primary education plays a catalytic role for those most likely to be poor, including girls, ethnic minorities, orphans, disabled people, and rural families. By enabling larger numbers to share in the growth process, education can be the powerful tide that lifts all boats.

. . . To society

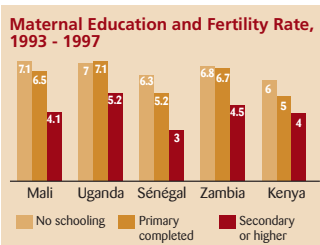
- **Drives economic competitiveness.** An educated and skilled workforce is one of the pillars of the knowledge-based economy. Increasingly, comparative advantages among nations come less from natural resources or cheap labor and more from technical innovations and the competitive use of knowledge. Studies also link education to economic growth: education contributes to improved productivity which in theory should lead to higher income and improved economic performance.
- **Has synergistic, poverty-reducing effects.** Education can vitally contribute to the attainment of the **Millennium Development Goals** (see **MDGs box**). While two of the goals pertain directly to education, education also helps to reduce poverty, promote gender equality, lower child mortality rates, protect against HIV/AIDS, reduce fertility rates, and enhance environmental awareness.
- **Contributes to democratization.** Countries with higher primary schooling and a smaller gap between rates of boys' and girls' schooling tend to enjoy greater democracy. Democratic political institutions (such as power-sharing and clean elections) are more likely to exist in countries with higher literacy rates and education levels.
- **Promotes peace and stability.** Peace education—spanning issues of human security, equity, justice, and intercultural understanding—is of paramount importance. Education also reduces crime: poor school environments lead to deficient academic performance, absenteeism, and drop out—precursors of delinquent and violent behavior.
- **Promotes concern for the environment.** Education can enhance natural resource management and national capacity for disaster prevention and adoption of new, environmentally friendly technologies.

Girls' education is a wise investment . . .

Investment in girls' education yields some of the highest returns of all development investments, yielding both private and social benefits that accrue to individuals, families, and society at large:

- ### Reduces women's fertility rates.

Women with formal education are much more likely to use reliable family planning methods, delay marriage and childbearing, and have fewer and healthier babies than women with no formal education. It is estimated that one year of female schooling reduces fertility by 10 percent. The effect is particularly pronounced for secondary schooling.



- ### Lowers infant and child mortality rates.

Women with some formal education are more likely to seek medical care, ensure their children are immunized, be better informed about their children's nutritional requirements, and adopt improved sanitation practices. As a result, their infants and children have higher survival rates and tend to be healthier and better nourished.

- ### Lowers maternal mortality rates.

Women with formal education tend to have better knowledge about health care practices, are less likely to become pregnant at a very young age, tend to have fewer, better-spaced pregnancies, and seek pre- and post-natal care. It is estimated that an additional year of schooling for 1,000 women helps prevent two maternal deaths.

- ### Protects against HIV/AIDS infection.

Girls' education ranks among the most powerful tools for reducing girls' vulnerability. It slows and reduces the spread of HIV/AIDS by contributing to female economic independence, delayed marriage, family planning, and work outside the home as well as greater information about the disease and how to prevent it.

- ### Increases women's labor force participation rates and earnings.

Education has been proven to increase income for wage earners and increase productivity for employers, yielding benefits for the community and society.

- ### Creates intergenerational education benefits.

Mothers' education is a significant variable affecting children's education attainment and opportunities. A mother with a few years of formal education is considerably more likely to send her children to school. In many countries each additional year of formal education completed by a mother translates into her children remaining in school for an additional one-third to one-half year.

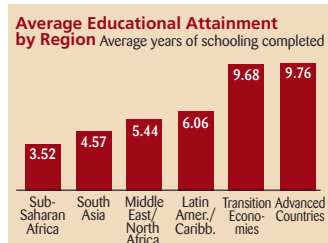


Quality counts . . .

Getting children into school is not sufficient—what matters are learning outcomes, which depend on the quality of education. And education of higher quality—measured by an increase in test scores—fosters economic growth, according to Robert Barro, Professor of Economics at Harvard University.

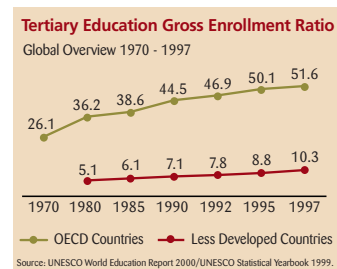
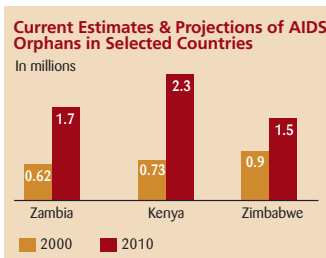
. . . longstanding challenges remain

Notwithstanding considerable progress in primary enrollment and adult literacy, more than 113 million children remain out of school and nearly a billion adults are illiterate. Two-thirds of the out-of-school children are girls—and the majority of them from poor and vulnerable groups. A third of pupils drop out of school before they are functionally literate.

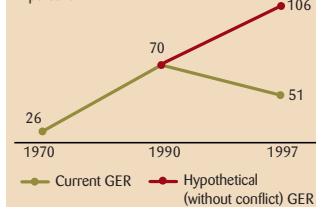


. . . and new challenges emerge

HIV/AIDS, armed conflicts, and a widening knowledge and digital gap are some key challenges increasingly demanding urgent attention.



Burundi Gross Enrollment Rate (GER)
In percent



Basic education is the foundation of a healthy, skilled, and agile labor force; lifelong learning enables countries to continually assess, adapt, and apply new technologies; and tertiary education is central to creation of intellectual capacity, on which knowledge production and utilization depend.



The Bank's recognition that education should be at the center of the agenda in preventing HIV/AIDS ... will strengthen the resolve of its ... partners to make better use of the 'education vaccine.'

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