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**EDUCATION AND ECONOMIC GROWTH**

Education contributes directly and indirectly to economic growth. Investment in human capital and development increases as our society evolves into a more knowledge-based environment. The perception of higher education as an ivory tower is now obsolete. Education contributes to all elements of economic growth. It provides or contributes to:

1. The basic means to ensure labor and capital work coherently to produce income
2. Ongoing enhancement of quality of the labor force
3. Effective use of capital within an economy
4. Underlying skill and creativity base that encourages efficient productivity

**The Lisbon Convention**

In 1997, the European Community developed, in partnership with the United Nation Educational, Scientific and Cultural Organization (UNESCO), a Higher Education Diploma Supplement under the Lisbon Convention (1997). The supplement offers easier comparability and a precise description of a student’s academic expertise acquired within a study period. While not guaranteeing recognition in foreign territory, the supplement is used to aid that process. The 48 European countries in the Bologna Process have made mandatory, the provision of this information. Within the APEC Member Economies (MEs), Russia and Australia have signed and ratified the Lisbon convention, New Zealand has acceded to it and Canada and the United States have signed the convention but are yet to ratify.

Current regional recognition conventions are the

i.) Regional Convention on the Recognition of Studies, Diplomas and Degrees in Higher Education in Latin America and the Caribbean (1974) of which Chile, Mexico and Peru are signatories and

ii.) the Regional Convention on the Recognition of Studies, Diplomas and Degrees in Higher Education in Asia and the Pacific of which Australia, China, Indonesia, Korea, the Philippines and Russia are signatories.

**The Human Resource Development Working Group**

The Human Resources Development Working Group (HRD) was established in 1990 in light of the recognition of the need to develop and train human capital within the APEC region. “The goal of HRD in APEC is to promote the well-being of all people in the region through economic growth and development. HRD has an important role to play in achieving the liberalization and facilitation of trade and investment and in advancing APEC’s inclusive growth agenda” (APEC HRD). Within this working group, there exists the Education Network (EDNET) which heads all education activities in APEC.

EDNET is the product of the 1st APEC Education Ministers meeting which was held in 1992. Initially entitled the Education forum, it was reorganized and renamed in the year 2000 as the Education Network.

**A globally recognised education**

With increases in mobility of labour across borders, economies recognise the importance of a mobile and global workforce.
THE APEC CHALLENGE

1. Ensure education services available to the population continue to respond to changing needs of population and the environment in which they work.

2. Maintain quantity of education services.

3. Ensure quality and diversity of services remain appropriate to changing world economy

Quality Education

Access to education has become a pivotal point of policy making at a global level. Urged on by high profile commitments to progress such as the Millennium Development Goal of achieving universal primary education, policy makers have become staunch proponents of this cause.

However, critics question the impacts of such quantitative views with larger attention paid to quantity of students passing through the education system rather than the quality of education afforded the individual student.

The World Bank, in *Education Quality and Economic Growth* shows that the differences in learning achievements matter more in explaining cross-country differences in productivity growth than difference in the average number of years schooling or in enrolment rates.

A Government can no longer linger in the perception that increasing educational spending will ensure improved student outcomes. Focus must now shift to ensuring a qualitative distribution of education.

Brief written by Nikola Komailevka, UH Mānoa Economics undergraduate student, and does not necessarily reflect the views of UHERO or the University of Hawai‘i.