

Who gets to be Educated in Georgia: Constraints on Human Capital Development

The FINANCIAL

By **GIORGI KHISHTOVANI**,
Research Director at PMC
Research Center

MAYA KOMAKHIDZE, Junior
Researcher at PMC Research
Center

Human capital development is increasingly seen as the biggest driver of economic growth and the most powerful tool in the fight against poverty (World Bank, 2018). This idea is embodied in the World Bank's new initiative - Human Capital Project, which is designed to stimulate more and better investment in human capital. As one of early adopter countries, Georgia is collaborating with the World Bank to build an evidence-driven strategy for accelerating progress in human capital outcomes.

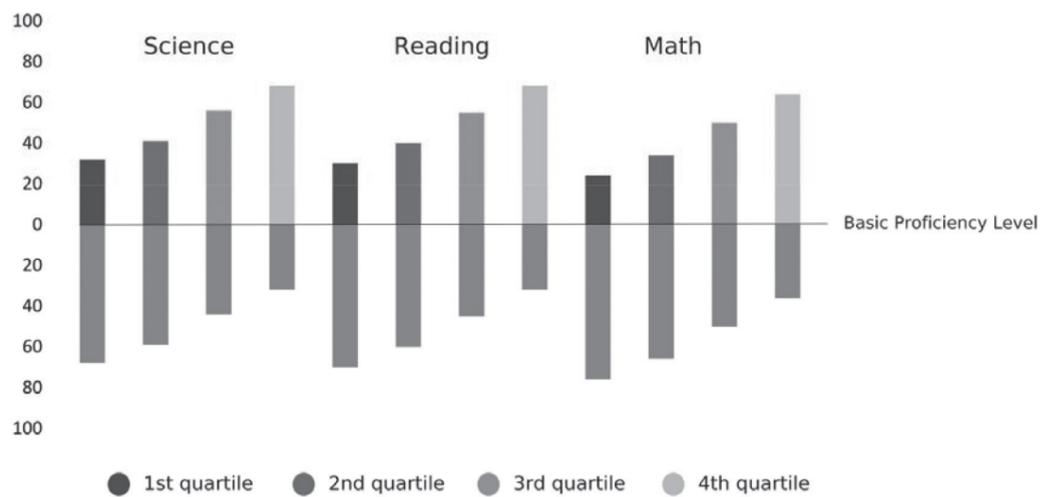
Georgia's Human Capital Index of 0.61 indicates that children born in Georgia today will only be 61% as productive as they could have been given a complete secondary education and full health. The Index highlights losses

school enrolment rates are fairly high across all income groups (99%, overall), the data on learning outcomes reveals the existence of socioeconomic divides in the country. Based on students' performance on the PISA international competence test, overall, 51%, 52%, and 57% of Georgian students fail to reach the basic proficiency levels in science, reading, and math, respectively. In the top socioeconomic quartile*, the respective proportions are 32%, 32% and 36% while for the bottom quartile, the underperformance rates reach 68%, 70%, and 76%.

It is important to note that, even in economically developed countries, socioeconomic characteristics play an important role in determining learning outcomes. For instance, in Singapore, one of the top-performing countries on PISA tests only 2%, 3% and 2% of students from the highest socioeconomic quartile underperform in science, reading, and math, respectively. But in the economically disadvantaged group, the underperformance is notably higher at 21%, 23% and 17%.

It is important to take note of the example of Singapore, as it highlights a universal need for educational poli-

Students above and below the Basic Proficiency Level by Socioeconomic Status (%)



Source: PISA (2015)

Georgia's HCI by Components

Survival	Probability of Survival to Age 5	0.989
School	Expected Years of School	12.5
	Harmonized Test Scores	445
	Quality-adjusted Years of School	9.8
Health	Survival Rate from Age 15-60	0.852
	Fraction of Children Under 5 Not St.	0.887
Human Capital Index (HCI)		0.61

Source: World Bank (2018) Human Capital Index

of productivity in the national economy that can be attributed to gaps in education and health. These gaps can be larger in the case of lower socioeconomic groups where health and educational deprivation hinders the fulfillment of individuals' potential.

We'll examine the educational dimension of human capital through a socioeconomic lens to highlight the constraints placed by poverty on human capital development.

In evaluating the level of education, the HCI looks at enrolment as well as learning, synthesizing the quantity and quality of education. In Georgia, while

cities to specifically target socioeconomic constraints on human development. Regardless of the degree of economic development, successful policies are carefully designed to diminish the influence of these barriers and create opportunities of maximum productivity for all.

In the Georgian context, socioeconomic divides can also be studied based on the differences between students' achievements in rural/urban settlements and public/private schools. Based on TIMSS test scores, students in private schools of urban settlements perform significantly

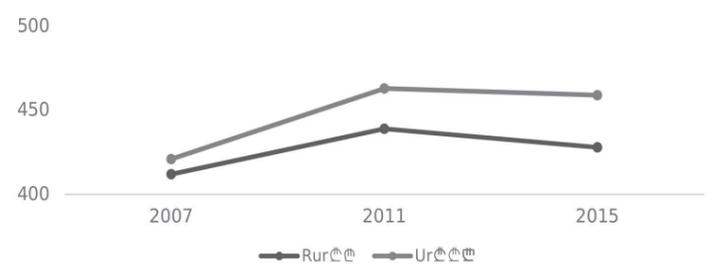
better, but of particular interest here is the dynamic of change over the past 8 years. The data shows that the achievement gap between urban and rural settlements has widened - among 4th-graders, the difference between the average test scores of urban and rural dwellers comprised 9 points in 2007, 24 - in 2011, and 31 - in 2015. In 2007, students from public schools scored 38 points lower in science compared to students from private schools. By 2015, the gap increased further, reaching 65 points.

The data above demonstrates the importance of socioeconomic factors in shaping human capital. It also emphasizes the need for the Georgian government to take this factor into account when designing policies. Disregarding the barriers that hinder the fulfilment of human potential among the poor magnifies existing inequalities, undercuts the effectiveness of policies, and also limits the state's ability to advance socioeconomically.



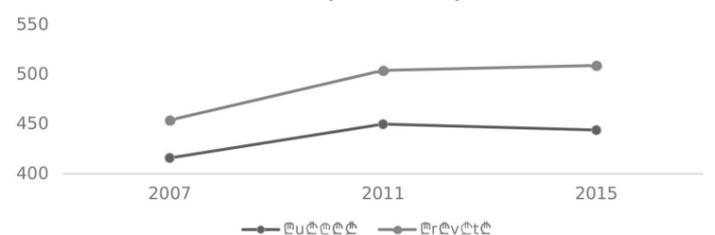
Research

TIMSS Test Scores by Settlement Type (4th Grade)



Source: TIMSS (2015)

TIMSS Test Scores by School Type (4th Grade)



Source: TIMSS (2015)

43% of the EU is covered with forests

The FINANCIAL

Today is the International Day of Forests, which is celebrated every year on 21 March to raise awareness of the importance of forests of all types.

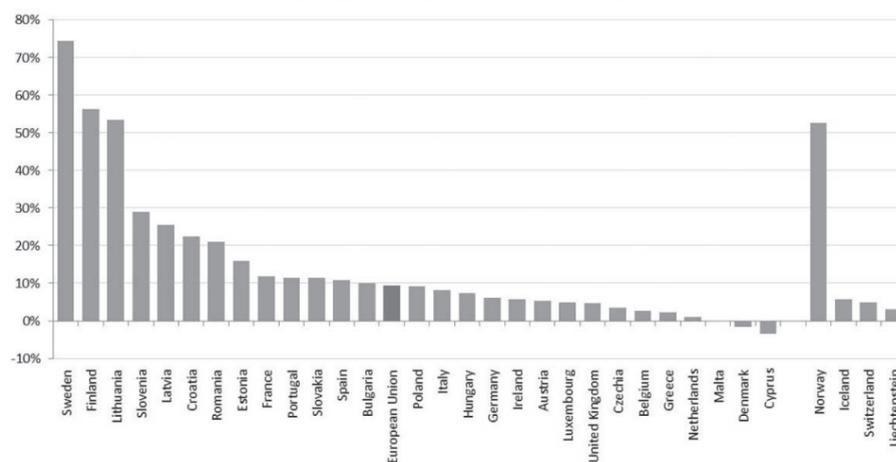
The European Union (EU) had close to 182 million hectares of forests and other wooded land in 2015, corresponding to 43% of its land area. Wooded land covers a slightly greater proportion of the land than the area used for agriculture (some 41%).

In seven EU Member States, more than half of the land area was wooded in 2015. Just over three quarters of the land area was wooded in Finland and Sweden, while Slovenia reported 63%. The remaining four EU Member States, each with shares in the range of 54-56%, were Estonia, Latvia, Spain and Portugal.

Sweden reported the larg-

Greenhouse gas emissions absorbed by EU forests, 2016

(% of greenhouse gas emissions absorbed)



ec.europa.eu/eurostat

est wooded area in 2015 (30.5 million hectares), followed by Spain (27.6 million hectares) and Finland (23.0 million hectares). Of the total area

of the EU covered by wooded land in 2015, Sweden and Finland together accounted for 29.4%.

Forest area as a proportion

of total land area is a global indicator of the UN Sustainable Development Goals (SDGs). It is also included in the set of EU SDG indicators used to



monitor progress towards the SDGs in an EU context.

Forests play a significant role in helping to reduce greenhouse gas (GHG) emissions. EU forests absorbed 417 million tonnes of CO2 equivalent in 2016, corresponding to around 9% of total GHG emissions (4 441

million tonnes), compared to less than 7% (375 m tonnes) in 1990.

Compared to the GHG emissions of each Member State, in 2016 forest land absorbed over 70% of CO2 equivalent in Sweden (74%) and over 50% in Finland (56%) and Lithuania (53%).