

MERCEDES GUMBAU

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EDUCATION AND HEALTH AS JOINT INVESTMENT FOR ECONOMIC DEVELOPMENT**Abstract:**

Many countries, together with institutions are trying to accelerate more and better investments in people for greater equity and economic growth. This phenomenon arises from the accumulation of more and better production inputs -including physical capital, human capital, and technology-, and the use of these inputs through increasingly productive techniques. This paper focus on human capital.

It can be claimed that investment in human capital has driven an increase and intense change in the educational qualification rates of the population and is associated with higher earnings for people, higher income for countries, and stronger cohesion in societies but a global effort should be made in human capital in a broad sense, that is, understanding human capital as knowledge and skills but also health that people accumulate over their lives. To this end, the Human Capital Project (HCP) provides a new definition of human capital and quantifies the contribution of health and not only education to the productivity of the next generation of workers. In this line, this paper raises the following question: How much does illness and disease increase or depress development in human capital and income?

To answer the question various health measures representing different aspects of the population's health status and measures of the individuals' perception of their own health are used to construct a multidimensional health index. Therefore, it is an accurate and comprehensive health index generated by Principal Component Analysis. Countries can use it to assess how much income they are foregoing because of Human Capital gaps, and how much faster they can turn these losses into gains if they act now. Ambitious, evidence driven policy measures in health, education, and social protection can pave the way for today's children to surpass the human capital achievements and quality of life of the generations that preceded them.

Keywords:

health status, human capital, growth