



The Puzzling Relationship between Human Capital and Prosperity: Lessons from Case Studies on Burkina Faso

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Critical issues

- Improving the income of workers requires the development of their human capital in its dimensions such as education, health, nutrition and competencies.
- Increasing the supply of development services of human capital is not enough to guarantee an improvement in their income.
- Improving income requires a combination of both an expansion in supply as well as an increase in yields from education and training, health, and nutrition.

- A regular evaluation of policies allows for the effective formulation of policies related to the development of human capital that will work in favour of an increase in income.

The problem of inconsistency in the relationship between human capital and an increase in prosperity

The development of human capital is recognised as being a significant factor in the growth and prosperity of individuals and Countries. An increase in levels of education, training, an improvement of health and nutrition, will lead to a rise in the incomes of the citizenry.

Also, since the beginning of the 1980s, the Burkina Faso government has prioritised the development of human capital in the conduct of public policy. To quote only a few figures, public expenditure on education, which represented only 1.4% of the GDP in 1996, was increased to 6% of the GDP in 2018. In regard to public expenditure on health, it almost doubled, increasing from 1.1% of the GDP in 2003 to 2.4% of the GDP in 2018.

In this context, results in regard to education and health have been subsequently improved. At the secondary school level, the Gross Enrolment Rate increased from 6.9% in 1990 to 40.7% in 2020. Life expectancy at birth also improved from 49.4 years of age in 1990 to 61.2 years of age in 2019.

Nevertheless, despite the developments noted in regard to education and health, poverty increased between 1994 and 2009, affecting close to 44.5% of the population, then 46.7% before reducing from 2014, to affect only 36.2% of the population in 2018.

These data reveal the fact that an increase in human capital endowment, does not necessarily lead to an improvement in household prosperity. Thus the importance of reconciling strategies on the development of human capital with their final goal: an improvement in the prosperity of households. In order to do so, we must work towards correcting any shortfalls by increasing the economic and social benefits.

Why must we link policies of the development of human capital with the prosperity of Burkina Faso's population?

Increasing the benefits derived from the accumulation of human capital on household prosperity would allow Burkina Faso to meet outcome targets 1 and 2 of SDG 1, namely, to eliminate extreme poverty and the reduction of all poverty by at least a half.

It would also lead to attaining the outcome targets of ODD 8, namely, economic growth, the development of small and medium sized firms and to improve resource efficiency in production and consumption.

Which policy options should be prioritised?



Source : [https://digitalmagazine.bf/2023/05/17/Promotion du travail d cent au Burkina Faso : un atelier pour relancer les chantiers](https://digitalmagazine.bf/2023/05/17/Promotion%20du%20travail%20d%C3%A9cent%20au%20Burkina%20Faso%20:%20un%20atelier%20pour%20relancer%20les%20chantiers) – Digital Magazine Burkina

The study shows that in case of a decrease in yields from the endowment of human capital and its dimensions of education, healthcare, nutrition and decent jobs, the expected increase in income cannot be attained. It is for this reason that policy makers should avoid orienting their human capital development policies towards increasing the supply of services, but should instead combine an increase of the supply in services, with an improvement in the yields from services.

In order to free all impacts of the accumulation of human capital from affecting the prosperity of labourers, stakeholders would need to apply the following reforms.

- In education and training, adapt the taught curricula, increase the supply of education as well as technical and professional training.
- In regard to the promotion of decent jobs, follow-up on the improvement of labour market policies, allow access to internships and short-term trainings for the youth and laid-off workers, and support the entry into business by youth.
- Finally, in regard to nutrition policy, upscale it to cover nutrition at the workplace.



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