

Should developing countries invest more in agriculture or education?

October 5 2022



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A study in the *Review of Development Economics* examines whether a typical developing country should invest more in agriculture or education, and at what stage of development it's optimal to invest more

in each of these sectors.

The author, Maxwell Mkondiwa, Ph.D., a Spatial Economist at the International Maize and Wheat Improvement Center (CIMMYT) currently based in Delhi, India, proposes a "soil-human capital conceptual framework of economic development" and uses it to determine the effects of schooling on agricultural incomes in Malawi.

The analysis revealed annual agricultural returns to schooling in Malawi of 3-4% after correcting for various factors. There were consistently higher returns to schooling in the non-agricultural sector for those not living in the village of birth and higher returns in the [agricultural sector](#) for those living in the village of birth.

"The rapid loss in soil health across countries with less educated rural populations presents a precarious low [soil health](#)—low human capital development trap." Dr. Mkondiwa said, "Getting out of this trap requires consistently high investments in high quality education for rural farm people while also delivering agricultural technologies that make such [education](#) valuable."

More information: Is wealth found in the soil or in the brain? Investing in farm people in Malawi, *Review of Development Economics* (2022). [DOI: 10.1111/rode.12946](https://doi.org/10.1111/rode.12946)

Provided by Wiley

Citation: Should developing countries invest more in agriculture or education? (2022, October 5) retrieved 2 May 2024 from <https://phys.org/news/2022-10-countries-invest-agriculture.html>

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