

Discussion of “Quantity, Quality and Mobility of the Population”

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Towards a Better Global Economy

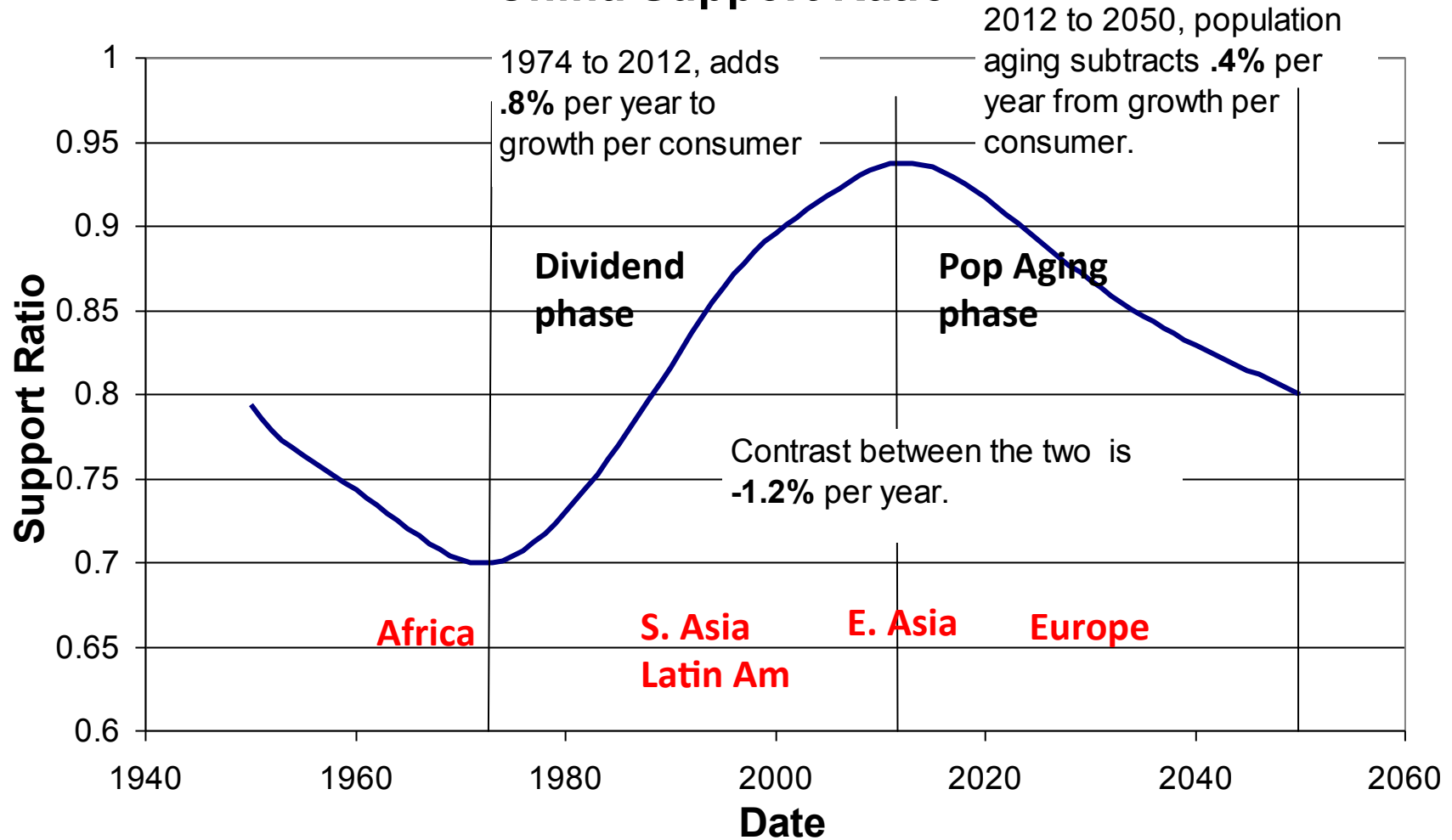
Geneva

Chapter Review

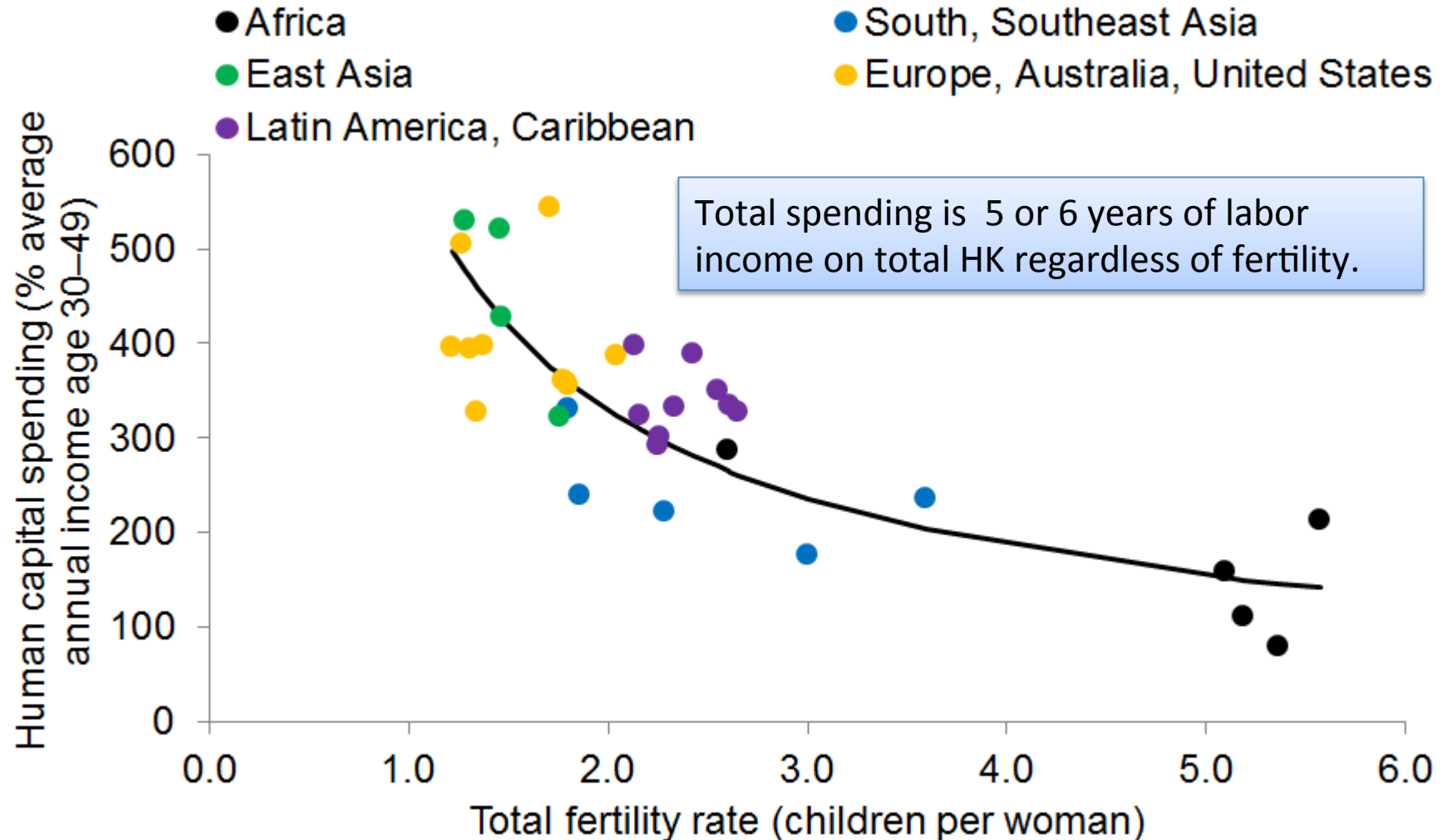
- Terrific job of surveying an enormous literature across many topics and drawing lessons and policy recommendations from it. E.g.
 - Importance of global trends in education
 - Non-formal kinds of education may be more important than formal
 - Importance of health and nutrition inputs for Human Capital in developing countries
 - Role of urbanization in economic development
 - Potentially enormous welfare gains through international migration
- Here I will touch on some topics drawing on National Transfer Accounts data.

Demographic transition is a useful framework for this study. Illustrate with China Support Ratio

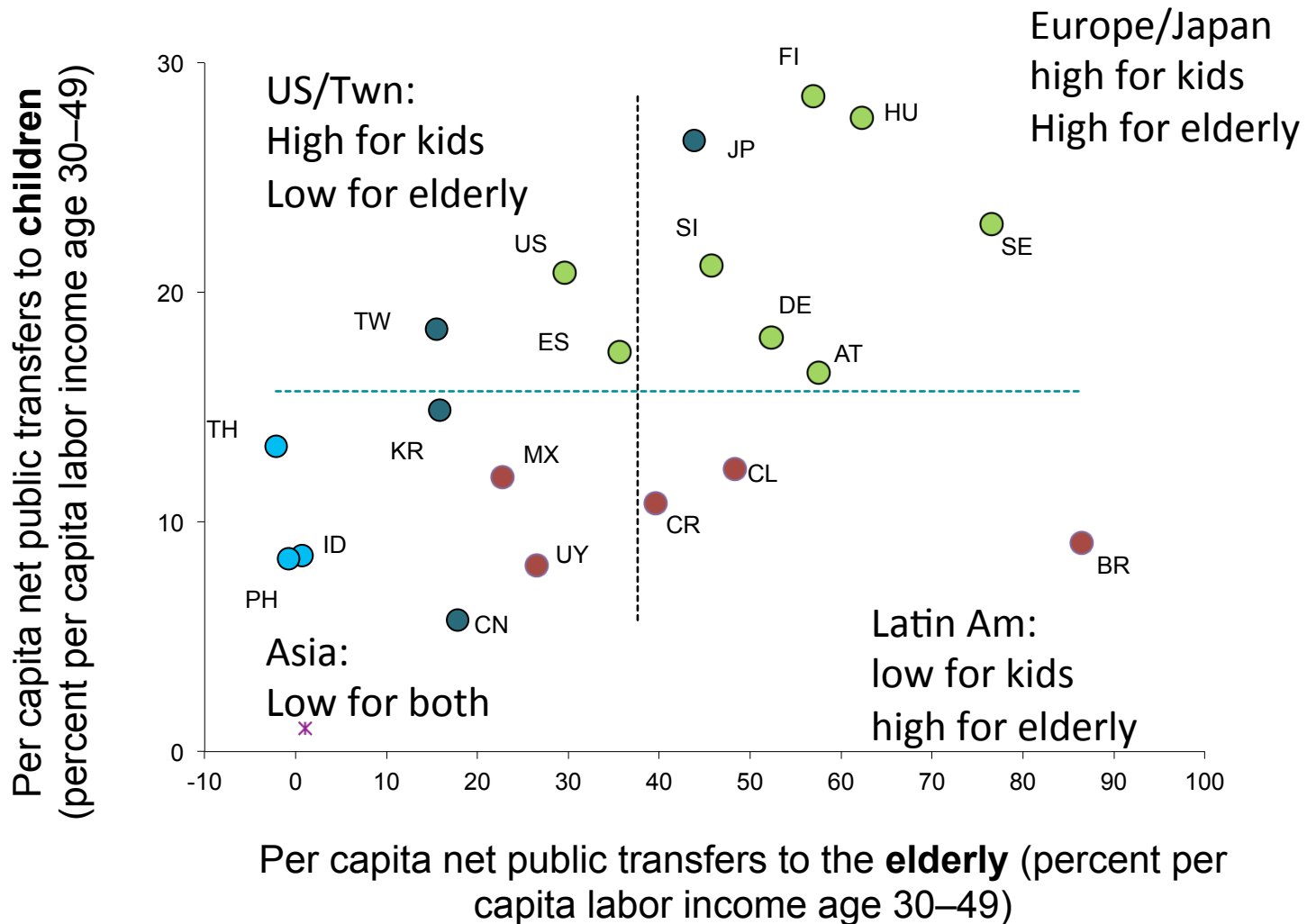
China Support Ratio



Public + Private Investment in kids' human capital (relative to labor income) and declining fertility



Per capita net public transfers per child and per elder: 20 economies around 2000 (dashed lines are medians).



Source: Tim Miller, Ch. 7, Lee and Mason, 2011

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Natural tendency for HK investment to rise as fertility falls. What role for policy?

- Public education is more egalitarian.
- Strong public education may reduce the intergenerational transmission of socioeconomic status.
- Strong externalities to education also argue for large public role.
- Maintain public spending as share of GDP as fertility declines.