

Education, Fertility and Economic Growth*

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April, 2008

Abstract

We develop a model where both public and private education systems coexist, and analyze the effects of the government policies on the fertility rate. We treat a child deduction and public education expenditure as the government policies. In the economy where public education investment is low, an increase in public education expenditure raises both human capital and the fertility rate. Since the ratio of public education investment to GDP in some Asian countries are lower than in European countries, Asian countries should increase public education expenditure in order to raise their fertility rates and enjoy economic growth.

Keywords: Public and private education, a child deduction, endogenous fertility, human capital.

JEL Classifications: I28 J13 O41

*We would like to thank Hideyuki Adachi, Kazuo Mino, Tamotsu Nakamura and seminar participants at Kobe University for their helpful comments and suggestions. Needless to say, the remaining errors are our own.

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