

Skills Build Economies

Trace how education and training can affect GDP per capita.

SS7E6.b "Explain the relationship between investment in human capital (education and training) and gross domestic product (GDP per capita)."

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline statements that show how education or training can lead to higher GDP per capita, and number the steps in each cause-and-effect chain.

Investment in People

- ① Human capital is the knowledge and skills people use at work. Governments, families, and businesses can invest in it by supporting schools, apprenticeships, job training, and health care. In Southwest Asia, students may prepare for work in fields such as nursing, construction, computer programming, or tourism. Training can help a worker use new tools, solve problems, and complete tasks safely. It can also help a business offer better goods or services. These investments take time and money, but they can build a more skilled workforce.
- ② When workers become more productive, each worker can produce more value in a year. If a country's total production rises faster than its population, GDP per capita can rise. GDP per capita is total GDP divided by the number of people. For example, training hotel staff in Jordan to communicate with visitors and manage reservations may improve service. More visitors may spend money at local businesses, raising production. Workers and businesses may then earn more. Education does not guarantee a higher GDP per capita, but it can create conditions that support one.
- ③ Across Southwest Asia, the results of human-capital investment can differ. A country needs jobs, equipment, transportation, stable rules, and customers as well as educated workers. For instance, computer training helps most when graduates can find work using those skills. Population growth also matters because GDP per capita is an average. If total GDP grows but the population grows just as quickly, GDP per capita may change little. Looking at both education and training and the other conditions helps explain why countries can have different GDP-per-capita outcomes.

2 ANSWER WITH EVIDENCE Use the passage

1 Explain the chain from education or training to a possible rise in GDP per capita.

2 How is GDP per capita calculated?

3 How could training hotel staff in Jordan affect total production?

4 Name two conditions besides education and training that a country needs for human-capital investment to have the strongest effect. Explain why one condition matters.

3 YOUR TURN Your own words

Fictional Saudi Arabia case: a solar-energy company funds technician training because it lacks repair skills. In four sentences, identify the investment, explain its productivity effect, connect it to possible GDP per capita growth, and name another needed condition.

PART 1 • READ AND MARK

Underline statements that show how education or training can lead to higher GDP per capita, and number the steps in each cause-and-effect chain. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	Explain the chain from education or training to a possible rise in GDP per capita.	Education or training can make workers more productive. More productive workers can raise total production. If production rises faster than population, GDP per capita can rise.
2	How is GDP per capita calculated?	GDP per capita is total GDP divided by the number of people.
3	How could training hotel staff in Jordan affect total production?	Training could improve service for visitors. Visitors may spend more at local businesses, which can raise production.
4	Name two conditions besides education and training that a country needs for human-capital investment to have the strongest effect. Explain why one condition matters.	Answers may name jobs, equipment, transportation, stable rules, or customers. For example, jobs matter because trained workers need work where they can use their skills.

PART 3 • YOUR TURN (SAMPLE ANSWER)

In this fictional Saudi Arabian company, technician training invests in workers' repair skills. Workers could repair panels more efficiently, helping restore electricity production. GDP per capita could rise if GDP grows faster than population. Workers also need tools and available repair jobs to use their skills.

Accept responses that accurately connect investment in human capital to productivity, production, and GDP per capita. Students should recognize that GDP per capita may not rise if population growth keeps pace with total GDP growth or if needed conditions are missing. Require the supplied fictional Saudi Arabian case and the skills/productivity/output chain, including GDP growth relative to population and another condition. The case is a classroom assumption, not national data.