In September the United Nations will finalize a new package of development goals that will guide the efforts of its member states to improve living conditions around the world. The 17 Sustainable Development Goals (SDGs) are long on ambition—they intend to “end poverty in all its forms everywhere” by 2030—but short on substance. Most importantly, the SDGs’ approach to education is insufficient.

Expanding quality education is the only feasible way to generate long-term economic growth, which is why a strong and coherent emphasis on education is central to the success of the global development agenda. Unfortunately, the current SDG goal to “ensure inclusive and equitable quality education” is too vague and provides no guidance for measuring increases in cognitive skill levels. The global development community can do better.
COUNT WHAT COUNTS

A growing body of research has emphasized the importance of cognitive skills, or knowledge capital, in driving economic growth. Over time, the knowledge capital of the nation improves as better-educated youth enter the labor force. A more skilled workforce leads to increased economic growth.

Recognizing the importance of education, the prior Millennium Development Goals included a target of reaching universal primary schooling by 2015. Although developing countries did, in fact, substantially expand access to schooling over the past two decades, many have still not translated increased education into economic well-being. The reason is that too many countries focused on increasing the number of children attending school rather than on educational outcomes.
A teacher gives lessons to second grade pupils during classes in a public elementary school in Quezon city, Metro Manila, October, 2012.

Knowledge capital is not measured by school attendance, and increased access to schools alone turns out to be an incomplete and ineffective goal for development. In recent research, we have shown that even in middle-income countries, where the primary school completion averages just 75 percent, the economic gains from improving the quality of
schools without trying to increase enrollment are three times as large as those from expanding enrollment without improving quality.

Instead of simply expanding access to schooling, then, the central post-2015 goal for education should be that “all youth achieve at least basic skills.” This goal incorporates the current requirement for full youth enrollment in school, while also emphasizing the measurable acquisition of skills. Because progress on achievement can be readily assessed on a consistent basis across countries, it can be used to direct attention and resources toward long-term economic growth.

THE KNOWLEDGE OF NATIONS

In a recent study of cognitive skills and inclusive development, we used data from 76 middle- and high-income countries to estimate the economic implications of raising the level of each country’s unskilled population to Level 1 in mathematics and science on the OECD’s Programme for International Student Assessment (PISA). This level represents modern functional literacy and is a useful measure of the basic skills needed for economic participation.
The projected economic gain from ensuring that everyone has basic skills is remarkable for all countries, across all income levels. But unsurprisingly, countries with the lowest incomes, where current enrollment and achievement rates have the most room for growth, would gain the most. Ghana, for example, has the lowest enrollment rate in secondary schools (46 percent) among our sample and also the lowest achievement levels for those in school (291 PISA points). It is extraordinarily unlikely that Ghana could move quickly enough to meet the universal skills goal in 15 years; but if it did, our research demonstrates that the present value of added growth over the next 80 years would equal 38 times its current GDP.

The universal skills goal is more realistic for a number of other middle-income countries, and the results there would still be stunning. Across the 31 middle-income countries for which data exist, the economic gains from achieving universal basic skills would average more than eight times their current GDP.

Even high-income countries, which have generally been left out of development discussions, would benefit from universal basic skills. Although most of these countries have achieved nearly universal access to primary and secondary schools, many of their citizens still fail to achieve basic skills. For the high-income OECD countries, an average of 20 percent lack basic skills. For high income non-OECD countries, including
four Arab oil-rich states, 36 percent fail to reach Level 1 on the PISA tests.

On average, if basic skills were universal, OECD countries would see a 3.5 percent higher discounted average GDP over the next 80 years, which is almost exactly the average percentage of GDP they devote to public primary and secondary school expenditure. In other words, the economic gains simply from eliminating extreme underperformance in high-income OECD countries would entirely pay for primary and secondary education for all students. The present value of gains for the high-income OECD countries averages a nontrivial 1.6 times current GDP (which for the United States would be some $29 trillion).

A MORE SUSTAINABLE GOAL

Given the potential gains, it is important that the SDGs focus more clearly on improving cognitive skills. Relying on input measures for education, such as pupil–teacher ratios and spending, has proven to be a poor approach to policy, because these measures are inconsistently related to students’ skill levels. Existing evidence suggests quite simply that in order to improve educational outcomes there is no substitute for measuring and focusing on outcomes.

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The most important step would be for the United Nations to establish an explicit quality goal, one that can be tracked by measured skills—such as Level 1 in mathematics and reading for 15-year-olds on PISA, or its equivalent, which represents the basic level of math and reading skills of the type required for participation in a competitive world economy. This goal implies linking both national educational policies and international support to student outcomes observed through regular assessments of students’ skills. Such assessments would support strong accountability systems and can drive policies such as the upgrading of teacher quality that have proven effective worldwide.

The evidence of improvements in achievement over the past decade and a half shows that many countries could feasibly meet the goal of universal basic skills over the next 15 years, assuming that they match the record of the best performers. For example, Poland was able to reduce the share of underperforming students by one-third from 22 percent to 14 percent within just a decade by a major overhaul that included introducing national testing and focusing on performance in core subjects. Shanghai reduced the share of underperforming students by one-third from 22 percent to 14 percent within just a decade by a major overhaul that included introducing national testing and focusing on performance in core subjects.
students between 2009 and 2012 alone from 4.9 percent to 3.8 percent by emphasizing teacher quality. Indeed, there is no single policy that has led to these gains. Instead, improvement will rely on approaches tailored to national and school capacities and overall demand, and informed by regular monitoring of student performance.

The inclusive growth made possible through universal achievement of basic skills has tremendous potential to reduce poverty, improve health, facilitate gender equity, and foster new technologies needed to ensure sustainable growth. There is no substitute for improved skills, and efforts to improve them must start with measuring the right metric. It is not always true that “what gets measured gets done.” But it is more universally true that “what does not get measured does not get done.”