



USA economic growth most at risk due to education shortcomings

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Inadequacies in the USA education system puts its business environment at higher risk and less prepared for economic growth than other industrialised Western nations, according to a study conducted by global risks analyst, Maplecroft.

The research, linking economic growth and resilience to education, reveals that the USA is ranked 138th most at risk out of 172 countries and performs worse than Russia (143rd) and Cuba (154th).

Maplecroft's Education Readiness Risk Index (ERRI) assesses the risk posed to individual countries and their business environments from the lack of educational attainment. The index measures literacy rates, enrolment rates for all levels of education, survival rates to grade 5, female educational attainment in comparison to male educational attainment and government expenditure. ERRI factors learning and education as the catalysts for economic growth and social resilience to the impacts of economic shocks and natural hazards.

New Zealand, Norway, Finland, Sweden and Japan are considered at least risk. The UK is ranked 157, Canada 159 and Germany 167.

"Education is a vital component in securing employment and contributing to national and global economic growth. Learning and education play a crucial role in facilitating a vigorous business environment, based on the presence of a skilled, healthy and knowledgeable labour force and a market of literate consumers," said Maplecroft's Director of Analytics, Roger Cabrera. "Ensuring continued access to talent that contributes to strategy and long-term market growth for business is crucial to sustained competitiveness."

The ten countries most at risk are Chad, Afghanistan, Burkina Faso, Sierra Leone, Niger, Ethiopia, Gambia, Central African Republic, Benin, Liberia and Mozambique. Their poor performance is, in part, due to gender disparities in education; discrimination in access to schooling is sharply concentrated on girls in these regions. Chad and Afghanistan ranked 1 and 2 respectively on the Maplecroft gender sub-index, used to compile the ERRI.

Russia performs far better than the other emerging economies of the BRICS nations. India (41) fares worst in the ranking, with Brazil (63), South Africa (70) and China (86).

According to Cabrera, companies have a big part to play in the developing regions they operate in. "Companies who support education initiatives provide benefits, not only for the communities they work in, but also for themselves by creating higher quality talent pools. Many companies have recognised the value of education and work to contribute at various levels, from basic education to community and professional training and leadership development."

Education data used in the construction of this index includes UNESCO's Education For All (EFA) Global Monitoring Report and the UNDP Human Development Reports.

Further information

Maplecroft specialises in the analysis and creative visualisation of global risks. Our comprehensive portfolio of indicators, reports and interactive GIS maps provide clients with innovative ways to manage and mitigate risk. These tools assess vulnerability to over 100 global risks and allow organisations with a global footprint to formulate strategy, control risk exposure, secure industry leadership and work towards a sustainable future.

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