

# Review of: "General Equilibrium Effects of Investments in Education, and Changes in the Labor Force Composition"

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Potential competing interests: No potential competing interests to declare.

The strength of the paper is that it is well written, quite refreshing in reading. However, the educational expenditure and labor force composition categories and relationship is problematic for number of reasons. As the theoretical relationship of these two variables is not very well established in theoretical sense, Using and justifying the GTAP data bases of various categories of skilled and unskilled categories coupled with average salaries are hardly serving the purpose as the labor categories are varying industry to industry, technology, age, experience, qualifications and gender and formal and informal sector variations. This labor needs to be incorporated into the analysis to best capture the whole labor force and its true function into the labor market and its functioning with the economy. Most of the labor force are working informal sectors or agriculture or services sector having no formal salary structure and these huge informal labor or self-employed labor automatically excluded from the analysis. The analysis could have been focused on various gender, skills and other categories in formal and informal sectors such as industry, agriculture or services or any other specific sector with skilled unskilled gender categories. The use of per capita expenditure is an expenditure side variable most suited to drive income expenditure micro level household analysis. The use of this variable is too general to reflect the individuals working in different sectors and carrying different skill, age and experience and relative demands in various sectors. This makes more complicated when applies to relate this with the wage and income level at national level in GE model. The determination of wage is also directly linked with the supply and demand of skill attributes education, experience, set of skills and relative demand for specific labor demand in specific sectors. The woer's salaries and educational expenditure correlation in terms of per capita generalizes the simulation and quite problematic in interpreting the multiplicative effects. the services concept also not necessarily higher expenditures in education will automatically gains in supply or productivity or income or greater welfare in the economy. One may have to take labor force data various attributes of labor force composition, participation into various sectors, skill premium and then to combine with the national macroeconomic variables to derive much more Indepth insights into the functioning of labor market linking with other markets into GE model. The data richness couple with established theoretical framework will further strengthen the paper.