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A RATE OF RETURN ANALYSIS OF THE
EDUCATION OF JORDANIAN WORKERS.

by

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DECLARATION

This study is the result of an independent research; where it is indebted to the work of others, full acknowledgement has been made. I declare that it has not already been accepted in substance for any other degree, nor is it concurrently being submitted in candidature for any degree.

Candidate: _______________________

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Date: 10.12.1970
SUMMARY

This study—which is the first of its kind for Jordan—uses the cost-benefit analysis techniques to calculate the internal rates of return to education for Jordan's domestic work force and for Jordanian migrant workers in Kuwait.

The study uses data generated by a survey of 3,311 Jordanian workers conducted by the author during the fieldwork trip to Jordan and Kuwait in 1978. The analysis of the data was performed using the computer package "Special Package for Social Scientists" (SPSS) particularly the Multiple Regression Analysis Programme.

In the introductory chapter, the study outlines the geographical setting and historical background of Jordan, the purpose of the study, its conceptual framework, the sources of data drawn upon and discusses the methodology of the fieldwork and the empirical analysis.

In Chapter Two the study reviews the basic concept of cost-benefit analysis in education, its assumptions and the main criticisms and objections to its application in education.

Chapter Three furnishes the necessary background to the analysis of the development of the educational system and the labour market in Jordan. Chapter Four discusses the migration of Jordanian manpower in the region with special reference to Kuwait. It also discusses the migrants' remittances and their importance to the Jordan economy.
Chapters Five and Six analyse the results of the survey in Jordan and Kuwait. Using regression analysis equations, the age-education-earnings profiles are estimated for the domestic work force by sectors as well as for Jordanians working in Kuwait whose remittances constitute a very important item in Jordan's balance of payments and represent a significant social benefit to Jordan.

Chapter Seven introduces the calculation of the costs of education in Jordan, combines these with the estimated age-education-earnings profiles (benefits) and produces estimates of the social and private rates of return to education in Jordan by sectors, it then compares these returns with yields on other investments and with returns obtained for other countries.

Chapter Eight estimates the social and private rates of return to the education of Jordanians working in Kuwait where the study incorporates the workers' remittances into the calculations. These returns are compared with those obtained for Jordan's domestic workers where it is revealed that Jordanian migrants had generally increased the returns to their education, particularly at the preparatory and secondary levels.

Chapter Nine is an interpretation in retrospect of the developments in the educational system, the labour market and migration patterns in Jordan over the past twenty years in view of the findings of the present study.
The concluding chapter contains a summary of the findings of the study and a discussion of the usefulness and limitations of rate-of-return analysis to the policy-makers in Jordan.

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