

CIFREM SEMINARS

Returns to higher education in Perù: Is it worth the effort?

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***Thursday, May 22 2008
2PM - DISA seminar room
Via Inama, 5 - TN***

Peru has experienced during the last decades a significant increase in its educational coverage at all levels, including higher education. However, currently high unemployment and underemployment rates cast doubt about the profitability of the investments in education undertaken. This paper estimates the evolution of the returns to education in the last two decades in Peru, and finds mixed evidence on the profitability of higher education in the Peruvian labor market. Due to the convexification of returns, university education shows average private and social rates of return estimated between 12 to 15%. On the contrary, on average non university higher education shows rather low private and social rates of return, even close to zero. Therefore, a deep evaluation on the effectiveness and relevance of that education level seems needed.