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## **Performance and Economic Effects of Education and Health Sectors in Senegal**

Education and health status have been used as a common measure for human capital development. They are significant components of human capital since they have direct and indirect effects on productivity and economic growth. This study examines the performance and potential economic effects of the education and health sectors in Senegal. Specifically, it aims to achieve four objectives: (i) estimate the performance scores of education and health sectors in general and in terms of male and female education and health outcomes for Senegal (ii) quantify the potential economic effects of education and health sectors in terms of outputs, incomes, government tax revenue and cost of government subsidy (iii) through simulation, estimate the economic cost of Senegal's inability to inject at least a total of 11% of GDP into the education and health sectors (at least 6% of GDP in the education sector and 5% of GDP in the health sector to meet international standards) and (iv) analyse the possible co-movement between the potential economic effects and female and male labour force participation rates and gender inequality in Senegal. The study uses the DEA approach, a Leontief input-output multiplier method, a stochastic input-output analysis, and a bi-wavelet analysis to achieve the objectives. The study concludes that the education and health sectors in Senegal are generally inefficient and that they are characterized by decreasing returns to scale. Furthermore, Senegal has been more efficient for many years in achieving female education outcomes than that of males. The reverse is the case for the health sector and Senegal has been more efficient for many years in achieving male health outcomes. Since gender gaps in education and health can have negative consequences for economic growth, development, and diversification, the authorities should implement more appropriate policies that can help address the inefficiencies and also eliminate or significantly reduce these gender gaps, targeting areas with higher inefficiencies and gender gaps especially rural areas. Since it is only government expenditure on subsidies in education and health sectors that leads to the enhancement of female labour force participation and the reduction of gender inequality, it is recommended that policymakers should design effective and sustainable gender-responsive fiscal policy measures such as the removal of taxes and increasing subsidies in the education and health sectors. Policies such as subsidised child care and education subsidies for girls' education could be pursued. There is potential for a government investment policy that strengthens the linkage effects given the potential advantages from the education and health sectors, in terms of output and incomes among other things. Therefore, policy goals should focus on strengthening connections between the education and health sectors and other sectors.

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