Data for the article

The data were obtained mostly from the World Bank. Most of the earlier components of the data wee found in the published versions of World Bank reports. Later components of the data were downloaded from the World Bank database. The data downloads have been performed in intervals of several years to capture all the updates to the data, especially late reporting by some countries and changes in methodology.

Additional data sources utilized in our study:

1. Data of GDP per capita, **Historical Statistics of the World Economy: 1-2008 AD:** [Maddison Historical Statistics | Historical Development :](https://www.rug.nl/ggdc/historicaldevelopment/maddison/)

### [Lee and Lee Long-Run Education Dataset - Enrollment Ratios by Level, 1820-2010](http://barrolee.com/?p=124)

Note: additional data sources were very helpful for the early years of our data, and helped to reduce the amount of missing data.

The countries excluded from our model are:

Small countries (by population). All countries having population below 500000 were excluded. If over the years, a country crossed the threshold of 500000, then it was included from that point on.

Countries having a very high percentage of foreign workers – exceeding the amount of residents – were excluded. Three countries were excluded in this category: Kuwait, United Arab Emirates and Quatar.

Countries having no data for Income/cap, which is a dependent variable. Countries in this category: Taiwan, North Korea, etc. Some countries were excluded only for the specific years for which there are no data for a dependent variable.

Variables of the model:

Dependent variable:

Income per capita, Various measurements such as GDP per capita, GNI per capita, GNP per capita. These measurements represent general level of economic activity in various economies, as well as represent average standard of living.

Explanatory Variables:

1. Export per capita (Export): is a proxy variable for International Competitiveness of the country. It reflects the ability of a given country to produce and sell products/services in the global markets.
2. Exports of high-tech products per capita (High-Tech): It is a proxy of technological capabilities of countries, as reflected by their global capabilities: to produce and sell high-tech products and services in the world markets.
3. Tertiary enrollment (Tertiary): It represents the percentage of the relevant age group enrolled in higher education. It is a quantitative proxy of Human capital within a country.
4. Secondary enrollment (Secondary): It represents the percentage of the relevant age group enrolled in Secondary education. It is a proxy of social progress within a country and reflects the capability to have a skilled labor force, relatively educated electorate and/or ability to continue to the higher education .
5. Primary enrollment (Primary): It represents the percentage of the relevant age group enrolled in primary education. It is a control variable: since in most of the countries, primary education enrollment is mandatory, this variable is not expected to influence relative performance of the economy and thus is expected to be insignificant.
6. Birth Rate (Birth Rate): This is another proxy variable representing social progress. More traditional and backward sectors of the economy are usually characterized by mostly agrarian activities, lower education level and higher birth rates. More modern sectors are characterized by higher education levels and lower birth rates.
7. International Reserves (Reserves): this variable represents a strength of country’s financial sector. It represents amount of foreign currency and gold held by central bank. Higher reserves mean the country is attracting foreign capital, while low level of reserves means that the capital is leaking to foreign countries, thus leading to a weak financial capabilities.

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