Estimate Private Rate of Return on Technical Vocation School and Formal School: Evidence from Kuwait.

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**Abstract**

In this paper we asked what can account for the continuing provide technical vocational education in Kuwait? Where the level of development is high and there are high wages government jobs. On the other hand the researcher try to find which of education system track, formal or technical vocation education system is more profitable for individuals in Kuwait. We argue that the answers to these questions are connected through the nature of the earning function and the importance of age effects. This paper will be complemented by an important gap in the development of tools and techniques for analysis part of the education system in the State of Kuwait. This paper is important from three standpoints. First, in order to estimate the effect of education track/path on earnings, the most recent and nationally representative data is
used which provides detailed information on the variables. Second, it is an effort to provide an evidence for the comparison between Vocational track/path and Formal track/path in Kuwait education system based on individual earnings. Third, this study provides the policy makers with a helpful technique to monitoring the expenditure on education. To provide policy makers and top management with information needed for comparing technical vocation education with formal education system in Kuwait, this paper offer a new evidence on continue providing technical vocation education in Kuwait by using 2010 Kuwait Civil Service Commission employees database; moreover it is an effort of estimating the private rate of return on formal and technical vocation education system by applying the earning equation. The results suggested keep on offering the technical vocation schools also; find a significant effect on wages depend on the type of education track system. Moreover, the technical vocation education slightly higher returns than the formal education.

**Keywords:** Kuwait education, Private Rate of Return, Rate of Return on Education, Rate of Return on Technical vocation, Earning equation, Mincer equation