

## **Abstract**

Using cross-country regional data over the 1970-2008 period, this study provides further evidence to the growth literature by exploring human capital formation from a gender dimension in India, Bangladesh, Nepal, Pakistan, Sri Lanka, Bhutan and the Maldives. We use an extended version of the Solow growth model with per capita GDP being a function of the key variables, viz, physical capital accumulation, human capital accumulation, openness to trade and capital flows, fiscal policy and financial development. We also construct two alternative measures for physical capital stock. The key contribution of this study is to show that the impact of human capital disaggregated by gender has a differential impact on economic growth, similar to the result in Barro (2001). While male human capital has a positive significant effect on growth, female human capital has insignificant explanatory power when the openness variables are considered. An implication stemming from this study is that if South Asia were to increase its growth momentum, high priority should be given to encouraging educational opportunities for females in order to maximise the effect of FDI on economic growth.

**Keywords:** economic growth, human capital, female human capital, openness, foreign direct investment, South Asia

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