Education: Setting the Stage

ABHIJIT V. BANERJEE AND ESTHER DUFLO LECTURE 9
14.73, SPRING 2011



Educating Yaprak

- The story of a kurdish girl who goes to boarding school after education is made compulsory until grade 8 in Turkey
- Many important themes appear in the movie



The Supply of Education



- No schools in remote villages
- Bad roads and transportation is difficult
- Shortage of well trained teachers
- Large class size

Are these the only constraints?

The demand for education

- Would parents send their kids to school without compulsory education? What constrains them?
 - The need for child labor
 - o "no economic ressources"
 - o "need to get married"
 - Is it useful? Do parents know it? What do they expect of education
 - What worries them about schools?

Education for what

- What are the benefits of education that are touched on in the movie?
 - o To get a job, higher wage: What do they hope the girl will become? Will everyone become that?
 - o To improve your life in non-monetary dimensions ("girls will become more socialized", "knowing how to behave when you go somewhere", "family planning")
 - Learn things that you can teach others

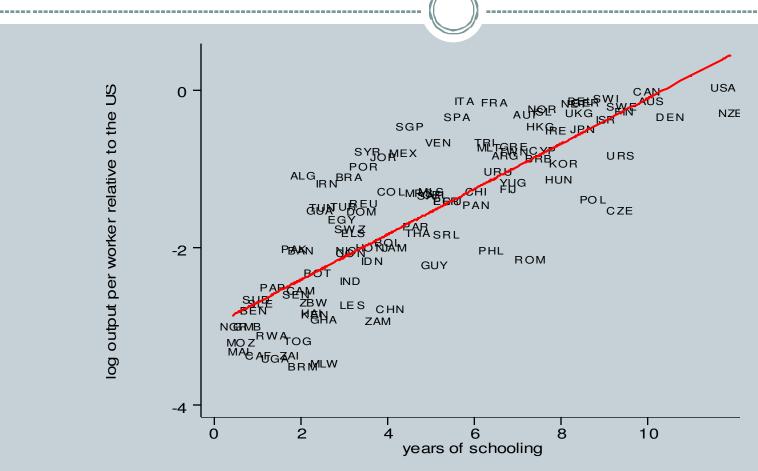
Top down versus bottom up

- The government of Turkey is trying a big top down effort to improve educational attainment, particularly of girls, by improving infrastructure and making education compulsory.
- This type of supply driven policy has been popular in many countries:
 - Free education in many African Countries
 - Right to education in India

Success of the supply drive

- Between 1999 and 2006: Enrollment rates in primary schoo in creased
 - o from 54 percent to 70 percent in SSA
 - o From 75 to 88 percent in East and South Asia
- Worldwide, the number of children of school age who were out of school fell from 103 million in 1999 to 73 million in 2006

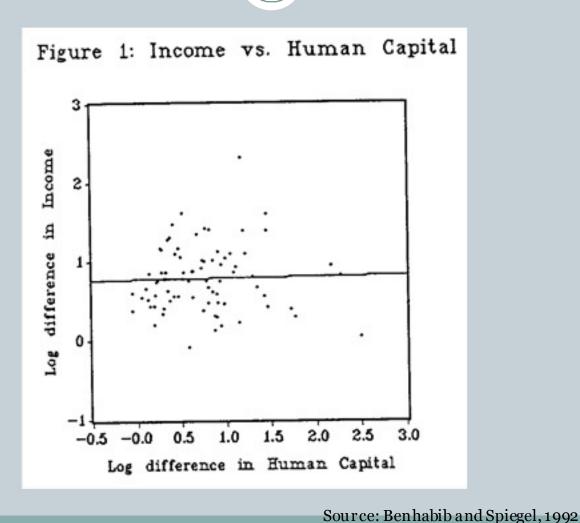
But was it all worthwhile?



• There is a clear relationship between education and income per capita of a country

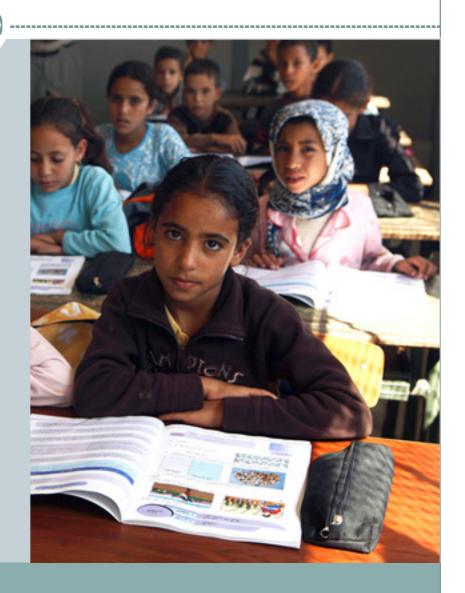
Source: Angrist and Acemoglu

But the relationship does not hold in difference...



Easterly's argument

- Top-down investment in education is not useful.
- Rich countries have more education because
 - They needed money to be educated
 - They chose to be educated because they saw that the country was growing
- Internationally-driven investment to education were a waste



Why would supply-driven education not work?

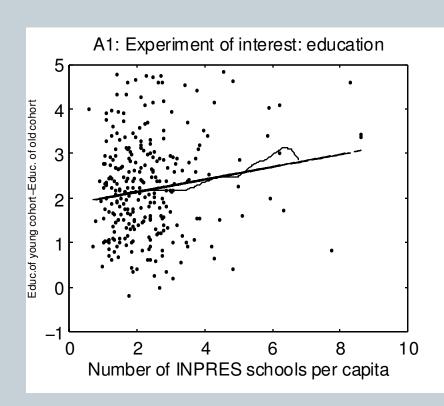
- Poor teacher quality: If people do not care, they won't put pressure on teacher to deliver:
 - A symptom is lots of teacher absence
- Parents will not want to send their children to these schools if they feel they are not delivering useful skills (like in the movie)
- Children will not study and won't remember anything much.

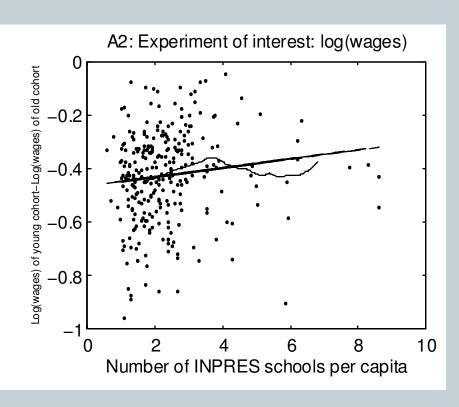
Are Supply-Driven education expansion useful?

- There is prior evidence on efforts by countries to increase the level of education from the top-down
- Indonesia, 1974-1978 the INPRES program
 - o Suharto used oil money to build almost 62,000 schools.
 - o Similar features to the Turkey experiment:
 - Was interested in promoting national ideology over local particularity
 - * Was entirely pushed by public effort, they built more schools in places where education levels were low initially

The Indonesian Experience

Education and wages grew faster in regions that received more schools





The "returns" to education

Putting two and two together:

- Schools caused an increase in education
- Schools caused an increase in wages
- It has to be that the increase in wages is due to the increase in education:

This allows us to infer the effect of education on wages:

Roughly 8% increase in wages for each extra year spent in school: Schools are indeed beneficial!

Other benefits of education

- Other studies exploiting the same strategy look at other aspects of education
- Taiwan instituted compulsory schooling in 1968 (for 9 years)
 - o This led to an increase in schooling of both boys and girls
 - Infant mortality declined in the regions where education increased fastest due to this reform.
- Nigeria used oil money to build schools:
 - This led to a reduction in fertility in regions where more schools were built.

However...

- It is true that education quality is fairly low in developing countries:
 - High teacher absence
 - High student absence
 - O Low achievement:
 - ➤ For example ASER survey in India finds that about 35% of children age 7-14 could not read a grade 1 paragraph, and 60% cannot read a grade 2 story in 2005
 - ▼ More troublingly, NO PROGRESS since 2005.
 - x Similar results in Kenya, Pakistan, Uganda,
- What is going on? What is the problem? Is it so hard to teach children to read? And if not why are schools not delivering?