

# Education: Setting the Stage

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Lecture 9

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# 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
  - “no economic resources”
  - “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?
  - To get a job, higher wage: What do they hope the girl will become? Will everyone become that?
  - 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

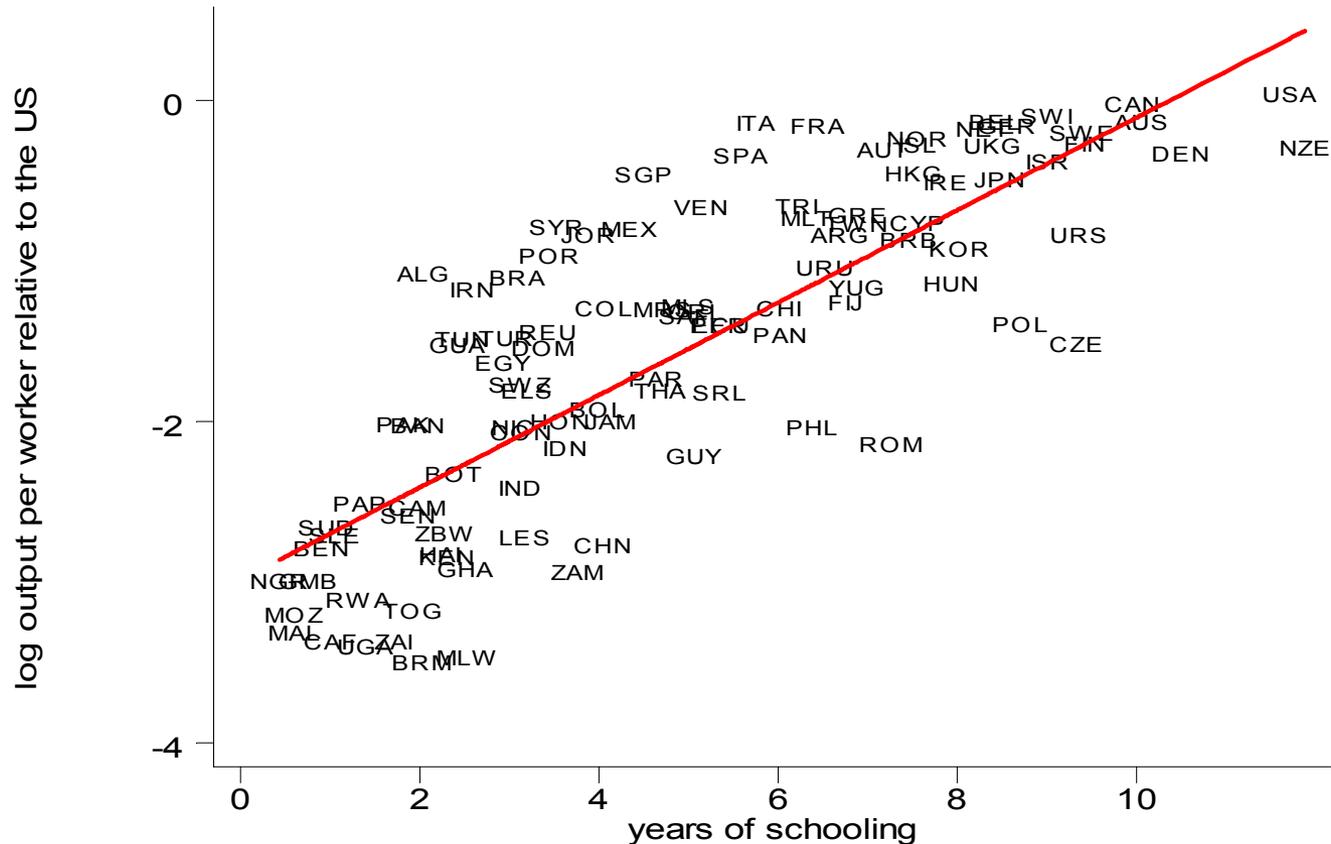
# Top down versus bottom up

- 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 school increased
  - from 54 percent to 70 percent in SSA
  - 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?

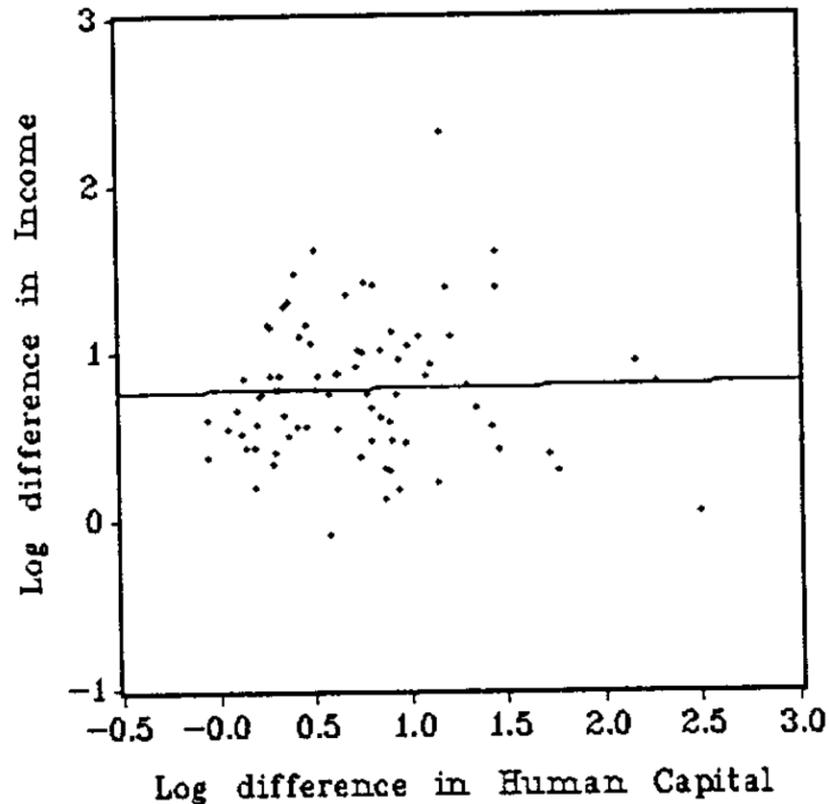


Daron Acemoglu and Joshua Angrist, 'How Large are Human Capital Externalities? Evidence from Compulsory Schooling Laws', NBER Macroeconomics Annual, 15 (2000), © 2000 by the National Bureau of Economic Research and the Massachusetts Institute of Technology. Used with permission.

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

# But the relationship does not hold in difference...

Figure 1: Income vs. Human Capital



Courtesy of New York University. Used with permission.

# 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?

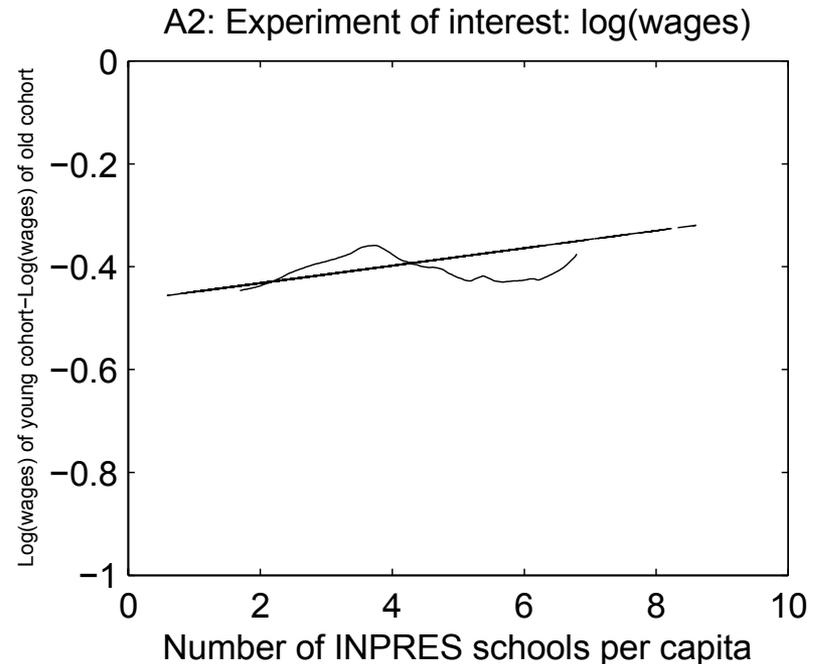
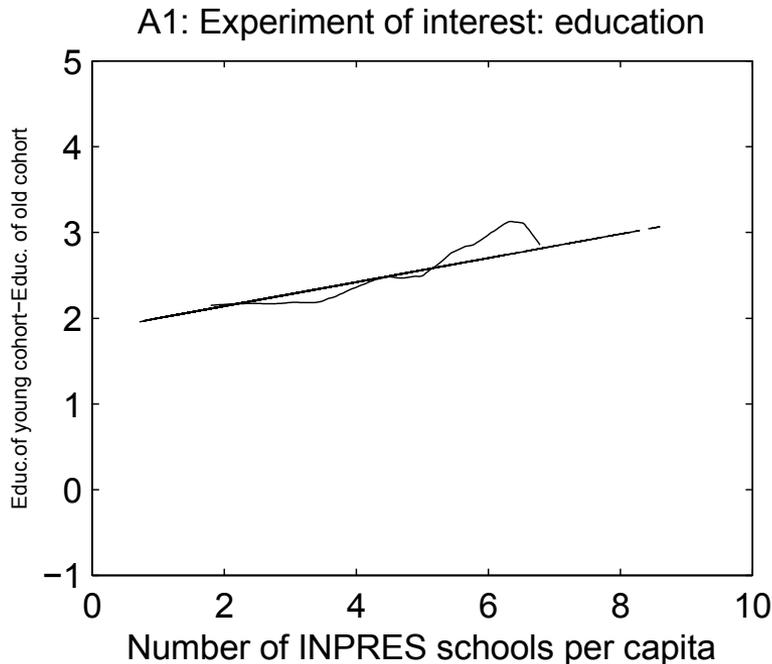
- Poor teacher quality: If people do not care, they won't put pressure on teacher to deliver:
  - A symptom is lots of teacher absence
- Parents will not want to send their children to these schools if they feel they are not delivering useful skills (like in the movie)
- Children will not study and won't 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
  - Suharto used oil money to build almost 62,000 schools.
  - 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



Source: Duflo, 2001

# 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)
  - 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
  - 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.
    - 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?

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