

FULL STORY

The elixir of education?

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Many people see education as a cure-all. They believe that societies can be transformed by pouring money into raising educational standards. But, while it is right to believe in the power of education - indeed, many scholars are convinced that it creates healthier, more prosperous citizens - such enthusiasm doesn't tell us how to get more children to stay in school longer, or how to ensure that they learn useful skills while they are there.

Today, virtually every Latin American and Caribbean child enrolls in primary school, and most complete several years of secondary education - remarkable progress compared to a half-century ago. Yet Latin American and Caribbean children gain fewer skills in each year of school than students do in high-income countries - and even in some other developing countries. Indigenous children have a significantly lower chance of educational success. Guatemala, Haiti, Honduras, Nicaragua, and Paraguay lag behind even other Latin American countries. Despite the widespread enthusiasm for lifting educational performance in Latin America and the Caribbean, little effort has been devoted to working out how to maximize investments in education. Which policies work best?

There are myriad options. The World Bank recommends decentralizing school administration and decision-making so that schools are more responsive to local needs. But no reliable studies have established this strategy's effectiveness. Bilingual education is another suggestion that requires further research if we are to establish the benefits.

Research in Africa suggests that giving de-worming medicine to primary school pupils reduces the prevalence of health problems that lower children's concentration and attendance. A program to provide teachers with monetary incentives and professional training was recently established in Mexico, but research conducted to date has found no significant impact on educational outcomes.

Paul Glewwe

Clearly, there is a deficit of useful information and serious scientific research in this field. However, three options should be promoted.

First, there is credible evidence that children who are better nourished in their first years of life stay in school longer and learn more each year that they remain there. This was first demonstrated in the 1960's, when Guatemalan researchers gave children in two randomly selected villages a nutritious porridge each day, and a much less nutritious fruit drink to children in two other villages. More recently, Bolivia launched the Proyecto Integral de Desarrollo Infantil (PIDI), which gave low-income urban children food and extra educational activities.

This policy can be very affordable: providing porridge in Guatemala cost just \$23.25 per child per year, while the monetary value of the increase in the children's future wages is between two and four times higher.

A second option is Conditional Cash Transfer Programs, which provide cash payments to poor households whose children attend school regularly. These programs have been shown to increase enrollment and attendance. Families in some rural communities of Honduras, Nicaragua, and Mexico get monthly cash payments if their children's school attendance rates are 85% or higher. In Nicaragua, these programs have increased school enrollment rates by about 13 percentage points. However, such incentives do not address the problem of low-quality education, and research shows that the benefits do not always outweigh the costs.

Policymakers may choose instead to follow the example of Chile and Colombia, which give students government money to pay for private education. In Colombia, scholarships were provided to 125,000 students from poor, urban communities in the early 1990's. Where demand exceeded supply, private education "voucher" recipients were selected by lottery.

Each voucher cost the Colombian government \$24 a year more than its previous education spending per student, but the vouchers increased attendance rates and test scores. It is estimated that children in the program increased their future incomes by \$300 per year. With the benefits exceeding the costs by between 10 and 25 times, this seems to be a sound option.

Yet an analysis of Chile's voucher program found no positive effect on students' test scores or years in school. Instead, the program's main effect seems to have been to encourage the best students in public schools to switch to private schools.

Investing in education is vital for Latin America and the Caribbean. But much remains unknown. Many policy options unravel when examined closely; others show promise but require more study. The most expensive programs aren't necessarily the most successful.

Merely waxing lyrical about the benefits of education will do nothing to help Latin American and Caribbean countries catch up with developed countries. Instead, governments and international organizations should support education policies that have been shown to be effective, encourage research and evaluation of other types of education policies and programs, and back non-education policies and programs that improve the quality of life in

developing countries.