

THE ILLUSION OF EDUCATION

Schooling unfulfilled promises

Werner Hernani-Limarino

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Motivation

Education as a silver bullet

Schooling ain't learning (in LAC)

SDG5: Inclusive and equitable quality education

Schooling ain't human capital (in Bolivia)

SDG8: Productivity and access to good jobs

Schooling ain't helping (in Bolivia)

SDG1: Monetary poverty

SDG10: Income inequality

Conclusions



- ▶ Education was (and still is) conceived (by many) as a **silver bullet** against all type of evil problems:
 - ▶ early pregnancy, poor health and HIV, IPV, ...;
 - ▶ low participation, unemployment, low productivity, low earnings, ...;
 - ▶ informality, poverty, inequality, ...
 - ▶ corruption, low political participation, lack of democracy, ...
 - ▶ deforestation, climate change, ...
 - ▶ ... (you name it! I find some reference)

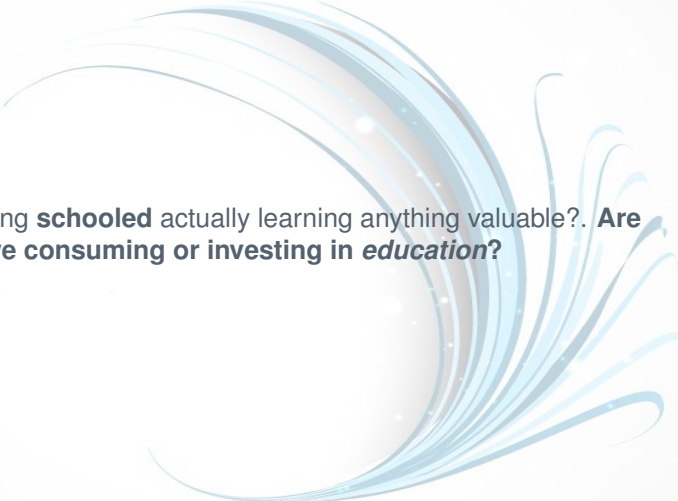


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 - ▶ early pregnancy, poor health and HIV, IPV, ...;
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 - ▶ ... (you name it! I find some reference)
- ▶ Therefore, substantial amounts of resources (\$ among them) have been (and probably will be) devoted to it by
 - ▶ families,
 - ▶ governments, and
 - ▶ international aid organizationsto *buy* the **silver bullet** in order to *kill* all evils.



But,

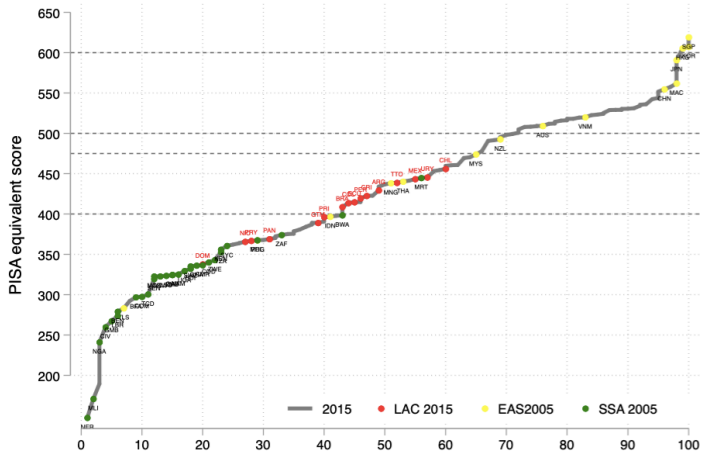
- ▶ What is education?
The process of facilitating learning, or the acquisition of knowledge, skills, values, beliefs, and habits...
which are supposed to be valued and generate individual and social returns.
- ▶ Going to school (a given number of years) is a necessary condition, but far from sufficient.

An abstract graphic consisting of several flowing, curved lines in shades of light blue and white, resembling a stylized wave or a dynamic swoosh. The lines are layered and have a soft, ethereal quality, with some small white dots scattered along their paths. They originate from the left side of the frame and curve towards the right, creating a sense of movement and fluidity.

Are those being **schooled** actually learning anything valuable?. **Are we consuming or investing in education?**

Countries being left behind

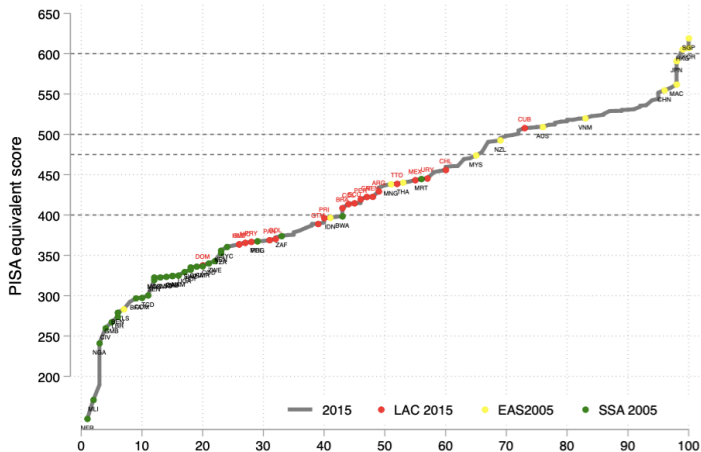
World distribution of learning scores, 2015



Source: Author's calculations based on the Global Data Set on Education Quality (1965-2015). LAC TERCE scores.

Countries being left behind

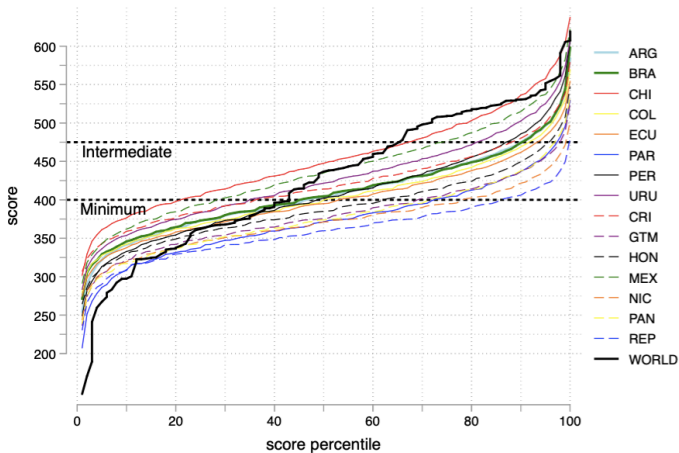
World distribution of learning scores, 2015



Source: Author's calculations based on the Global Data Set on Education Quality (1965-2015). LAC TERCE scores or last available.

People being left behind

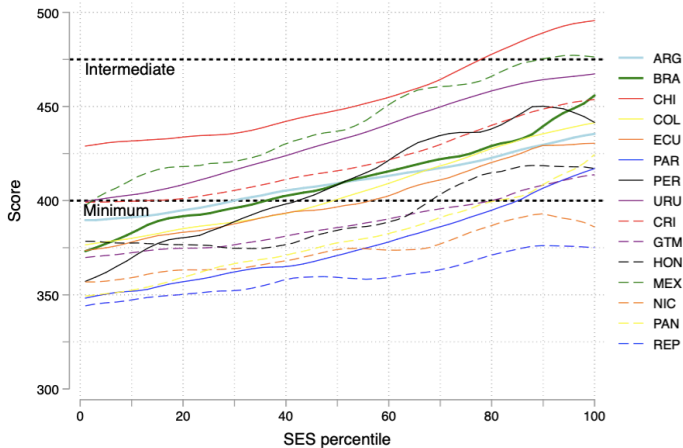
Learning scores distribution per country, 2015



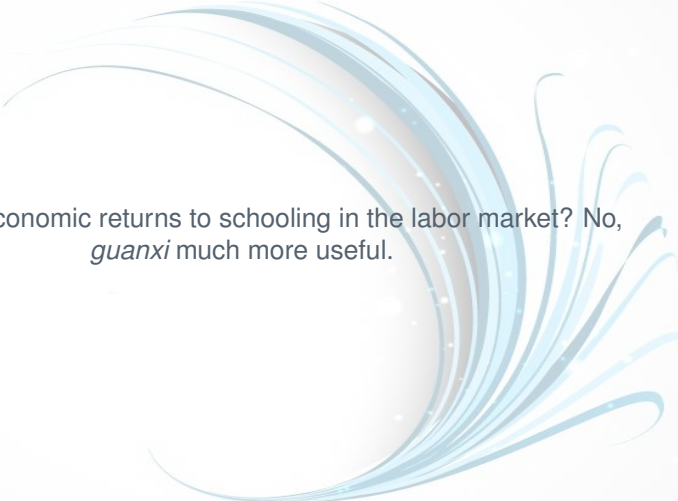
Source: Author's calculations based on TERCE.

Groups being left behind

SES learning scores gradient per country, 2015



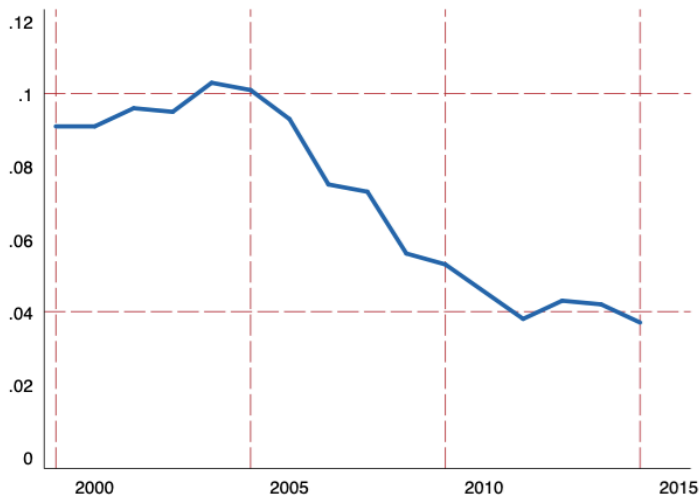
Source: Author's calculations based on TERCE.

An abstract graphic consisting of several thick, flowing, curved lines in shades of light blue and white. These lines sweep from the left side of the frame towards the right, where they fan out and end in smaller, more delicate strokes. The overall effect is one of dynamic movement and fluidity.

Are there economic returns to schooling in the labor market? No,
guanxi much more useful.

Schooling ain't human capital anymore

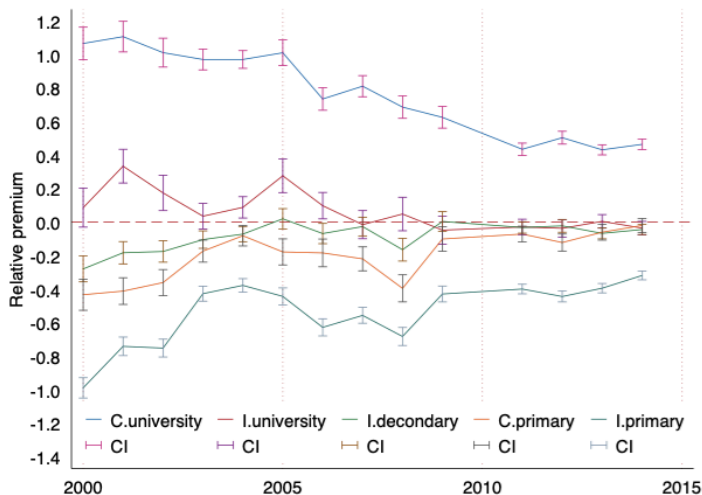
Mincer schooling premium/penalty, 2000-2015



Source: Author's calculations based on household data.

Schooling ain't human capital anymore

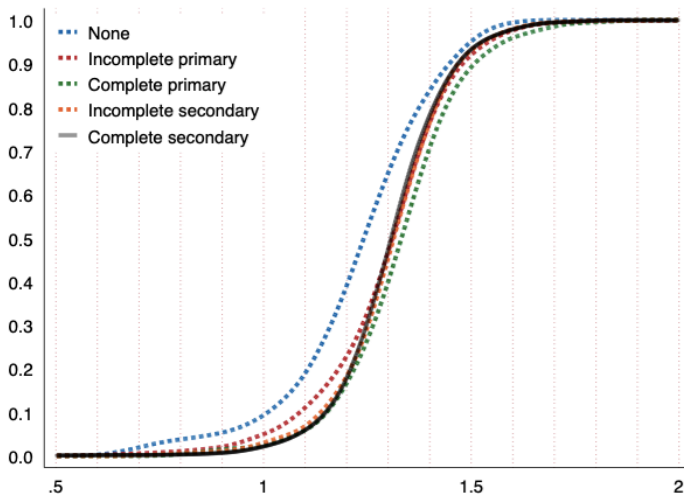
Schooling premium/penalty, 2000-2015



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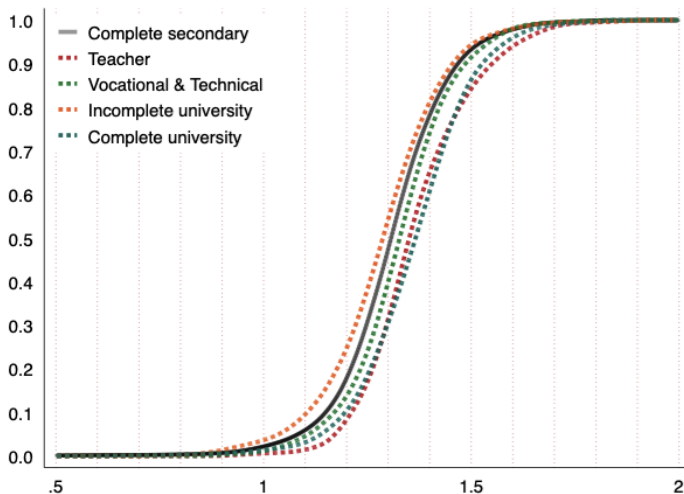
Labor market payment structure

Distribution of (residual) Wages, after controlling for experience



Source: Hernani-Limarino(2015) Sample of male full-time workers 15 to 65 years old

Labor market payment structure



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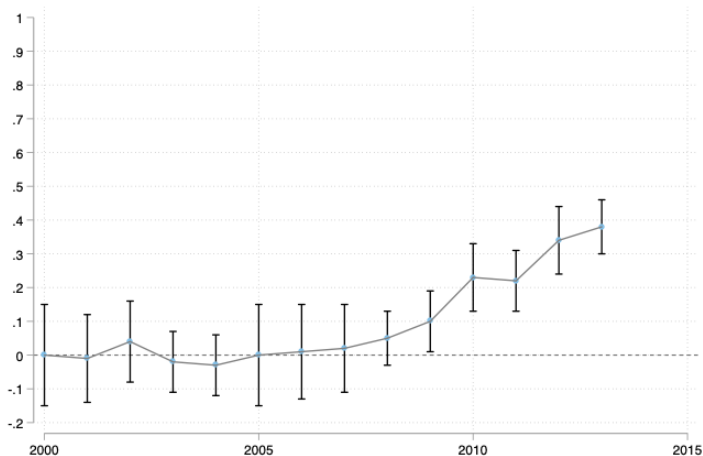
Guanxi

- ▶ the system of social networks and influential relationships which facilitate business and other dealings.

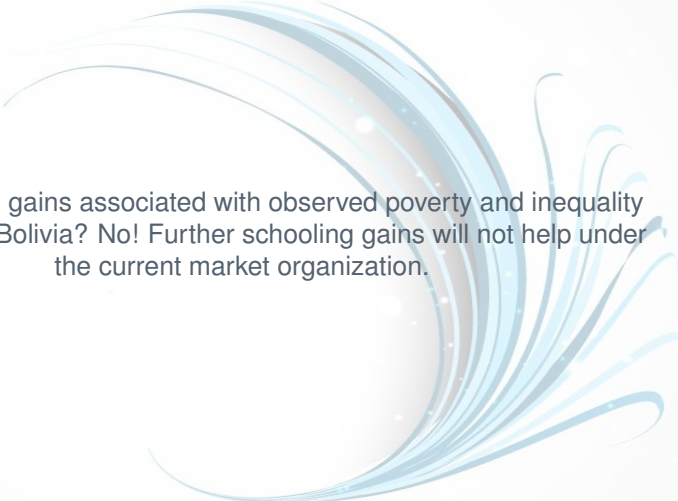
Political *Guanxi*

- ▶ Conditional average probability of voting for the incumbent local, or regional or national government given observed socioeconomic characteristics.

Guanxi is much more valuable than schooling

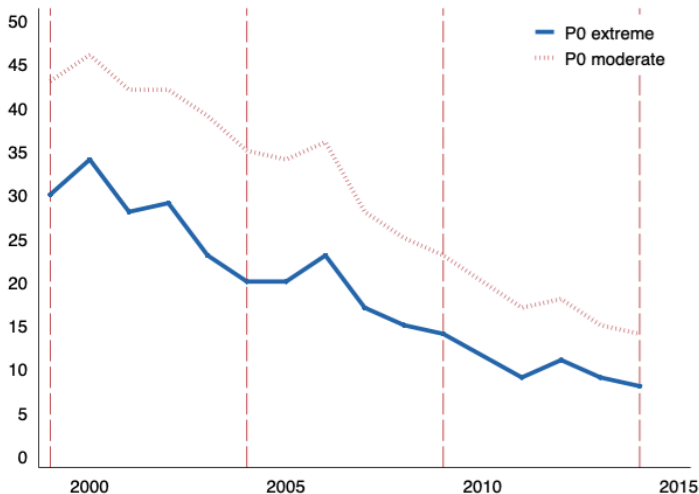


Source: Hernani-Limarino(2019) Sample of male full-time workers 15 to 65 years old. Returns to 1 s.d. change in the conditional average probability of voting for the incumbent local, or regional or national government given observed socioeconomic characteristics.

An abstract graphic consisting of several flowing, curved lines in shades of light blue and white, creating a sense of movement and depth. The lines are layered and have a soft, ethereal quality, with some lines appearing to trail off into the background.

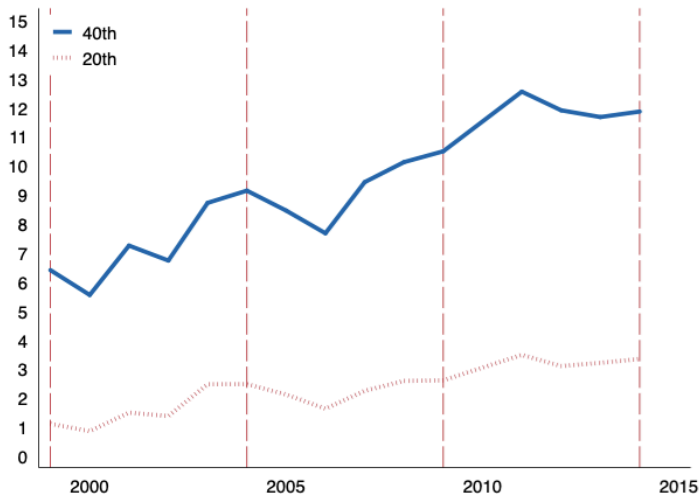
Are schooling gains associated with observed poverty and inequality reductions in Bolivia? No! Further schooling gains will not help under the current market organization.

Monetary poverty reduction in Bolivia



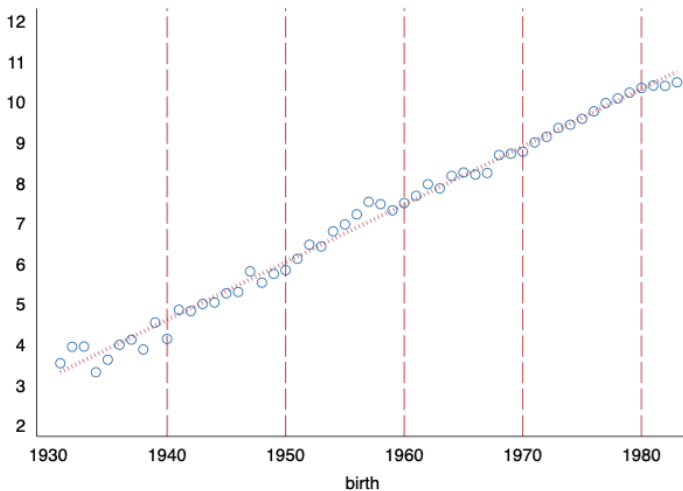
Source: Hernani-Limarino(2018).

Income inequality reduction in Bolivia



Source: Hernani-Limarino(2018)

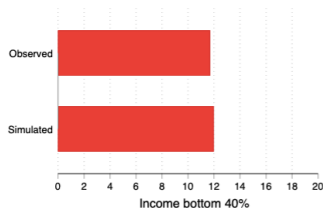
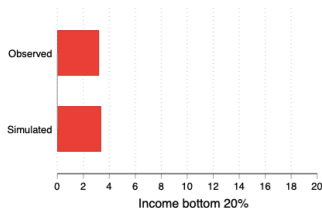
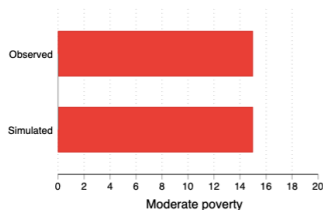
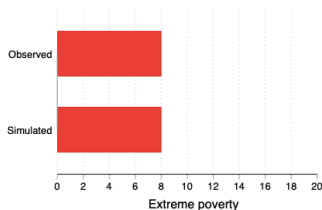
Schooling gains in Bolivia



Source: Hernani-Limarino(2018)

Contribution of schooling changes

What would be the observed poverty and inequality changes without schooling gains



Source: Hernani-Limarino(2018). Based on counterfactual decompositions and simulations in the spirit of Barros R.P. and J.M. Camargo (1993), Shapley L.S. (1953) and Shorrocks (1999)



1. Schooling ain't learning

- ▶ Almost everyone is being left behind in terms of learning

2. Schooling ain't human capital

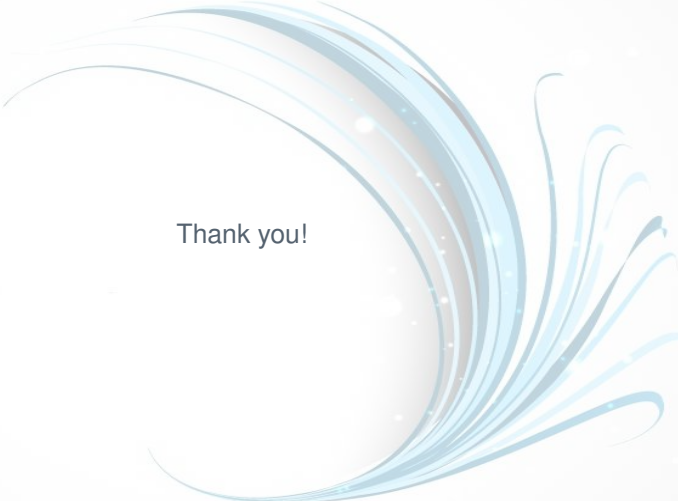
- ▶ Schooling is not valued in the labor market. *Guanxi* much more valuable.

3. Schooling ain't helping

- ▶ ...reduce neither poverty nor inequality.

4. More schooling ain't usefull

- ▶ Please stop putting band-aids to dead bodies
...and think more about **structural** reforms of education and labor markets institutions in Bolivia.



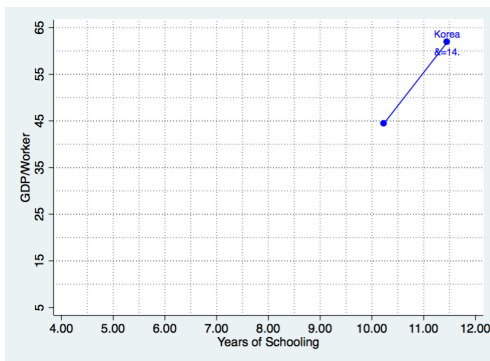
Thank you!

Social returns

Example. No productivity gains associated with schooling gains



Figure: Productivity & schooling gains



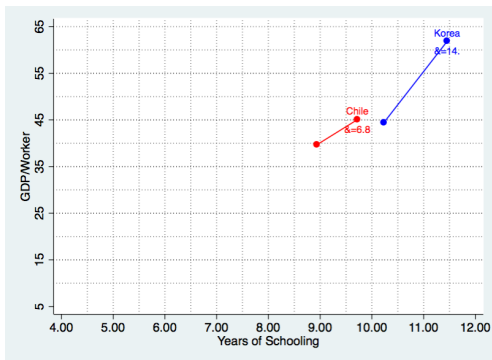
Source: Hernani-Limarino (2017). Productivity measures are GDP per worker (constant 2011 PPP \$) from the WDI. Schooling measures from Barro-Lee Educational Attainment data.

Social returns

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Figure: Productivity & schooling gains



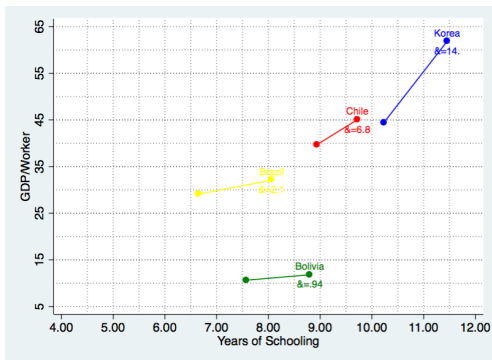
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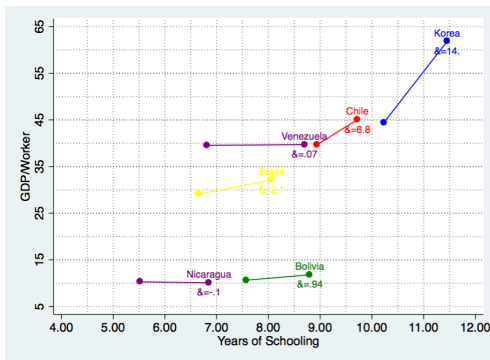
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