Can Schooling Drive Inclusive Growth?

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Econometric battles on growth sources rage overhead. But belief in human capital as driver runs deep. Physical and IT capital, institutions, general purpose technologies, are strong contenders.

Quantum of education an unreliable source of growth.

Quality of education a better predictor of GDP growth than years of schooling.
To promote inclusive growth, education needs to build cognitive and non-cognitive capabilities.

21st century development demands functional literacy, math and analytic skills, a dose of scientific and computer knowledge, and readiness to learn.

Soft skills viewed as a necessary complement e.g. work discipline, attentiveness, and capacity for social interaction, teamwork and implementing long-term plans.
Schools Are Failing

- Pedagogy virtually unchanged since the 1950s: rote memorization, outdated curricula, limited classroom interaction, the norm. Dumbed down schooling is boring, does not motivate learning.
- Limited capabilities of many teachers, frequent absences, harsh discipline, meager school facilities/teaching material, undermine schooling experience.
- Family, cultural milieu and economic circumstances (esp. of poor families) can be unsupportive of academic achievement.
- Test scores, impact studies paint dismal picture. Learning not keeping up with schooling.
Developing Country Schooling

- Average adult had 7.2 years of schooling in 2010 vs. 6.8 years for a developed country adult in 1960.
- Students are one or more international assessment standard deviations below OECD average. Less than 1 percent are in the global top 10 percent. By PISA test scores, average Brazilian student would be below 7th percentile of Danish distribution.
- Less than 6,000 Mexican students in top 10% of TIMMS math scores. PISA scores for richest Indonesian student quintile below those of poorest Korean quintile. Pritchett (2013)
• Investment in child health and pre-school education affects long run outcomes. Early neglect difficult to remedy later.
• Teacher quality, motivation and autonomy is a vital factor – as is interaction with students.
• Curriculum, teaching materials, nurturing non-cognitive skills, must keep pace with developments: need to enthuse students.
• IT can complement/enrich conventional teaching, permit students to practice and explore; reduce school administrative costs.
Better Schooling

- Family support and pre-school education a large, expensive and possibly necessary undertaking.
- Recruiting and rewarding gifted teachers, incentivizing them w.r.t. student outcomes, giving more autonomy, encouraging pedagogical innovation.
- Intelligent use of IT for practice, tracking, measuring progress, complementing classroom instruction, etc.
- Adopting a decentralized approach with more competition from certified private/charter schools.
From Schooling To Inclusive Growth

- Aggregate growth momentum and macroeconomic stability generate pull of job opportunities.
- Low inequality, and a social milieu rewarding hard work, achievement, entrepreneurship, induce effort. Corruption/nepotism the enemies of achievement orientation.
- Flexible labor markets, ease of entry, access to job ladders, increase return on education/skills.
- Quality education necessary to create a skilled and adaptable 21st century workforce.
The Innovation That Counts

Ways of attracting the talented with aptitude and teaching skills to the profession and retaining them as school teachers. Quality schooling energizes/sustains student interest and motivation to perform. It can also be less costly.
Selected References

- Hanushek, Eric, A. [http://ideas.repec.org/e/pha97.html](http://ideas.repec.org/e/pha97.html)
Thank You