Dear Reader

WELCOME TO THE AUTUMN 2010 EDITION of the Centre for the Study of African Economies (CSAE) newsletter. This edition features new evidence from India on how friends and teachers influence children’s school results, and how malnutrition in childhood is like missing out on 40 days’ schooling a year. In addition, a leading expert on migration explains that in 2009 migrants sent home around US$340 billion or twice the amount of money that was given in foreign aid. The back page features some of the media coverage involving the CSAE as well as a round-up of the latest book and working papers.

Common sense indicates that, in addition to the family environment, teachers and the children’s friends have a crucial influence on children’s achievement at school. The CSAE research on 4000 children’s school results in India shows that lower paid contract teachers help children achieve better school results than better paid regular teachers. This is despite the fact that these teachers often have no formal teaching qualifications. Other results show that the right kind of friends can help boys do well at school, even when families are short of money and spending time at school becomes less important.

A lot of research has been done on the damaging effects of malnutrition in early childhood on people’s long-term health. Further research from India demonstrates that the effects of malnutrition in early childhood also carry through to the school results that children achieve. This means that malnutrition in childhood may have an effect on the job prospects of these children.

Associate Professor Richard Brown, an expert on issues surrounding migration from the University of Queensland, Australia, visited the CSAE during the summer of 2010. During that time he explained to the editor that growing up in Apartheid South Africa had given him the impetus to look at the effects of migrants’ remittances in more detail. The edited version of my interview can be found on p.4 and a podcast with the full version can be downloaded from http://www.csae.ox.ac.uk/output/multimedia/audio/CSAE-audio-2010-002-Interview-Brown.mp3.

As usual this newsletter provides some highlights of the research carried out at the CSAE. There is more information about CSAE projects and research at http://www.csae.ox.ac.uk/research/ and http://www.iig.ox.ac.uk/research/. The latter website showcases research funded by the UK Department for International Development as part of the Improving Institutions for Growth (iiG) programme, which focuses on pro-poor growth and poverty reduction in Africa and South Asia. Both websites also contain short summaries of research in the form of briefing papers available at http://www.iig.ox.ac.uk/output/briefingpapers/default.htm and http://www.csae.ox.ac.uk/output/briefingpapers/default.html respectively. For more detail on the results and methodologies used in the research, have a look at http://www.csae.ox.ac.uk/workingpapers/main-wps.html. The CSAE also makes a wealth of datasets available for other researchers. These are available from the CSAE website at http://www.csae.ox.ac.uk/datasets/main.html.

Wishing you a good read. The Editor, Karin Loudon
CSAE research in India has shown that raising the school achievements of poor children may cost less than previously thought. This is because governments may only need to apply appropriate policy measures to a subset of the target group. Research has shown that friends can help boys do well at school even when money is short. Financial problems at home and sickness of parents often affect whether children continue to go to school.

Accordingly, one would expect the reading and writing skills of children from homes affected by unexpected health or financial problems to be worse than those of their peers. However, this unique research on 1000 children aged 8 and 12 in Andhra Pradesh shows that boys can still learn to read and write well if they are surrounded by the right friends. Girls’ reading and writing skills, on the other hand, suffer more when parents become hard up. This may be because girls’ schooling is curtailed before boys’ and because household chores give them less chance to see their friends.

This issue has previously been neglected in statistical analyses because the data are hard to gather. In addition, trying to single out how a child’s peers affect his or her learning is difficult. The researchers had access to unique data gathered as part of the Oxford-based Young Lives Project. This is a 15 year study of children’s development in four different countries. The research used the comparison available from 1000 children’s reading and writing skills at age 8, and the same children’s reading and writing skills at age 12.

Other CSAE research suggests that the Indian government should review how it employs and pays its teachers. It also shows that the Indian government’s use of contract teachers is highly successful.

The statistical analysis shows that Indian contract teachers can increase children’s marks by up to 33 per cent relative to their better paid regular counterparts. This is despite the fact that contract teachers are paid on average only 35 per cent of a regular teacher’s salary. They are also less likely to have teacher training than regular teachers. The statistical analysis shows that neither teacher training nor the regular contract have a positive impact on children’s achievement. Currently regular Indian teachers are paid according to teacher training and type of contract. There is no performance-related element to their pay.

In addition, the research shows that male contract teachers in particular have positive effects on children who come from disadvantaged backgrounds. Critics of the use of contract teachers had suggested that the increased deployment of contract teachers might entrench social disadvantages as underprivileged children were more likely to be taught by contract teachers. However, regular teachers are less keen to teach in remote or disadvantaged locations. Since the mid-1990s the Indian government has increased the
Statistical analysis shows that Indian contract teachers can increase children’s marks by up to 33 per cent relative to their regular counterparts. Photo: World Bank. Photographer: Ray Witlin

Use of contract teachers to improve access to schooling, reduce class sizes and to alleviate the need for teaching several year groups at once.

Statistical analysis to test possible explanations for this result is inconclusive. Quantitative measures of teacher effort, such as absences and time spent supporting weaker children, do not adequately explain the difference in results. The researchers conclude that contract teachers may be more motivated to teach well than their regular counterparts. The research is based on data from Uttar Pradesh and Bihar. It used the achievement levels of over 4000 children in maths and language for two year groups.

ABOUT THE RESEARCH – GO TO:

http://www.csae.ox.ac.uk/workingpapers/pdfs/2010-15text.pdf

http://www.csae.ox.ac.uk/workingpapers/pdfs/2010-13text.pdf

ABOUT THE RESEARCHERS

Christian Helmers is a DPhil candidate at the Centre for the Study of African Economies, University of Oxford. His research interests are knowledge spillovers, innovation and endogenous growth.

Manasa Patnam is a PhD student at St John’s College, Cambridge. Her research interests are development economics and applied microeconometrics.

Paul Atherton is a Research Officer at the Institute of Education, London. His research interests are the role of education in development and poverty reduction and the determinants of economic growth.

Geeta Kingdon is Chair of Education Economics and International Development at the Institute of Education. Her research interests are the economics of education, labour economics and the economics of happiness. The work on contract teachers was carried out whilst Geeta Kingdon was at the CSAE.
Karin Loudon interviewed Richard Brown, Associate Professor in Economics at the University of Queensland, Australia, while he visited the CSAE during the summer of 2010.

KL: Could you start off by outlining why it is important to look at migration and migration issues?

RB: The point that I think needs to be stressed and which has been neglected until fairly recently was the significance of migrants’ remittances on a global level. Currently the estimates for 2009 of the total value of international migrants’ remittances stand at about US$340 billion. And that probably is not the full story as a lot of remittances are transferred informally and therefore not recorded. This puts them in excess of foreign direct investments and at least two times the total value of foreign aid flows. So just quantitatively these are absolutely critical. I have an interest because I am originally a South African. I was brought up in Apartheid South Africa where both internal and international migration were absolutely essential to the functioning of the Apartheid economy and, as young students, our concern then was over the issues around Apartheid and over what would happen in a post-Apartheid society.

On the one hand, there was this strong association of migration with Apartheid and yet, on the other hand, in a post-Apartheid society one couldn’t think in terms of abolishing migration; largely because of the impact this would have not only on the welfare of the migrants themselves but also on their families back home. What I have noticed is that in most countries that are in the Organization for Economic Co-operation and Development (OECD) the focus of the debate is more on the impact of the in-migration on the host country or on individuals within the host country, and the concern whether migrants are taking jobs. I am less concerned about those issues; I am more concerned about the impact of migration on the welfare of those left behind. There is also a lot of focus nowadays on getting migrants’ remittances into the formal banking system. Why am I a bit concerned about this? The reason why such a large part of the remittance flows go through informal channels is that the individual migrants and the families back home are very often distrustful of the formal banking system and concerned that if they do remit through formal channels they are more likely to be taxed or suffer the effects of an unfavourable exchange rate. And given that I believe that remittances are playing this all-important social protection role, in the absence of formal government social protection, my concern is that if one tries to force migrants to use the official channels it might undermine the functioning of that informal social protection system.

My research and policy focus has been more on how remittances can be seen in a way as an informal, family-based system of social security or social protection, in the absence of a formal government welfare system. It has been established that remittances respond to negative income shocks on the part of the households back home and thereby play an important social protection function. It has been...
established through a lot of research, including my own, that remittances have a very strong impact in relation to poverty reduction. For example, where migrants are sending money to their parents and the elderly, you could think of this in terms of an informal pension. Parents and others have invested in their education, health and welfare over many years and now this is the return on their past investment.

KL: I also wanted to focus a little on the political debate that happens both in developing and in developed countries. I think it would be very enlightening to see if you have any policy conclusions for governments both in the countries where the migrants come from and in the countries where the migrants go to.

RB: I believe that we need to coordinate policy on foreign aid with policy on immigration. These are often treated as completely separate things and yet, if you think in terms of the provision of jobs and the return flow of remittances by international migrants from the perspective of these playing an important social protection role and poverty alleviation role, they are precisely the aims of our foreign aid programmes in the migrant-sending countries. So in the Australian context, and specifically in relation to the Pacific Islands, I have been arguing quite strongly for liberalization of labour movement within the region.

On the other hand, from the developing country point of view — from the migrant-sending country — there is often an undue concern over brain drain. An extreme case that is often cited is the Philippines, with nurses. There is an enormous number of Filipino nurses throughout the world, we know that. Is that brain drain? Well, in the Philippines, after migration, there are still more nurses remaining per head of population than there are in the UK. From a policy perspective then, perhaps governments, instead of trying to prevent migration say of nurses or doctors or whatever, should provide more training opportunities for those skills that are most highly desired and opportunities perhaps for the individuals to pay for that education themselves if their intention is to migrate. If they do end up migrating, having had their education paid for by government, there could be some system whereby they would need to repay part of their education costs out of their future earnings.

Another important policy area that has been experimented with in places like Mexico, and which is now being explored elsewhere, is the possibility of leveraging remittances through what are sometimes called ‘home-town associations’. In other words, migrant networks in the host country enter into agreements with governments back home where dollars of remittances are matched by equivalent funds coming from government, provided these are earmarked for community-level projects in the communities from which the migrants originate. To the extent that would create for those communities additional dollars of development expenditure that wouldn’t otherwise have occurred, those sorts of policies are certainly worth pursuing.

KL: Richard – thank you very much for taking the time to talk to me.

To download the full version podcast go to http://www.csae.ox.ac.uk/output/multimedia/audio/CSAE-audio-2010-002-Interview-Brown.mp3.

TO FIND OUT MORE

ABOUT RICHARD BROWN

Richard Brown, Associate Professor in Economics at the University of Queensland, Australia.

Richard Brown’s areas of specialization include the economics of international migration and migrants’ remittances, applied cost–benefit analysis, and non-market valuation methodologies. He has been awarded a number of research grants including from the Australian Research Council, World Bank, ILO, WHO, USAID, WWF. He has extensive domestic and international advisory experience and is currently engaged by the Asian Development Bank as an international expert in migration, remittances and poverty for a large study covering four Central Asian and South Caucasus countries. He is a member of the School’s Executive Committee and is a representative on the University’s Academic Board.

ABOUT THE RESEARCH

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CSAE research in India shows that the Indian government needs to look at improving children’s nutrition in early childhood. It shows that Indian children’s test results in Hindi and maths improve by about 5 and 8 per cent, respectively, for each extra 6 cm of height of the children. The height of the children is used as an indicator of their long-term health and therefore how well nourished they were in their preschool years. This new research demonstrates that children’s nutrition in early childhood affects their educational achievements.

The impact of early childhood nutrition on school results is stronger if the analysis is restricted to siblings. Restricting the analysis to siblings makes the impact of early childhood nutrition on school results clearer as parental education and other household factors are the same for all siblings. The research also shows that, for siblings, their health, as measured by their height, has a stronger influence on their school results than the educational achievement of their father. Furthermore the results show that the quality of recent nutrition also has an impact on school achievement, in particular in maths.

In addition, the research demonstrates that, relative to a healthy population, the effect of malnutrition is equivalent to the effect of children spending 7 per cent less time in school, i.e. the equivalent of losing out on 40 days of schooling. Clearly, losing out on schooling is likely to lead to bad educational results. So in the long term, malnourished children become badly educated adults who are not able to compete for good jobs.

The research used the height, weight and school results of about 4000 Indian children to analyse the impact of their health on school achievement. The academic achievement of the children was measured by using results from two tests, one at the beginning of a school year and one at the end of the same school year. The research was carried out in 11 districts in Uttar Pradesh and Bihar.

A study carried out by an Indian charity, Pratham, illustrates the scale of the educational challenge in India. It found that nearly 60 per cent of rural children cannot do simple divisions after 5 years in schooling.

Previous research has looked at other factors that affect educational outcomes such as the quality of
teaching. However, a child’s nutrition may have such a profound effect on his or her health that it is more relevant than teacher quality. For this reason the Indian government should consider using a variety of policy measures that research has shown to be effective in improving children’s nutrition. These include educating mothers on child health and how to feed infants well, improving sanitation and access to clean drinking water and offering income insurance for families to avoid unexpected drops in nutrition levels.

Good school results may depend more on the quality of a child’s nutrition than on the teacher’s input.
Working Papers

Available at: www.csae.ox.ac.uk/workingpapers/wps-list.html

- Household-Level Consumption in Urban Ethiopia: The Impact of Food Price Inflation and Idiosyncratic Shocks by Yonas Alem and Måns Söderbom. WPS/2010-24
- The Formation of Community Based Organizations in Sub-Saharan Africa: An Analysis of a Quasi-experiment by Abigail Barr, Marleen Dekker and Marcel Fafchamps. WPS/2010-21
- Are Gifts and Loans between Households Voluntary? by Margherita Comola and Marcel Fafchamps. WPS/2010-20
- Using PDA Consistency Checks to Increase the Precision of Profits and Sales Measurement in Panels by Marcel Fafchamps, David McKenzie, Simon Quinn and Christopher Woodruff. WPS/2010-19
- Selective Mortality or Growth after Childhood? What Really is Key to Understand the Puzzlingly Tall Adult Heights in Sub-Saharan Africa by Alexander Moradi. WPS/2010-17
- Parental Education and Child Health – Understanding the Pathways of Impact in Pakistan by Monazza Aslam and Geeta Kingdon. WPS/2010-16
- The Relative Effectiveness and Costs of Contract and Regular Teachers in India by Paul Atherton and Geeta Kingdon. WPS/2010-15
- Health, Nutrition and Academic Achievement: New Evidence from India by Geeta Kingdon and Courtney Monk. WPS/2010-14
- Does the Rotten Child Spoil His Companion? Spousal Peer Effects Among Children in Rural India by Christian Helmers and Manasa Patnam. WPS/2010-13
- Triggers and Characteristics of the 2007 Kenyan Electoral Violence by Stefan Dercon and Roxana Gutiérrez-Romero. WPS/2010-12

Book

Putting Nigeria to Work: A Strategy for Employment and Growth
Edited by Volker Treichel. Includes chapters written by CSAE researchers Francis Teal and Markus Eberhardt. Published by the World Bank, June 2010.

CSAE in the media

★ The New York Times and Science magazine review a study of what is seen as fair in different cultures. The CSAE’s Abigail Barr was one of the researchers involved. http://tiernyelab.blogs.nytimes.com/2010/03/22/are-shoppers-fairer/?scp=2&sq=fairness&st=cse
★ The London-based Evening Standard and Ahram quote CSAE Director Paul Collier regarding the risks of natural resources for Afghanistan. http://www.thisislondon.co.uk/standard/article-2385853-timeforafghanistan-withdrawlare-reckless.do
★ The European Council on Foreign Relations takes issue with CSAE Director Paul Collier’s views that introducing some elements of democracy without appropriate structures can be dangerous. http://recht.eu/content/en/entry/commentary-preventing_the_next_generation_of_kosovos
★ African News cites CSAE Director Paul Collier that small farms may be inefficient and therefore not the future for African farming. http://africannewslive.com/?p=16688

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The CSAE carries out economic research with a particular focus on Africa. Its aim is to improve economic and social conditions in the poorest societies.

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