



All Children Reading – Asia (ACR-Asia)

USAID Report Summary: Investing in Early Grade Reading in Lower and Middle-income Countries in Asia

How support for Early Grade Reading promotes national interests

Jobs in Asia currently demand, and increasingly will require, literacy and strong reading comprehension—even entry-level jobs in agriculture and the service sector. Yet students in Asia are not developing the necessary basic-level reading skills. Importantly, learners are not acquiring these skills early enough in their schooling to enable them to develop deeper, higher order skills. Pronounced inequities in educational quality exacerbate this problem of poor literacy skill development for certain regions and/or segments of the population.

Support for early grade reading in Asia has tangible benefits for foreign governments, firms, and individuals. There are important returns from literacy for individuals, society, and the economy of developing countries and also for their potential allies and trade partners. Investment in literacy engenders a more highly skilled, innovative workforce; fuller employment; and a developing economy (Aghion and Bolton, 1992; Galor and Ziera, 1993; McMahan, 2002). Fuller employment and economic development beget more stable, less violent societies. Equally important benefits are realized in parallel for the American economy. Stable countries are better candidates for trade and cooperation agreements, which translate to potential growth opportunities for US businesses. Ultimately, a thriving global market is in the national interest.

The benefits of literacy are especially pronounced for less-developed countries

Education and an individual's skills are important and independent predictors of better individual and societal outcomes. Literacy enhances livelihoods by expanding opportunities for individuals to participate in the economy and in civil society. These returns do not just accrue to individuals; they also generate important collective effects on communities and societies. Individual benefits, such as wage returns, tend to expand outward and transfer to various aspects of human, political, social, cultural, and economic life. More literate societies tend to have higher life expectancy rates, lower crime, less teen pregnancy, and lower infant mortality (Sen, 1997; McMahan, 2000; McMahan, 2002; Wolfe and Haverman, 2002; UNESCO, 2005).

Research shows that there are positive associations between cognitive skills, e.g., reading proficiency, and wage earnings (Hanushek et al., 2013; Valerio et al., 2016). While many of the data on this topic show that the relationship between education or skills and the economy varies widely among countries, in developing countries, where overall school attainment levels tend to be lower, the impact of completing additional years of schooling is stronger (Montenegro and Patrinos, 2014). School attainment and the acquisition of foundational cognitive skills, such as literacy, is even higher stakes for learners in less-developed countries.

Literacy is a top-rated skill for nearly all emerging or growing professions in Asia

Projections of future job opportunities indicate that job markets in Asia are shifting in two important ways. Employment growth lies in categories of jobs that increasingly require more advanced literacy skills, such as reading comprehension—and jobs that do not require these skills today will in the future (World Economic Forum, 2016b; Petri, Plummer, and Zhai, 2013).

In developing Asian countries, jobs are likely to be found in lower-skill service sectors: transport and logistic services, financial and business management services, and retail, tourism, and sales, as well as the continued large-scale employment in agriculture across the region. An analysis of skill requirements conducted by the

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Asian Development Bank for such service-sector jobs shows reading comprehension to be a top-rated skill for these professions—among other important qualifications. Further, increases to agricultural productivity—as seen in **Figure 1**, a sector that continues to employ a quarter to a third of workers in developing parts of Asia—and the skill requirements of most manufacturing jobs lead to a greater need for higher levels of educational attainment and a more literate population (Asian Development Bank, 2013).

So how much literacy is needed, and for how many? Understanding written material for work is a skill that is required across a growing number of job categories in Asia. These jobs also increasingly require higher levels of education attainment that are heavily dependent on literacy acquisition. Current research indicates that for Asian economies that seek growth, investments in early literacy are clearly related to future job success. Even if the headline-grabbing economic change predictions fail to meet their lofty marks, jobs are bound to change, and chance will favor those who can read, learn, and adapt.

Analysis of available data on learning outcomes reveals that students are not acquiring strong applied literacy skills such as reading comprehension

Despite recent increases in access to schooling in many developing Asian countries, evidence suggests that true literacy—the functional use of reading ability for other productive purposes—is not prevalent. While the common measure of literacy in a given society—the adult literacy rate—is often at or near 90% in many Asian countries (even in developing countries such as Indonesia, the Philippines, Vietnam, and Thailand), the direct assessment of literacy as measured by the Early Grade Reading Assessment brings to light several findings that contradict this conventional wisdom. **Figure 2** shows

Figure 2. Proportion of students by level of reading and comprehension in Indonesia, by region (2014)

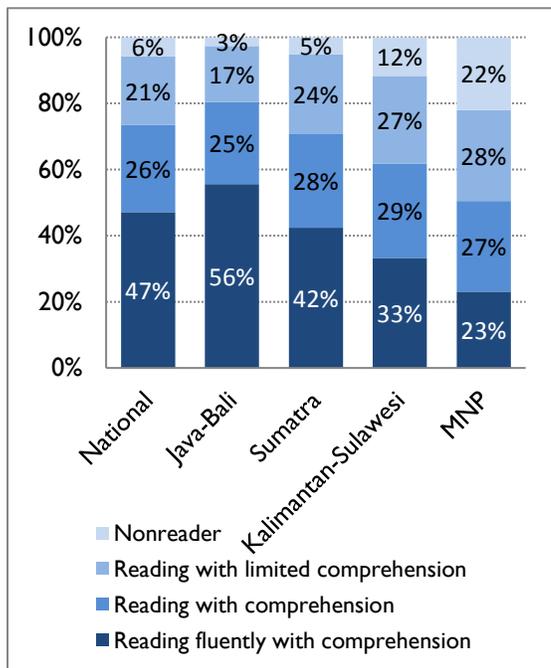
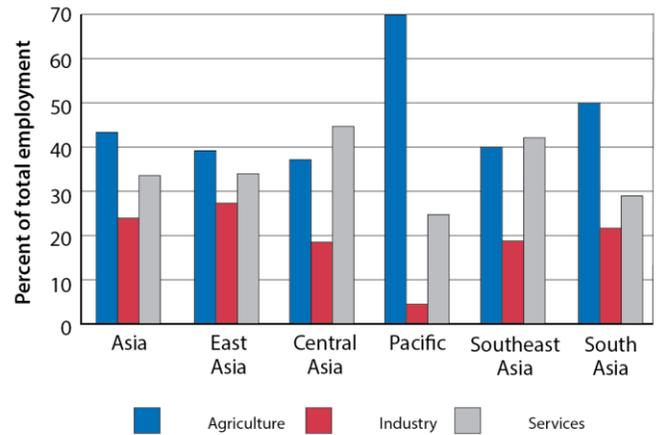


Figure 1. Share of employment by sector, Asia (% of total employment, latest year)



Source: Asian Development Bank, *Asia's Economic Transformation: Where to, How, and How Fast?*, 2013, p. 8.

regional data from across Indonesia, where the proportion of students reading fluently with comprehension is below the national average for most regions.

Evidence from Indonesia, Lao People’s Democratic Republic, Nepal, and the Philippines has shown that while there is a positive relationship between fluency and literacy (in fact, the former is a component of the latter), using fluency alone as a proxy measure for literacy can be misleading. Comprehension data indicate that many children may be reading fluently, but remain unable to comprehend (and therefore use) the information that they are reading. In sum, literacy is not synonymous with reading fluency.

The tendency to confound literacy with reading fluency has resulted in a significant proportion of the working age population not having the requisite skills for basic jobs in the region. Most individuals in Lao PDR and Sri Lanka with jobs that required them to read frequently did not pass the core reading component of the World Bank’s Skills Towards Employability and Productivity (STEP) skills assessment. Relatedly, individuals who attended pre-primary school reported reading much more frequently for their professions than did those who did not attend pre-primary. This suggests that most gains in core literacy skills occur during the primary years or do not occur at all.

It is important to recognize that reading ability in early years is predictive of reading outcomes in later years. Evidence from the Young Lives longitudinal study in India and Vietnam suggests that young children with more advanced reading

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and writing skills are more likely to perform well on subsequent assessments (in multiple subjects), graduate from secondary, and attend some form of tertiary education. Early readers are in a better position to use their reading ability to learn and prepare themselves for the world of work.

Investment in the early grades sets individuals on positive trajectories that impact their communities and (in aggregate) their countries

Available data show strong, positive, and significant returns not just to years of schooling, but to the acquisition of literacy. Moreover, the relationship between education, skills, and economic benefits (individual and societal) is strongest in lower- and middle-income countries. Yet analysis of available data on learning outcomes reveals that students in Asia are not acquiring the foundational skills required to participate in the economy. This is of immediate consequence to foreign economies and also has important implications for the US.

Implications

Economic opportunities are enhanced through early reading investment. Investment in early literacy has the potential to set up a mutually beneficial system of economic growth and trade. As education systems in developing countries confer literacy skills to create a more productive workforce with support from USAID, there is greater potential development of markets for the exchange of goods and services between donor and recipient countries.

Opportunity for US leadership through investment in early literacy. Through prior investments in early literacy, the United States and USAID have displayed both technical and policy leadership. The Early Grade Reading Assessment was developed in 2006 through USAID funding and has been used extensively to determine literacy levels and adapt policy across dozens of developing countries. Millions of children have benefitted from these activities. Sustained investment would enable the United States to continue to provide innovation and lead literacy development.

Investment in early literacy aligns with national security aims. More literate societies are more stable, less violent, and healthier—clear benefits for countries that receive support for developing education systems (Yanagizawa-Drott, 2012). These traits also happen to benefit countries providing foreign assistance: increasing the number of stable countries and allies in a region reduces the likelihood of conflict and necessary intervention (either humanitarian or military) as well as worker migration.

Recommendations

1. **More attention to advanced literacy skills (specifically, comprehension) is needed.** Teaching and learning materials, instructional practices, and assessment tools should be reviewed, critiqued, and revised (if necessary) with this in mind. Follow-up assistance can be targeted towards upper primary grades for individuals who have not achieved literacy.
2. **Early literacy programming remains highly relevant.** Literacy skills are cumulative. USAID and ministries of education in developing Asian countries, therefore, would do well to consider early literacy programs and literacy instruction an essential part of developing a cohort of educated and economically productive citizens.
3. **Timing of literacy education is important.** It is less efficient to impart skills in literacy later in childhood, when older students should be employing advanced literacy skills for obtaining and analyzing information, or for using written information to inform job responsibilities. USAID should work with ministries of education to expect and plan for the early acquisition of literacy skills, imparted during the primary years and further developed thereafter. Literacy is a highly important skill in the emergent job families in Asia, where there is evidence of lagging functional literacy.

Considering these factors, the current low level of reading comprehension, the growing importance of reading comprehension for employment, and the critical timing of reading skill development, it is clear that the time for the US to invest in early grade reading in Asia is today—for a dividend as soon as tomorrow.

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