



Why Invest in Early Grade Reading?

New Evidence on the Impacts of Reading/Literacy: A Discussion with the Members of the GRN Community of Practice

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Background

- Based on research paper and policy brief funded by USAID via All Children Reading-Asia activity, with some added material
- Purpose: evidence on why investments in EGR create a mutual benefit relationship between individuals and societies both in donor and recipient country
- Provide explicit emphasis on the how these investments will benefit U.S. economy and national security

Outline

1. How important is education and literacy to countries' potential as trade partners? To countries' political and social stability? To migration and labor relationships?

2. What are the “channels” whereby this works?

3. Why does it help to invest early?

4. Do children and youth in US partner countries have the literacy skills required to be good partners in trade and political stability?

Introduction

- Interconnections exist between education, human capital, individual skills, economy, and social progress.
- Recent investments by USAID focus on improving literacy in the early grades due to impact it can have on individuals' livelihoods and societal progress
- Our definition of literacy is not dichotomous (literate vs. illiterate) but literacy as a functional ability and skill
 - Cumulative skills learned over time
 - Allows a reader to do something as a result of his/her ability (e.g. achieve one's goals or develop other knowledge and potential)

Some key relationships

Trade

Migration

Stability

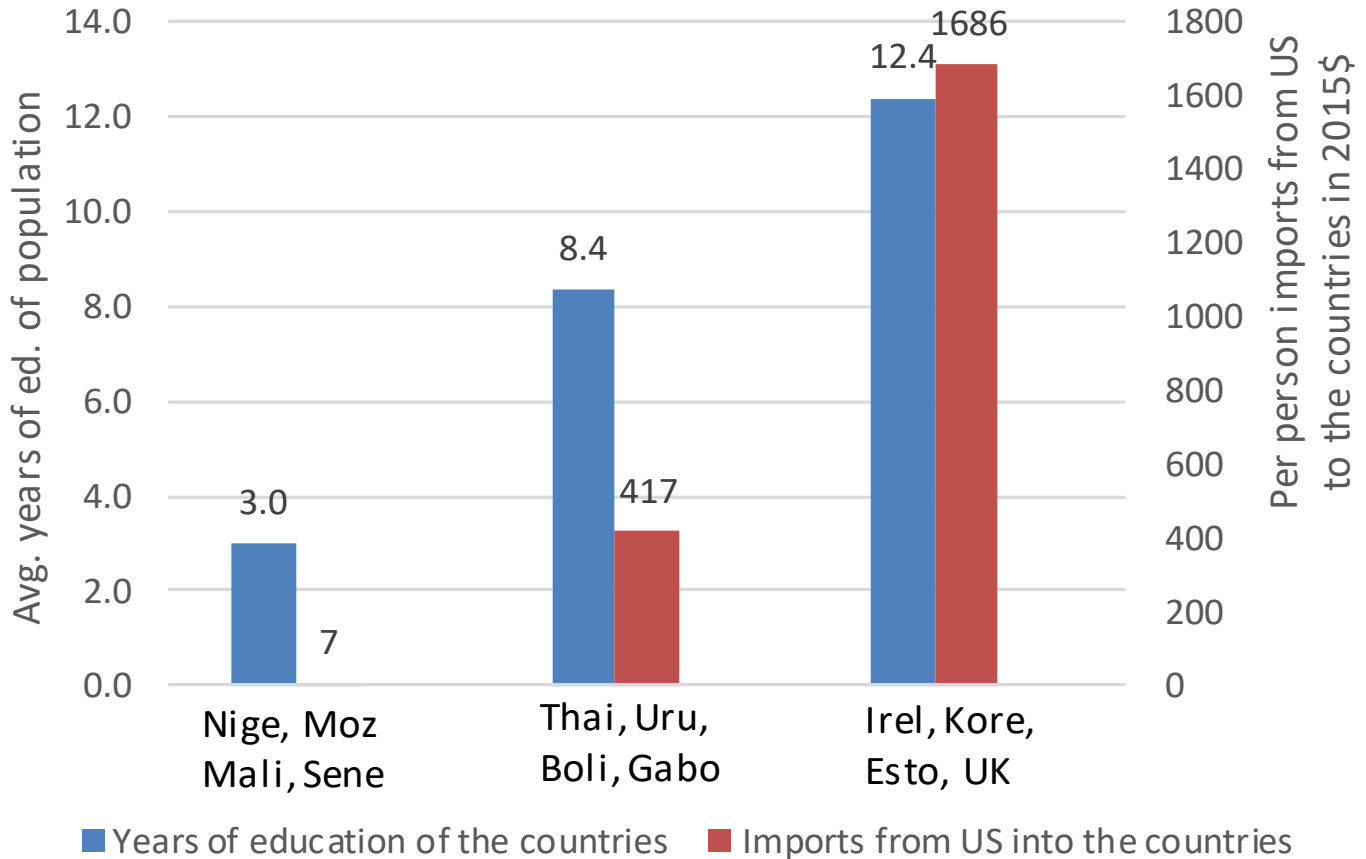


Next 3 slides methodology

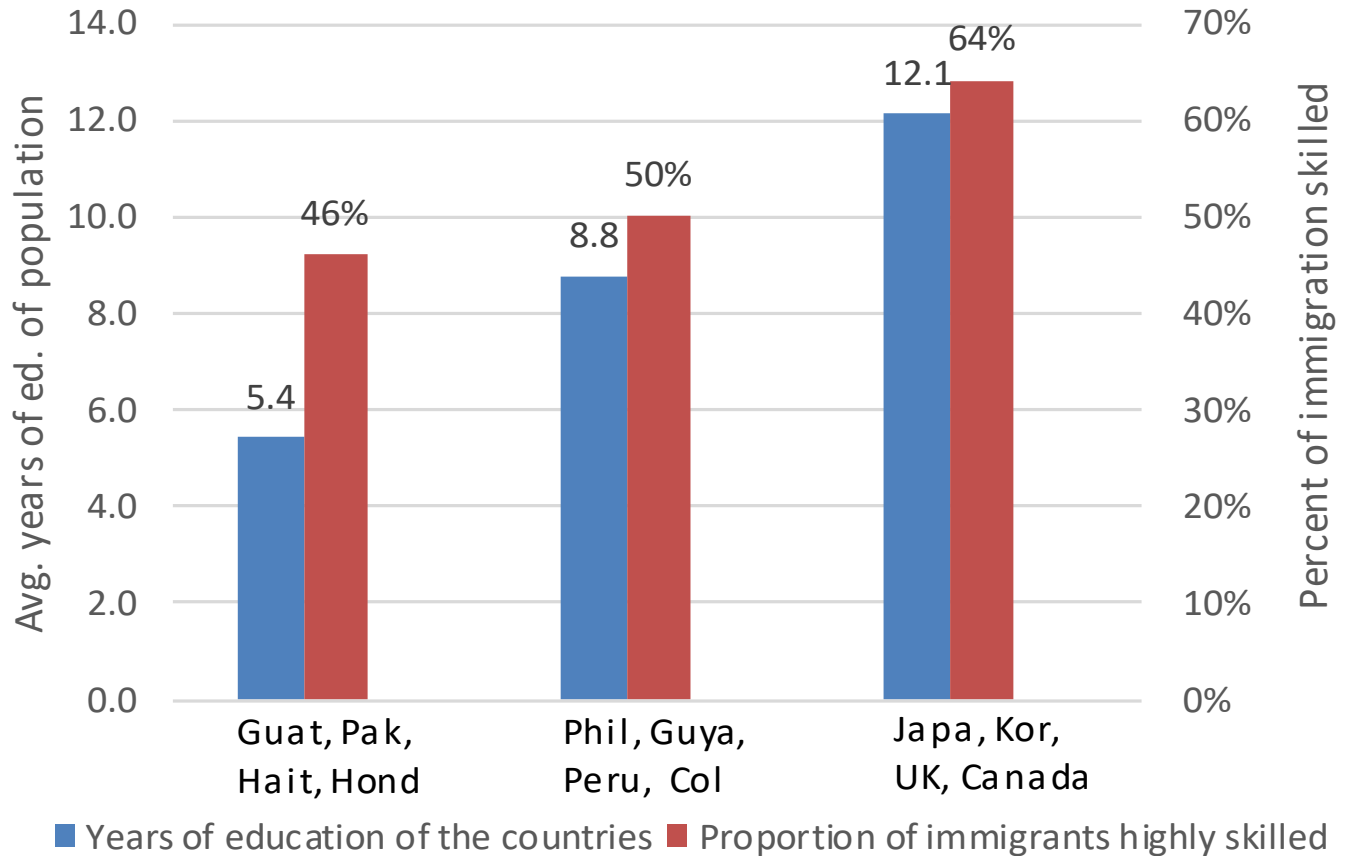
- Sort countries by years of education
- Group worst-, middle-, and most-educated partners
- See the trade, migration, and stability levels for the three groups
- Causality????

Countries' education and imports from US

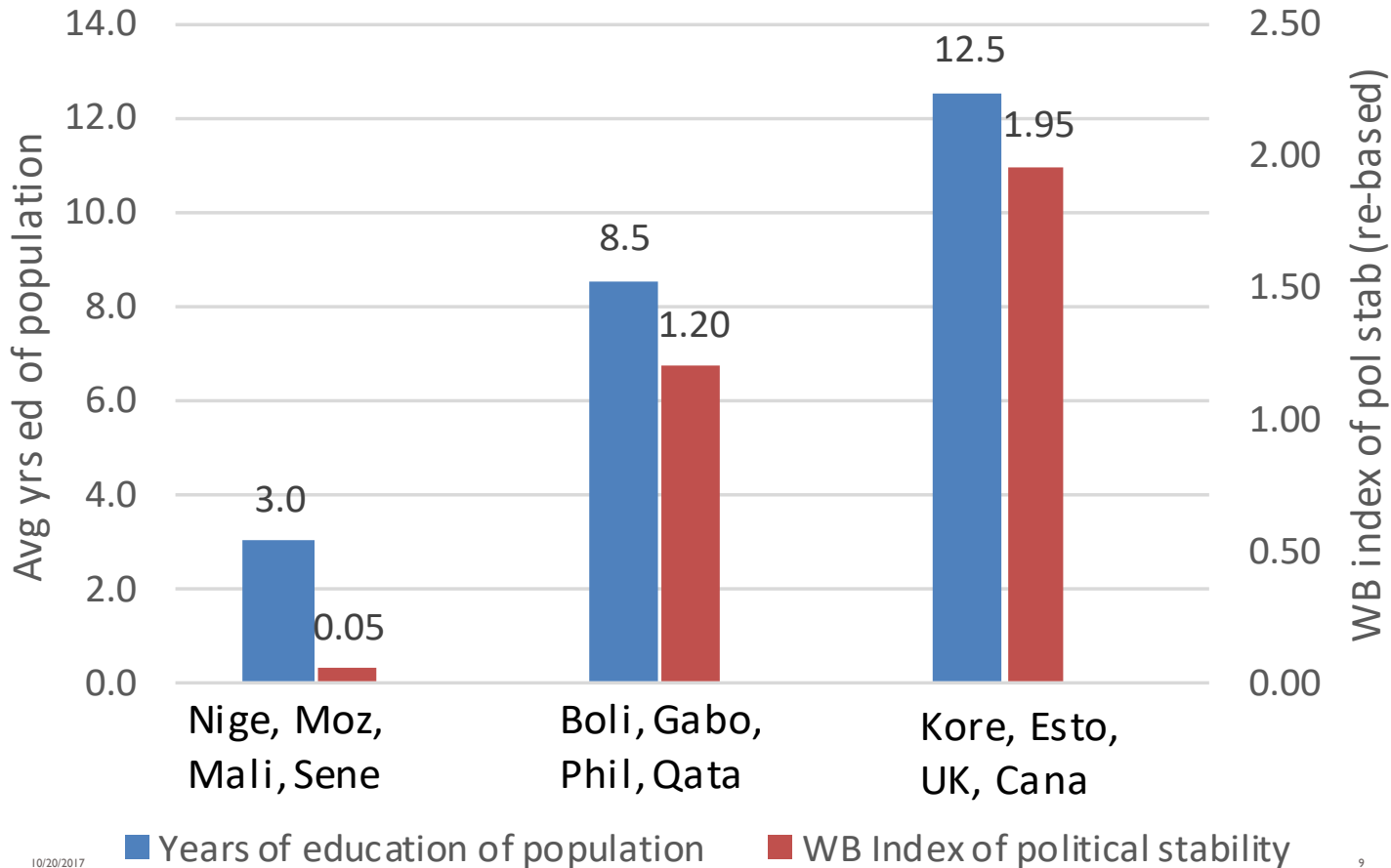
in 3 groups of countries by ed level



Yrs of ed and skilled immigration to US (of countries sending > 100,000)



Political stability and education levels



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9

Sources: WB Barro-Lee, WB Index of Political Stability

Can one “standardize” these effects?

Concept	Step of change	Standardized effect
Imports from US into the countries		
	Low ed. to medium ed.	0.4
	Medium ed. to higher ed.	1.2
Skilled migration into the US		
	Low ed. to medium ed.	0.2
	Medium ed. to higher ed.	0.8
Political stability		
	Low ed. to medium ed.	1.1
	Medium ed. to higher ed.	0.7

Benchmarks: Medium 0.5, Large 0.8, Very large 1.2

Is this “magic?”
How does it happen?
Is it causal?

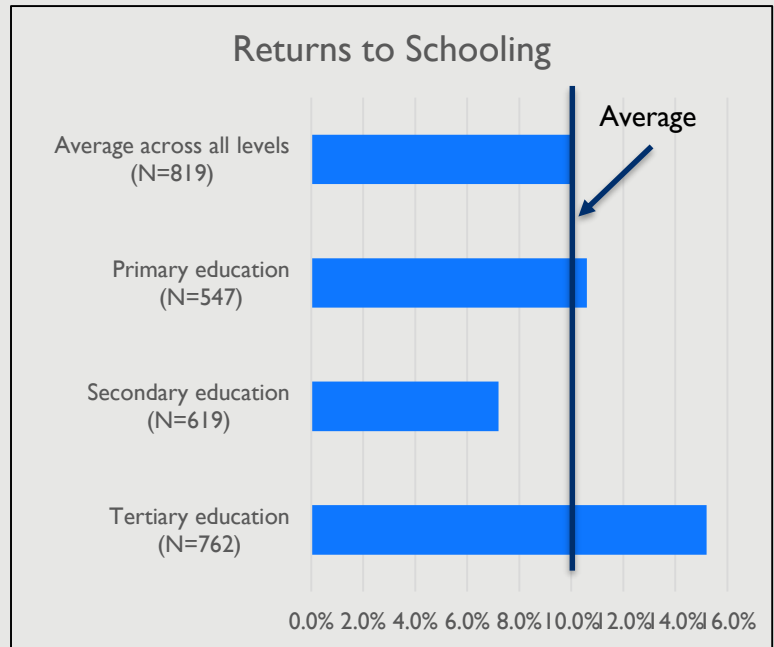


How does this actually happen?

- Education makes you richer because it makes you more productive
- Richer people are better trade partners
- Countries with more education seem to send more educated migrants, even disproportionately so; relatively few unskilled folks from skilled countries come to US.
- Educated people tend to have more stake in stability; they are more conservative because there is more to conserve; they are also able to demand and negotiate gov't accountability

Returns to Education: “Education makes you richer”

- Each additional year of completed education yields about a 10% increase in wages, on average, across economies.
 - Returns higher women > men
 - Decrease in returns to years of schooling over the last few decades
 - Returns are higher (and remain in high, in general) in developing countries where school attainment levels tend to be low

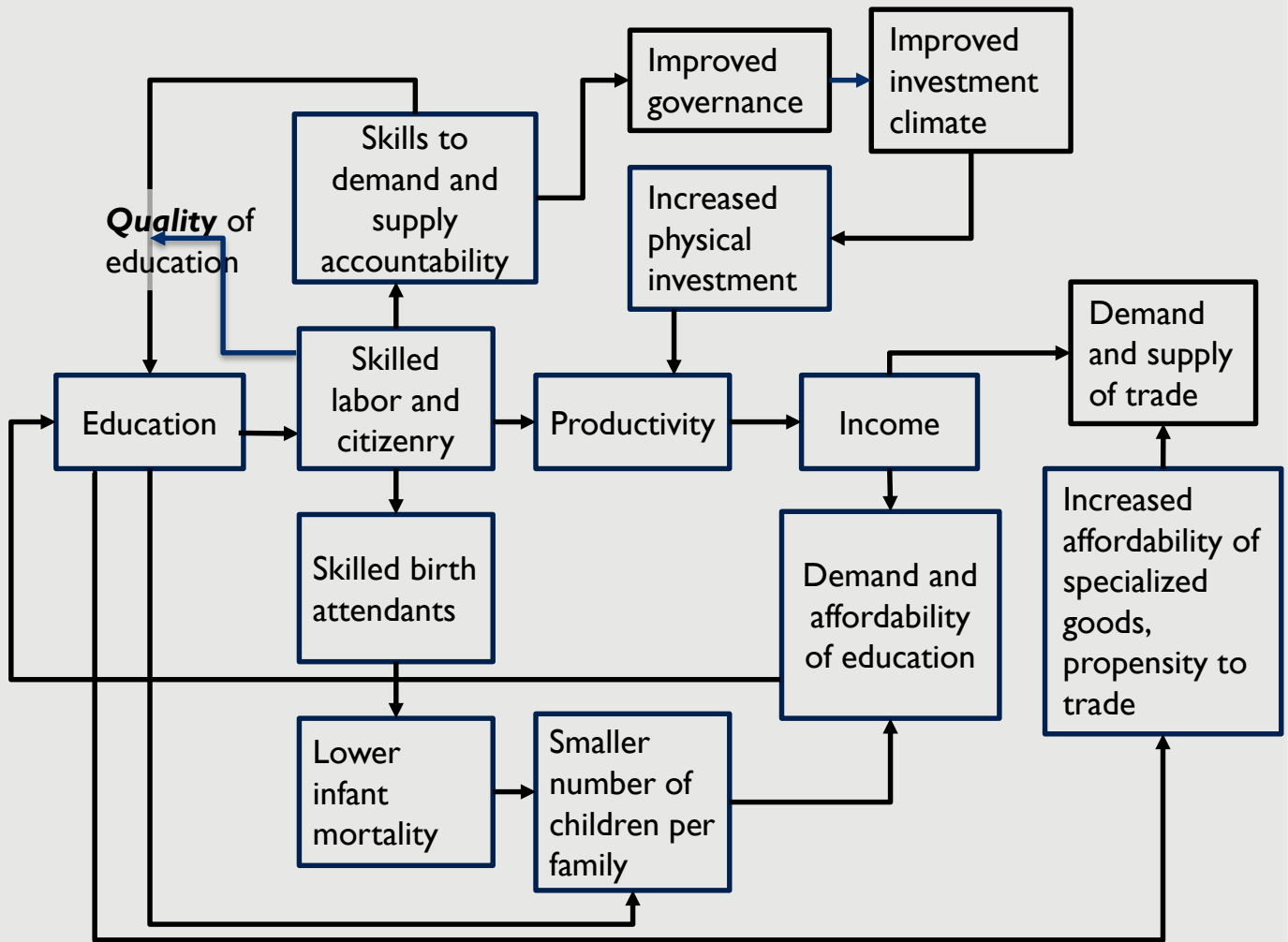


Payoffs of Cognitive Skills

- Programme for the International Assessment of Adult Competencies (PIACC)
 - Collects data in OECD economies using measures of literacy, numeracy, and problem solving
 - Data shows positive and independent associations of each skill with higher wages and probability of being employed
- Skills towards Employability and Productivity (STEP)
 - Measures cognitive skills through direct literacy assessments in low and middle-income countries
 - Increase in 1 standard deviation in literacy skills results in about 15% increase in an individual's hourly earnings in Vietnam
 - Effects are highest for the lowest income economies in the sample

Is this causal?

- Not all: much is largely causal
 - But some is only correlational
- Not many RCTs for complex societal effects like these!
- But some
- And take advantage of natural randomization
- Finally, “it is all of a whole”
 - Causation is in “virtuous” and “vicious” cycles and feedback loops
 - Education is part of it—a big part, but only part of it
 - See next slide



Societal Effects of Increased Literacy

- Correlations between education and societal development happen in parallel and tend to be mutually supportive
- Gains from increased literacy extend far beyond the individual level and have significant effects on many aspects of society
- Nepal: Longitudinal study found women with higher literacy and participation in basic ed has an impact on ability to contribute to political affairs and school/community issues around children's wellbeing
- Rwanda: National village-level data on education and literacy showed enhanced literacy levels were associated with lower likelihood of participation in violence during the genocide

Why “Early?”

Why start with basic proficiencies?

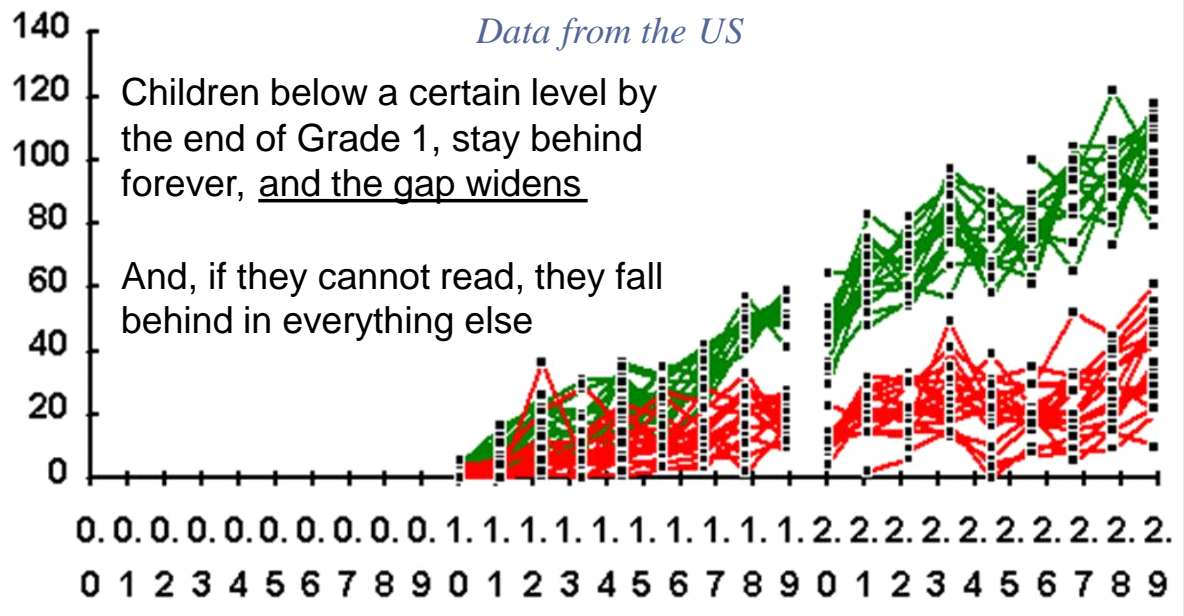


Why early?

- Previous slides cast in terms of total years of education
- So, why early?
- Education is extremely path-dependent
 - What happens early makes possible, or precludes, what happens later
 - Knowledge/skills build on knowledge/skills
 - “Matthew Effects”
- Fixing problems later is 4X more expensive than preventing them early

Why early? Matthew Effects in Reading

Words per minute

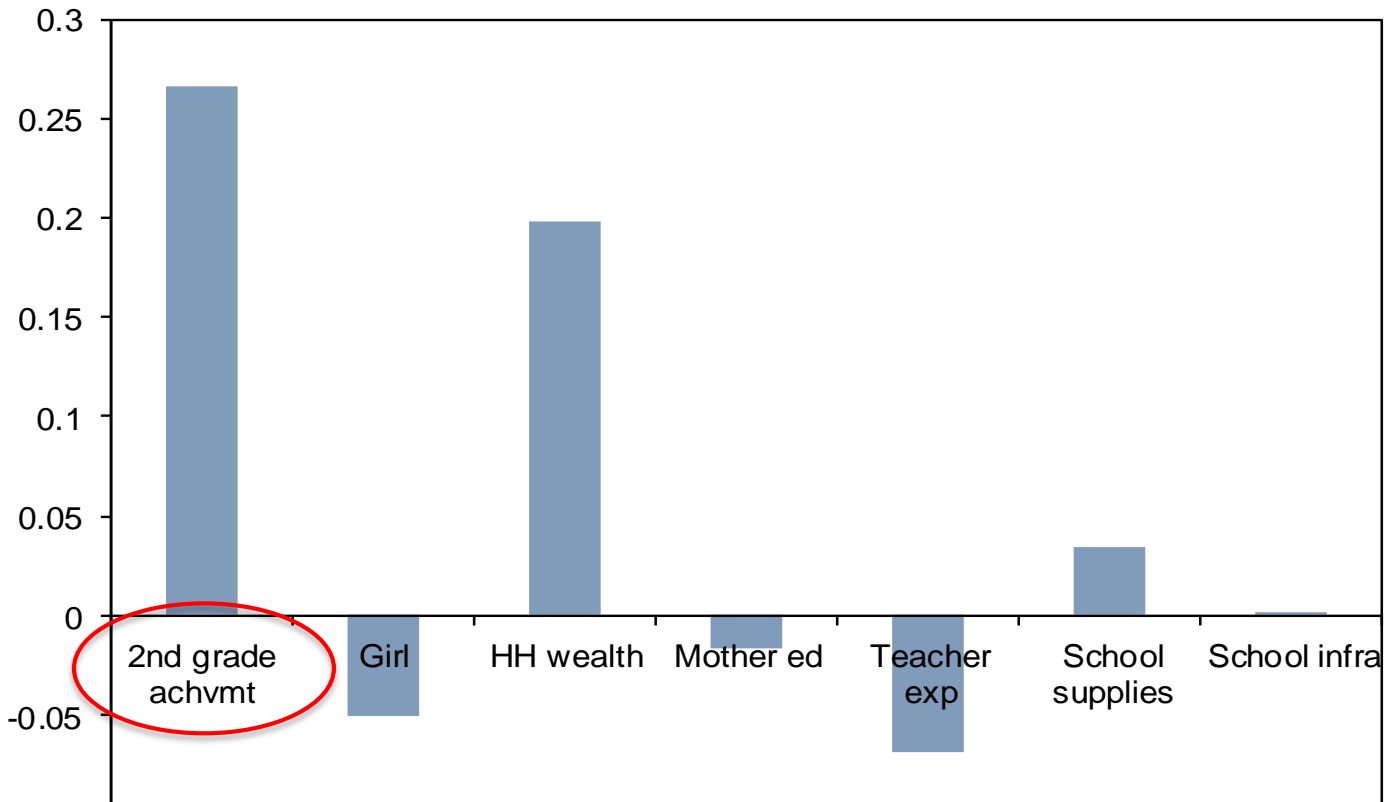


Grade in years and months
(thus 1. is 6 months into Grade 1)

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Why early? Matthew effects in developing countries too

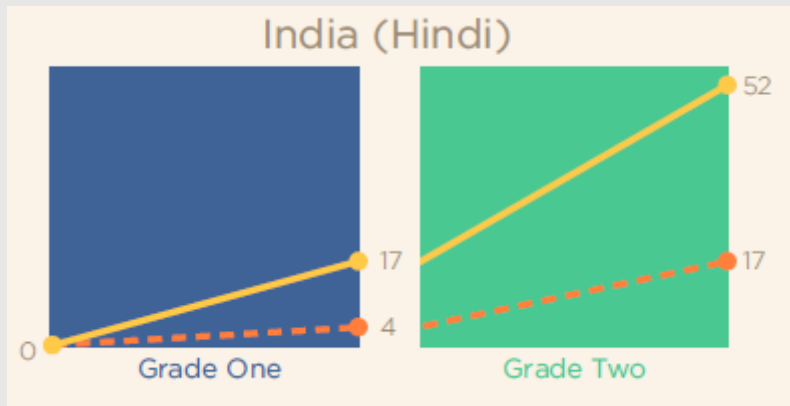
Factors predicting completion of primary, multivariate model (all factors controlling for each other – Senegal example)



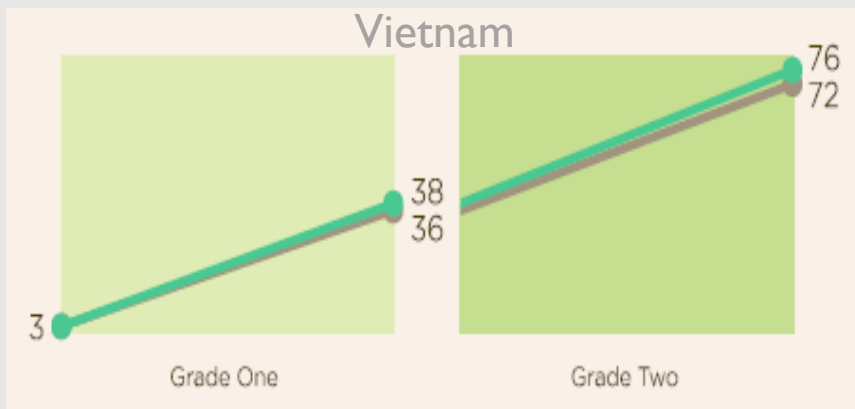
Matthew Effects Other Languages/Settings?

- Some literature, yes (see reference list), for Dutch, German, Swedish, maybe not so in Greek (but probably methodology differences more than language differences)
- Also quasi-longitudinal evidence from pilots and demonstration projects (see next slide)

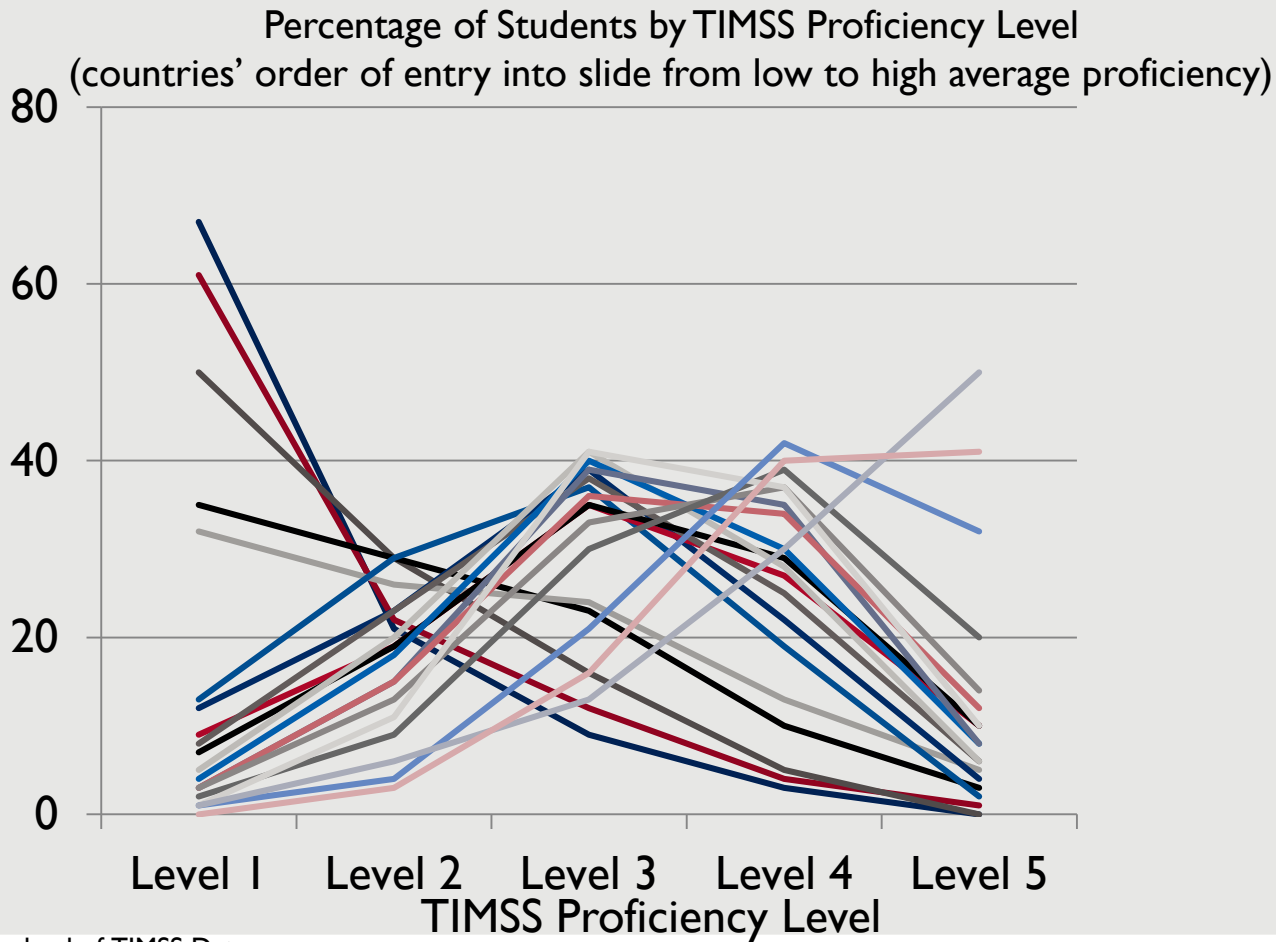
Some interesting experiences from demonstration projects in Asia



Some countries, such as Vietnam: so efficient and equalizing that it is hard even for a very effective NGO to improve on the comparison schools. In other cases, yes. In those cases, likely there is an underlying Matthew effect that could be ameliorated if the country adopted the NGO's practices.



Countries make most progress by eliminating pockets of low perf.



Do children in partner countries have literacy skills for participation in further education and workforce?



Reading comprehension is key to growing sectors...

Sector	Growth Trajectory	Reading Comprehension Importance
Farming, Fishing, and Forestry	India (-) ASEAN (-)	14
Manufacturing and Production	India (-) ASEAN (-)	11
Services		7
- Business and Financial Operations	India (=) ASEAN (+)	3
- Architecture and Engineering	India (+)	3
- Legal	ASEAN (+)	3
- Life, Physical, and Social Sciences		3
- Computer and Mathematical	India (+)	4
- Education and Training	India (+)	4
- Office and Administrative	India (-)	4
-- Management	India (+)	5
-- Healthcare		5
- Community, Social, and Protective Services		6
- Sales and Related	India (=) ASEAN (+)	7
- Arts, Design, Entertainment, Sports, & Media	India (-)	7
- Transportation and Logistics	India (+) ASEAN (+)	12
- Installation and Maintenance	India (+)	13
- Hospitality and Food		14
- Construction and Extraction		14

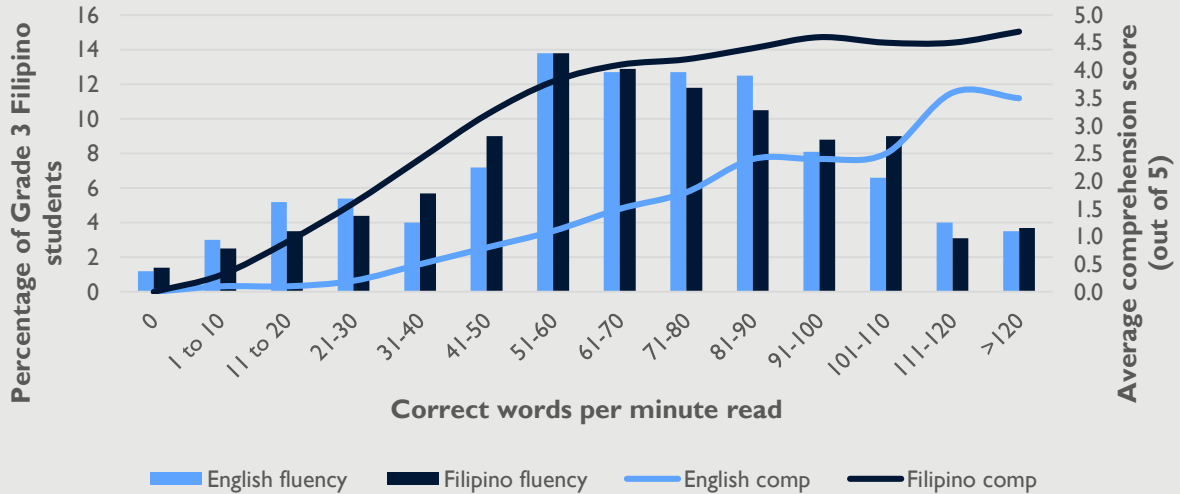
Using India and ASEAN as cases in point

Yet, using hard data on reading, this is the reality...

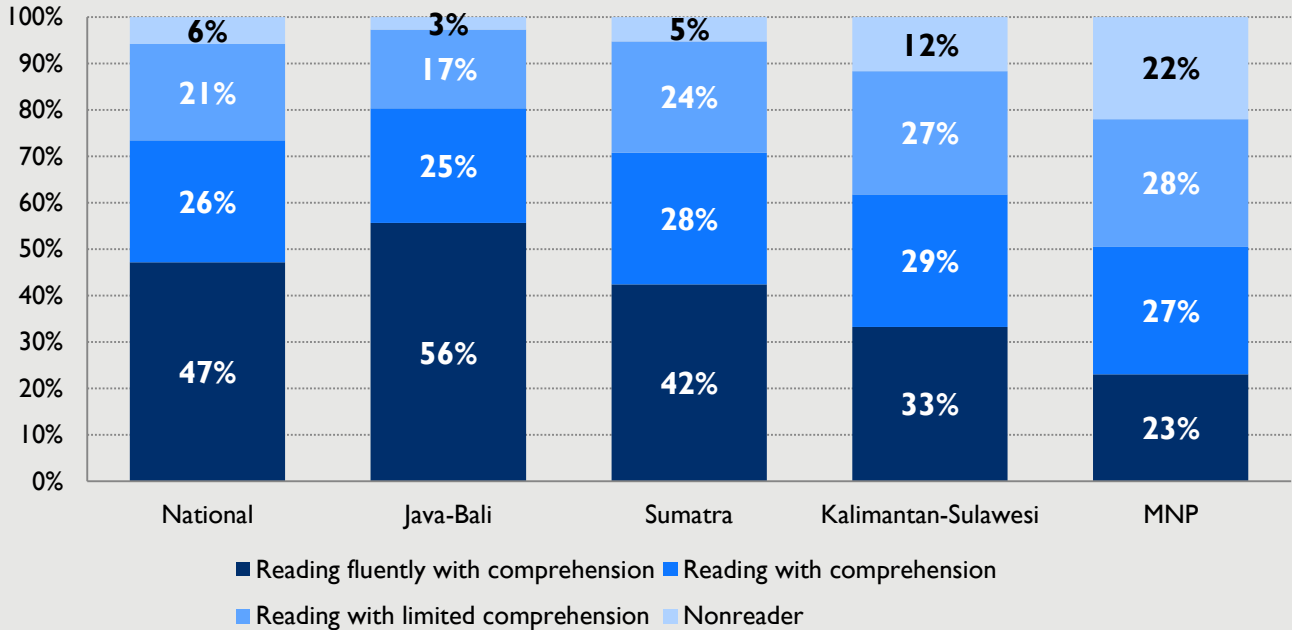
- This
- is
- how
- most
- 3rd-grade kids
- in
- potential partner countries
- read, at best

- This
- is
- how
- most
- 3rd-grade kids
- in
- rich countries (OECD)
- read

In Asia, better, reading more fluently, but reading what exactly?



And, when averages are not too bad, regional variation is big



Literacy skills in potential partner countries

- Many countries remain only as potential partners: lack of the most fundamental skills (e.g., sheer fluency in early grades) is barrier
- Reading ability in early years is predictive of reading outcomes in later years. That is, early readers are in a better position to use their reading ability to learn and prepare themselves for the world of work.
- Countries make most progress by reducing proportion of population with the lowest levels of skills.
- Where partners have made some progress with basics (mostly Asia), still not reading with comprehension First, literacy is not synonymous with reading fluency.
- Even in Asia, significant proportion of population does not meet the requisite skills for basic jobs in the region.
- Though most individuals assessed and interviewed through the STEP Skills initiative (VWB) claimed that their jobs required them to read frequently, many respondents did not pass the core reading component of the assessment.

Policy implications

1. Investment in early literacy is key to educational development.
2. Educational development aligns with key aims: political stability, trade, growth.
3. But many countries lag in ability to partner because of lack of education and especially foundational skills in reading.
4. US has track record in addressing these early literacy issues—more so than any other bilateral development agency—through USAID’s experience.
5. But literacy has not been achieved even though the evidence on how to do it is clear.
6. The time to invest is now.



Questions or comments?



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