Investing in Education

Raising primary school completion rates is a clear priority for developing countries. Despite net enrollment rates of 90% or more, particularly in lower- and upper-middle income countries, completion rates remain substantially lower. On average, only 59% of the school age population in 25% of primary school-aged children do not even enter the school system, and less than 50% reach the last year of primary school.

Such dropout rates are of concern for two reasons. First, lower grade attainment implies a loss of potential human capital, an important determinant of economic growth. Second, high dropout rates reduce the efficiency of the public education system. If the goal is to get a certain number of students through a given level of schooling—say primary school—then having students drop out raises the cost of education per graduate.

In Egypt, bringing the quality of all schools up to the level of the best would reduce the annual dropout rate by two-thirds, from 9.3% to 3.2%.

Two recent World Bank studies, drawing on household and community surveys in Ghana and Egypt, address the question of how primary school enrollment and completion rates can be raised.

School enrollment in low-income countries: new evidence from Ghana

When deciding on whether to enroll children in primary school, parents take into account the cost of all future schooling—not just the cost of attending primary school. This is the main conclusion drawn from an exhaustive study of the determinants of primary school enrollment in rural Ghana.

The study is based on data from the 1987 Ghana Living Standards Survey (GLSS), which covers 1,850 rural households and 1,902 primary school-age children. A complementary community survey provides information on the schools accessible to each child. This wealth of data allows the study to control for access, quality and costs of schooling, as well as individual student and household characteristics, when exploring what determines primary school enrollment.
In rural Ghana, access to primary schools is much higher than the observed enrollment rate. While 85% of households had a primary school within one-half mile of their home, only 54% of school-age children in the sample were enrolled in primary school.

Access to higher levels of schooling is far more restricted: only 46% of households had a middle school in the community, while the rest had to travel at least 5 miles to reach such a school. Further, only 8% of households had a secondary school in their community and the average distance to the nearest school was 15 miles.

Since 95% of students in Ghana attend free public schools, the main direct costs of schooling are the time and cost of travel. The results show that the costs of post-primary schooling, represented as the distance needed to travel to middle and secondary schools, are among the strongest determinants of primary school enrollment and completion. Further, the costs of post-primary school can offset any positive effects on enrollment which improved access to primary education might have.

The study suggests that even when the focus of policy is expanding primary school enrollment and completion, it is at least as important to improve access to middle and secondary schools as it is access to primary schools.

Keeping children in school: the evidence from Egypt

In Egypt, school attendance is compulsory by law through the sixth grade. However, in practice about 10% of primary school students drop out each year, so that fewer than 60% of students who enroll in first grade actually complete primary school.

A second World Bank study—using the Egyptian Retention Study—explores the reasons that children drop out of school. The sample of 1,800 children was drawn from the population of primary school students in the 1978/79 academic year and followed these students—including the 9.3% who dropped out—through to 1979/80.

In evaluating the determinants of dropping out, the study takes into account each student’s ability, family background, earnings opportunities, and school quality.

A simple set of conclusions stand out. First, higher skilled children—those who performed well on achievement tests—tend to be the ones who stay in school. But holding ability constant, a student attending a lower quality school is more likely to drop out and complete fewer grades.

In Egypt, bringing the quality of all schools up to the level of the best would reduce the observed dropout rate from 9.3% to 3.2%, a two-thirds reduction in the annual dropout rate.

The implication for policy is that raising the quality of schooling may be the most effective way of achieving lower dropout rates in countries where school completion lags significantly behind enrollment rates.

Summary

Raising primary school enrollment in low-income developing countries is an important policy goal. However, achieving this goal will require more than simply improving access to primary schools. Because access to post-primary education is an important determinant of primary school enrollment, it is equally important to expand and improve access to middle and secondary schools.

In regions where enrollment rates are already acceptable, the focus of policy needs to be on improving school quality. The quality of available schooling is the single most important factor determining primary school completion.
