

SCHOOL QUALITY AND ECONOMIC GROWTH

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*Enhancing Social Spending
in Support of Inclusive Growth in Asia*

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UN Sustainable Development Goals



Development = Growth



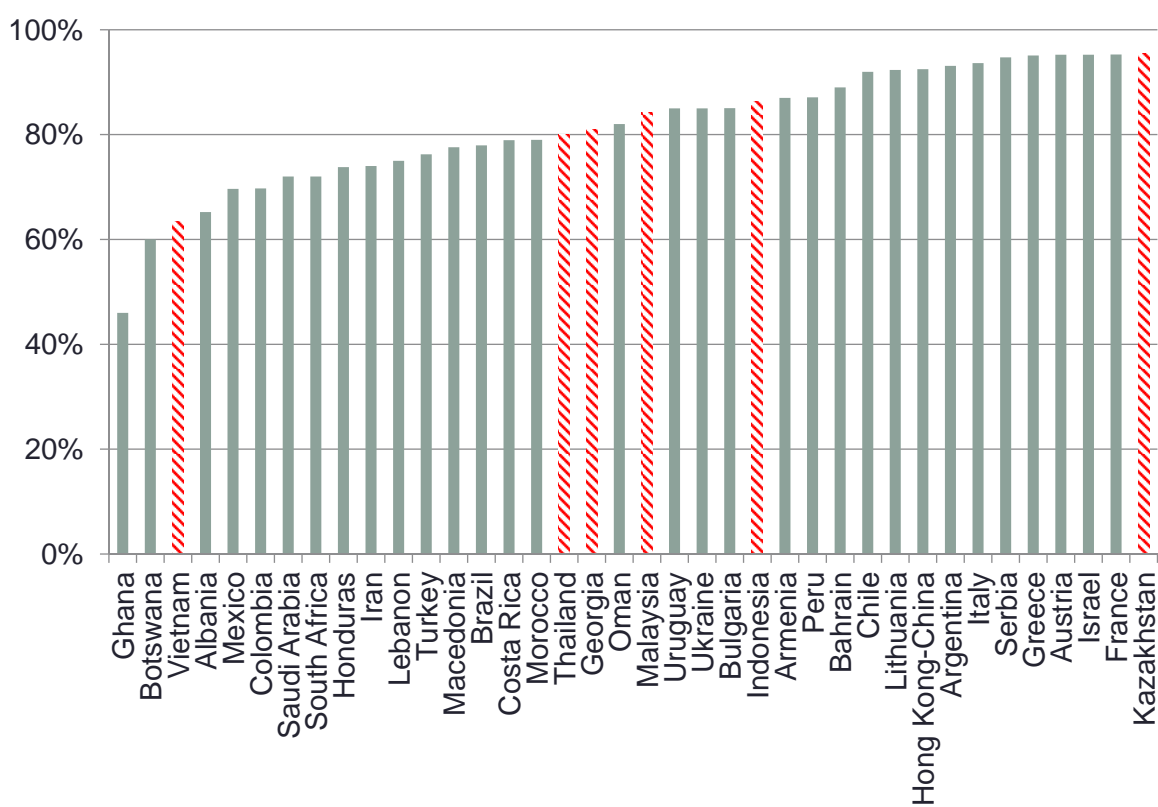
Growth = Skills



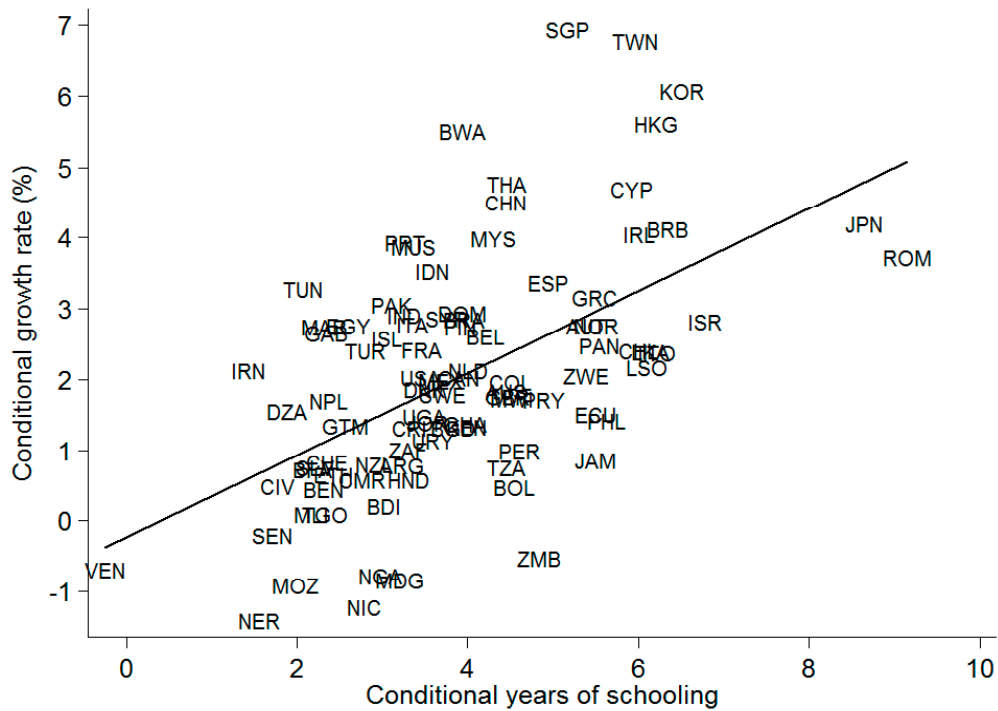
Introduction

- Focus on educational quality
- Implications of quality for economic outcomes
- Approaches to improvement

Percent Completing Lower Secondary

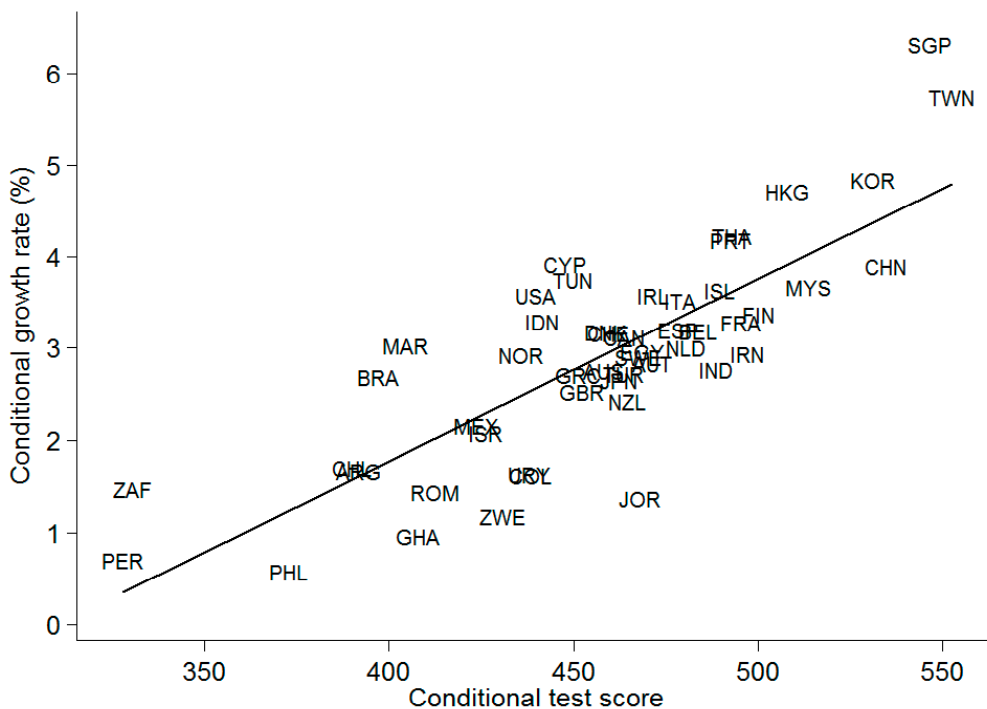


Years of Schooling and Growth



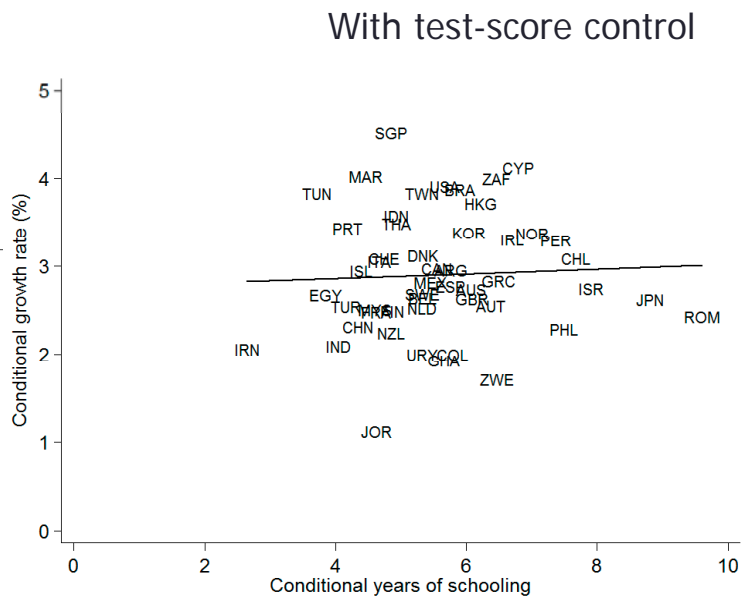
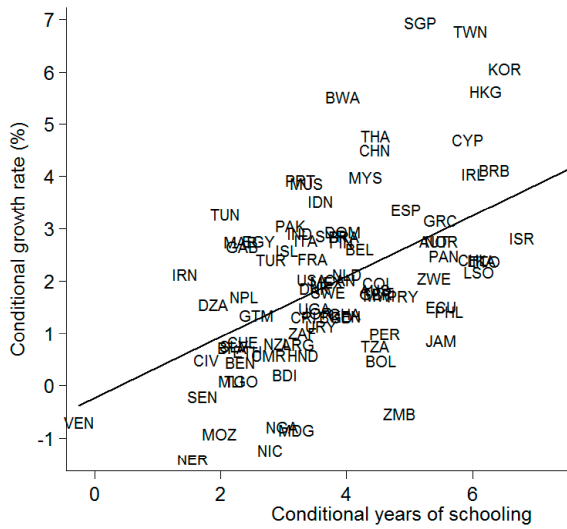
Source: [Hanushek/Woessmann \(2015\)](#).

Knowledge Capital and Growth

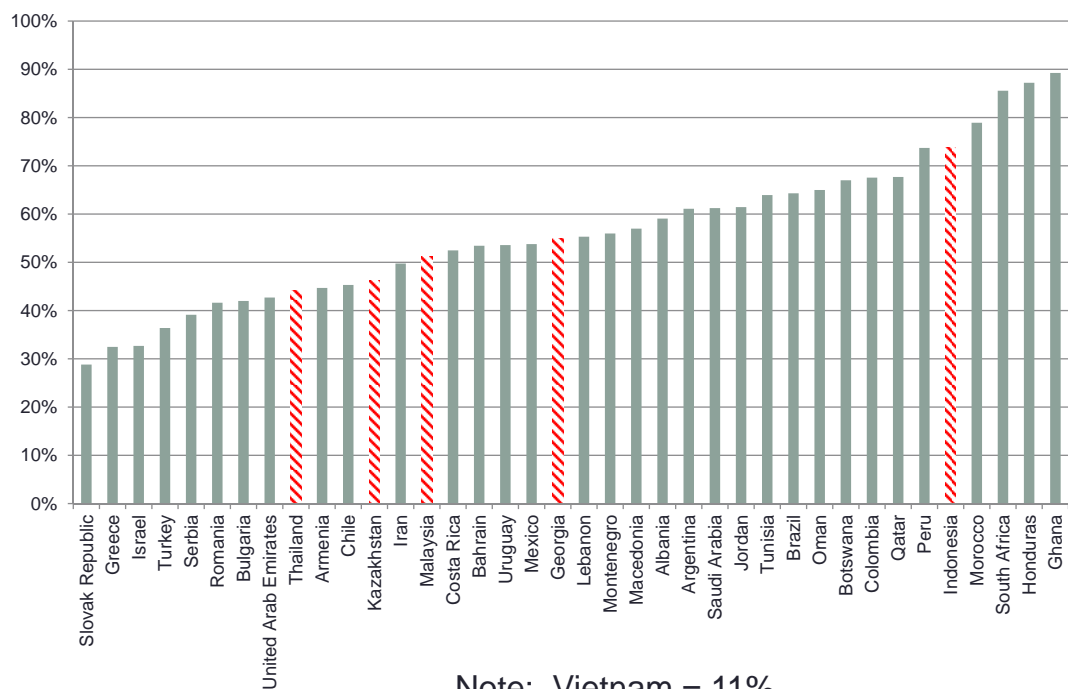


Source: [Hanushek/Woessmann \(2015\)](#).

Years of Schooling



Students Lacking Basic Skills

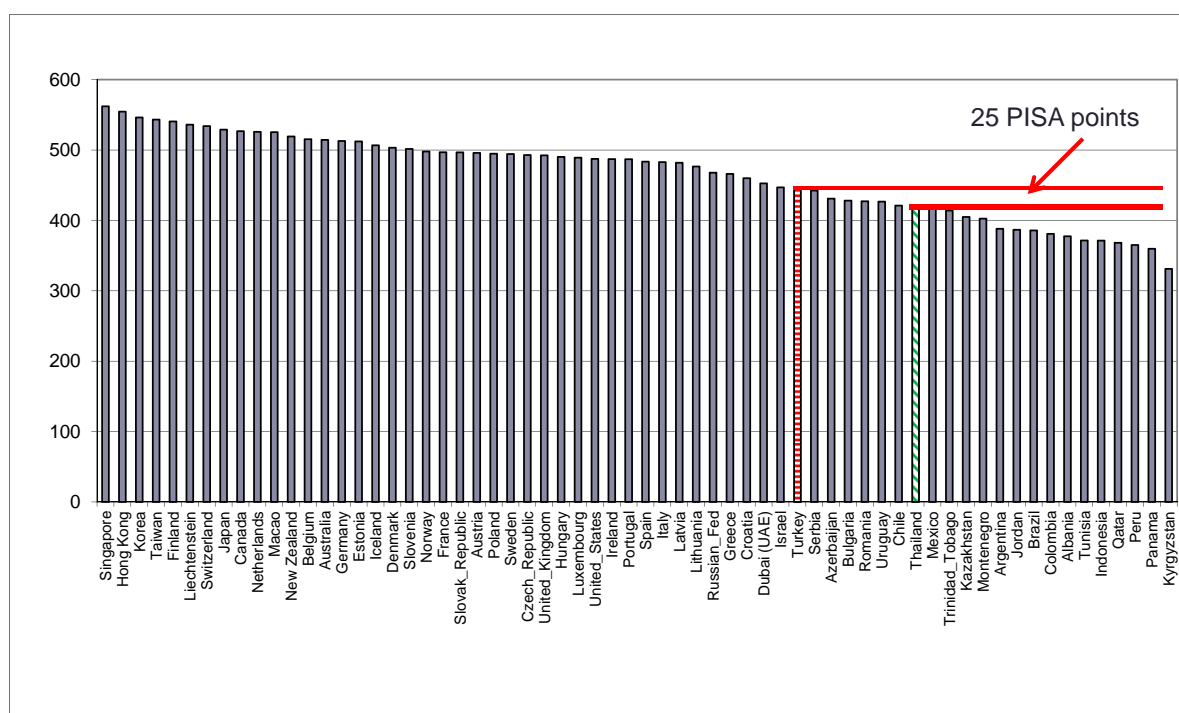


Note: Vietnam = 11%

Example of Value of Improvement

- Assuming historical patterns hold
- Present value over 80 years
- Improvement plan
 - 25 points on PISA
 - 15 years (by 2030)
- Thailand moves to Turkey level

PISA Math Performance 2009



Example of Value of Improvement

- Assuming historical patterns hold
- Present value over 80 years
- Improvement plan
 - 25 points on PISA
 - 15 years (by 2030)
- Thailand moves to level of **Turkey (25 points)**
 - Present value of **267% of GDP**
 - Average **5.7% higher GDP/pop** for 80 years
 - **11% higher paychecks** for all workers every year

Example of Value of Improvement

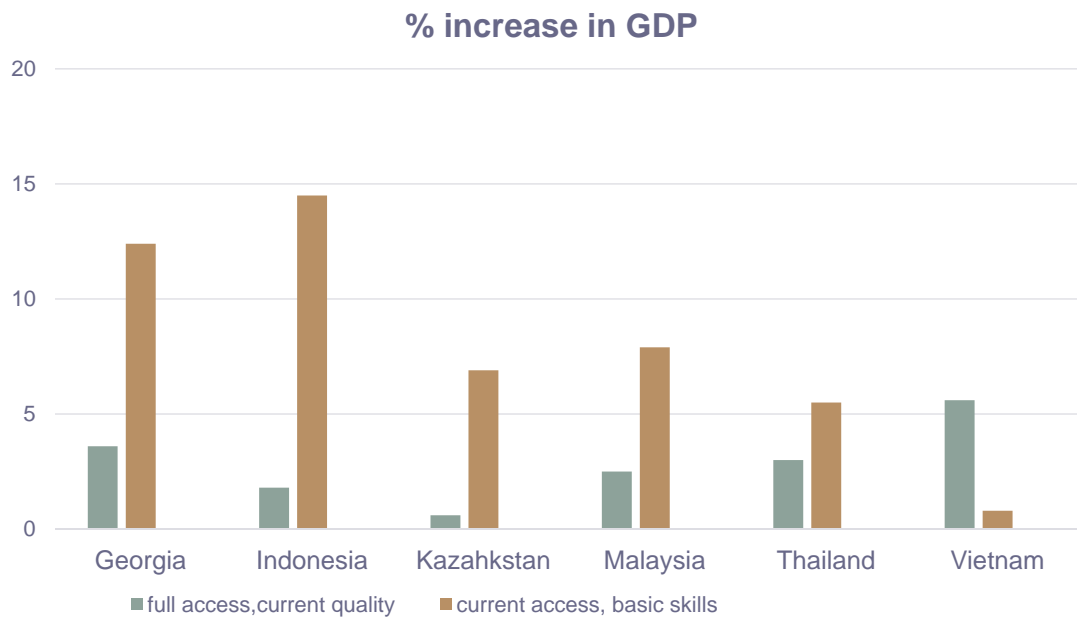
- Assuming historical patterns hold
- Present value over 80 years
- Improvement plan
 - 25 points on PISA
 - 15 years (by 2030)
- Thailand moves to **universal basic skills**
 - Present value of **414% of GDP**
 - Average **8.9% higher GDP/pop** for 80 years
 - **18% higher paychecks** for all workers every year

Universal Basic Skills

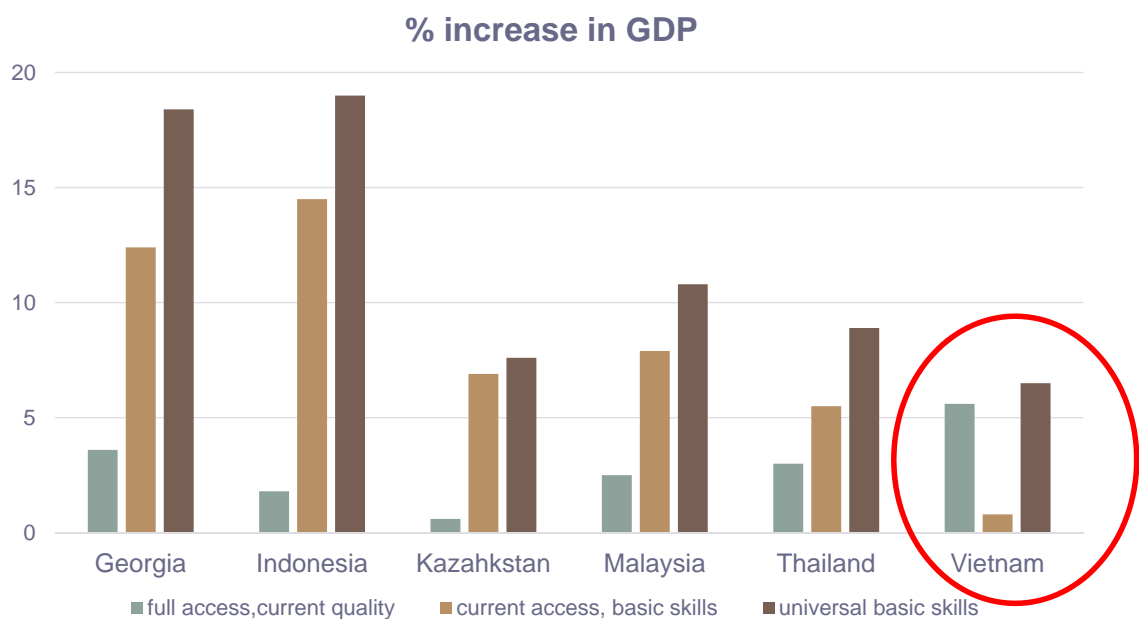
Universal Basic Skills



Universal Basic Skills



Universal Basic Skills



Improvement Path

- **Not just spending – how resources are used**
 - **Teacher quality improvement**
 - **Incentives**
 - *Incentives to focus on improving student outcomes*
- **Institutional framework**
- *Accountability*
 - *Autonomy*
 - *Choice and competition*

What is needed?

- **Commitment to education **quality****
 - Possible but difficult
 - **Expansion of quality measurement**
 - Only 76 countries in prior analysis
 - **Common cause for education ministers AND finance ministers**
- **No alternative if **SDGs** are to be realized!**



- <http://hanushek.stanford.edu/>