Helpdesk Report: Education and Poverty

Date: 7 June 2013

Query: What evidence is there of a causal link between increased educational provision and decreased poverty? Is there any evidence of education having a negative impact on poverty alleviation?

The reverse of the coin is also interesting. There seems to be a great deal of evidence about the negative effect poverty has on education but is there any evidence of positive effects?

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1. Overview

This helpdesk report presents the available evidence regarding the following aspects of the relationship between education and poverty:

1. Evidence of a link between increased educational provision and decreased poverty.
2. Evidence of education having a negative impact on poverty alleviation.
3. Negative effects of poverty on education.
4. Positive effects of poverty on education.

In examining this evidence, it is important to consider the definitions and measurements of poverty that are being used by the studies. Palmer, Wedgwood and Hayman (2007) emphasise the importance of a multidimensional understanding of poverty that recognises the complex inter-relations between social and physiological aspects. They argue that in policy and practice there is a tendency to categorise poverty simplistically in terms of income poverty. The studies in this report take a range of approaches to defining and measuring poverty. Many do use the effect of education on income as their primary outcome. It is also important to distinguish between absolute and relative poverty. Educational expansion may play a role in reducing absolute poverty while, at the same time, increasing inequality and relative poverty (Rolleston 2011).

An overview of the evidence is presented, followed by the summarised evidence in four sections.
Evidence of a link between increased educational provision and decreased poverty

Many of the studies in this section of the report are based on human capital theory which assumes that investment in education will have positive effects on human skills and worker productivity. These effects bring benefits both individually (higher income, the acquisition of status) and socially (economic growth, technological progress and collective well-being) (Bonal 2007). Estimates of private and social returns to different levels of education have been undertaken for a large number of developing and developed countries (Colclough, Kingdon and Patrinos 2009). Palmer, Wedgwood and Hayman (2007) argue that ‘economic rates of return’ must be interpreted with caution. They say that the underlying assumption that the economic benefits to education can be estimated from wages overlooks a range of indirect economic benefits to the wider society, which may far outweigh wages, especially in contexts where regular waged jobs are an exception rather than the rule. They also argue that economic growth does not necessarily equal poverty reduction. For example, since the mid-1990s Tanzania has experienced steady increases in growth; yet it is unclear to what extent these increases in growth have been pro-poor.

1.1. Education and economic growth in low income countries

It would be difficult to use a methodology which definitively proved a causal link between increased educational provision and decreased poverty. Hawkes and Ugur (2012) recently authored a systematic review on the relationship between education, skills and economic growth in low-income countries. They explain that the measurement of the outcome of the investment in education and skills is not straightforward, causing researchers to use a range of proxies for human capital to produce estimates of the effect of education on economic growth.

There is, however, evidence of a positive link between education and economic growth in low income countries. Hawkes and Ugur’s (2012) systematic review finds that the widely held belief that investing in education and skills promotes economic growth in low income countries is correct in general. Jimenez and Patrinos (2008) report that the average private rate of return to another year of schooling averaged over 100 countries is 10 percent and that the rate of return for low-income countries is higher than that for high-income countries. This is attributed to the relative scarcity of human capital in low income countries. Over time, the average levels of schooling have increased but the rates of return have slightly decreased.

1.2. Secondary and higher education and poverty reduction

Many studies discuss the importance of post-primary education for poverty reduction and economic growth. Colclough et al (2009) report that, until recently the evidence has suggested that the economic returns in developing countries are generally larger at primary level than at secondary and higher levels of education. However, more recent evidence suggests that the rate of return to primary education may now be lower than that to post-primary levels of education. Falling returns to primary education reduce the poverty-mitigating scope of primary education since the wage increment associated with each extra year of education is lower now than before. Tilak’s (2007) study in India identifies that post-elementary education is important for reduction in poverty, in improving infant mortality and life expectancy, and for economic growth. In his study using data from the Ghana Living Standard Surveys, Rolleston (2011) finds that higher levels of education have relatively larger and increasing benefits in relation to household welfare. He reports that educational expansion has benefitted households in welfare terms, playing a role in absolute poverty-reduction. However, the larger benefits of progression to higher levels of education are found largely to be the preserve of relatively economically privileged households. He finds that in equity terms, the patterns of returns to education benefit the more advantaged disproportionately, increasing inequality and relative poverty.

1.3. The quality of education and economic growth
Hanushek and Woesmann (2008) and Wedgwood (2007) argue that increased educational provision alone does not necessarily increase economic growth and decrease poverty. It is the quality of the education that matters as well as the quantity. Hanushek and Woesmann’s work includes evidence from a range of low, middle and high income countries of the importance of educational achievement for economic growth. They use economic modelling to demonstrate that the cognitive skills of the population – rather than mere school attainment – are powerfully related to long-run economic growth. They present evidence that cognitive skills have a powerful impact on individual earnings and on aggregate outcomes through altering national growth rates. Increasing the average number of years of schooling attained by the labour force boosts the economy only when increased levels of school attainment also boost cognitive skills. Hanushek (forthcoming) argues that developing countries have made considerable progress in closing the gap with developed countries in terms of school attainment but have been less successful in closing the gap with developed countries in relation to school quality. He argues that without improving school quality, developing countries will find it difficult to improve their long run economic performance.

2. Evidence of education having a negative impact on poverty alleviation

No evidence of education having a negative effect on poverty alleviation in the long term was found. Lincove (2009) outlines an economic model of determinants of schooling in which parents compare the future benefits of a child’s human capital to the direct and opportunity costs of schooling. Hillman and Jenkner (2004) discuss that parents may see the return to their children’s education-sometimes correctly- as too low to justify the cost, perhaps because of the poor quality of the education available or because jobs in the local economy don’t require academic skills.

Several studies discuss the impact on household income in the short term as an influential factor in children’s non-attendance at school. This is due to:

- The direct costs of schooling i.e. school fees (Hillman and Jenkner 2004).
- The indirect costs of schooling such as the costs of equipment and uniforms which can be prohibitively high even when schooling itself is free (Hillman and Jenkner 2004, Asayo 2011).
- The opportunity costs of schooling: children’s ability to contribute to household income and welfare being reduced by their attendance at school. This can be through paid work, work for the family farm or business; household chores and caring responsibilities (Hillman and Jenkner 2004; Hunt 2008; Asayo 2011, Ananga 2011).
- Gender has a powerful influence on the opportunity costs of schooling which varies considerably in different cultural contexts (Lincove 2009, Ananga 2011). The opportunity costs of schooling increase with the age of the children (Hunt 2008).

Discussion of direct, indirect and opportunity costs of education as a reason for non-attendance suggests the possibility that prioritising education over household and paid work may adversely affect family welfare in the short term.

3. Evidence of the negative effect poverty has on education

The negative effect of poverty on education, in terms of both access and student achievement, is well documented. For example:

- CREATE research (Hossain & Zeitlyn 2010) shows a series of interrelated links between poverty and exclusion from education.
- Lewin & Sabates (2012) explore patterns of access in six sub-Saharan countries and confirm that access to education remains strongly associated with household wealth.
- McGregor (2007) finds that poverty is closely related to poor cognitive ability in early life and in turn is associated with poor educational outcomes in schools.
- Analyses from Engle and Black (2008) shows strong positive relationships between socioeconomic status and student achievement.
4. Evidence of positive effects of poverty on education
Evidence of positive effects of poverty on education was not found. Rosa et al's (2006) investigation of poverty as a motivator for entrepreneurship may offer some transferable learning. They found that those with low incomes were much less likely to start a business, because they often became “trapped” by having to work long hours for just enough income to survive.

2. Evidence of a link between increased educational provision and decreased poverty

2.1. Education and economic growth in low income countries

Evidence on the relationship between education, skills and economic growth in low-income countries
Hawkes, D. & Ugur, M. 2012. EPPI-Centre

This systematic review of 39 papers aims to examine the impact of education and skills on economic growth in low income countries (LICs). The measurement of the outcome of the investment in education and skills is not straightforward, causing researchers to use a range of proxies for human capital. This review aims to provide comparable, reliable and verifiable estimates of the effect of education on economic growth, controlling for study heterogeneity. They provide a meta-synthesis of the empirical evidence on the direct effects of human capital investment on growth in LICs. They report that the investment in human capital does have a positive and genuine effect on growth in LICs. This aggregate result is obtained after controlling for growth measures, education and skills measurement, country type and estimation type. This systematic review suggests the widely held belief that investing in education and skills promotes economic growth in LICs is correct in general.

The review also identifies an important issue in this field of research regarding the education and skills measurements used. The human capital measures used tend to be measures of the inputs into the education process, for example enrolment rates as a measure of engagement, and educational expenditure as a measure of costs, rather than measures of learning. The authors recommend more discussion between academics and policy-makers regarding meaningful measurement of education and skills.

Can Cost-Benefit analysis guide education policy in developing countries?

This paper reports that that the average private rate of return to another year of schooling averaged over 100 countries is 10 percent (Psacharopoulos and Patrinos 2004). The returns are higher in lower income areas. The same diminishing returns apply across countries: the more developed the country, the lower the returns to education at all levels. The high returns to education in low-income countries must be attributed to the relative scarcity of human capital. The highest overall returns are found in Latin America, followed by sub-Saharan Africa. For a long time the returns on educational investment were higher at lower levels of schooling. The scarcity of human capital in low-income countries provided a significant premium to investing in education. The high returns on primary education provide an added justification for making education a priority in developing countries. Over time, the rate of return to education has fallen. This decline coincides with a significant increase in average years of schooling for the population as a whole. Over the 12 years prior to this
report’s publication, average returns on schooling declined by 0.6 percentage points (Psacharopoulos and Patrinos 2004). At the same time, average schooling levels increased. Therefore, and according to theory, everything else being the same, an increase in the supply of education has led to a slight decrease in the returns on schooling.

**Returns to Schooling, Ability and Cognitive Skills in Pakistan. Research Consortium on Educational Outcomes and Poverty**

This study investigates the economic outcomes of education for wage earners in Pakistan using data from a purpose-designed survey of more than 1000 households in Pakistan. This is done by analysing the relationship between schooling, cognitive skills and ability on the one hand, and economic activity, occupation, sectoral choice and earnings, on the other. The findings suggest that for waged women, education raises earnings and raises worker productivity, suggesting an efficiency rationale for public funding of education. The results for men are less clear due to sample selection issues. The results also show that the return to an extra year of education progressively increases with education level.

**2.2. Secondary and higher education and poverty reduction**

**The Pattern of Returns to Education and its Implications**

Until recently, the evidence has suggested that the economic returns in developing countries are generally larger at primary level than at secondary and higher levels of education. A pattern of high returns to primary and lower returns to subsequent levels of education indicates that even where most children leave the system at or before the end of primary school, poor families are still likely to value educational outcomes highly. Thus, primary schooling has historically been interpreted to be a profitable investment for the poor. However, more recent evidence suggests that the rate of return to primary education may now be lower than that to post-primary levels of education. This paper reviews 18 cross-sectional studies with evidence from 26 countries spanning Asia, Africa and Latin America and a number of studies using time series data from Asian and Latin American countries which find that the return to primary education in wage employment is significantly lower than that to post-primary education. Possible reasons for this are discussed including that the supply of primary completers has greatly increased over the past 3 or 4 decades in most developing countries and the wage rewards to primary education are likely to have correspondingly fallen; and that the demand for more highly skilled workers may have risen and that there may have been a fall in the quality of primary education as enrolment rates have risen.

Falling returns to primary education reduce the poverty-mitigating scope of primary education since the wage increment associated with each extra year of education is lower now than before. If returns to primary education are low and increase at higher levels of education, they would reduce the incentives for poor households to send their children to school if they believed that the prospects for their progressing upwards through secondary schooling and beyond (where the higher returns accrue) were small. However, the fact that primary education has lower earnings increments associated with it than in the past – reducing its poverty-mitigating potential – should not be taken to suggest that the overall rationale for investments in primary education is weakened. Primary education is a necessary input into further levels of education which may have higher economic returns. Returns to education
have been estimated mainly using wages; yet waged workers constitute typically a small fraction of the total workforce in many developing countries and the pattern of returns to education in self-employment and agricultural employment could be different. Finally, basic education is valued not only for its economic benefits but also for its non-market benefits (reductions in fertility and mortality, empowerment, better environment, lower crime, democratic participation, etc).

Related research paper:  
**The Changing Pattern of Wage Returns to Education and its Implications**  

**Post-Elementary Education, Poverty and Development in India**  

Secondary and higher education are not the focus of the poverty reduction agenda of many poor countries and of international aid organisations. This study, based on inter-state data in India, analyses the contribution of post-elementary education to poverty reduction and improvement in related dimensions of development such as infant mortality rate, and life expectancy. The author acknowledges that a limitation of this study is that the findings may indicate an inter-relationship rather than a casual relationship between these factors. However, he states that the following conclusions may be drawn:

- Secondary and higher education enhances earnings of individuals and contributes to economic development.
- Post-elementary education makes a significant contribution to reduction in absolute as well as relative poverty.
- Post elementary education negatively influences the infant mortality rate.
- Life expectancy is positively related to post-elementary education


Ghana has seen notable poverty reduction alongside improvements in school participation since 1991 with enrolment in primary school at around 90 per cent and absolute poverty having been reduced from its 1990 level by more than 43 per cent by 2005/6. This paper uses data from the Ghana Living Standard Surveys. The results suggest that education levels play an important role in determining household welfare and that higher levels of education have relatively larger and increasing benefits. Elementary education of the household head has a fairly small effect on economic welfare, but at 10 years of schooling, a duration approximately equal to the length of the compulsory cycle, education effects are substantial, being found to increase household per capita welfare by up to 20 percent. For tertiary education, the benefits are considerably larger.

The author finds that educational expansion has benefitted households in welfare terms, playing a role in absolute poverty-reduction. However, the lucrative benefits of progression beyond the compulsory phase of education are found largely to be the preserve of relatively economically privileged households. In equity terms, the patterns of returns to education benefit the more advantaged disproportionately, increasing inequality and relative poverty.
Educating out of Poverty? A Synthesis Report on Ghana, India, Kenya, Rwanda, Tanzania and South Africa
Researching the Issues 70.
http://r4d.dfid.gov.uk/Output/175026/Default.aspx

This research project was carried out across six countries (India, Ghana, Rwanda, Kenya, South Africa, Tanzania). The researchers reviewed policies, institutions and experience to investigate the ways in which the poverty reducing benefits of basic education depend on post-basic education and training’s (PBET) contributions to an enabling environment. They conclude that primary education can lead to poverty reduction but only if the delivery context and transformative context are supportive. The development of these contexts is dependent, among other factors, on their being a sufficient level of Post-basic education and training in the country. Equitable access to Post-basic education and training can benefit poor communities even if it is not universal but currently many barriers exist that prevent certain communities from accessing it.

Skills for the 21st Century in Latin America and the Caribbean. Directions in Development. Human Development
Aedo C; Walker I. 2012. The World Bank
https://openknowledge.worldbank.org/handle/10986/2236

This study analyses an important recent shift in labour market trends in Latin American Countries. The region has achieved very large increases in secondary and tertiary enrolment and has witnessed a marked decline in the earnings premia for university and secondary education. This is contributing to reduced income inequality across the region. The authors recommend that the region should now focus on improving the quality of its education systems and the pertinence of education curricula for the needs of the labour market.

2.3. The quality of education and economic growth

Economic Growth in Developing Countries: The Role of Human Capital
Hanushek E. Forthcoming. Economics of Education Review.

The focus on human capital as a driver of economic growth for developing countries has led to undue attention on school attainment. Developing countries have made considerable progress in closing the gap with developed countries in terms of school attainment, but recent research has underscored the importance of cognitive skills for economic growth. This result shifts attention to issues of school quality, and there developing countries have been much less successful in closing the gaps with developed countries. Without improving school quality, developing countries will find it difficult to improve their long run economic performance. Some key points from this paper include:

- Improvements in long run growth are closely related to the level of cognitive skills of the population.
- Development policy has inappropriately emphasised school attainment as opposed to educational achievement, or cognitive skills.
- Developing countries, while improving in school attainment, have not improved in quality terms.
- School policy in developing countries should consider enhancing both basic and advanced skills.
The Role of Cognitive Skills in Economic Development

This paper reviews the role of cognitive skills in promoting economic well-being. It concludes that there is strong evidence that the cognitive skills of the population—rather than mere school attainment—are powerfully related to individual earnings, to the distribution of income, and to economic growth. International comparisons incorporating expanded data on cognitive skills reveal much larger skill deficits in developing countries than generally derived from just school enrolment and attainment. In eleven of the fourteen countries compared, the share of fully literate students in recent cohorts is less than one third. In Ghana, South Africa, and Brazil, only 5 percent, 7 percent, and 8 percent of a cohort, respectively, reach literacy.

Schooling that does not improve cognitive skills, measured here by comparable international tests of mathematics, science, and reading, has limited impact on aggregate economic outcomes and on economic development. The accumulated evidence from analyses of economic outcomes is that cognitive skills have powerful economic effects.

Education and Poverty Reduction in Tanzania

This paper reviews research on the returns to education in Tanzania, both financial and non-financial. It looks at reasons why achievement of high primary enrolment rates in the past did not lead to poverty reduction and associated developmental outcomes. The author identifies that the quality of education has been so poor that many of the potential benefits of education have not been realised. Achieving mass access at the expense of quality appears to have had a negative impact on equality. A major limiting factor on the quality has been the narrow post-primary education system. The author recommends increased public investment in secondary education, partly to produce enough quality graduates to become primary teachers.

3. Evidence of education having a negative impact on poverty alleviation

Determinants of schooling for boys and girls in Nigeria under a policy of free primary education

In an economic model of determinants of schooling, parents compare the future benefits of a child’s human capital to the direct and opportunity costs of schooling. Human capital theory argues that parents choose a level of education based on costs, wealth, opportunity costs, returns to education, and preferences.

The variation in the study results for boys and girls suggests that added opportunity costs for girls and regional cultural differences contribute to the gender gap in school access. For girls only, living on a family farm decreases the amount paid for school, reinforcing the finding that opportunity costs may limit investments in girls. Enrollment of boys and girls varies based on the opportunity costs of schooling. Girls’ likelihood of attendance decreases if there are younger siblings to care for and family farming responsibilities at home.
Educating children in poor countries
Hillman A, Jenkner E. 2004. IMF
http://www.imf.org/external/pubs/ft/issues/issues33/

Cost is one obvious reason why demand for education might be low, given that poor families must meet their essential needs—food and shelter—first. In addition to tuition, books, and school supplies, there may be expenses for transportation and clothing.

Demand for education may not be present because of the opportunity costs of educating children: parents may prefer that their children work to supplement household income, do household chores, or care for sick family members.

Also affecting demand for education is its perceived value. Parents may not have enough information to assess the return on an investment in their children's education accurately, or they may see the return—sometimes correctly—as too low to justify the cost, perhaps because of the poor quality of the education available to them. They may believe that jobs in the local economy do not require academic skills or that getting a job depends more on personal connections than on skill. They may feel that more competitive urban job markets are too far from community and family to consider.

Dropping Out from School: A Cross Country Review of the Literature
Hunt F, 2008, CREATE

For children from poorer backgrounds in particular, the pressure on them to withdraw from school increases as they get older, particularly as the opportunity cost of their time increases.

Work patterns of household members influences whether income is coming in, and the possible expenditures available. Looking at patterns of access and non access in slums in Bangalore, India indicated that the income of the father was linked to the continuity or discontinuity of the child in school; with the fathers of most drop outs not employed. If income levels are low, children may be called on to supplement the household’s income, either through wage-earning employment themselves or taking on additional tasks to free up other household members for work. This is more apparent as children get older and the opportunity cost of their time increases.

The Abolition of Secondary School Fees in Kenya: Responses by the Poor

Parents are expected to provide non-discretionary items such as school uniforms, school shoes and bags, books and stationery, sports uniforms, boarding equipment (for boarding students) and other personal belongings. The study found that the sum of these costs was far in excess of what many of the surveyed households were able to pay. For the families engaged in casual day labour, free secondary schooling is still unattainable.

Analysis of opportunity costs shows that almost all primary school leavers in the study who went on to secondary school in 2008 had been mainly working at their family farmland in 2007. In contrast, those who could not go on to secondary school even after the abolition of school fees had been engaged with not only their family farmland but also their family business, daily employment, and household chores. These findings suggest that opportunity costs are high for families whose child directly contributed to household income.
Dropping Out of School in Southern Ghana: The Push-Out and Pull-Out Factors
Ananga, E. 2011. CREATE Research Monograph No. 55
http://r4d.dfid.gov.uk/PDF/Outputs/ImpAccess_RPC/PTA55.pdf

The opportunity cost of schooling and the gendered identity of a child operate in complex ways to influence both his and her ability to stay in school and attitude towards attendance. According to some children, parents and teachers the researchers spoke to, engaging in certain activities pulled children out of school.

It is often argued that boys’ education suffers from disruptions brought about by the opportunity cost of schooling because they engage in vital economic activities at the expense of attendance; and it is clear how such economic activities coincide with school hours. Most boys in the study area were obliged to shoulder the responsibility of supplementing the household income in addition to working to support themselves at school. The evidence shows that the strain of attempting to meet such demands might have been so great that they ended up being pulled out of school.

Poverty, Equity and Access to Education in Bangladesh

Evidence from CREATE's nationwide community and school survey (ComSS) confirms results from other research which suggests that poverty remains a barrier to education for many in Bangladesh, where 40% of the population remain below the poverty line. The ComSS data suggest that policies that have been introduced to enable the poor to attend school such as free schooling; subsidised schoolbooks and stipends are not accurately targeted or having the desired effects.

This monograph describes the influence of poverty (measured by income and food security) on indicators of access to education covered by CREATE's conceptual model, such as children who drop out of school, children who have never enrolled and silent exclusion (measured through poor attendance, poor attainment and repetition). These relationships show a pattern of a series of interrelated links between poverty and exclusion from education. While the links between physical exclusion from education (never having been to school or dropping out of school) and poverty are relatively easy to understand, it is harder to understand why poor children who are in school do worse and repeat more than their peers from wealthier households. The researchers explore correlations between indicators of silent exclusion from education and health, access to adequate school materials and the type of school attended. They find that those who have poor health, lack basic school equipment and live in the catchment areas of non-government schools (who are also often the poor) are more likely to be silently excluded -- that is enrolled and overage, attending irregularly or poorly achieving. Using this detailed data policies are identified to have the greatest effect on improving access to education for those currently out of school and those in school but not learning.

Who Gets What: Is Improved Access to Basic Education in Sub Saharan Africa Pro Poor?

This paper explores changing patterns of access to basic education in six Sub-Saharan African countries using data from Demographic and Health Surveys at two points in time. In
general the analysis confirms that participation of children in schooling has increased over the last decade. However, access to education remains strongly associated with household wealth. In most countries the differences associated with urban and rural residence and sex are smaller than those associated with household wealth. Over time the wealth gradient related to access has deteriorated more often than it has improved in the countries in the sample.

**Developmental potential in the first 5 years for children in developing countries**

This is a cross-country analysis of the long term impact of undernutrition and poverty on children’s cognitive abilities. It uses childhood stunting and the number of people living in absolute poverty as the indicators to predict education outcomes such as the number of years in schooling, reading and math test scores and attained grades. The paper finds that both stunting and poverty are closely associated with poor cognitive ability in early life and in turn is associated with poor educational outcomes in schools too.

**The Effect of Poverty on Child Development and Educational Outcomes**

In developing countries, children in poverty are at much greater risk of never attending school than wealthier children, and these differences are wide (for example, in a sample of 80 countries, 12% of children in the top quintile of households never attended school, whereas 38% of children in the poorest quintile never attended school). These differences are more highly related to wealth and mothers’ education than to urban/rural residence and gender. Children raised in poverty also achieve less in school. Analyses show strong positive relationships between socioeconomic status and student achievement across countries, across age levels, and across academic areas of study. Further, socioeconomic differences in achievement scores, often called socioeconomic gradients exist within most countries, reflecting socioeconomic status–related inequality in educational outcomes.

**Is School Education Breaking the Cycle of Poverty for Children?: Factors Shaping Education Inequalities in Ethiopia, India, Peru and Vietnam.**
[http://r4d.dfid.gov.uk/PDF/Outputs/Younglives/is-school-education-breaking-the-cycle-of-poverty-for-children.pdf](http://r4d.dfid.gov.uk/PDF/Outputs/Younglives/is-school-education-breaking-the-cycle-of-poverty-for-children.pdf)

Though an important first step, expanding school enrolment does not, on its own, enable education to fulfill its transformational potential. School access, progression, and outcomes remain strongly shaped by household factors. Educational inequalities are set in motion in early childhood and tend not to reverse, while gaps in achievement relating to location, ethnicity, wealth, parental education, and gender persist throughout children’s school trajectories. For school education to start fulfilling its promise as a route out of poverty, there is a need for decisive strategies for equitable and quality schooling that translate into broader opportunities for young people. Unless such strategies are pursued, there is a danger that the gains of the last decade may not be sustained.

This paper provides a synthesis of existing Young Lives research on education inequalities across the four study countries, relating to questions of access and achievement. While the paper does not address the dimension of schooling quality, it highlights the stark
achievement gaps between different groups, which need to be a central consideration in strategies for improving education quality.

Key findings and implications of this paper include:

- Unequal school trajectories are set in motion in early childhood
- Intersecting inequalities create the biggest disadvantages in education
- High enrolment but stark inequalities in children’s progression through school
- Achievement gaps are strongly shaped by household-level factors
- Patterns of low-fee private schooling in Andhra Pradesh have equity implications for children
- Inflexible schooling further excludes the poorest children

**Education and the Urban Poor in Dhaka, Bangladesh**
Cameron, S. 2009. UKFIET conference paper.
http://r4d.dfid.gov.uk/PDF/Outputs/ImpAccess_RPC/UKFIETstuartcameronpaper.pdf

During the 1990s and early 2000s, Bangladesh experienced strong urban economic growth, a reduction in poverty rates, and rapid growth in primary school enrolments. Amongst many factors, these changes are linked to Bangladesh’s growing involvement in the global economy, especially in the form of garment factories, and conscious efforts by its government to increase enrolments through its primary education plans. This paper describes the results from research in the slums of Dhaka. Although nominally richer and geographically closer to urban job markets than those in rural areas, people in the slums of Dhaka have greater difficulty accessing schooling, and have questionable rewards to look forward to at the end of it. The study draws on the theory of rates of return to education, but also looks beyond that to consider the factors that impede households from accessing the financial and other rewards that supposedly accrue from education. In particular, social connections play an important role in getting jobs and realising other opportunities; and, unsurprisingly, gender plays a decisive role in deciding boys’ and girls’ futures. Although the research uncovered some potential routes through which schooling could reduce poverty, these were not realistically attainable in many cases. The paper considers these results in the light of human and social capital theories and ideas about the reproduction of social class through schooling.

5. **Positive effects of poverty on education**

**Entrepreneurial Motivation in Developing Countries: what does “necessity” and “opportunity” really mean?**
http://digitalknowledge.babson.edu/cgi/viewcontent.cgi?article=1707&context=fer

The paper examines the relationship between the state of necessity and entrepreneurial activity, through qualitative case studies from Uganda and Sri Lanka, and a survey of 1006 Ugandan adults. Questions are posed on the tenability of hypothesis that necessity is a primary motive for business start-up in poor countries. The relationship between necessity and business start-up, though significant, is in the opposite direction from that predicted by the “necessity hypothesis”. Those with low incomes were much less likely to start a business, because they often became “trapped” by having to work long hours for just enough income to survive. Opportunistic diversification, however, flourished once resources improved. The results question recent attempts to classify countries on the basis of distinctive forms of entrepreneurship based on necessity and opportunity.
The Impact of Poverty on Education
Nkhonyo, I.M. No date. No source, posted on poemhunter.com

A report of a qualitative study in Malawi which identified several possible positive effects of poverty on education in terms of motivation and lack of distractions from learning can be found at the above link. Please note this is reported as a blog style essay and so must be considered as a very weak source of evidence.

Reference to paper not included in the summarised evidence

6. Additional information

Author
This query response was prepared by Imogen Featherstone & Laura Bolton

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