Early Education: Why and how should we make the investment?

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Evidence from two angles: economics...
.... and neuroscience. Brain development (cognitive function) peaks early too.

Adapted from C. Nelson (2000) “From Neurons to Neighborhoods”
CEECIS countries with lower income can have high coverage of early education

Source: Transmonee database
Universal enrolment from age 3 is feasible

• Early education is a people service. Most of the costs is remuneration. If average income in country A is twice as high as in B, salaries will also be twice as high. So affordability is the same in both countries.

• But unit costs do differ by program. They are 4 to 7 times lower in short programs than in full day kindergarten.

• The former Yugoslav Republic of Macedonia: very cost effective three-shift model.

• Aga Khan in Kyrgyzstan runs the “satellite model”. A central kindergarten supports home and school-based programs that would otherwise have a sub-critical scale.

• Albania, Romania and probably more countries: shorter programs on offer within the regular kindergarten system.
What we know about the returns

- Studies based on comparison of treatment group and control group found returns of 4, 6 and even 17 times the initial investment. Disadvantaged groups show highest returns.
- Analysis based on country level regression analysis (Lancet 2011) found a return on investment of 17.
- Unresolved question: within countries, poor groups show higher returns than rich groups. But across countries, the poorer ones show lower returns than richer ones. Why?
- E.g. in Uganda, an ex-ante benefit cost analysis found returns of 1.6 – 8.6, not 17 (Behrman & van Ravens).
- Country specific benefit-to-cost analysis can also be done in CEECIS countries to support advocacy.