

Chapter 5. Conclusions and Policy Recommendations

V.1 General Conclusions and Policy Implications

This investigation began by proposing that the structure of households in Jamaica could be seriously constraining the efficiency of government expenditure on education. It was pointed out that despite substantial education expenditures for primary schools and some secondary schools, the general skill level of the population is changing slowly, and nearly a third of the students who complete primary school are illiterate. Since it is generally accepted that the human capital of a country's labor force is an important source of long-run economic growth, it is important to understand the factors that affect the educational attainment of children, and hence the rate of human capital acquisition by the labor force. The low level of skill in the Jamaican labor force is reflected in the poor performance of the economy over the past 25 to 30 years.

The specific proposal of this dissertation is that the extensiveness of out-of-wedlock childbearing and childrearing in Jamaica could be one of the factors that, for various reasons, reduces educational attainment of children in primary and secondary schools. Previous studies have found that variations in educational attainment among children in primary school in Jamaica cannot be explained by variations in physical inputs or the quality of teachers among schools. This is because the level of inputs in Jamaican primary schools is already high. This study focussed on the effect of household structure on educational attainment because, like school, households play an important role in determining child outcomes.

Using tests of cognitive achievement in mathematics and reading comprehension, it was shown that children with married mothers performed significantly better, on average, than children with unmarried mothers in both primary and secondary schools. The effect of family structure did not remain the same over time. Children with single mothers and mothers in common-law unions have significantly lower test scores than children with married mothers and mothers in visiting unions when children are in primary schools. Among secondary-school students, having a mother in a common-law union or a visiting union significantly reduces one's test scores, while having a single mother does not appear to be a major disadvantage. Interestingly, children whose mothers are in common-law unions consistently had lower test scores than children with married mothers. It is an interesting result because, while the common-law union has been much criticized by non-Caribbean sociologists, Caribbean sociologists have generally defended it as a lower-class equivalent of legal marriage. Other variables that affect educational attainment significantly are household income per person, household wealth, mother's age and education and child sex.

The results in chapters 3 and 4 indicate that differences in the educational attainment of children from households with married mothers and households with unmarried mothers reflect more than differences in per capita income across households, and differences in the educational attainment of married and unmarried mothers. The

marital status of mothers has a significant effect on test scores and on the probability of passing the common-entrance exam, even after accounting for differences in household income and education of mothers. These findings suggest that economic deprivation is not a sufficient explanation for differences in educational attainment. The possibility that married mothers have higher demand for child quality, or that the continued absence of fathers from the households in which their children are raised is a negative influence on children, cannot be ruled out.

These results clearly raise more questions than can be answered with this data. One important question is: What implication do the results have for government policy toward family formation in Jamaica? The approach of the government over the past 30 years has been to provide contraceptives to men and women at low cost. The government also used social marketing tools to try to persuade individuals that smaller families were economically advantageous. As was pointed out in chapter 2, unmarried women were not persuaded to reduce fertility by these means. In light of this, I would like to suggest that the government's approach to family formation take a more proactive tone.

A number of tools are available to the government. Among the available tools are a) provide some sort of financial benefit that is available to married women only, b) provide incentives to men and women to reduce the age-at-marriage, c) penalize men and women for having children out of wedlock. The choice of mechanism depends on what one believes is the source of influence of marital status on educational attainment. Poverty is clearly a source of differences in achievement, so it is desirable to encourage men to support their children financially. The marginal cost of a child to most men in Jamaica is low on average, and equal to zero when the man refuses to accept paternity of the child. One way to ensure that fathers support their children financially would be to conduct paternity tests on named "dead-beat" fathers and, once paternity is established, require that they pay child support through some local government agency. The money would then be paid over to the mother. While this system is efficient at identifying fathers, it clearly has some costs of implementation and enforcement.

If the absence of fathers from the household in which their children are raised is an important source of negative influence on children, which constrains their ability to do well in school, then forcing fathers to provide financial support is only a partial solution. A plan to get fathers back into the household would involve some type of financial incentive that benefits only married couples. This could either take the form of tax rebates or aid to poor, married-couple families. The latter option is probably easier to implement because the informal economy in Jamaica is so large that anything having to do with taxes is almost meaningless for the segment of the population toward which these policies are targeted. These proposals are also appropriate if the children of married parents have higher educational attainment because married couples can afford to spend more time teaching their children.

Implicit in the two proposals given above is the assumption that taste for child quality is distributed uniformly across family types, but, in the first case, unmarried mothers are simply poorer, and, in the second case, the absence of fathers depresses

motivation for learning among children in single-mother families. A different set of proposals is arrived at if taste for child quality varies across family types. If, in some cases, unmarried men and women have lower demand for child quality than married couples, then encouraging them to marry by providing financial benefits is not likely to raise the educational attainment of children significantly. A policy that discourages fertility among unmarried persons would be more appropriate.

A proposal was outlined above that would raise the cost of children to fathers by forcing fathers whose paternity is established to pay child support. If a workable version of this plan could be implemented, it could have the effect of raising the cost of producing children for some men from approximately zero to a level that could significantly reduce the incidence of out-of-wedlock childbearing. (Recall from chapter 2 that 14 percent of children are born in the union type called casual. Men who produce children in these unions often refuse to support them under the pretext that their paternity is uncertain.) Since children of unmarried unions usually live with their mothers, women are perhaps better targets for programs that attempt to reduce fertility or improve child quality. To encourage women to improve the educational outcome of their children it is proposed that the government tie financial aid to poorer women to the school attendance (or educational attainment) of their children. Women whose children attend school more regularly would qualify for more aid than women whose children attend school sporadically or not at all. And, since the government is planning to implement more frequent assessment of children, financial aid could be tied to the educational attainment of children. Rewarding women for ensuring that children attend school regularly (or do well in school) might help to improve educational attainment among primary school students. However, it does not directly help change the incidence of out-of-wedlock fertility. So, one would want to complement such a system with rewards for young women who do not bear children out of wedlock.

Of course, the nature of the problem is such that it will not be fixed by implementing a single program. A combination of rewards and penalties for different groups will probably work better than any simple system. And, any attempt to change the Jamaican family situation will impose on the government significant transaction, operational and political costs. But, the assessment of whether the problems of out-of-wedlock fertility and low educational attainment of children are important enough to undertake such costs is left for another time and/or another researcher.

V.2 Other Results

This chapter will end with two observations on the results in chapter 4. First, the endogeneity of mother's marital status to child quality suggests that the marriage market is efficient in sorting mates. People want to pick mates with whom they can have children of high enough quality so that the children will be able to provide for their old-age security. In cultures where it is not possible to observe the quality of children before entering a marriage contract, there are usually elaborate mechanisms for choosing mates, with the expenditure of significant transactions cost. The Jamaican system avoids the

transaction cost by allowing the selection of a mate after information about the quality of children has been revealed. So mates can be selected with as much information as is possible in hand. Of course, as has been discussed before, the Jamaican system imposes other costs on society through its effect on the acquisition of human capital by the labor force.

The second point is that, the fact that mothers appear more likely to marry if they have a child who passes the common-entrance exam is an indication that (perhaps because there is no old-age security in Jamaica) mothers will act in the best interest of their smarter children. There is a broader question lurking, which is how do parents with few resources allocate the resources among the children. Do they compensate the less talented children with more education, as the altruism model would suggest? Do parents expend more resources on smarter children, as the old-age-security hypothesis would imply? Or, is the allocation of resources based on purely non-economic factors, like which child is more handsome (or taller)? Clearly, this study did not set out to find the answer to these questions, nor can this data provide the answers. But, this is also an important and interesting question as we ponder the manner in which households produce the labor force.