The Long-Run Decline of Education Quality in the Developing World

Alexis Le Nestour, Laura Moscoviz, and Justin Sandefur

Abstract

We use comparable, survey-based literacy tests for repeated cross-sections of men and women born between 1950 and 2000 to study education outcomes across cohorts in 87 countries. We find that education quality, defined as literacy conditional on completing five years of schooling, stagnated or declined across the developing world over half a century, with pronounced drops in both South Asia and sub-Saharan Africa. Increases in schooling outpaced the decline in education quality, leading to large increases in unconditional literacy. Shifts in student composition can explain only part of the downward trend in education quality we observe: the decline pre-dates the abolition of school fees in most countries, and patterns in adult height suggest students in later decades were healthier and wealthier than those in earlier cohorts.

Keywords:literacy, school quality, access to education

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1 Introduction

International organizations like the World Bank and UNESCO have declared a "learning crisis" in the developing world, with many school systems failing to reliably produce even basic literacy and numeracy skills [World Bank, 2018, UNESCO, 2013]. Pupils in India, for instance, score on average at about the 5th percentile for pupils at a similar grade in advanced economies on international learning assessments, while nearly 80 percent of South African children cannot read for meaning in any language by fourth grade [Das and Zajonc, 2010, Howie et al., 2017]. The economic consequences of improving education quality are poorly understood, but potentially large. Recent work in the macroeconomics of development has suggested that education quality may outperform quantity measures in explaining long-run growth in econometric tests, and accounting for quality differentials roughly doubles the explanatory power of education in a development accounting framework [Hanushek and Kimko, 2000, Hanushek and Wossmann, 2006, Schoellman, 2012].¹

The idea of a learning "crisis" implies something new. But we lack reliable, long-term measures of education quality over time, particularly for the developing world, to evaluate competing explanations for this crisis.² For instance, one prominent narrative is that the expansion of mass schooling, e.g., after the abolition of user fees in many African countries in the 1990s and 2000s, led to a quality decline [Ruto and Mugo, 2005, Pritchett, 2013, Taylor and Spaull, 2013, Atuhurra, 2016].³ Another complementary narrative is that countries at the top of the league table in international learning assessments (e.g., Finland or Vietnam) hold reform lessons for their neighbors [Sahlberg, 2007, Dang and Glewwe, 2018]. This argument often attributes current success to current educational policies, and elides the question of timing. Is, say, Vietnam's success a feature of reforms to its education system during its recent liberalization period, or a longer-standing national characteristic? Are the

¹This view is not universal: Caselli [2005] questions the explanatory power of test scores in development accounting, based on the weak observed Mincerian returns to test scores for individual incomes in U.S. micro data. Kraay [2018] suggests a different approach, eschewing the Mincerian literature, and attributing a bigger role to education quality.

²While a number of developing countries have participated in multiple rounds of international or regional learning assessments, the time span covered is generally limited. For instance, 14 African countries participated in two rounds of the SACMEQ study from 2000 to 2007 while the PASEC, which covers 18 African countries, started in 1995 but has no strict comparability across countries before 2014 and no comparable time series. 19 Latin American countries participated in the Laboratorio SERCE and TERCE tests from 1997 to 2019, and 41 developing countries participated in multiple rounds of TIMSS, PIRLS, or PISA, generally spanning just a single decade or less.

³Though see also Blimpo et al. [2019] for a contradictory finding from The Gambia.

lagging learning outcomes in India, or the truly abysmal outcomes we document in Nigeria, the result of a contemporary crisis or do they have deeper historical roots?

To answer these questions, we construct new, comparable time series of education quality for 88 developing countries, stretching from cohorts born in the 1950s up to the late 1990s. We define education quality as the literacy rate for an adult with a given level of schooling, typically five years of primary school. This is roughly analogous to major international learning assessments such as TIMSS, PIRLS, etc., which measure education quality with standardized tests in a specified grade. To estimate literacy across age cohorts, we draw on repeated cross-sections from the Demographic and Health Surveys (DHS) run by USAID and Multiple Indicator Cluster Surveys (MICS) run by UNICEF, which provide direct, rather than self-reported, tests of literacy for adult women and, in a subset of survey rounds, men, aged 15 to 49, mostly measured between the early 2000s and late 2010s. We also disaggregate results for some larger countries, i.e., India, Nigeria, and Indonesia, to look for patterns of divergence or convergence among sub-national units.

The core analytical challenge throughout the paper is to identify cohort effects in repeated cross-sectional data. As is well known, age, period, and cohort effects cannot be separately identified in a simple linear model without invoking auxiliary assumptions about the underlying data generating process [Fosse and Winship, 2019]. To achieve identification, we follow Deaton and Paxson [1994] and impose the restriction that period effects sum to zero and are orthogonal to a trend. This method has been widely used in the economics literature dealing with age, period and cohort models (e.g., by Lagakos et al. [2018] to estimate experience-wage profiles). In our setting, the substantive content of the Deaton-Paxson normalization is that we allow for literacy to accumulate or decay over an individual's life cycle, and to vary from one cohort to another, but rule out sustained periods where the adult population acquires or loses literacy en masse. This assumption is corroborated by ,the fact individuals with zero schooling also show nearly zero literacy in our data with no upward trend over time. In short, we interpret systematic differences between surveys that cannot be accounted for by age or cohort effects as survey effects, i.e., artifacts of data collection rather than facts about the world.

Results from our age-period-cohort model of literacy rates reveal a picture of overall stagnation in education quality in the developing world, and fairly stable gaps in quality across countries. We find virtually no case worldwide of dramatic improvements in education quality over a fifty-year time horizon, and for most of the 87 countries in our sample we see flat lines, with little movement up or down. This flat trend holds over multiple decades for some notable high-performers like Burundi and Vietnam, and low-performers like Nigeria. However, we also find evidence of significant secular decline in education quality for a small number of large developing countries, notably India and Ethiopia.

Changing patterns of selection into school are an obvious potential explanation for declines in measured quality, which we explore in detail in Section 6. This is particularly salient given the dramatic increase in average years of schooling observed in most countries in our sample over this time frame, and the possibility that marginal students possessed lower levels of non-school inputs in the human capital production function (e.g., worse nutrition). Indeed, we find that on average the selection of pupils into schooling on the basis of height, a characteristic largely determined prior to schooling decisions, weakens over time. Furthermore, in countries and time periods where enrollment expanded more rapidly, education quality declined more quickly, consistent with (though clearly not definitive proof of) a selection effect. Controlling for pupil height or local enrollment trends significantly dampens the measured downward trend in education quality in our overall sample, but leaves a significant negative trend for both men and women. Furthermore, average adult height among individuals who went to school is increasing over this period, implying that entering pupils may have been better prepared in absolute terms even if they comprised a less select group relative terms. We also find, on average, no significant trend break in observed education quality when countries abolished user fees for primary schooling, a policy change which putatively expanded access to schooling for marginal pupils.

Our results add a new dimension (i.e., the evolution of quality over time) to the large literature measuring human capital around the world, with relevance for a variety of empirical applications. The most widely used human capital measure in the economics, based on Barro and Lee [1993] and subsequent updates, focused initially on quantity rather than quality. More recent work has incorporated richer measures of education quality, but this has come at the cost of either limited coverage for the developing world, or short time series [Yue Yin, 2018, Sulis et al., 2020, Gustafsson, 2016, Van Damme and Bellens, 2017, Kraay, 2018, Patel and Sandefur, 2020]. ⁴By combining a quality dimension with long time series and broad

⁴The World Bank's Harmonized Learning Outcomes, based on early work by Altinok and Murselli [2007] and extended and refined in Altinok et al. [2018], is an important instance of this approach, which covers a large number of developing countries and reports figures from 1965 onward. Note, however, that the actual testing data before 1990 covers only 23, mostly advanced economies, increasingly gradually thereafter. Thus in more recent applications the World Bank has restricted focus to a 2000-2017 timeframe [Angrist et al., 2021]. Our approach here sacrifices some of the richness of the learning assessments used in this test

developing country coverage, the results here would potentially enable future work to revisit earlier cross-country findings on the determinants of test-score performance, and conversely, the role of education quality in promoting economic development [Hanushek and Wossmann, 2006, Wossmann and Hanushek, 2007]. As an illustration, we find a strong correlation of quality with subsequent economic growth in our developing country sample, though this finding is not robust to controlling for unobserved country effects.

The following section describes the coverage of our survey data sources in more detail and in Section 3 we describe and present some basic validation tests of our measure of education quality. We then turn to our core empirical strategy to overcome the challenge of disentangling age, period, and cohort effects in repeated cross-sectional data on literacy in Section 4. Having found mostly downward trends in observed quality, Section 6 then examines whether changing patterns of selection into schooling drive these trends. Finally, Section 5 presents various stylized facts based on the trends in education quality that we calculate, and section 7 concludes.

2 Data

Our dataset consists in the universe of Demographic and Health (DHS) and Multiple Indicator Cluster surveys (MICS) as of January 2021 with information on literacy and schooling. DHS and MICS collect nationally representative information on literacy and schooling of women, and in some cases men, aged 15 to 49.⁵ Since 2000, reading abilities are tested with a short literacy test consisting on reading four simple sentences out loud. Interviewers then score individuals on a three point scale: "cannot read at all", "able to read only parts of the sentence" and "able to read whole sentence". We use a 0-1 scale for literacy with individuals "able to read only parts of the sentence" scoring 0.5 point. Prior to 2000, literacy was selfreported by individuals on a similar three point scale and surveys with self-reported data on literacy are excluded to keep a consistent measure of literacy over time.

The surveys do not test individuals with secondary schooling and, in a few MICS surveys, also lack literacy data on individuals with no schooling. In the latter case, we make the

linking literature to allow us to (a) avoid difficult questions about harmonization by relying on identical survey questions across countries, and (b) directly measure literacy across cohorts spanning multiple decades without imputation or extrapolation.

⁵While statistics for women are nationally representative, those for men are often not perfectly so, because men are sampled only from households with adult women present.

assumption that individuals with no schooling are illiterate.⁶ We follow the DHS and MICS convention of assuming that individuals with secondary education are literate to construct trends of literacy.⁷

Note this missing data problem has little effect on our analysis. While the unconditional literacy rates reported below rest on the assumptions we make about literacy at the top and bottom of the schooling distribution, the school quality measures that are the focus of the paper are much less fragile to this missing data problem, as they focus on individuals with five years of primary schooling, all of whom are tested.

Individuals chose the language they want for the literacy test. In most countries, reading cards have been translated into all local languages and across the whole woman sample there are only 0.25 percent of tests that could not take place because of the lack of availability of reading cards in the local language. In a small share of interviews (0.17 percent in the woman sample), individuals could not be tested because they are visually impaired. These observations are excluded from the analysis and the final woman sample includes 99.5 percent of the observations.

Overall, data coverage for men is lower than for women, with fewer countries covered and a total sample size five times smaller (4.6 million observations for women and 1 million for men). Samples of women are nationally representative, although in seven countries only evermarried women have been interviewed ⁸ but samples for men are not perfectly representative, as men are selected only from households with women respondents, excluding men living alone.

All available DHS and MICS datasets for a country are used for our estimates, with the exception of pre-2000 surveys that collected self-reported literacy. To the exception of Panama and Trinidad-and-Tobago, no country in our dataset is classified as high-income

⁶Where these observations are not censored, the median literacy rates for individuals with zero schooling are 2 percent for women and 5 percent for men, based on all surveys with at least 10 percent of the population reporting zero schooling. In only 34 surveys out of 242 for women and 22 of 93 for men, the rate of literacy is higher than 10 percent for individuals with no schooling.

⁷This assumption is questionable in some countries such as Ghana where literacy rates at the end of primary school are still low, and a few recent DHS surveys that test all adults allow us to test (and reject) this assumption. The numbers of surveys with full coverage is too low, and too recent, to serve as the basis of our main analysis.

⁸Only ever-married women were interviewed in Afghanistan, Bangladesh, Egypt, Indonesia, Jordan, Nepal and Pakistan. Given that most women eventually marry in these countries, potential selection biases should be minimal.

countries,⁹ and so our estimates should be seen as representative of non high-income countries. Data coverage is excellent in the woman and man samples for Sub-Saharan Africa and South Asia¹⁰ with 99 percent of the population covered for women and men in South Asia and 97 and 86 percent of women and men respectively in Sub-Saharan Africa (see table 1). Coverage is also good for Middle East and North Africa for women (75 percent of the population excluding high income countries) but in this region men are not surveyed and there no available survey. Similarly, in Latin America and Caribbean the coverage is much better for women (41 percent) than for men (10 percent) and the coverage of the region suffers from the absence of data for Brazil, whose surveys pre-date 2000 and only includes self-reported literacy measures, and the fact that there is only one survey available for Mexico. Because there is no available data for China, the coverage for the East and Asia Pacific region is 30 percent for women and 26 percent for men but goes up to and 91 and 77 percent for women and men respectively when China is excluded. Finally, there are only few countries with available data in the European and Central Asia region making up 5 and 1 percent of the population of the region for women and men respectively. In this region, some countries are excluded (e.g. Tajikistan, Ukraine) because virtually all individuals reach secondary school making it impossible to estimate our measure of school quality on individuals with primary schooling or less. Because of the low coverage in the Europe and Central Asia region, we do not report regional averages for this region. Similarly, no regional averages are reported for men for the Middle East and North Africa and the Latin America and Caribbean regions.

There are a large number of individuals in the samples who are still in primary school between the age of 15 and 19. 21 (17) percent of women (men) are still in primary school at age 15 and rates decrease to 2 and 1 percent for women and men respectively by age 20. Including individuals who are still in primary school could bias our estimates as the composition of cohorts might change between two surveys. For this reason, samples are restricted to individuals aged 20 to 49.

DHS and MICS surveys provide information on the number of years of education an individual has reached. We only consider formal education in our estimates. In the few cases where the length of primary schooling has changed between two surveys (e.g. Angola), we set the length of primary to the lowest value of the two surveys and considered that individuals who exceeded this value in the other survey have reached secondary school and

 $^{^9 \}rm World \ Bank \ classification \ as \ of \ 1st \ of \ July \ 2020 \ https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups$

¹⁰Region classification follows World Bank classification. See here for the complete list: https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups

are literate. Age is computed as the mean year of interview minus year of birth in all surveys. We do so to avoid any variance in age for individuals born the same year and interviewed during the same survey. Indeed, in some cases, surveys take a long time to administer and places surveyed first may have different characteristics than later-surveyed places, which might create some spurious age effects.

3 Measuring education quality

Although measuring the *quantity* of education of a population is usually straightforward using administrative data or household surveys, measuring the quality of this education remains challenging. Large national or international assessment programs make considerable efforts to measure learning in school in a reliable way via standardized tests of representative student samples. However, because of the cost and complexity of collecting such data, standardized tests happen only infrequently, and very few low- and lower-middle income countries participate in internationally comparable assessments whatsoever. In order to measure educational quality in a large number of developing countries and over time, we propose a measure of educational quality based on data available in household surveys, following Oye et al. [2016], and Gollin et al. [2014]. We use the adult literacy rate as our proxy measure of human capital, and conceive of the quantity and quality of schooling as inputs in the literacy production function. The main advantage of literacy as an outcome is that it is available across a wide range of countries and time periods and is measured in a comparable way. While literacy alone is clearly a low bar against which to judge education systems, ceiling effects are less worrisome in our context, as only a handful of countries report rates above 90 percent in any year.

We define educational quality as the tendency for schooling to generate learning. More precisely, we measure quality as the expected level of literacy conditional on five years of schooling.¹¹. Primary schooling lasts between four to eight years in sampled countries, with six years being the most common length (63 percent of countries in our sample). Five years is thus close to the end of primary in most countries.

¹¹This measure, essentially capturing the strength of the cross-sectional correlation between schooling and literacy serves as a substitute for a more ideal measure, where longitudinal panel data is available, tracking learning as students progress through grades. See Muralidharan et al. [2019], Andrabi et al. [2011], Singh [2019]

More formally, let $L_{ijt} \in \{0, 1, 2\}$ be the level of literacy and G_{ijt} the maximum grade attained of an individual *i* in country *j* at time *t*. Our indicator of educational quality faced by an individual in *j* born in year *t* is defined as the predicted value L_{jt} at G = 5 from the following regression:

$$\mathsf{L}_{ijt} = \alpha_{jt} + \beta_{jt}\mathsf{G}_{ijt} + u_{ijt} \tag{1}$$

Obvious alternative definitions include using the estimated $\hat{\beta}$ or the simple average of literacy conditional on five years of schooling. The former has a weaker correlation with independent measures of school quality discussed in the next section. The latter performs quite similarly to our preferred measure. One advantage of our regression-based approach is that it allows us to make use of the full dataset, whereas the number of individuals with exactly five years of schooling can become small for some country-sex-birth year cells.

3.1 Comparison with international test scores

To assess the validity of our measure, we briefly examine its cross-country correlation with alternative measures of school quality, as well as per capita GDP and education spending, before turning to our primary analysis of trends over time.

Across countries, our measure of average education quality shows a significant and roughly linear, positive relationship with independent measures of student performance based on more detailed standardized tests – though the correspondence is far from perfect.

No single standardized test covers a large share of developing countries. To examine correlations across a relatively large number of countries, we draw on results reported by Altinok et al. [2018] who provide rough correspondences to link scores across international and regional tests on a common scale. The resulting scores, produced by the World Bank under the rubric of Harmonized Learning Outcomes (HLO), combine national averages from various underlying assessments (PASEC, LLECE, EGRA, PISA, SACMEQ and TIMSS/PIRLS) spanning 163 countries. As time-series variation is limited, we focus here on cross-country patterns at a point in time.

We match the birth cohorts in our data to the corresponding survey year and estimate age for each of the tests underlying HLO estimates. Based on the grade at which the tests are administered, we assume the average age of test takers for PASEC, SACMECQ and LLECE is 12 years, for EGRA is 8 years, 10 for TIMSS/PIRLS, and 15 for PISA. We can match 117 country, sex and survey-year cells from our data to the HLO estimates, spanning 40 countries.

Figure 1a shows the comparison between our measure of expected literacy at grade five and HLO estimates. We observe a relatively linear relationship, with one standard deviation in HLO (100 points) equivalent to about 18 percentage points of expected literacy at grade five. The Spearman correlation is 0.41 for the whole sample with no meaningful difference between men and women.

3.2 Comparison with income per capita and educational spending

We also see that richer countries and countries that spend more on education tend to have better school quality by our measure, though again there are some notable exceptions. The estimated correlation coefficients between school quality and GDP per capita or education spending, respectively, are high and positive (0.4 and 0.5). Figure 1b also shows that a group of countries perform well despite low GDP per capita and education spending such as Burundi, Rwanda, Madagascar and Lesotho in Africa; Myanmar, Nepal, and Vietnam in Asia.

4 Empirical strategy for disentangling age, period, and cohort effects

The primary goal of the empirical analysis that follows is to measure the evolution of the quality of schooling over time — i.e., trends in literacy conditional on years of schooling. Recall that our survey data reports literacy and schooling for repeated cross-sections of women and men of various ages, observed at multiple survey years in each country. Thus our core challenge is to disentangle the role of age, period, and cohort effects in these repeated cross-sections.

Age-period-cohort (APC) models of this sort are widely used in demography, sociology, political science and, to a lesser degree, economics (see Fosse and Winship [2019] for a recent review). In our setting, age captures life-cycle effects on literacy, which may evolve even after an individual leaves school if they acquire human capital throughout their career, or instead it decays as time passes. Period effects allow for the possibility that contemporaneous events

may affect measured literacy, e.g., if economic booms increase formal employment which contributes to literacy through on-the-job learning. Cohort effects, which are our primary object of interest, capture differences in literacy conditional on schooling for individuals born (and hence educated) in different years. These cohort effects capture secular trends in schools' value added, as well as trends in other non-school inputs into learning such as early-childhood nutrition and – as discussed at length below – changes in selection into schooling based on scholastic ability.

The basic model poses a fundamental identification challenge. If we posit that age, period, and cohort effects are linear and additive, there is an obvious, perfect collinearity between the three factors (age = period - cohort), making it impossible to estimate the model without invoking additional functional-form assumptions. The following sub-sections briefly motivate the modeling assumptions we invoke, and our reasons for eschewing alternative approaches.

4.1 Assumptions underlying our modeling approach

In most of what follows we adopt one of the most common approaches to estimating APC models in the economic literature: the Deaton-Paxson (DP) normalization [Deaton and Paxson, 1994].¹² The DP approach imposes a parametric restriction on period effects: specifically, that the period effects do not contain any linear time trend. In practical terms, the variables are detrended and the period effects are restricted to be orthogonal to a linear time trend. This approach provides a solution to the APC identification problem and the model is just identified. OLS regressions or other estimation methods can then be used to estimate coefficients for age, period, and cohort. However, the DP method requires a minimum of three surveys for the model to be identified. A shorter cohort cycle can yield biased estimates as the method would attribute any variation in literacy between the first and second survey to age and cohort effects.

The choice of the best method to estimate our APC model depends on what assumptions we're willing to make about the true age, period and cohort effects. First, we do not want to impose restrictions on *cohort effects*, whose estimation is our main research goal.

Second, we want to allow that there might be *age effects*, although we do not have a strong prior on their direction. The estimation of age effects is also a secondary research goal for us. Finding evidence for negative age effects would demonstrate that some of the

 $^{^{12}}$ See also Hanoch and Honig [1985] for an earlier presentation of a similar approach.

education is wasted but finding positive age effects would show that the consequences of low quality education can be overcome as individuals age. Because of the limited number of large longitudinal datasets including information on adult cognitive skills, the process of literacy retention or acquisition after students leave school in developing countries is still not very well known. There is some limited evidence that literacy skills continue to evolve after individuals leave school and that changes in adult literacy vary by sex, grate attained or personal circumstances. For instance, Gorman and Pollitt [1997], using a longitudinal dataset of teenagers in Guatemala, find that literacy continues to increase after students leave school but that the increase was stronger for students who completed fewer grades. In a longitudinal study of teenagers in Malawi, Soler-Hampejsek et al. [2018] find that literacy levels in English tend to deteriorate after students leave school but skills in local language remain the same. Moreover, they find that grade attained, rather than life experience or personal characteristics, is the main determinant of variability in literacy retention, such as the ones who achieved more grades were more able to keep their level of literacy after leaving school. They also find that girls tend to lose literacy skills faster than boys. In another study using the same data from Malawi and longitudinal data from Zambia and Bangladesh, Psaki et al. 2019 find that early child-bearing is associated with larger losses in literacy skills for adolescent girls, with stronger effects for girls with low attainment (grade seven or below). The three previous studies are focused on learning retention of adolescents but, to our knowledge, there is no longitudinal study on literacy changes for adults. It has been found that adults who take part in adult literacy programs often relapse to illiteracy, which might be due to low proficiency levels, lack of use of literacy skills or difficulty in teaching people how to read at an age where the brain is less malleable [Abadzi, 2003].

Third, to achieve identification we assume that *period effects* do not exhibit a trend, that is there is no societal change that allows adults to learn (or forget) how to read. The roll out of adult literacy programs could be a factor of a positive trend in period effects (or negative if they tend to be closed down) but their effectiveness has been questioned and they often do not reach a large share of the population. Adoption of mobile phones could also be a factor in a positive trend in period effects but the relative short span of our data (on average 10 years and maximum 20 years) may not be sufficient to see a change. Note that we allow for the possibility of systematic differences between different periods because of survey effects. Indeed, although DHS and MICS surveys are of good quality, challenges in collecting data in developing countries might lead to some sampling variance between surveys and changes in reading cards or interviewer training could slightly change the grading of on the literacy scale. However, we see no reason to anticipate a systematic trend in these survey effects across multiple rounds. For these reasons, using a DP normalization, which assumes no period trends, seem the most appropriate but we will first turn a visual description of our data to see how our assumptions hold.

4.2 The Deaton-Paxson normalization

The DP normalization can be written as:

$$\mathsf{L}_{iban} = \sum_{b=min+1}^{max} (\alpha_b + \beta_b \mathsf{G}_{ib}) \mathsf{C}_b + \sum_{a=16}^{49} (\delta_a \mathsf{A}_a) + \sum_{n=3}^{N} (\theta_n \mathsf{S}_n^*) + u_{iban}$$
(2)

where a is the age of an individual interviewed in survey n and born in cohort b and G_{ib} being the number of completed years of primary schooling. A_a takes the value one if an individual is aged a. Age fixed-effects estimated in model 2 reflect systematic differences in literacy rates for individuals born the same year but interviewed at different ages. S_n^* is a set of N - 2 period dummies that have been transformed to be make period effects effects orthogonal to a time-trend and add to zero. Adapting the notation of Deaton [1997], the period dummies are transformed such that:

$$S_n^* = S_n - [(n-1)S_2 - (n-2)S_1]$$
(3)

where S_n are the raw period dummies.

We perform estimates separately by sex for each country with at least three available surveys and 500 observations and include individuals with some primary schooling. The model includes fixed effects for age, cohort and period (survey).¹³

The large number of fixed effects can make models difficult to estimate, especially when using a Tobit estimator. We also test a more parsimonious model where age fixed effects are replaced by age and age squared as described in equation (4).

¹³We omit individuals with zero years of schooling as age effects for them may differ and their inclusion could bias our predictions. Individuals with no schooling have on average very low levels of literacy (5.5 percent and 9.5 percent for 20 year-old women and men respectively) and so it can be expected that age effects for them will be non-negative. An APC decomposition of literacy using the DP normalization for people with no schooling shows small and positive age effects (median effect: 0.08 pp per year or 2.4 pp over 30 years) and very small cohort effects (median effect 0.03 pp per year). See figure 10 in Appendix. These samll effects imply people with no schooling usually do not manage to learn how to read later in life.

$$\mathsf{L}_{iban} = \sum_{b=min+1}^{max} (\alpha_b + \beta_b \mathsf{G}_{ib}) \mathsf{C}_b + \gamma \mathsf{A}_a + \delta \mathsf{A}_a^2 + \sum_{n=3}^{N} (\theta_n \mathsf{S}_n) + u_{iban}$$
(4)

We estimate equations (2) and (4) for 24 countries for men and 47 for women. Literacy rates are bounded in the interval [0;1] and the Tobit estimator avoids predictions outside this interval which, in principle, may influence the magnitude of age and cohort effects. In practice, a summary of the trends in age and cohort effects in Figure 11 in the appendix shows that OLS and Tobit estimates give similar results.

4.3 A note on countries with only one or two survey rounds

As mentioned earlier, there are several cases of country-sex pairs with only two available surveys (38 cases) or even one (36 cases), rendering the DP normalization impossible. When two surveys are available, it is possible to fit an age-cohort model (AC) ignoring the effect of period or survey. In essence, the model attributes the entire difference in literacy between surveys for the same cohort to age effects, which given our assumptions of zero or small period effects seems reasonable. The risk is that if the differences between two surveys actually reflects a survey effect, spurious age effects could be estimated, which would bias cohort effects. In order to estimate an AC model, only controls for age and cohort effects are included.. The model is estimated by including age and age squared instead of age fixed effects. In the case of only one available survey, the fitted model is a pure cohort model (C), as no separate age and period effects can be estimated. Since, in most cases, age effects tend to be negative not controlling for it could bias cohort trends upward.

To test the sensitivity of our results to the inclusion of age and period effects, we run an AC and C models on country/sex cases with at least three available surveys and compare it to the APC results. Results can be seen in figure 12 in Appendix. Ignoring period effects does not change the estimated age and cohort effects in a meaningful way and makes it possible to obtain reliable estimates when only two surveys are available. However, the cohort-only model produces trends in cohort effects which tend to be flatter. Nevertheless, we report results from countries with only one available survey using this cohort-only approach, as the trends across recent cohorts remain informative, but it seems likely that the long term-trends here may underestimate the true decline in school quality.

5 Main results: cohort effects in education quality around the world

Estimating the age-period-cohort model described above provides us with measures of cohort effects in education quality for each country in our sample: 87 countries in the case of women, and 58 for men. In most countries the trends span about 40 years, from the cohort born in the mid 1950's to the cohort born in the mid 1990's. All the results discussed in this section are based on the Tobit model with age and age squared for countries presented above, but the qualitative conclusions of our discussion are not driven by the choice of the specification or by the inclusion of cases with one or two available surveys.

5.1 Graphical analysis for selected large countries

Following Yang and Land (2013), we first present a visual description of the data to detect potential age or period effects and see if our assumptions on age and period effects might hold. Figure 2 shows the literacy rate across cohorts and surveys for women with four to six years of primary schooling in the eight largest countries in our dataset with at least four surveys, with the exception of India where only two surveys are available.¹⁴ If there were no age, period or survey effects, we would expect that literacy rates for women born the same year but interviewed at different dates would be on average the same and literacy rate trends estimated with different surveys would overlap. This tends to be the case in countries such as Indonesia, Nigeria or Egypt. In these three countries, it is unlikely that there are large period or age effects as women born the same year tend to have roughly the same literacy rate when they are interviewed at different dates.¹⁵ In the cases of Bangladesh, Tanzania or Kenya, there are relatively large differences between surveys but no obvious pattern of a decrease or increase in literacy across surveys, suggesting that differences might be due to survey effects. Finally, in the case of Ethiopia and India, there is a systematic pattern of women interviewed in more recent surveys showing lower rates of literacy, suggesting negative period or age effects. This seems particularly large in Ethiopia, where women born the same year lost about 30 percentage points of literacy between the 2000 and 2016 survey. The 10

¹⁴Data for India are also shown in the graph because Indian population makes up about one third of the total population of the countries in our sample and Indian trend can have a large impact on the global trend.

¹⁵We cannot rule out the rather implausible case of large and opposite age and period effects cancelling each other.

percentage-point loss in India in 10 years is also relatively large but, as only two surveys are available, cannot be unambiguously attributed to either period or age effects. Based on additional data analysis (see Appendix A.5), however, we argue that the difference in literacy rates between the two surveys in India is mainly due to age effects. Overall, this descriptive analysis suggests that we should expect moderate age or period effects in most cases. Period effects seem to matter and could create spurious age or period effects, especially in cases with a low number of surveys.

Systematic differences in literacy rates between surveys could also be due to differences in sampling. If this were the case, we would also expect to see differences across survey rounds in other indicators, including time invariant characteristics like schooling. However, we show in figure 3 that the share of women born in the same cohort accessing grade 5 is very stable across surveys. For instance, while literacy conditional on schooling for women in a given cohort in Ethiopia appears to decline between survey rounds systematically from 2000 and 2019, schooling does not. This pattern is consistent with the idea that literacy may decay over the lifecycle, but schooling, by definition, cannot.

We turn now from 'raw' data to the core estimation results. Figure 4 shows the estimated age, period and cohort effects for women for the eight large countries discussed previously. The estimates are based on the Tobit estimator using the Deaton-Paxson normalization. In all countries, period effects tend to be very small, suggesting that there are no large systematic differences in literacy rates between survey rounds once we control for age and cohort effects.

Age effects, shown in the first column of Figure 4 tend to be either flat or declining. This suggests that for this subset of countries – especially India, Bangladesh, and Ethiopia – rather than acquiring human capital in the form of literacy over their life cycle, women tend to lose it through a process of decay during their adult lifetimes. Kenya and Nigeria also show slight evidence of such decay, with only Egypt showing any sign of human capital acquisition over women's adult lifetimes.

The trends in cohort effects, which are our main object of interest, show a fairly sharp downward trend in India, Nigeria, and Ethiopia. Taken at face value, the estimates for India suggest the probability a woman with five years of schooling would become literate was nearly 100 percent for the 1960s birth cohorts, but had fallen to roughly 40 percent for the mid-1990s cohorts. The India results – again, based on just two survey rounds – are somewhat fragile to our modeling assumptions though, which we explore in detail in Appendix A.5. Ethiopia has experienced a similar decline in education quality as India, though with a slightly less dramatic downward slope. Nigeria, for its part, started off at a lower baseline level of education quality, and has reached a lower point today: with only about 20 percent of adult women educated in the late 1990s able to read.

The other five countries in Figure 4 show relatively flat trends in education quality, as measured by cohort effects. Their quality levels though, are far from uniform: while five years of schooling are a virtual guarantee of literacy in Indonesia, that is true for only less than half of educated women in Egypt. The remaining large countries (Bangladesh, Kenya, and Tanzania) fall somewhere in between, and all of them outperform Nigeria.

5.2 On average, education quality in the developing world has declined steadily over multiple decades, albeit with significant heterogeneity in levels and trends

Similar patterns hold for a broader set of countries. For brevity we focus on regional averages, leaving country-by-country statistics for the appendix (Tables 7 and 8 for women and men respectively). Regional averages are a simple average of the countries in the sample, without population weights.

We focus on three main indicators to document changes in educational outcomes: share of birth cohort accessing grade five, as well as the literacy rate and average education quality (i.e., estimated literacy for an adult with five years of schooling) where the latter two statistics are both corrected for age and period effects per the Deaton-Paxson normalization described above.

Several broad patterns stand out in the regional trends shown in Tables 2 and 3.

First, most of the gains in literacy are associated with school expansion (rather than any improvement in education quality, as we show below). Schooling figures show consistent progress in access to education for both men and women across all regions. From the cohort born in the 1960's to the cohort born in the 1990's, women's access to five or more years of schooling has increased by 42 percentage points in South Asia (from 34 to 76 percent), 25 percentage points in Sub-Saharan Africa (from 41 to 66 percent) and reached above 90 percent in East Asia and Pacific and Latin America regions. Improvements for men were less impressive as they started from higher levels but were still large (+12 pp in East Asia, +22 pp in South Asia and +17 pp in Sub-Saharan Africa). These large gains were accompanied by similar increases in literacy rates across cohorts.

Second, there is large variance across countries in the level of education quality. In Ghana, Guinea, the Gambia, Sierra Leone and Nigeria 20 percent or less of women are able to read at grade five whereas in Vietnam, Rwanda, Burundi, El Salvador, Guatemala, Honduras, Costa Rica and Bolivia more than 95 percent can read by the end of grade five.

Third, despite big cross-country differences in education quality, there are very few cases of dramatic improvements in education quality. In most cases, cross-country gaps in education quality seem to have emerged at least several decades ago. Trends over time are generally flat or declining. In two thirds of countries in our sample, the difference between the education quality faced by the oldest and youngest decadal cohorts is less than 10 percentage points. However, where trends in education quality exist, the trend in education quality tends to be negative. In 56 countries in the sample of women, education quality decreased between the cohort born in the 1960's and the cohort born in the 1990's, while it increased in 14 countries and did not change by more than +/- 5 percentage points in the remaining 17 countries (see Figure 6). Although some countries that were already performing well have managed to improve their education quality (e.g. Vietnam, Pakistan, Peru), no country that was doing poorly in the past has managed to improve its education quality meaningfully.

Finally, despite the general picture of stagnation, regional trends show strikingly different patterns in the evolution of school access and – the more novel contribution of this paper – education quality. To highlight the latter point, Figure 5 shows the trends in raw, unconditional literacy and education quality (i.e., literacy conditional on schooling) for women and men on a consistent sample of countries from the birth cohort born in 1955 to the birth cohort born in 1998. We observe five regions that have followed different trends in educational outcomes.

East Asia and Latin America show steady, gradual increases in literacy, and relative stability in education quality over multiple decades. The two regions with the largest gains in literacy are the Middle East and North Africa and South Asia. The former has seen fairly stagnant education quality, while South Asia has seen a precipitous decline. For the 1960s cohorts South Asia shows among the highest education quality rates in the world, but since then the region has experienced the largest drop (-31 percentage points for women and -35 percentage points for men). Finally, Sub-Saharan Africa has experienced steady progress in literacy, especially for women; however, it has experienced the second largest drop in education quality (-24 pp for women and men).

5.3 The gender gap in education quality has decreased over time (in conjunction with a declining gender gap in school access)

Education quality for men and women can be compared for a sub-sample of countries and cohorts (see Table 4). In Sub-Saharan Africa, the number of countries with a positive gender gap in favor of men has remained stable between the 1960's to the 1990's with 12 countries out of 35 countries with data for men and women. The gender gap in education quality has decreased slightly but remained very high (+9 percentage points for men). Unlike Sub-Saharan Africa, the gender gap has decreased in South Asia and education quality for men and women has converged over the past three decades and education quality for the last coohort born in the 1990's is almost identical. In East Asia and Pacific, the gender gap has remained positive for women between the 1960s and the 1980s.

5.4 Education quality is correlated with long-term growth

Our estimates allow us to revisit the relationship between schooling, education quality and economic growth [Mankiw et al., 1992, Wossmann and Hanushek, 2007]. Because our estimates of education quality and schooling cover longer time-spans, we are able to estimate the stock of human capital available at different dates and see if it explains subsequent economic growth. We follow standard practice in the literature and specify the growth equation as a function of initial income per capita and the stock of human capital measured by the quantity of schooling and education quality. We use our measure of education quality, expected literacy at grade five, as a measure of education quality and two separate measures of school quantity: the number of years of schooling of the adult population following Barro and Lee [2013], and the share of the population accessing grade five from our own estimates, such that:

$$Y_{i,2019} - Y_{it} = \alpha + \beta Y_{it} + \gamma S_{it} + \delta Q_{it} + u_{it}$$

$$\tag{5}$$

where Y_{it} is log per capita GDP in country *i* in year *t*, growth on the left-hand side is measure up to the latest available data (2019), S_{it} is the quantity of schooling of the adult population, and Q_{it} is the average expected literacy rate at grade five of the population aged 20 to 40. Note that both education quantity and quality are measured in the baseline year. Quantity is either measured as the number of years of schooling of the adult population aged 20 to 40 from Barro and Lee [2013], or as the share of the female population aged 20 to 40 (or the highest available age) with at least five years of schooling in year i.

Results are presented in Table 5. Using either definition of education quantity, there is a correlation between initial education quality and subsequent economic growth. For instance, in column (5), economic growth from 2010 to 2019 was 0.7 percentage points higher in countries with one standard deviation (sd=0.23) higher education quality. These associations between education quality and growth appear, if anything, to be increasing in magnitude over time.

6 Accounting for changing patterns of selection into school

So far we have followed the convention in the education assessment literature by defining 'school quality' as a simple conditional average, the literacy rate conditional on five years of schooling. Obviously, the evolution of school quality defined this way may reflect changes in schools' value added, or changes in the composition of pupils. The expansion of schooling under free primary education reforms in the 1990s and 2000s, for instance, incorporated a growing share of children from more disadvantaged backgrounds who might have more difficulty learning to read [Deininger, 2003, Bold et al., 2015].

In a study using panel data from Vietnam, Peru, India and Ethiopia, Singh [2019] finds that differences in test scores between countries are mainly due to differences in school quality rather than differences in child's endowments, suggesting that differences in composition of students may not be driving our results. The literature on the Mincerian wage returns to schooling is also potentially informative here. While we are not concerned with earnings, there is a general consensus that OLS estimate of the returns to schooling, while theoretically subject to the same upward bias due to unobserved ability that concerns us here, appear quite similar to well-identified estimates from natural experiments Card [1999]. Nevertheless, there is recent evidence from secondary schooling in Ghana that (upward) selection bias is sometimes real and significant [Ware, E. O., Kornu, D. D. K., & Adusei, 2018].

In the absence of a valid instrumental variable for access to schooling, we do not attempt to provide a point estimate of the impact of selection on school quality. Instead, we attempt to provide some insight into the possible magnitude of selection and how the cohorts of women and men have changed over time.

6.1 Comparing height between women who did and did not go to school as an indicator of selection

Because our data is based on surveys of adult women and men, we lack any direct measure of their academic ability or even socioeconomic status in childhood to examine patterns of selection into school directly. However, adult height provides a rough but well-established indicator of childhood health and nutrition [Garenne, 2011, Currie and Vogl, 2013]. Adult height is recorded for women in 64 countries in our dataset. We focus on women here because of limited anthropometric data coverage for men. Figure 7 shows the trends in female adult heights by schooling status.

We use trends in adult height to examine two ways non-school inputs in the human capital production function may bias our estimates of trends in school quality. First, long-term improvements in overall child well-being could contribute to improvements in cognitive skills and thus apparent trends in our measure of school quality (i.e., literacy with five years of schooling). Overall the height of women with at least some schooling has risen over time for a slim majority (37 of 64) of countries in our sample, with an average rate of increase under 0.1 centimeters per year.

Second, changes in the height-gap between women with and without schooling may tell us something about the degree of selection into schooling over time. Looking at all women (rather than just those with schooling), we see even stronger positive trends in heightt, with a positive increase in 44 of 64 countries and an average increase of about 0.2 centimeters per year. In short, the height-advantage of girls in school appears to have narrowed over time. This could be due to an improvement in nutrition at the bottom of the distribution or, alternatively, a reduction in the degree of selection into school on socioeconomic status. The latter alternative would be consistent with the idea that the expansion of school systems incorporated relatively more disadvantaged students. Indeed for women born in the 1960's, the average adult height of thos who went to school was 0.47 centimeters taller than the general population, but that difference shrunk to 0.27 centimeter for women born in 1990's.

6.2 Does measured school quality fall when access to schooling expands?

The correlation between the share of individuals accessing school and school quality is positive across the whole sample (r=0.23 when pooling men and women). This positive relationship is mainly driven by the correlation between countries (r=0.43 for men and r=0.38 for women), while the correlations within countries are negative (r=-0.3 for men and r=-0.38 women). Countries with higher access to schooling have better school quality, but as the share of individuals accessing school increases within a country, school performance decreases.

However, these correlations could be biased by time trends in education expansion and school quality. The association between selection into school and school quality can be tested more formally using results from cohort estimates that provide long time series for each country. Table 6 shows the results of country fixed-effects models for women and men respectively where the dependent variable is school quality from our APC model above. We control for year of birth to allow for trends in underlying share quality, and focus on the coefficient on the share of a cohort with some schooling, as well as the share with secondary schooling, to capture the role of selection into school. We also include administrative data on repetition rates, available from the 1970's onward, to test if changes in school quality can be explained by changes in repetition practices¹⁶ Finally, for a sub-sample of countries, we control for the height of women with some schooling.

Column (1) shows downward trends of about -4.6 and -5.9 percentage points per decade in school quality. for women and men, respectively. Controlling for the share of the cohort that has attended school or has reached secondary schooling (column (2)) has little impact in the men's sample but reduces the magnitude of the decline among women by almost 2 points. Of course, this attenuation of the coefficient on birth year could be due changes in selection of students or to the fact that as school systems expand it is harder and harder for governments to keep quality constant.

Controlling for repetition rates in column (3) has little effect on the estimated secular trend. However, repetition rates may be of independent interest, and are strongly associated with changes in school quality for both men and women. An extra year of schooling due to repetition is associated with a 12.1 and 6.8 percentage points increase in school quality for women and men, respectively. This is a relatively large effect; our estimates show that about 73 percent of men and women can read after five years of schooling, equivalent to about 14.6 percentage points of extra literacy per year of schooling. Our coefficient on repetition would

¹⁶Repetition data is taken from the UNESCO Institute for Staitstics. Data are matched for men and women separately. Gaps in data are interpolated. We match repetition rates to cohorts when students are 10 years old. The indicator for repetition rate is the cumulative repetition rates from grade one to five, that is the number of extra years of schooling a student would have at grade five if she had experienced her country repetition rates when she was 10.

suggest that an extra year due to repetition is worth about half to more than three quarters of a year of regular schooling. Notably, some of the best performing countries have very high levels of repetition (e.g. Madagascar, Rwanda or Burundi).

Finally, in column (5), we control for the height of women with schooling, which is positive and statistically significant at 5 percent. Once again, controlling for this association does little to change the trend in measured school quality.

Overall, selection into school and changes in repetition practices may explain some of the downward trend in school quality but, in a simple regression framework, fail to account for all of it.

6.3 Free primary education as an exogenous shift in access

Over the past 50 years, many developing countries abolished user fees for primary school. In at least some cases, these free primary education (FPE) reforms led to a significant increase in schooling levels at the national level [Deininger, 2003, ?, ?]. These putatively exogenous, policy-induced increases in access to schooling can shed light on how enrollment changes affected trends in school quality.

FPE policies could affect school quality through several channels. First, lowering barriers to school entry might change the composition of pupils. Second, FPE clearly increased the number of pupils in some countries which, absent comparable increases in staffing and school expenditure, would lead to a deterioriation in resources per pupil. Third, while more speculative FPE may have undermined the accountability of school officials to local communities. In short, while FPE does not isolate the role of selection into schooling, it does offer the possibility of overcoming reciprocal causation between school quality and enrollment.

We examine 51 FPE reforms across 27 developing countries compiled by Crawfurd and Ali [2022], drawing on earlier compilations from Bhalotra et al. [2014] and Tomasevski [2006],among others, for which we have overlapping data. For each reform episode, we estimate an interrupted time series model with a break for the birth cohort that was eight years-old when fees were abolished.¹⁷ We restrict analysis to countries with data for cohorts born at least 10 years on either side of the policy introduction, and present estimates for up

¹⁷Results are robust to alternative age cutoffs at 6, 8, 10 and 12 years old when the policy was introduced.

to 20 years on either side. Estimates were weighted by the size of the sample of the cohort to give more weight to more precise estimates.

The interrupted time series estimates of the share of students accessing grade five before and after the FPE reforms show that the mean trend increased from 0.7 percentage points per year to 1.2 percentage points per year after fees were abolished. Figure 8 illustrates these calculations for three cases with particularly large accelerations in schooling after the abolition of fees: women in Ethiopia, Madagascar, and Mali. In each case the acceleration in the increase in average schooling was accompanied by an acceleration in the decline in school quality (or, in the case of Mali, a sudden drop in quality and continued decline).

A summary of these changes in trends in school quality before and after FPE reforms is shown for all available countries in Figure 9 for women and men separately. In 27 cases, we observe no statistically significant change in the trend of school quality before and after the implementation of the FPE reform. There are more statistically significant negative effects than positive ones (20 vs 3) and the mean effects are -0.4 percentage point per year for women and -0.9 for men with only few cases of a very rapid drop in school quality were already decreasing before the FPE reforms. Although the general trends in school quality were already decreasing before the FPE reforms (-0.2 percentage points for women and men), average declines in school quality have accelerated substantially after the reforms (-0.6 and -1.1 percentage points per year for women and men respectively) and could explain a large share of the drop in quality in the sub-sample of countries having introduced FPE.

Overall, the data suggest some role for selection effects in depressing school quality, but several signs suggest selection alone cannot explain the long-term trends we observe. Various patterns point in opposite directions. For instance, by one measure the composition of students has improved over time: students in later decades appear healthier than their peers in earlier decades, as proxied by their adult height. But selection into schooling on (future) height has declined. Looking across countries and over time, a larger share of students accessing schooling is associated with a drop in measured quality. But controlling for enrollment changes in a simple regression framework fails to explain away the longterm deterioration in school quality overall. Similarly, FPE reforms are associated with an acceleration both schooling levels and of the negative trend in school quality. But school quality was decreasing before the introduction of these reforms and FPE reforms might also have been associated with a reduction of resources per students.

7 Conclusion

We use literacy tests in survey data to construct long-term trends in literacy for 87 developing countries, spanning birth cohorts from the 1950s to 2000. We show that over this period literacy rates have increased substantially, but virtually all progress has been due to the increase in access to school rather than any improvement school quality, measured as the propensity for schooling to generate literacy after five years of schooling.

Overall, our measure of school quality is low in developing countries, with about 70% of women able to read after grade five, and has been declining over time. From the 1950s to 2000, school quality deterioration implied the probability that a woman with five years of schooling could read a sentence fell by roughly two to four percentage points per decade, and about six percentage points for our smaller sample of countries with data on men. Nevertheless, literacy gains associated with increased schooling rates far outpaced the offsetting effect of declining quality, i.e., literacy conditional on schooling.

Two limitations of our approach bear repeating. First, our reliance on simple literacy tests as a measure of human capital clearly ignores important higher-order skills, not to mention numeracy and other domains. Nevertheless, we argue that literacy remains a useful proxy for learning levels in many school systems, where literacy is far from universal, and puts our focus on the lower parts of the learning distribution which are often ignored in favor of policy attention to students passing competitive exams for elite secondary and tertiary schools.

A second limitation is our inability to precisely quantify the role of changing patterns of selection into schooling (or into higher grades) in explaining the changes in school quality that we observe. Of particular concern is that reduced selectivity, e.g., enrollment of more low-income or otherwise under-prepared students as schooling systems have expanded, might create a spurious impression of declining school quality. We have shown that countries and periods with faster enrollment growth did indeed experience significantly faster deterioration in school quality. But allowing for these effects does not appear to overturn our main finding of declining school quality. Furthermore, correcting for differences across countries and periods in grade repetition rates, or the height of individuals (an indicator of socio-economic status that is mostly determined prior to schooling) also does little to change the picture of declining quality. From a policy perspective, the fact that most developing countries with high (unconditional) literacy rates achieved them primarily by increasing average years of schooling rather than school quality may be instructive for lagging countries. Expanding access to schooling has produced remarkable gains in overall literacy, while not much else has.

Turning to implications for future work, our hope in embarking on this project was that by constructing long-term trends in school quality, we could identify countries which have made transformational changes, and risen quickly in global league tables of learning outcomes. Such exemplars appear not to exist. Instead, the rank-ordering of countries' school quality has been relatively stable over decades. Nevertheless, moderate improvements over the period of a decade or more do exist, and future research could usefully complement the large literature on policy evaluations by taking a historical lens to try to understand these successful reformers. Future research could also usefully refine our measurement methods. Literacy is a crude indicator for overall learning levels, and it would be useful to corroborate the trends we measure with additional datasets containing more fine-grained learning metrics.

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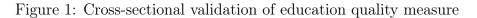
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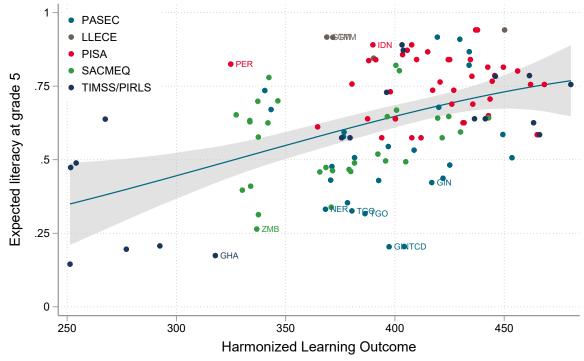
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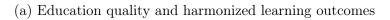
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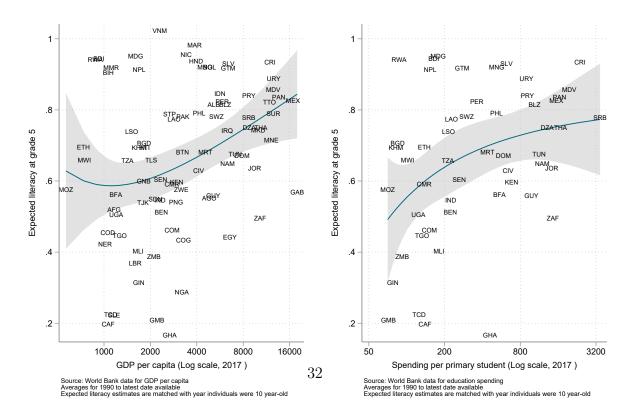






Source of data: World Bank for Harmonized learning outcome

(b) Education quality, GDP per capita, and education spending



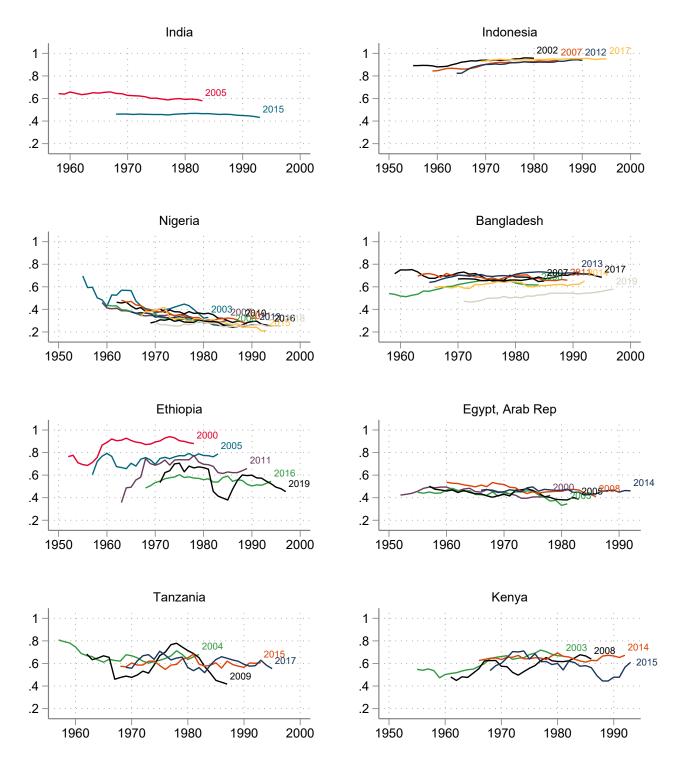


Figure 2: Literacy rates of women with four to six years of schooling (selected countries)

The vertical axis represents literacy rates 5-year moving average for literacy rates

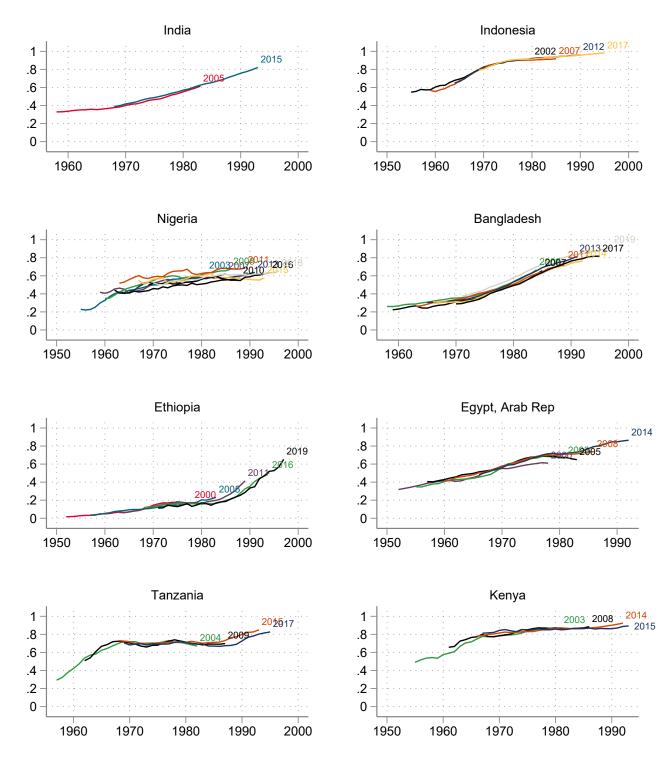
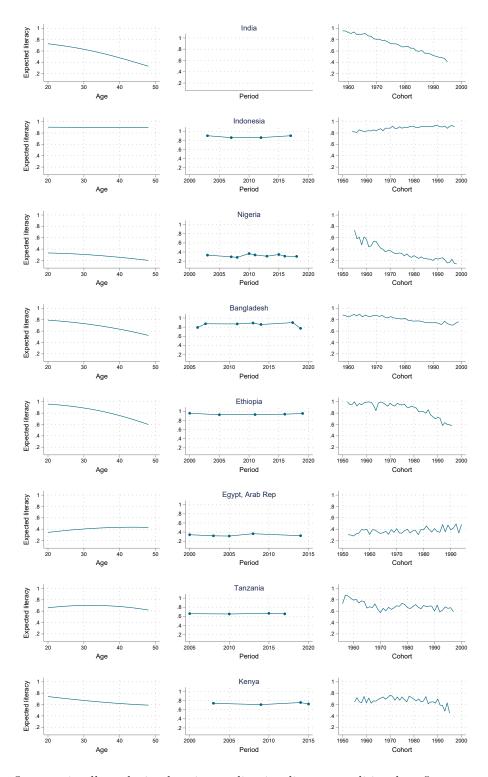


Figure 3: Access to grade five for women (selected countries)

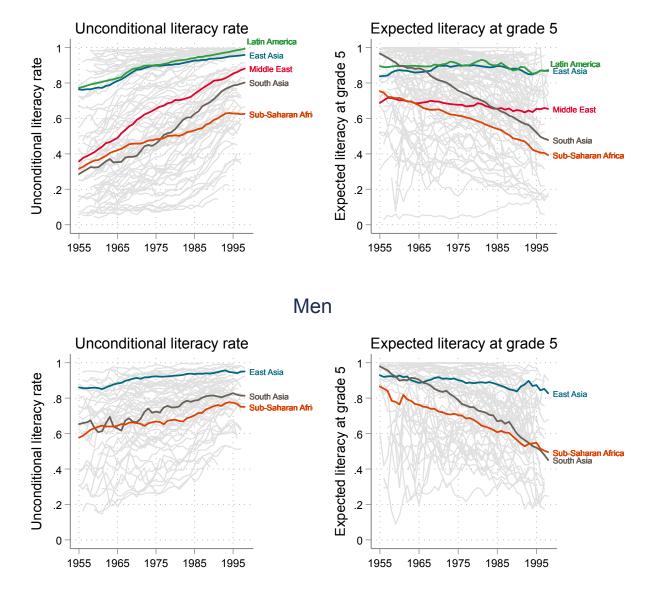
The vertical axis represents 5-year moving average of access to grade 5 or more

Figure 4: Estimated age, period and cohort effects in education quality (selected countrieswomen)



Outcome in all graphs is education quality, i.e. literacy conditional on five years of schooling. Age effects estimated at grade 5 for cohort born in 1975 and no period effect. Period effects estimated at age 20, grade 5 and 1975 cohort. Cohort effects estimated at age 20, grade 5 and no period effect.

Figure 5: National and regional trends in literacy and education quality



Women

Note: Light gray lines show national estimates. To ensure regional trends reflect a consistent sample of countries, in cases of missing data for specific country-birth cohorts, national education quality estimates have been extrapolated backward and forward using the average, country-specific rate of change over the whole period.

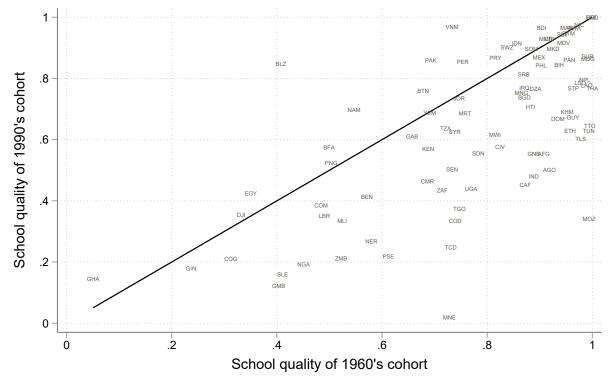


Figure 6: Education quality for the 1960's cohort and 1990's cohort (women)

Note: 1980's cohort instead of 1990's for BIH, BOL, CAF, DJI, MAR, MKD, NIC, PHL, SOM and SYR.

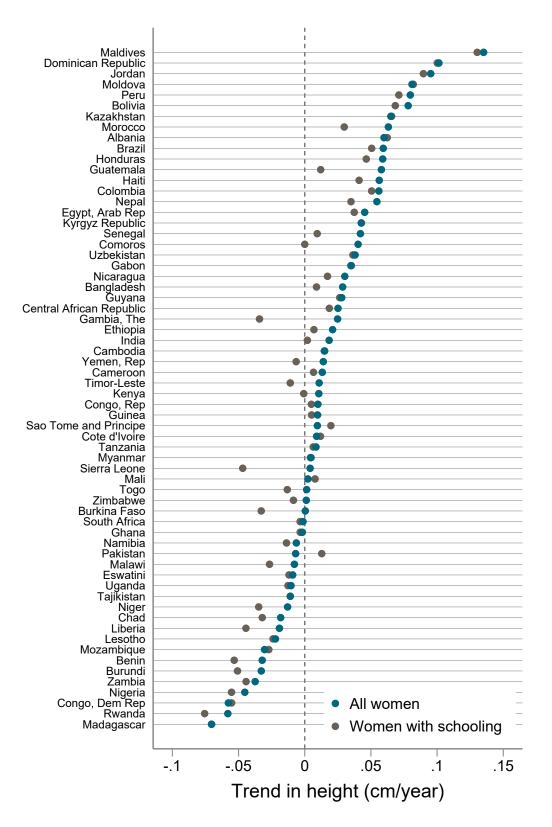
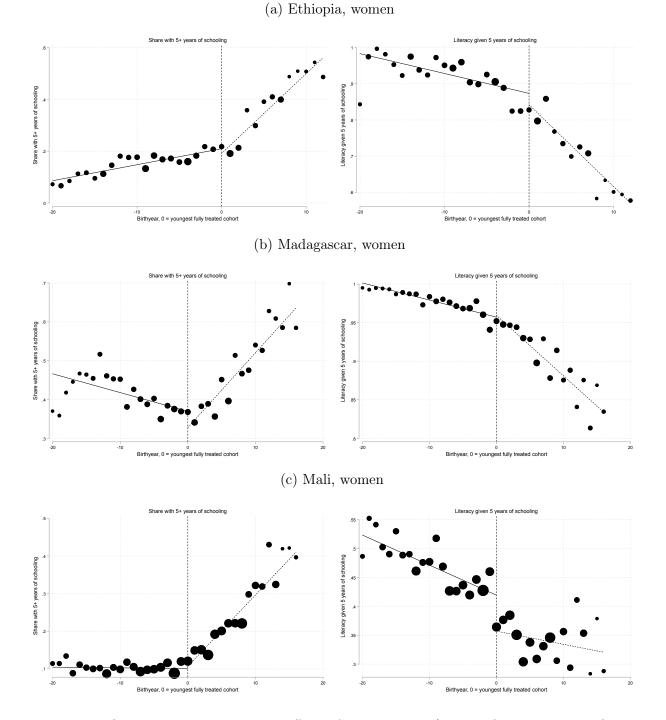


Figure 7: Trends in height for all women and women with some schooling

Figure 8: Trends in schooling and education quality before and after free primary education (FPE) reforms



Note: The figure shows the cohort effects for schooling (share of women with five or more years of schooling) and education quality (literacy conditional on five years of schooling) from the model in equation (2). Vertical dashed lines mark the first cohort entering school after the abolition of fees. The three countries shown were selected on the basis of showing the largest trend breaks in women's schooling (rather than education quality).

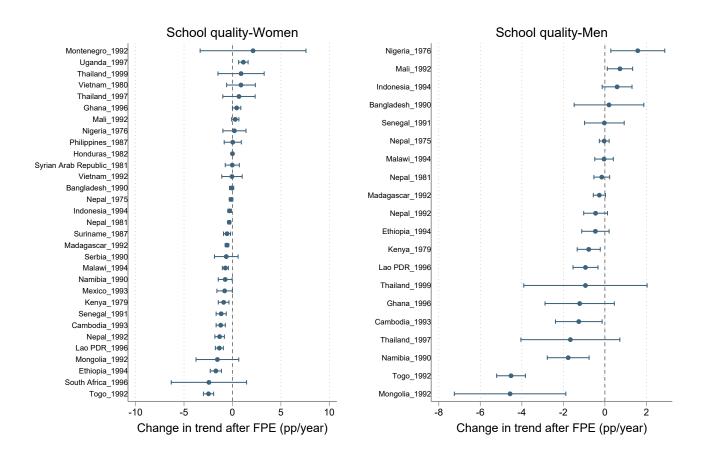


Figure 9: Changes in education quality trends after free primary education (FPE) reforms

	Surveys	Countries	$\begin{array}{l} \text{Countries} \\ \text{with} > 1 \\ \text{survey} \end{array}$	Pop. share*	Sample
Women					
East Asia and $\operatorname{Pacific}^{\dagger}$	27	10	8	.91	498,559
Europe and Central Asia	8	4	2	.03	39,137
Latin America and Caribbean	37	16	10	.41	$520,\!634$
Middle East and North Africa	18	10	4	.75	389,544
South Asia	22	7	5	.99	$1246,\!963$
Sub-Saharan Africa	167	40	36	.97	$1,\!942,\!746$
Total	279	87	65	.81	4,637,583
Men					
East Asia and $Pacific^{\dagger}$	16	9	5	.77	$120,\!530$
Europe and Central Asia	2	1	1	.01	7,505
Latin America and Caribbean	15	7	3	.1	96,277
Middle East and North Africa	0	0	0	0	0
South Asia	12	6	4	.99	213121
Sub-Saharan Africa	107	35	32	.86	519,795
Total	152	58	45	.67	957,228

Table 1: Geographic coverage of survey data

*Population share excludes high-income countries except Panama and Trinidad and Tobago. †East Asia and Pacific excludes China.

			Women		
	1950s	1960s	1970s	1980s	1990s
Literacy					
East Asia and Pacific	77.9	81.3	89.2	92.1	94.1
	(0.03)	(0.02)	(0.01)	(0.01)	(0.02)
Latin America and Caribbean	72.1	85.7	90.1	94.0	96.5
	(0.10)	(0.04)	(0.03)	(0.02)	(0.01)
Middle East and North Africa	36.5	50.6	64.9	73.4	83.8
	(0.08)	(0.05)	(0.03)	(0.03)	(0.03)
South Asia	33.6	36.0	46.5	62.3	75.4
	(0.02)	(0.01)	(0.01)	(0.00)	(0.01)
Sub Saharan Africa	29.8	(0.01) 42.4	48.1	(0.00) 53.4	(0.01) 62.7
Sub Sanaran Anica					
	(0.07)	(0.03)	(0.02)	(0.01)	(0.02)
Share with $S \ge 5$					
East Asia and Pacific	58.7	66.9	83.0	87.9	92.2
	(0.04)	(0.02)	(0.02)	(0.02)	(0.02)
Latin America and Caribbean	56.3	76.5	81.9	89.1	94.6
	(0.12)	(0.05)	(0.04)	(0.03)	(0.02)
Middle East and North Africa	34.0	48.1	62.2	70.5	83.3
	(0.08)	(0.05)	(0.03)	(0.03)	(0.03)
South Asia	30.2	34.1	45.5	62.3	76.2
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Sub Saharan Africa	26.5	41.5	48.8	54.6	66.0
	(0.07)	(0.03)	(0.02)	(0.01)	(0.02)
Education quality	005	00.0	00 7	00.1	00.1
East Asia and Pacific	86.5	86.9	89.7	89.1	89.1
	(0.04)	(0.03)	(0.03)	(0.03)	(0.03)
Latin America and Caribbean	84.4	89.4	90.7	90.5	86.2
	(0.04)	(0.02)	(0.01)	(0.01)	(0.01)
Middle East and North Africa	62.2	69.7	67.8	66.4	59.4
	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)
South Asia	91.9	87.1	76.5	65.7	56.1
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Sub Saharan Africa	71.2	67.8	61.8	54.1	43.6
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Countries					
East Asia and Pacific	7	10	10	10	9
Last Asia and Lacinc Latin America and Caribbean	9	16	16	16	14
Middle East and North Africa	5	10	10	10	14
South Asia		10 7	10 7	10 7	7
South Asia Sub Saharan Africa	4 25				
Sub Saharan Antica	35	40	40	40	38

Table 2: Literacy, share with at least five years of schooling, and education quality

			Men		
-	1950s	1960s	1970s	1980s	1990s
Literacy					
East Asia and Pacific	86.5	88.2	91.9	93.4	93.9
	(0.05)	(0.03)	(0.02)	(0.02)	(0.04)
South Asia	69.9	64.8	72.4	78.4	82.2
	(0.02)	(0.02)	(0.01)	(0.01)	(0.02)
Sub Saharan Africa	60.6	64.9	66.3	70.3	76.4
	(0.12)	(0.06)	(0.03)	(0.03)	(0.03)
Share with $S \ge 5$					
East Asia and Pacific	74.1	78.0	86.1	89.4	90.4
	(0.07)	(0.04)	(0.03)	(0.03)	(0.05)
South Asia	63.8	59.1	69.0	76.7	81.8
	(0.02)	(0.02)	(0.01)	(0.02)	(0.03)
Sub Saharan Africa	52.8	59.5	63.4	68.6	76.6
	(0.13)	(0.06)	(0.03)	(0.03)	(0.03)
Education quality					
East Asia and Pacific	90.2	90.4	90.1	87.6	88.4
	(0.00)	(0.09)	(0.08)	(0.06)	(0.05)
South Asia	95.6	89.7	79.2	68.9	55.6
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Sub Saharan Africa	83.4	76.9	70.3	62.0	52.4
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Countries					
East Asia and Pacific	2	9	9	9	8
South Asia	3	6	6	6	6
Sub Saharan Africa	25	35	35	35	35

Table 3: Literacy, share with at least five years of schooling, and education quality

	1960s	1970s	1980s	1990s
Sub-Saharan Africa				
Gender gap	-10.57	-10.46	-9.93	-8.79
	(0.00)	(0.00)	(0.00)	(0.00)
	35	35	35	35
East Asia & Pacific				
Gender gap	91	.57	1.41	-1.12
	(0.05)	(0.04)	(0.03)	(0.03)
	9	9	9	8
South Asia				
Gender gap	-2.47	-2.76	-3.3	.25
~ -	(0.00)	(0.00)	(0.00)	(0.00)
	6	6	6	6

Table 4: Gender gap in school quality

Gender gap=female school quality- male school quality. Results weighted by population of the birth cohort

	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	1990	1990	2000	2000	2010	2010
School quality	0.0245***	0.0157**	0.0301***	0.0220**	0.0383**	0.0289**
School quanty	(0.00786)	(0.00741)	(0.0108)	(0.00000000000000000000000000000000000	(0.0149)	(0.0129)
Years of schooling	0.00474***		0.00430***		0.00330	
	(0.00111)		(0.00130)		(0.00228)	
Share accessing grade 5		0.0346^{***}		0.0312**		0.0294^{*}
		(0.0106)		(0.0124)		(0.0165)
Log of initial GDP pc (WB)	-0.0121***	-0.0108***	-0.0123***	-0.0106***	-0.00945*	-0.00936**
	(0.00343)	(0.00325)	(0.00353)	(0.00357)	(0.00493)	(0.00414)
Constant	0.0582^{***}	0.0670***	0.0604^{***}	0.0672^{***}	0.0416	0.0520^{**}
	(0.0206)	(0.0199)	(0.0194)	(0.0200)	(0.0272)	(0.0245)
Observations	62	74	65	81	66	83
R-squared	0.311	0.234	0.274	0.196	0.128	0.117

Table 5: Education quality and economic growth

Note: The dependent variable is real economic growth per capita in constant USD from the initial year to 2019, as reported by the World Bank, World Development Indicators. Education in single years for adults is taken from Barro and Lee (2018). Education quality and share accessing grade five are the averages at initial year for the population aged 20 to 40 (or the highest available age) weighted by cohort population. Robust standard errors are reported in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

	(1)	(2)	(3)	(4)
Women				
Birth Year	-0.465***	-0.292***	-0.317***	-0.357***
	(0.0242)	(0.0588)	(0.0473)	(0.0459)
Share with schooling		-10.67***	-11.83***	-0.418
		(3.427)	(3.972)	(4.305)
Share with secondary schooling		-8.423**	-6.104^{*}	-11.92***
		(3.928)	(3.521)	(4.030)
Repetition			11.53***	7.611***
			(1.418)	(1.314)
Height w/ schooling				0.966***
				(0.287)
N	3231	3231	2186	1401
R^2	0.788	0.790	0.875	0.915
Men				
Birth Year	-0.603***	-0.574***	-0.647***	
	(0.0283)			
Share with schooling	(0.0200)	7.748	5.879	
		(6.249)	(6.690)	
Share with secondary schooling		-7.933*	(0.000)	
· · · · · · · · · · · · · · · · · · ·		(4.548)		
Repetition		()	6.385***	
•			(1.416)	
N	2124	2124	1510	
R^2	0.727	0.727	0.768	

Table 6: Education quality and enrollment

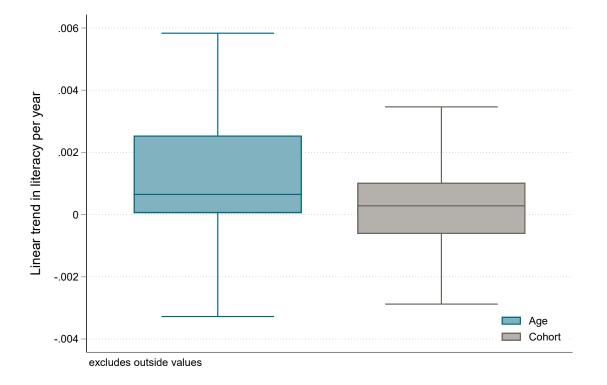
Note: Each column presents a separate regression, estimated separately for men and women, of predicted literacy at grade 5 on the covariates shown in the left column. The unit of observation is a country-birth cohort. All estimates control for country fixed effects.

* for p < 0.05, ** for p < 0.01, and *** for p < 0.001.

A Appendix

A.1 APC decomposition of literacy for individuals with no schooling

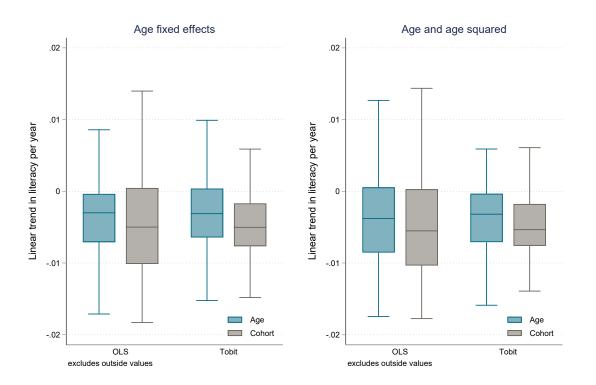
Figure 10: Age and cohort effects of literacy for individuals with no schooling. Deaton-Paxson normalization.



A.2 Age and cohort trends estimated with OLS and Tobit estimators

Results are summarized by looking at the linear trends of the age and cohorts as seen in and show OLS and Tobit estimates for equations 2 and 4. Period effects trends are not shown as they are zero by construction.





The different specifications show similar results. Age and cohort effects tend to be small and negative with about three quarters of estimated age and cohort trends being negative. Thus, both age and cohort effects tend to show that in the majority of cases individuals tend to lose literacy as they age and that more recent cohorts have lower rate of literacy after five years of schooling. In 12 cases, OLS and Tobit estimates using age fixed effects have estimation issues with parameters being omitted because of multicollinearity. Except for these 12 cases, age and cohort trends are almost identical when controlling for age fixed effects or age and age squared with a correlation of 0.99 for cohort effects and 0.9 for age effects for OLS and Tobit estimates. In order to keep a maximum number of cases, we therefore use the specification with age and age squared.

Compared to OLS estimates, Tobit estimates tend to have trends closer to 0 with a median age effect trend of -0.3 percentage points per year, or 9 percentage points over 30 years, while the median trend for age effect is -0.4 percentage points per year with OLS estimates. Similarly, median trends of cohort effects are -0.5 and -0.6 percentage points per year with

Tobit and OLS estimates respectively. The main difference lies in the trimming of large negative cohort effects. With Tobit estimates, there are 10 cases with cohort effects larger than -1 percentage point per year while there are 20 cases with OLS estimates. Interestingly, maximum values for positive cohort or age effects are similar with OLS or Tobit estimates. The trimming of large cohort effects makes results more plausible. For instance, for Ethiopian women OLS estimates predict a very large drop in school quality but this is due to the fact that expected literacy at grade five of 20 year old is 1.3 for the first cohorts and then decrease to about 0.7 for the last cohorts, whereas Tobit estimates predict a more realistic drop from 1 to 0.7. For this reason, we use Tobit estimates in our main discussion.

A.3 Comparison of APC, AC and C models

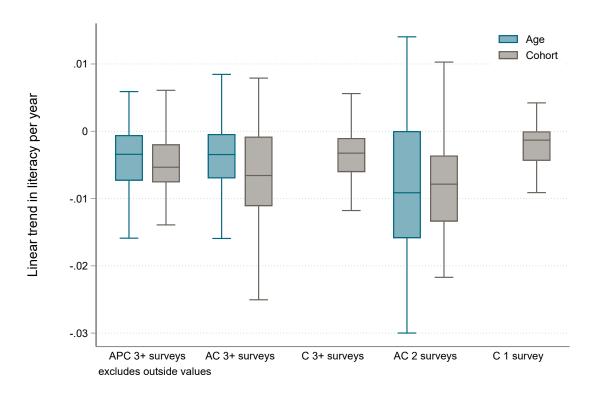


Figure 12: Comparison of APC, AC and C models by number of available surveys

For cases with at least three available surveys, dropping the normalized period effects (AC model) gives very similar results to the APC model estimated with DP normalization. Median trends in cohort and age effects are almost identical, which is not surprising given the

DP normalization assumes no trend in period effects. For comparison, age and cohort effects of AC estimates for country/sex cases with two surveys are shown in figure 12. They tend to show similar median trends than country/cases with more more than two surveys available but a wider distribution of effects. Finally, estimating a C model (with no controls for age or period) on country/sex cases with at least three available surveys shows that, as expected, the median cohort effects tend to be biased upwards (median cohort effects of -0.3 pp instead of -0.5 pp with the full APC decomposition), which is consistent with age effects being negative. Thus, for country/sex cases with only one available surveys we cannot rule out that the small negative median cohort trend (-0.1 pp) might be due to the absence of controls for age effects.

A.4 Country results

	Bi	rth	Ι	Literacy	7		Share		Ι	Literacy	7
	Coł	nort		Rate		wi	th $S \ge$	5	@ S = 5		
	First	Last	First	Last	$\Delta\%$	First	Last	$\Delta\%$	First	Last	$\Delta\%$
					p.a.			p.a.			<i>p.a.</i>
Afghanistan+	1963	1995	6.7	17.5	.5	6	16.4	.5	87.2	55.4	-1.4
			(.4)	(.3)		(.4)	(.3)		(0)	(0)	
Algeria+	1965	1999	66.5	95	1.2	64.6	94.6	1.3	87.1	77	4
			(.4)	(.2)		(.5)	(.2)		(0)	(0)	
Angola	1958	1995	45.8	60.1	.5	35.6	60.1	.9	92.3	55.8	-1.4
			(1.8)	(.5)		(1.9)	(.5)		(0)	(0)	
Bangladesh	1958	1999	29.5	83.8	1.8	28.5	84.3	1.8	87.3	73.8	4
			(.3)	(.2)		(.3)	(.2)		(0)	(0)	
Belize	1958	1995	86.8	95.1	.3	83.2	92.7	.4	36.7	79.7	1.6
			(1.2)	(.4)		(1.3)	(.5)		(4.2)	(1.4)	
Benin	1953	1997	14.5	38.1	.7	14.5	39.4	.7	63.1	43.3	6
			(.8)	(.5)		(.9)	(.5)		(0)	(0)	
Bhutan [*]	1962	1990	14.4	49.9	2	8.4	41.4	1.8	72.2	70.1	1
			(.6)	(.6)		(.5)	(.7)		(0)	(0)	
Bolivia+	1955	1988	77.5	96	.8	51	85.7	1.5	100	100	0

Table 7: Cohort-based estimates of trends: Women

50

	Sur	vey]	Literacy	7		Share		Ι	Literacy	7
	Ye	ear		Rate		wi	th $S \ge$	5	($\Im S = S$	5
	First	Last	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$
			(.6)	(.2)		(.7)	(.4)		(0)	(0)	
Bosnia*	1958	1986	97.6	99.4	.1	88.5	98	.5	93.1	90	2
			(.4)	(.1)		(1)	(.3)		(1.9)	(2.4)	
Burkina Faso	1955	1997	6.4	27.3	.7	7	27.8	.6	46.2	58.6	.4
			(.4)	(.7)		(.4)	(.7)		(0)	(0)	
Burundi	1957	1996	33.4	63.8	1	11.7	45	1.1	88.3	96	.3
			(1)	(.5)		(.8)	(.5)		(0)	(0)	
CAR+	1958	1986	22.9	31.6	.5	24.1	36.2	.7	90.7	47.5	-2.4
			(.9)	(.7)		(1)	(.7)		(0)	(0)	
Cambodia	1952	1994	47.4	73.8	.8	16.3	68.1	1.6	97.6	77.3	6
			(.6)	(.4)		(.6)	(.5)		(0)	(0)	
Cameroon	1956	1998	53.5	69.6	.5	56.3	74.3	.6	71.8	49.9	7
			(.8)	(.5)		(.9)	(.5)		(0)	(0)	
Chad	1956	1994	7.8	21.4	.5	6.2	25.4	.7	82.4	28.8	-1.9
			(.6)	(.5)		(.6)	(.5)		(0)	(0)	
Comoros*	1964	1992	34.8	65	1.7	34.8	66.8	1.8	46.6	43.7	2
			(1.7)	(1.1)		(1.8)	(1.1)		(0)	(0)	
Congo, Dem Rep+	1959	1993	44.7	58.1	.6	45.2	64.7	.8	72.8	37.4	-1.5
			(1)	(.5)		(1.1)	(.5)		(0)	(0)	
Congo, $\operatorname{Rep}+$	1957	1991	69	77.1	.3	72.7	85.1	.5	33.3	28.8	2
			(1.3)	(.6)		(1.3)	(.5)		(0)	(0)	
Costa Rica $+$	1963	1998	95.4	99.4	.2	89.4	97.6	.3	91.9	93.6	.1
			(.6)	(.1)		(.8)	(.3)		(1.6)	(1.2)	
Cote d'Ivoire	1958	1996	23.4	41.2	.6	24.2	41.3	.6	81.9	60.8	8
			(.8)	(.6)		(.8)	(.7)		(0)	(0)	
Djibouti*	1958	1986	17.5	44.9	1.5	21.1	52.4	1.7	34.5	36.9	.1
			(1.3)	(1)		(1.6)	(1)		(2.9)	(2.3)	
Dominican Rep.	1954	1994	79.8	95.2	.5	65.7	95	1	95.6	73.1	7

	Sur	vey	Ι	Literacy	7		Share		Ι	Literacy	7
	Ye	ear		Rate		wi	th $S \ge$	5	(S = 5	5
	First	Last	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$
			(.5)	(.2)		(.6)	(.2)		(0)	(0)	
Egypt, Arab Rep	1952	1994	36.8	80.3	1.4	39.6	80.1	1.3	35.1	40.1	.2
			(.5)	(.4)		(.5)	(.4)		(0)	(0)	
El Salvador*	1966	1994	83.2	95.3	.7	59.3	87.2	1.5	96.4	94.8	1
			(.7)	(.3)		(1)	(.5)		(0)	(0)	
Eswatini	1958	1994	81.8	95	.5	72.4	92.7	.8	83.9	85.9	.1
			(1)	(.3)		(1.3)	(.4)		(0)	(0)	
Ethiopia	1952	1996	7.6	44.9	1.1	4	41.6	1.1	97.5	68.2	9
			(.4)	(.5)		(.3)	(.6)		(0)	(0)	
Gabon^*	1964	1992	82.3	90	.4	84.2	91.6	.4	64.5	60.9	2
			(.9)	(.5)		(.9)	(.5)		(0)	(0)	
Ghana	1955	1999	46.9	76	.9	53	82.6	.9	5.1	13.2	.2
			(1.1)	(.5)		(1.1)	(.5)		(0)	(0)	
Guatemala*	1967	1994	64.3	84.5	1.2	39.6	67.3	1.6	95.5	95.3	0
			(.6)	(.4)		(.7)	(.5)		(0)	(0)	
Guinea	1957	1998	8.7	31.9	.7	9.6	37.2	.9	26	19.4	2
			(.6)	(.6)		(.7)	(.6)		(0)	(0)	
Guinea-Bissau	1958	1998	17.4	51.9	1.2	13.8	51.8	1.3	88.8	58.8	-1
			(1)	(.7)		(1)	(.7)		(0)	(0)	
Guyana	1961	1994	91.2	96.3	.2	83.3	95	.5	95.7	66.4	-1.3
			(.6)	(.3)		(.9)	(.4)		(0)	(0)	
Haiti	1952	1996	28.4	82.5	1.6	20.7	81.8	1.8	87.5	72.6	4
			(.8)	(.4)		(.7)	(.4)		(0)	(0)	
$\operatorname{Honduras}+$	1958	1991	82.4	94.3	.5	54.1	81.1	1.2	100	100	0
			(.5)	(.2)		(.7)	(.4)		(0)	(0)	
India+	1958	1995	38	75.8	1.4	36.6	77.3	1.5	89.8	51.4	-1.4
			(.3)	(.1)		(.3)	(.1)		(0)	(0)	
Indonesia	1954	1997	68	97.7	.9	58.5	96.6	1.2	83.9	91.7	.2

	Sur	vey	Ι	Literacy	7		Share		Literacy			
	Ye	ear		Rate		wi	th $S \ge$	5	(S = S	5	
	First	Last	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ p.a.	
					p.u.			p.u.			<i>p.u.</i>	
			(.4)	(.1)		(.4)	(.1)		(0)	(0)		
Iraq	1958	1998	56.9	75.9	.6	52.8	73	.7	87.1	77.6	3	
			(.6)	(.3)		(.6)	(.4)		(0)	(0)		
Jordan [*]	1969	1997	94.5	96.8	.1	94.7	96.6	.1	64.2	67.6	.2	
			(.3)	(.3)		(.3)	(.3)		(0)	(0)		
Kenya	1955	1995	56.3	85.5	1	61.3	89.8	1	66.5	61.4	2	
			(1.1)	(.3)		(1.2)	(.3)		(0)	(0)		
Lao PDR+	1958	1997	55.2	73.3	.6	38.5	73.5	1.2	99.4	79	7	
			(1.2)	(.5)		(1.2)	(.5)		(0)	(0)		
Lesotho	1956	1994	87.6	95.2	.3	80.7	96.2	.6	98.2	83	5	
			(.7)	(.3)		(1)	(.3)		(0)	(0)		
Liberia	1959	1996	24.7	56.2	1.2	26.7	61.7	1.3	48.8	37.9	4	
			(.8)	(.8)		(.8)	(.9)		(0)	(0)		
Madagascar	1956	1998	65.7	68.3	.1	38.5	54.5	.5	99.5	87.6	4	
			(.8)	(.4)		(.9)	(.5)		(0)	(0)		
Malawi	1952	1997	35	71.9	1.1	25.8	71.5	1.3	82.5	64.6	5	
			(.8)	(.5)		(.7)	(.5)		(0)	(0)		
Maldives*	1968	1996	90.8	99.6	.5	72.8	99.1	1.5	89.8	92.7	.2	
			(.5)	(.1)		(1.1)	(.2)		(0)	(0)		
Mali	1953	1998	9.4	28.2	.5	9.2	29.2	.6	57.1	33.9	7	
			(.5)	(.5)		(.5)	(.5)		(0)	(0)		
Mauritania	1959	1995	36.2	56.3	.8	18.7	48.8	1.2	74.9	68.4	2	
			(.8)	(.5)		(.6)	(.6)		(0)	(0)		
Mexico*	1967	1995	94	98.3	.2	88.5	97.8	.5	91.1	87.6	2	
			(.4)	(.2)		(.6)	(.2)		(0)	(0)		
Mongolia	1958	1998	95.2	98.2	.1	90.2	96	.2	84	80.7	1	
			(.5)	(.2)		(.8)	(.3)		(0)	(0)		
Montenegro+	1957	1993	97.9	99.2	0	96	99	.1	70.9	53.7	7	

	Sur	vey	Ι	Literacy	7		Share		Ι	Literacy	7
	Ye	ear		Rate		wi	th $S \ge$	5	(O S = 5	5
	First	Last	First	Last	$\Delta\%$	First	Last	$\Delta\%$	First	Last	$\Delta\%$
					p.a.			p.a.			p.a.
			(.6)	(.2)		(.9)	(.3)		(3.7)	(4.3)	
Morocco*	1955	1983	(.0) 29.4	(.2) 52.9	1.3	(.5) 19.2	40.9	1.2	(0.1)	(4.0) 94.6	0
11010000	1000	1000	(.7)	(.7)	1.0	(.7)	(.7)	1.2	(0)	(0)	Ū
Mozambique	1955	1998	20.9	51.1	.9	12.2	61.4	1.5	99.8	41.9	-1.8
1			(.7)	(.8)		(.5)	(.8)		(0)	(0)	
Myanmar*	1968	1995	77.5	85.2	.5	52.3	74.4	1.3	92.2	93.9	.1
v			(.6)	(.5)		(.8)	(.7)		(0)	(0)	
Namibia	1952	1993	74.7	93.5	.6	63.5	93.3	1	51	64.6	.4
			(1.1)	(.3)		(1.3)	(.4)		(0)	(0)	
Nepal	1952	1998	17.9	80.7	1.7	5.4	76.5	2	99.5	82.8	5
			(.7)	(.3)		(.4)	(.4)		(0)	(0)	
Nicaragua*	1953	1981	74	85.1	.6	47.6	69.5	1.2	98.6	97.3	1
			(.9)	(.5)		(1)	(.7)		(0)	(0)	
Niger+	1958	1992	5.8	11.8	.3	6.3	14.6	.3	54.3	36	8
			(.5)	(.5)		(.5)	(.5)		(0)	(0)	
Nigeria	1955	1998	33.9	57	.7	40.9	62.4	.7	52.3	21.2	9
			(.8)	(.3)		(.8)	(.3)		(0)	(0)	
North Macedonia*	1957	1985	93.3	96.3	.2	84.2	93.5	.5	90.5	91.3	0
			(.6)	(.3)		(1)	(.4)		(0)	(0)	
Pakistan	1958	1997	26	52.3	.9	22.4	48.9	.9	68.9	85.9	.6
			(.7)	(.7)		(.7)	(.7)		(0)	(0)	
Panama*	1965	1993	95.1	96.9	.1	91.6	95.9	.2	96	91	3
			(.4)	(.3)		(.6)	(.4)		(0)	(0)	
Pap. N. Guinea [*]	1969	1996	48.5	60.8	.7	56.2	65.7	.6	54.8	51.8	2
			(.8)	(.6)		(.9)	(.7)		(0)	(0)	
Paraguay*	1968	1996	90.4	96.8	.4	83.5	94.9	.6	88.2	88.1	0
			(.7)	(.3)		(1)	(.4)		(0)	(0)	
Peru	1952	1992	82.3	96	.5	71.7	93.7	.7	69.4	84.9	.5

	Sur	vey	Ι	Literacy	7		Share		Ι	Literacy	V
	Ye	ear		Rate		wi	th $S \ge$	5	($\Im S = S$	5
	First	Last	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$
			(.4)	(.1)		(.5)	(.1)		(0)	(0)	
Philippines+	1955	1988	92.2	96.7	.2	88.4	95.7	.3	92.4	83.8	4
			(.4)	(.2)		(.5)	(.3)		(0)	(0)	
Rwanda	1952	1997	40.2	81.9	1.2	23	61.5	1.1	97.4	97	0
			(.9)	(.5)		(.8)	(.7)		(0)	(0)	
Sao Tome	1960	1999	65.1	88.7	.8	40.6	83.8	1.5	96.1	79	6
			(1.7)	(.8)		(1.9)	(1)		(0)	(0)	
Senegal	1957	1998	21.5	47.8	.8	21.4	49.6	.9	75	55.9	6
			(.5)	(.4)		(.5)	(.4)		(0)	(0)	
Serbia	1957	1999	98.6	99.1	0	96.6	98.9	.1	91.8	82.5	3
			(.2)	(.2)		(.4)	(.3)		(2.1)	(4.8)	
Sierra Leone	1957	1999	14.6	53.2	1.2	16.6	59.4	1.3	40.8	16.3	8
			(.8)	(.4)		(.9)	(.4)		(0)	(0)	
Somalia*	1958	1986	15.8	23	.4	9.2	10.6	.1	85.9	89.2	.2
			(1.3)	(.8)		(1)	(.6)		(0)	(0)	
South Africa [*]	1968	1996	91.5	97.3	.3	89.2	98.9	.5	71.4	47.9	-1.3
			(.6)	(.3)		(.7)	(.2)		(0)	(0)	
$\operatorname{Sudan}+$	1962	1994	37.7	54.4	.8	34.4	54.8	.9	78.7	60	8
			(.8)	(.5)		(.9)	(.5)		(0)	(0)	
Suriname	1958	1998	88	95.7	.3	83.6	94.9	.4	99	88	4
			(.7)	(.4)		(.8)	(.4)		(0)	(0)	
Syria*	1958	1986	63.3	88.1	1.4	60	87.3	1.5	74.9	63.7	6
			(.7)	(.3)		(.8)	(.4)		(0)	(0)	
Tanzania	1956	1997	53.8	76.6	.7	49	79.4	1	77.4	65	4
			(1)	(.5)		(1)	(.5)		(0)	(0)	
Thailand	1958	1999	87.7	96.4	.3	44.1	96.9	1.7	100	74.8	8
			(.3)	(.2)		(.4)	(.2)		(1.8)	(1.9)	
The Gambia	1958	1998	11.6	57.4	1.5	13.3	62.5	1.6	39.7	16.1	8

	Survey Year		Literacy Rate			Share with $S \ge 5$			Literacy $@ S = 5$		
	First	Last	First	Last	$\Delta\%$ p.a.	First	Last	$\Delta\%$ p.a.	First	Last	$\Delta\%$ p.a.
			(.8)	(.6)		(.8)	(.6)		(0)	(0)	
Timor-Leste+	1961	1996	(.8)	(.0) 79.5	1.7	(.8) 31.8	(.0)	1.9	(0) 96.9	(0) 64.8	-1.3
1 Imor-Leste+	1901	1990			1.1			1.9			-1.3
Taria	1050	1007	(.8)	(.5)	1	(.8)	(.6)	1 1	(0)	(0)	1 1
Togo	1958	1997	29.5	57.2	1	32	64.4	1.1	74.9	42.6	-1.1
	1050	1001	(1.1)	(.6)	-	(1.2)	(.6)	-	(0)	(0)	
Trini. and Toba.+	1958	1991	96.2	98.7	.1	95.8	98.8	.1	99.8	90.2	4
			(.4)	(.2)		(.5)	(.2)		(0)	(0)	
Tunisia+	1964	1998	66.5	95.1	1.2	65.1	95.9	1.3	98.8	67.4	-1.3
			(.8)	(.3)		(.8)	(.3)		(0)	(0)	
Uganda	1952	1998	41.4	68.3	.7	32	80.7	1.4	85.1	45.1	-1.1
			(1.4)	(.5)		(1.3)	(.4)		(0)	(0)	
Vietnam	1958	1994	90.1	93.5	.1	76.7	88.7	.5	72	94.1	.8
			(.4)	(.5)		(.7)	(.6)		(0)	(0)	
West Bank [*]	1966	1994	91.3	99.1	.4	93.3	99.5	.3	58.9	26.9	-1.8
			(.5)	(.1)		(.5)	(.1)		(0)	(0)	
Yemen, Rep*	1965	1993	20	52.4	1.8	16.1	49	1.8	68.3	70	.1
· •			(.7)	(.5)		(.7)	(.5)		(0)	(0)	
Zambia	1954	1998	56.4	70.8	.4	58.4	85.4	.8	61.2	22.6	-1.1
			(1.2)	(.5)		(1.2)	(.4)		(0)	(0)	

Table 8: Cohort-based estimates of trends: Men

Birt	Birth		Literacy			Share			Literacy		
Cohe	ort	Rate			with $S \ge 5$			@S = 5			
First	Last	First	Last	$\Delta\%$	First	Last	$\Delta\%$	First	Last	$\Delta\%$	
				p.a.			p.a.			p.a.	

	Sur	vey	Ι	Literacy	7		Share		Ι	Literacy	7
	Ye	ear		Rate		with $S \ge 5$			(5	
	First	Last	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$
Afghanistan*	1967	1995	36.9	48.1	.6	31.4	46.9	.9	55.8	51.7	2
			(.9)	(.9)		(.9)	(.9)		(0)	(0)	
Albania+	1961	1997	96.6	96.9	0	98.3	96.9	1	48.7	75.1	1
			(.5)	(.4)		(.3)	(.4)		(5.2)	(2.7)	
Angola*	1967	1995	81.3	83.2	.1	69.1	81.7	.7	81	66.4	8
			(1.2)	(.8)		(1.6)	(.9)		(0)	(0)	
Bangladesh+	1959	1991	50.1	61	.5	41.7	53.6	.5	97.2	82.2	7
			(1.1)	(1.7)		(1.2)	(1.9)		(0)	(0)	
Belize*	1967	1995	86.4	94.1	.4	79.6	93.3	.8	81.6	84.1	.1
			(1.2)	(.6)		(1.6)	(.7)		(0)	(0)	
Benin	1953	1997	37.4	58.4	.6	34.6	58.9	.7	79.7	51.5	8
			(1.7)	(.8)		(1.8)	(.9)		(0)	(0)	
Bolivia+	1955	1988	95.5	99.1	.2	75.1	94.7	.9	93.8	94.5	0
			(.5)	(.2)		(1.1)	(.4)		(1.4)	(1)	
Burkina Faso+	1955	1990	18.5	39.5	.8	14.9	37.6	.9	25.8	54.1	1.1
			(1.3)	(1)		(1.3)	(1)		(0)	(0)	
Burundi+	1962	1996	65.7	78.2	.5	29.1	60.9	1.3	99.8	97	1
			(1.5)	(.7)		(1.5)	(.9)		(0)	(0)	
Cambodia+	1962	1994	69.9	77.8	.4	56.2	76.7	.9	73.6	61.6	5
	1002	1001	(.8)	(.7)	• -	(1)	(.8)		(0)	(0)	•••
Cameroon	1956	1998	(.0)	84.6	.4	71.3	87.1	.5	66.4	59.7	2
Cameroon	1550	1550	(1.3)	(.6)	•1	(1.4)	(.5)	.0	(0)	(0)	2
Chad+	1956	1994	(1.5) 25.6	(.0) 55.8	1.1	(1.4) 22.3	(.5) 57.8	1.3	81.6	35.2	-1.7
Ullau+	1900	1994			1.1			1.0			-1.1
Commo Derre Der	1050	1009	(2.7)	(1.3)	1	(2.8)	(1.4)	0	(0)	(0)	10
Congo, Dem Rep+	1959	1993	83	85.9	.1	82.5	87	.2	91.9	61.4	-1.3
	1057	1001	(1)	(.6)	0	(1.2)	(.6)	н	(0)	(0)	F
Congo, $\operatorname{Rep}+$	1957	1991	92.5	86.9	2	93.1	90.4	1	58	46.6	5
			(1)	(.8)		(1)	(.7)		(0)	(0)	

	Sur	vey	Ι	Literacy	7		Share		Ι	Literacy	7
	Ye	ear		Rate		with $S \ge 5$			@ $S = 5$		
	First	Last	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ p.a.
Cote d'Ivoire+	1964	1996	52.9	62.1	.4	49.1	60.9	.5	95.3	60.6	-1.6
Dominican Rep.	1954	1993	(1.4) 78 (1.2)	(1) 88.9	.4	(1.4) 68.5 (1.5)	(1) 88 (4)	.7	(0) 97.8 (0)	(0) 74.2	8
Eswatini	1958	1994	(1.2) 79.7 (1.3)	(.4) 92.1 (.7)	.5	(1.5) 72.7 (1.6)	(.4) 87.8 (.9)	.6	(0) 68.3 (0)	(0) 78.9 (0)	.4
Ethiopia	1952	1996	(1.5) 39.5 (1.6)	(.1) 69.7 (.6)	.9	(1.0) 18.6 (1.2)	(.3) 59.7 (.7)	1.2	(0) 97.2 (0)	(0) 82.8 (0)	4
Gabon*	1964	1992	(1.0) 87.4 (.9)	(.0) 90.5 (.7)	.2	(1.2) 86.9 (1)	90.8 (.8)	.2	65.2 (0)	(0) 55.6 (0)	5
Ghana	1955	1997	68.7 (1.3)	86.2 (.6)	.5	70.9 (1.3)	89.5 (.6)	.6	33.9 (0)	23.9 (0)	3
Guatemala*	1967	1994	80.2 (.8)	91.1 (.5)	.6	52 (1.2)	77.6 (.8)	1.5	96.3 (0)	95.1(0)	1
Guinea	1957	1998	30.6 (1.8)	63.9 (1.3)	1.1	30.1 (1.8)	66.1 (1.4)	1.2	54.5 (0)	45 (0)	3
Guinea-Bissau $+$	1966	1998	57 (1.6)	77.7 (1)	.9	46.4 (1.7)	74 (1.1)	1.3	99.9 (0)	86.5 (0)	6
Guyana*	1961	1989	86.3 (1.1)	91.8 (.9)	.3	81 (1.3)	92 (.9)	.6	62.8 (0)	46.3 (0)	9
Haiti	1952	1996	45 (1.6)	85.2 (.5)	1.2	33.9 (1.6)	84.4 (.5)	1.5	92.1 (0)	73 (0)	6
Honduras*	1964	1991	85.5 (1)	91.6 (.6)	.4	58.8 (1.4)	79.1 $(.9)$	1.2	97.4 $(.5)$	93.3 $(.6)$	2
India+	1958	1995	66.7 (.4)	88 (.2)	.8	61.2 (.4)	87.9 (.2)	1	91.5 (0)	56.2 (0)	-1.3
Indonesia	1954	1997	84.5 $(.5)$	96.8 (.6)	.4	71.1 (.7)	93.9 $(.9)$.7	91.8 (0)	90.8 (0)	0

	Sur	vey]	Literacy	7		Share		Ι	Literacy	7
	Year			Rate		with $S \ge 5$			@ $S = 5$		
	First	Last	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$
Kenya	1955	1994	81.8	89.7	.3	79.8	93.4	.5	89.8	60.5	-1
Lao PDR*	1969	1997	(1.5) 77	(.4) 83.8	.4	(1.7) 70.8	(.4) 82.2	.6	(0) 83.3	(0) 75.9	4
Lesotho	1956	1994	(.7) 64.1	(.6) 81.2	.6	(.9) 49.3	(.6) 77.7	1	(0) 92.8	(0) 75.7	6
Liberia+	1959	1993	(2) 68.3 (1, 2)	(.9) 76 (1)	.3	(2.1) 68.8 (1.2)	(1.1) 77.9	.4	(0) 97.6 (0)	(0) 66.4	-1.3
Madagascar	1956	1998	(1.2) 73.1 (1.3)	(1) 73.8 (.8)	0	(1.2) 43.6 (1.6)	(1) 62.3 (1)	.6	(0) 96.3 (0)	(0) 90.1 (0)	2
Malawi	1952	1995	(1.3) 72.1 (1.7)	(.6) 79.9 (.5)	.2	(1.0) 55.2 (1.9)	(1) 79 (.6)	.7	(0) 93.5 (0)	(0) 67.8 (0)	8
Maldives*	1969	1996	(1.1) 90.5 (.8)	(.0) 98.9 (.2)	.5	(1.0) 84.1 (1.2)	(.0) 99.1 (.2)	.9	(0) 84.5 (2)	(5) (69.8) (5.5)	9
Mali	1953	1998	(13) 26.1 (1.4)	(12) 50.8 (1)	.7	(1.2) 22.7 (1.5)	(12) 50.8 (1)	.8	(-) 56.5 (0)	(310) 38.4 (0)	5
Mauritania*	1967	1995	54.8 (1.6)	70.9 (1.1)	.9	38.3 (1.7)	57.6 (1.3)	1.1	82.3 (0)	76.3 (0)	3
Mongolia+	1965	1998	92.7 (.8)	96 (.4)	.1	85.9 (1.2)	90.7 (.8)	.2	87.4 (0)	64.3 (0)	-1
Mozambique+	1955	1991	63.3 (2.1)	70.3 (1.2)	.3	44.5 (2.2)	67.8 (1.3)	.9	99.9 (0)	76.4 (0)	9
Myanmar*	1968	1995	84.2 (.9)	86.7 (.8)	.1	60.5 (1.4)	76.1 (1.1)	.9	93.4 (0)	85.1 (0)	5
Namibia	1952	1993	74 (1.6)	88.3 (.7)	.5	59.8 (2.1)	88 (.8)	.9	88.7 (0)	67.2 (0)	7
Nepal	1952	1996	61.1 (1.7)	91.8 (.6)	.9	35.6 (1.7)	85.6 (.9)	1.5	98.8 (0)	91.1 (0)	2

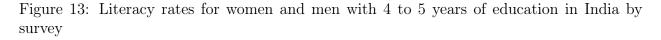
	Sur	vey	Ι	Literacy	7		Share		Ι	Literacy	7
	Ye	ear		Rate		wi	th $S \ge$	5	(O S = 5	5
	First	Last	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ $p.a.$	First	Last	$\Delta\%$ p.a.
Niger+	1958	1992	20.5	37	.7	15.2	36.9	.9	41	45.7	.2
Nimerie	1055	1000	(1.2)	(1.4)	4	(1.2)	(1.5)	4	(0)	(0)	1 0
Nigeria	1955	1998	62.6	76.9	.4	66.4	80.2	.4	71.6	31.2	-1.2
Pakistan+	1964	1997	(1.7) 57.6	(.5) 64.8	.3	(1.8) 56.7	(.4) 62.6	.3	(0) 74.2	(0) 68.9	2
	1904	1997	(1.2)	(1.6)	.0	(1.3)	(1.8)	.0	(0)	(0)	2
Pap. N. Guinea [*]	1969	1996	(1.2) 66.7	(1.0) 75.7	.5	(1.5) 69.7	(1.0)	.5	64.5	58.1	4
rap. n. Guinea	1000	1550	(1.1)	(.8)	.0	(1.2)	(.9)	.0	(0)	(0)	• •
Philippines*	1955	1983	90.5	94.6	.2	83	91.5	.5	84.8	83.8	1
F F 00			(.8)	(.5)		(1.3)	(.8)		(0)	(0)	
Rwanda	1952	1994	65.5	80.6	.5	39.8	57.3	.5	98.4	96.5	1
			(1.7)	(.6)		(1.8)	(.9)		(0)	(0)	
Sao Tome	1960	1999	90.1	89.6	0	67.3	83.9	.6	98.3	78.8	7
			(1.3)	(.9)		(2.2)	(1.3)		(0)	(0)	
Senegal	1957	1998	40.9	60.4	.6	34.8	59	.8	76.8	61.4	5
			(1.6)	(.7)		(1.6)	(.7)		(0)	(0)	
Sierra Leone	1960	1999	36	75.1	1.3	39.2	78.7	1.4	42.1	26.7	5
			(1.4)	(.6)		(1.5)	(.6)		(0)	(0)	
Tanzania	1956	1995	82.8	80.8	1	77.5	82.3	.2	76	64.5	4
			(1.5)	(1)		(1.9)	(1)		(0)	(0)	
Thailand+	1967	1999	93.7	95.4	.1	91.2	95.9	.2	100	84	7
			(.2)	(.3)		(.3)	(.2)		(4.2)	(2.4)	
The Gambia+	1965	1998	54.4	72	.8	51.3	72.8	.9	65.8	30.3	-1.5
			(1.6)	(.9)		(1.7)	(1)		(0)	(0)	
Timor-Leste+	1961	1996	61.9	81.7	.8	53.1	77.5	1	94.4	71	9
			(1.5)	(1)		(1.6)	(1.1)		(0)	(0)	
Togo+	1966	1997	67.5	79.7	.6	67.7	83.3	.7	100	64.5	-1.7
			(1.4)	(1)		(1.5)	(.9)		(0)	(0)	

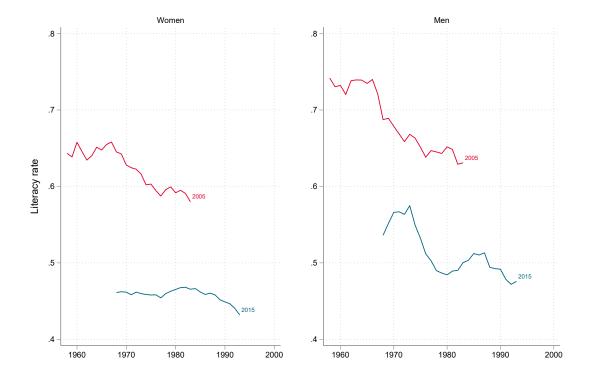
		Survey Year		Literacy Rate			Share with $S \ge 5$			Literacy $@ S = 5$		
	First	Last	First	Last	$\Delta\%$	First	Last	$\Delta\%$	First	Last	$\Delta\%$	
					p.a.			p.a.			p.a.	
Uganda	1952	1996	72.4	73.8	0	59.7	84.7	.7	93.2	46.6	-1.4	
			(2.2)	(.9)		(2.6)	(.8)		(0)	(0)		
Zambia	1954	1998	81.6	83.7	.1	81.3	91.8	.3	74.5	36.1	-1.1	
			(1.4)	(.5)		(1.6)	(.4)		(0)	(0)		

A.5 The case of India

In this section, we explore further the case of India. India makes up 33 percent of the country population of the female sample but Indian estimates are only based on two surveys. We find a large drop in school quality in India but this might be due to the fact that we are unable to estimate age and period/survey effects simultaneously.

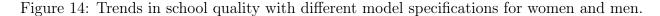
To understand why the trend in school quality is negative in India, it is useful to look at the raw data. Figure 13 shows the literacy rate of women and men with four to five years of primary of schooling by years of birth for the surveys 2005/06 and 2015/16. For women, literacy rates are seem to be flat within each survey but there is a drop of literacy of more than 10 percentage points between data collected in 2005/06 and data collected in 2015/16 for women born the same year. The picture is similar for men although literacy rates are also declining within each survey.

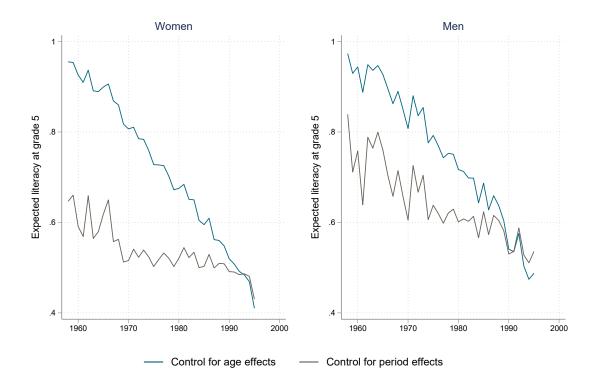




As we control for cohort fixed effects and age and age squared, the gap in literacy for women or men born the same year but interviewed at different dates is entirely attributed to age effects. Estimates age effects are relatively large with women expected to lose 25 percentage points of literacy between age 20 and 40 and men 20 percentage points. Since predictions of literacy at grade 5 are estimated for individuals at age 20, the model predicts that a steep downward trend in school quality between the first and the last cohorts. However, with only two available surveys it is hard to know if the systematic difference in literacy rates we observe between individuals interviewed in different surveys is due to age effects, as our model assumes, or period/survey effects.

To test the sensitivity of our results to this modelling assumption, we estimated the same model without age effects but controlling for period/survey effects and predicted the literacy at grade five by year of birth. Results can been seen in figure 14 for women and men. In both cases, the trend in school quality is steeper when estimated with a model controlling for age effects. In this case, it is predicted that Indian women and men born in the 1960's had an expected literacy at grade five greater than 0.9 but that it declined to less than 0.5 for the cohort born in the 1990's. However, when the model only includes a survey effect, trends in school quality are flatter as the expected literacy at grade five of first cohorts is only 0.6 for women and around 0.7 for men.





The two models presented in figure 14 can be thought as two extreme modelling assumptions: either attributing all systematic differences between the two surveys to age effects or attributing it fully to period/survey effects. In both cases, school quality is declining but the magnitude of this decrease is really different, especially for women and without additional data, it is not possible to know what modelling assumption is the most appropriate. However, there are reasons to think that our original modelling assumption controlling for age effects best fits the data.

In the model with survey effects, the coefficient associated with survey effect is 13 percentage points for women and 9.7 for men. That is a very large effect; for comparison the largest absolute survey effects for country/sex cases with at least three surveys is 22 percentage points and there are only seven survey effects out of 313 that are larger than 13 (and 15 greater than 9.7). What could explain such a large period/survey effect? First, we do not believe that there can be large period effect for adult literacy in a relatively short period of time. We find unlikely that the Indian context would have changed so drastically in 10 years that millions of adults would have become illiterate. A change in participation in literacy program could be a factor but only 3.3 percent of women said they ever took part to a literacy program in the 2005/06 survey (the question was not asked in 2015/16), which is too low to impact adult literacy rates.

Therefore, the difference should come from survey effects, such as differences in sampling or data collection methods. Both surveys are designed to be nationally representative and sampling design is identical. However, the sampling frame has changed between the two surveys as there has been a new census in 2011. Could this change explain the systematic difference between the two surveys? We think it is unlikely. First, similar differences between the two surveys are found within urban and rural areas. Moreover, analysis by Indian state shows that a negative school quality trend and negative age effects are found in most states (see figure 15), showing that the difference in literacy rates between the two surveys is not driven by composition effects. We can also see in figure 16 that the average number of years of schooling for men and women is identical across the two surveys for individuals born the same year, suggesting that there has not been systematic differences in sampling between the two surveys.

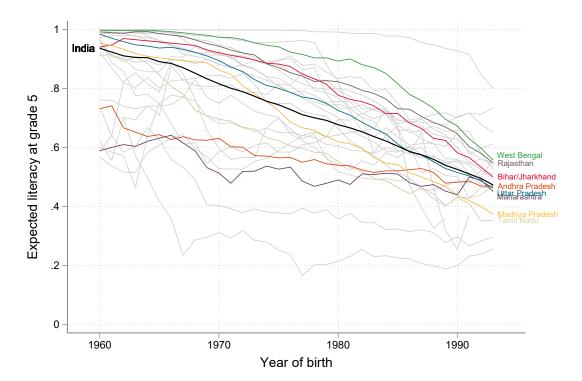


Figure 15: Trends in school quality by Indian state for women

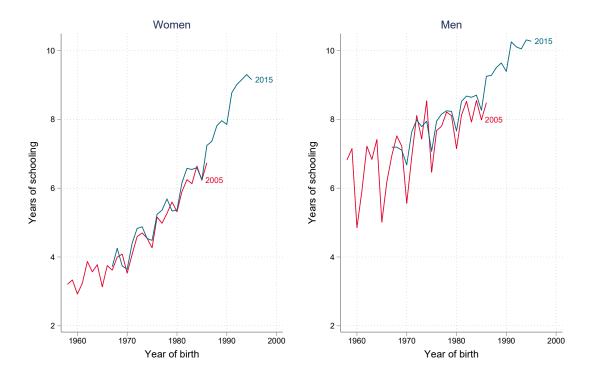


Figure 16: Years of schooling by survey for women and men.

Another possible source of survey effect could be a change in the way literacy is measured. In both surveys, individuals have to read a sentence and are graded on a 0-1-2 scale. The way interviewers grade literacy could have changed but results remain the same if people who are graded as 1 are classified as literate or illiterate. Also, differences in literacy rates are not due to differences in response rates that are high (>99 percent) and identical between the two surveys.

Estimated age effects for India are large but, as can be seen in figure 17, they are not outliers. Actually, they are close to estimated age effects for Bangladesh that have been estimated with seven surveys and also close to age effects for Nepalese women estimated with six surveys. Thus, it seems likely that there are indeed large age effects in India and that our estimates of a large drop in school quality are genuine.

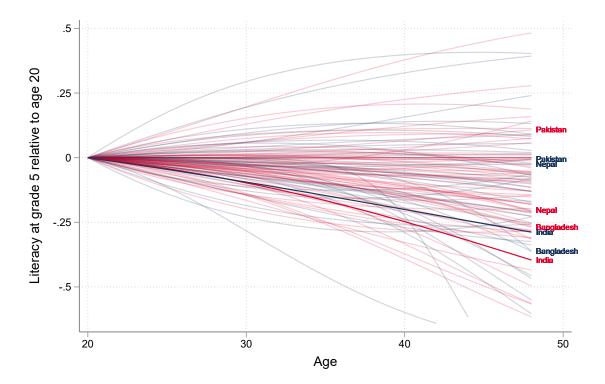


Figure 17: Age effects for women (red) and men (blue)