



Motives for School Evasion

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*“I may know very little,
but I suspect a lot more”*

*Grande Sertão: Veredas
Guimarães Rosa*

EXECUTIVE SUMMARY

Countries and parents who look after their children and teenagers enable their own future. It is crucial to educate the population about the importance of education. Even if we win all the battles to adopt the best educational practices, we lose the war in case these practices are not supported by the students and their parents' actions. They are the actors who, at last, will ensure the success of public policies. Here, we seek to understand the reasons directly reported by people for not being in school. It is not enough to perceive the good aspects of the educational policies, such as equity and efficiency. It is also necessary to understand how this information reaches people and how they transform this information into decisions. PNAD's education supplements show the reasons why those kids aged up to 17 years old are out of school, while also providing the focus and design for policies based on the needs and perceptions of those who make the decision to go, or not, to school. Heuristically, we hope to provide these perceptions and motivations of the ordinary citizen to managers and analysts alike.

Paradox – The social rate of return to education implies the opportunity costs of a teenager studying instead of working, as well as wage premiums and direct private or public costs of education. The literature calculates rates of return of 15% per year of study, which is at a much higher level than the cost of financing of the Brazilian government – who should expand it. The internal rate of return to education which is relevant for the parents and kids' decision is even higher because it excludes the public costs of education and includes other private benefits from education, beyond income earned in the labor market. For instance, our researches indicate that 95% of the improvement in the perceived health, observed as a result of improvements in education and income, occur as a direct effect of education if we keep income constant. That is,

there is an enormous private gain beyond the labor market to be derived from the decision to pursue more education. In this sense, high school evasion constitutes a paradox. If education has such a high private rate of return, why do Brazilians invest so little in it?

A first answer to the paradox is that the higher education premiums on health and income will only be observed in the mid-life and old-age, which are far away in the planning horizon of the young person deciding about education. In 2006, 2,7% of those between 10 and 14 years old were out of school, growing to 17,8% for those between 15 and 17 years old, had it not been for the repetition rates, where we focus our debate. There reside the biggest obstacles in terms of aversion to school and where the factors of labor attraction begin. We present the objective evidence of some subjective aspects associated with school evasion. Here, we approach direct questions such as: why is an individual of a certain age out of school? Is it because he has to work to provide for his family, he does not have access to school or simply because he does not want the type of school that is on offer?

Motives – We propose to study the causes of evasion along three basic lines, namely: the myopia or ignorance of public policy managers who restrict the supply of educational services; the intrinsic lack of interest of parents and students about the supply of education, be it for its perceived low quality or their ignorance and myopia about education's potential impacts. A third line is the income or credit market restrictions that stop people from enjoying the high returns of education in the long term. Let's see: i) difficult access to school (12,9%); ii) need to work and generate income (35,0%). iii) lack of interest (50,5%). iv) other reasons (1,5%). Valid answers taken at face value suggest that the three groups of reasons explain the near totality of answers. Just 1,52% of teenagers who do not attend school do so for other reasons. Two elements related to the lack of demand for education are worth highlighting as they respond for 85,58% of the reasons against 12,91% of the alleged supply deficiencies.

With regard to demand, the lack of interest, maybe due to ignorance about the benefits of education, represents 50,5% whereas the need to work and earn some income represents 35,08%. This last motivation would be consistent with the liquidity constraints faced by the youngster and their families. Therefore, policies to loosen this

restriction are recommended, such as the supply of educational credit, concession of scholarships or conditional cash transfers. All in all, this kind of policy would have, according to data, a limited potential to reach little over one third of the youngsters between 15 and 17 years old out of school. The attractiveness of school must be enhanced.

The evolution in relation to the previous two years reveals a reduction of the population in this age group, according to PNAD, from 10,7 million to 10,4 million, as a result of the demographic transition which explains the increasing easiness with which secondary education's universal coverage will be offered. In terms of motivation components, there is a slight decrease in the school evasion rates from 18,1% em 2004 to 17,8% in 2006. There was an increase in the lack of demand from 45,2% to 50,5%; whereas the importance of the income restrictions grows markedly from 22,8% in 2004 to 35,1% in 2006. The warmer labor market in the period, coupled with the absence of income conditionalities for people between 16 and 17 years old, may explain this result.

A relevant contrast among the subjective elements results from the identity of the questionnaire respondent. In other words, whether it was the teenager himself who answered about school evasion or whether it was someone else from the household, typically, his mother. The youngsters themselves would provide 25,7% of the answers related to education. The rate of evasion of youngsters is 67,7% larger than others (26,1% versus 15,6%). This suggests that these teenagers are more present at home than at school (thus they have a lesser probability of attending it). Restrictions aside, it is worth investigating the composition of the reasons for school evasion as given by the youngster himself who was at home answering the questionnaire: the reasons related to insufficient supply are smaller in the perception of the youngster between 15 and 17 years old than in the perception of other members of the household (7,93% against 11,4% of the remaining members), just as the lack of demand due to lack of interest in education (33,9% against 42,46%).

The original level of disaggregation of the answers from all respondents helps to explain the details surrounding this perception of lack of supply: 48,5% of it is due to a disability or incapacity of the youngsters pointing to a shortage of inclusive or special schools. Also within the issue of supply difficulties is the lack of vacancies or schools

nearby that account for 30,3%. The lack of documentation or transport problems are limited to 21,2% of the reasons associated with the lack of school supply.

The insufficient demand for education is less directly associated with the need to generate income in the short term and more so with a lack of vision about the return in the longer term. This lack of interest (50,4%) is divided in: did not want to attend (84,8%); has graduated or reached the desired grade (13,92%), parents or responsible person did not want them to attend (1,24%). Just as in the case of income generation, the direct influence of parents on the evasion seems small here. The teenager is out of school above all because he does not want the kind of school that is out there.

Low income teenagers – Of the 3,12 million people aged between 15 and 17 years old, 30% have per capita income lower than R\$ 100 monthly, which is the Bolsa Familia eligibility criteria. Their school evasion rate is 23,3% while the 20% richest ‘s rate is 5,8%. Nonetheless, the evasion for income restriction is 422% larger than amongst the poorest. Between 2004 and 2006, we observe an absolute reduction of 20,7% in the reasons for lack of supply and 13,7% in terms of lack of interest in education, while at the same time there was an increase of 27,2% in the absolute evasion of the poor due to lack of income.

One of the difficulties of the population between 16 and 17 years old between 2004 and 2006 is that they were outside the age group benefited by the educational conditionalities of the Bolsa Família. Additionally, the launch of the First Job (primeiro Emprego) program in 2003 attempted – apparently, unsuccessfully – to attract 16-year-old youngsters to the labor market through direct subsidies given to the companies to hire them. As already argued in this column before, since the first minute of this program: why encourage education up to 15 years of age and then encourage early employment from this age? What happens that is so special at the age of 15 that should imply this change in the direction of public incentives given to school and work? Fortunately, the First Job program was abandoned while from mid-2007 the maximum age for eligibility to the Bolsa Family was extended from 15 to 17 years old. As the proportion of people between 16-17 years old is eight times larger than in the case of 7 to 15 year-olds, a greater potential impact of the conditionality for the former is expected.

The ex-ante evaluation of the age group extension for the educational conditionalities for the Bolsa Família may anticipate future trends. Controlled regressions according to socio-economic features in the age between 7 and 15 years old show that the relative chance of potential beneficiaries of Bolsa Família to evade school due to lack income fell 18,21% compared to the non-eligible group during the expansion of the program. Reducing the lack of income as one of the causes for evasion is consistent with the rationale of the Bolsa Família, as the program diminishes the liquidity restriction that would push children and teenagers to the labor market. This exercise applied to 15 to 17 years old reveals an increase of 32% between 2004 and 2006 in the relative chance of the poor population in relation to the non-poor to evade school due to lack of income. It is in the combination of the aggregate demand for work with the individual need of poor teenagers to complement their income that we find the higher rates of school drop-outs. That is, school evasion is worse when work opportunity is coupled with income deprivation.

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