SCREENING, DESCHOOLING AND DEVELOPING COUNTRIES

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ABSTRACT

This paper is concerned with the "screening hypothesis" of schooling and the issue of deschooling for developing countries. Initially the mechanics of the screening hypothesis are described and it is argued that if the hypothesis is accepted, deschooling is a next possible step. This leads to a very brief survey of Reimer's book School is Dead. In the second half of the paper recent data from Northern Nigeria are presented which indicate (a) a recent slowing down of primary enrolments, (b) a decline in, already poor, secondary school examination results, (c) an inability to promote formal technical schools as a base for technical training. Turning to the employment sector, data are presented from a sample of Nigerian textile workers which show that while both the unschooled and the primary school leaver start off at the same rate of pay, the unschooled worker falls progressively behind. Similar data, and conclusions, are also presented from a survey of small scale industry workers. Although both these results support the productive rather than the screening role of schooling, caution must remain since it may be that the schooled belong to a different ability group from the unschooled. Finally it is argued that in Nigeria the ideas of the deschoolers may have more relevance at the secondary school level, partly because the actual results of these have been so poor and partly because the existence of thousands of, at least partially, trained workers in the small scale sector suggests that alternatives to formal schooling do exist.

From the optimistic view of schooling as "investment in human capital formation" and "the engine of economic growth" to the present debate surrounding deschooling is a great leap and one which must be perplexing a large number of people, not least those versed in the economics of education. This essay is an attempt to survey this movement and to analyse, in part, its relevance for low-income, low-schooling countries.

Although the resurgence of interest in the relationship between education and growth in labour productivity was initiated by Professor Schultz's presidential address to the American Economic Association in 1960 (Schultz 1961), it was the early work of Professor Denison which really placed education at the centre of the discussion of economic growth (OECD, 1964).
The “finding” that between 1929 and 1957 increases in education had “accounted” for 23 per cent of the increase in economic growth in the United States obviously had great propaganda value, and it was easy to overlook that this estimate was based on the dual assumptions of the productive role of schooling and its measurement via marginal productivity theory. This view of education, as a process of skill acquisition, is also central to the operation of manpower forecasting. Here, it is assumed that for each occupation there is a unique level of skill necessary, and these skill requirements are then directly translated to schooling requirements. Finally, proponents of rate of return analysis, while not initially assuming the productive role of education (at least for private returns), do explain the existence of wage differentials based on schooling differentials as being the result of directly productive schooling. Only recently have these types of interpretation been contested, and particularly with regard to the developing countries.

One line of argument of those who are not convinced of the directly productive role of schooling concludes that although schools are poor providers of useful skills, the malfunctioning of the labour market which distorts private and social benefits increases rather than decreases the demand for schools. This is because the increasing availability of schooling directly breeds further demands as those with a limited amount of education begin to get squeezed out of, or away from, jobs considered only recently as appropriate to them. At the same time, those workers safely within occupational groupings are prone to raise entry requirements for further recruits in an attempt to restrict entry and raise their own status. Finally, once there is a reasonable supply of school graduates relative to the demand for them, employers realise that years of schooling and the accompanying qualifications represent a straightforward “screen” for occupational selection. Schooling is therefore seen as necessary by students, existing workers and employers. None of this however proves that schooling is useful in a productive sense. In fact, it appears to be anti-productive as the resources needed for the schooling effort are to a large extent wasted. Consider a simple example. Occupation A has been staffed by primary school leavers for the last ten years. Gradually the situation develops where there is a surplus of secondary school leavers and employers find that these graduates are also applying for vacancies in occupation A. Employers, naturally, choose the best qualified. Sooner or later workers in occupation A decide that they will allow entry only to secondary school leavers. As the chances of a primary school graduate securing employment diminish, there is an increased demand for secondary schooling (and also, as a feeder, for primary schooling). The same job is being performed but the performer now has more schooling. The problem arises because although this inflation of schooling is wasteful from