

The Cost of Not Educating the World's Poor: the new economics of learning

BY: LYNN ILON



Introduction: My memory, now, turns to a hot, sticky day in rural Nepal—near the border with India. I sat in the simplest of grass huts and spoke with a young mother, a small baby in her lap. Her five-year-old daughter was attending the village school; her husband was off tending crops. Her dwelling was sparse and mainly one small room. Outside stood a round structure on stilts, intended to protect the rice crop from rats and other vermin. I had seen the village men as my driver wended his way to the remote location; they carried huge bundles of green foliage on their backs—seemingly much too large a load for their slender bodies. I asked the woman a simple question: “Why did you decide to send your daughter to school?”

The question and her response required the best of my thinking, the best of my knowledge and the best of my experience. For it wasn't clear to me that, were I in her position, I would send my daughter to school. As she answered in her hesitant manner, I asked myself again—as I had in so many parts of the world I'd visited—whether I could ever have the strength of this woman—the determination, the will and the sheer force of conviction—to give my child up to a school for hours each day. Her daughter was the water carrier, the fuel gatherer (for cooking meals), the babysitter and the house cleaner. The mother worked hard, long hours in the rice paddies—small baby strapped to her back. Every moment spent doing something else meant less food for the family already living on the edge—already at risk of slow death from lack of food. And yet this young mother, completely illiterate, with no literate neighbors, no examples of success from education, gave up a precious labor source each day: her daughter. She did so out of some conviction that there had to be a better life somewhere and her daughter would have a chance at that life if she had an education. The family lived even closer to the edge of existence for nothing more than a hope—a hope that life could be better for their daughter.

It is all too easy to see this as a singular decision—as it is treated in the literature and in much of the press. They are viewed as individual families who now have access to a local school and choose, for various reasons, to educate the very first generation. But, in fact, what I knew and the mother did not, was that she did not face many choices. The outer world was encroaching; education would be the new norm and not to have it would put little Pima (we'll give her this name) at the future margins of even this—seemingly remote—society. For the village would see many changes. The latest crop technology would be introduced and feed more people—a change that marked the turnaround for Korean society some 50 years earlier. This would bring with it the need to participate in a monetized economy. The pollution and variations in weather that result from a world already well into industrialization would change the environment for growing a family's daily food. The chance to access basic health care would arrive with vaccines, birth control, dentistry and antibiotics, but its access would be severely limited for those not in a cash economy. In fact, by educating Pima, they were merely ensuring that she would have a regular, normal life in a much-transformed society. Normality in that village would change from subsistence

farming to crop farming for small markets and only the educated could be assured of a relatively secure life in that evolving local economy.

The more difficult question to address is how the world of the educated and privileged is affected by the life of this mother and her daughter in Nepal. Little influence, seemingly, moves the other way—up the chain of influence from poor, rural, uneducated to wealthy, industrialized, urban, educated populations. Yet the apparent distance is an illusion. The ties are strong. The days when the world might appear to be comfortably divided between rich and poor or even educated and uneducated are long past—comfortable as those days might have been for the educated. The clock cannot be turned back to those days of apparent comfort, control and power for the privileged any more than the Nepalese woman can prevent crop development, formal-sector markets and educated neighbors from encroaching upon the life of her daughter.

The notion that the ties are simple is also an illusion. Foreign aid is sent to poor countries to support the education of the daughter and this appears to be a simple bond between the two worlds—a transfer of funds from the rich to the poor. But this link is anything but simple. The linkages of trade, formalization of economies and integration of labor markets ultimately benefit consumers in wealthy countries more than those in poor countries. When was the last time you went to a large discount store and bought the running shoes on sale, the microwave with new features or the sheets for your bed? For that matter, when did you last buy a computer at a price much less than your last one, or try on that cute embroidered silk jacket at your favorite boutique? Without foreign aid, your purchases would be more expensive, less varied and less plentiful. It is the cash that went to the poorest countries, that provided the education, that allowed manufacturers to move production, that linked the consumer markets, that lowered the trade barriers, that dictated the rules of exchange rates, that put that computer in your lap (and mine now).

But what else links us with our Nepalese woman? Modern infrastructure such as roads, ports, electricity and water provide the means for international production and trade and also provides a road near where she lives. Small markets grow around her and district buses become available to her. She can visit her relatives more easily, but increased exposure to other people increases her risk of contracting tuberculosis (TB)—joining 90,000 of her countrymen who also have the disease. Her formerly isolated community is now susceptible and becomes part of the widening footprint of TB throughout the world. Not to provide the village with the medicine that cures TB will make it harder and more expensive to prevent TB in its growing global circle—in Paris or Kansas City. Epidemiologists will tell you that uncontained spread in one part of the world means lack of control of the disease worldwide. The cost of your medical insurance just went up. Your grandson who decides to teach English in Thailand is now at a higher risk of contracting a deadly disease.

As Pima grows up, she may well find a way to achieve a

higher income for the cash crops the family grows. She'll have heard something on the radio that made sense; have listened to an agricultural worker or talked over changes with a neighbor who grew a new strain of rice. The family will generate a very small income that allows them to buy more cooking oil, to install a water pump in the back yard or buy new shoes. She'll learn to access health care, and when she becomes a mother she'll go to the local clinic to give birth. Her children will have a better chance of living to adulthood. Life expectancy will increase and the village will grow. (Later, more education will cause families to choose fewer children.) The surrounding ecosystem will be challenged to support the growing population at the same time that factories upstream need some of the water and have deforested the land. The acid rain, degraded water flows and additional carbons entering the atmosphere will pollute the skies and oceans and drift into other lands. The temperature in your back yard will ascend and the price of your shrimp dinner will rise. The cost of global cleanup goes up exponentially.

But what of the child who doesn't get an education? The world around her changes: the village gets more crowded; the health clinic is a reminder that, if she could access health care, she could recover from the infection on her leg; the water supply in the village is dwindling; the fortunate children in the next hut have gone off to get factory jobs; her best friend now has AIDS and so does her friend's child; and the means by which her family traditionally fed itself is deteriorating. Life can no longer be sustained in the old ways and her own prospects are bleaker by the day. Although uneducated, she can see that these changes are a result of a larger world encroaching upon hers. She is angry. She has neither the means of understanding the changes, adjusting to them nor being advantaged by them. Her quality of life and life chances are narrowing despite any effort she might put into them. She is susceptible to the inspiring words of a group forming at the edges of her social life—a group that is organizing in protest against the perceived global enemies. Political and religious fanaticism doesn't look fanatical to her—it is the only way she has of protesting against changes that she doesn't control, can't understand and can't adjust to. This is how terrorist organizations grow their base. Your safety to fly, travel and live your life just receded.

But what if things could remain as they are for established, industrial nations? Or, better yet, return to a time that seemed more secure, less global and more prosperous? Leaving aside that Pima's world was never very secure or prosperous and that her opportunities expand with an education, health care and good protection of the environment, the life of the wealthy may seem to have been better off when foreign aid and foreign trade were not major concerns of Western governments. If you are from such an older industrial economy, you'd have to give up your cheap microwave, running shoes and computers. Speaking of computers, your nation can't really secure its borders because the global computer networks that track illegal money for terrorists can't work without global electronic networks and strong diplomatic relations. National companies would have to close down all those factories abroad so, if you own stock in IBM, Citibank, Nike—almost any large corporation—their value would now recede. Your retirement portfolio would shrink. Your job in BMW or Microsoft or R. J. Reynolds might vanish since exports would disappear. Your bank fees would increase because

your financial transactions couldn't be handled in Ireland or India any longer. The internet might work within the country, but the ability of Nokia or Amazon or Bayer to compete globally would recede as they couldn't access the latest findings or participate in research with their counterparts in other countries. Your country's competitiveness would fade.

The value of the nation's currency would contract because the markets were no longer far reaching and powerful. The ability to discover and exploit new forms of energy would shrink as exploration and high-quality research cannot be conducted without global engineering and research networks. The cost of computers and all technology would escalate because Western labor is far more expensive than that of Thailand or China, who now make most of the world's computers. The cost of clothes, medical supplies, farm implements, backpacks, radios and jet engines would increase for the same reason. The financial industry would be at high risk of collapse as would the IT sector, communications sector, much of the tourism sector and many universities.

As the rest of the world moves forward, the country could not maintain its economic, political or military power—even the power it had before computers and global communications. Other countries would move forward and your country's ability to compete would recede. The voice in world politics, economics and military affairs would get less powerful. The clout on the world stage to determine markets, trade, politics and economic contexts would shrivel. Not only would the country fail to maintain today's world, it would not be able to maintain yesterday's world, and its role in forming that global framework would be small. The country would become an ever smaller player in a world that is moving rapidly forward. The authority of passports, travel, communications, innovations, educational systems, financial reach and global clout would shrink. No country can turn away from the global world any more than Pima can.

Part of the disconnect here—the simplistic, naïve and misguided notion that a former world of control, dominance and plenty is disappearing because of international connections—stems from the lack of understanding of how the world has changed, how it continues to change and how change looks, feels and requires adaptation. Many in older industrial economies long for a world that was—but is no more. They believe the “world before” was better because they lack the education to understand an increasingly linked world. They don't understand that it is not the country's foreign policies, diplomatic links or military might that underlie these linkages: it is, rather, the human spirit.

And so, this book is written to educate. It is not a book for Pima or for her mother. Rather, it is a book for “the educated” about the “uneducated” and about the world that is increasingly part of a networked world of learning. As these linkages grow, the power and importance of the connections of learning and knowledge are beginning to dominate the importance of financial or market linkages—in fact, they are beginning to define and control the financial and market linkages. So, understanding Pima's education is central to understanding the future of the world's prospects; her education is no longer a cost, it is a resource for a better world. Our understanding of this is also a vital resource for this better world.

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Main theme

Wide-spread poverty is rarely caused by local circumstances alone Global poverty links are many...

Climate, financial contagion, social and political instability, disease, global trade and resources, migration, security, terrorism, social media and the cross-border shifts of money

Tackling poverty begins with a world that has this systemic understanding.

Such a method of learning is being developed, but requires we re-examine hard truths

- Expertise vs. contextual knowledge
- Top-down vs. co-constructed knowledge
- Mastery vs. adaptive learning

The book examines these assumptions through narrative and discussion of the latest research.

Summary of chapters

“a” chapters are narrative and bring in experiences and examples from my work in some 20 countries.

“b” chapters are short summaries of the theories which are implied in the previous narrative chapter.

1a Introduction; 1b Introduction to the theories; 2a Development; 2b Shifting views on development

How the field of development came about and laid the groundwork for a view of markets as a means of both increasing wealth of richer countries and decreasing poverty of poorer countries

3a The value of an education; 3b Human capital theory; 4a Education and development; 4b The knowledge economy

How education was added to the development formula. The view that education was the “missing link” to help countries grow. How the fall of the Soviet Union caused a unified global market and began to take down barriers to trade. It caused labor markets to spread, creating incentives for countries to educate in order to attract factories. Wealthier countries had to compete by building “knowledge” industries and shedding lower skilled labor.

5a Learning goes global; 5b Networked learning; 6a Becoming creative; 6b From global production to digitization

How the digitization of knowledge changed the economics of knowledge. Suddenly, knowledge became a resource that was enormously cheap to replicate and spread around the world. As an economic resource, it was constructed both locally and globally. It adapted instantaneously and crowd-sources allowed it to become a powerful, often free resource.

7a The value of knowledge; 7b The economics of knowledge; 8a The power of ideas; 8b New growth theory

A new theory is born. The theory of knowledge as a resource unlike any resource before it. It is cheaper the more it is replicated. It could be used by millions simultaneously. It can be locally produced with only brain power and no natural resources or factories. It requires not so much top-down education as access to networks and the ability to collaborate. Learning becomes the new way to build the resource – not through schools but through networks. Famous authors begins to talk about “learning to learn” as the new “economic development.”

9a The social value of learning; 9b Social economics of learning; 10a Learning together; 10b New learning structures

Learning becomes social. The power of building knowledge collectively begins to be understood. Knowledge begins to be redefined as fluid, changing, collective and adaptive. Researchers start to explore how learning takes place in a collective environment – informally, networked on the web or in community centers. Social revolutions, new entrepreneurship and civic engagements begin to be redefined throughout the world.

11a Social well-being; 11b Changing views on social welfare economics

Scholars start questioning whether older measures of national well-being are being adequately captured when knowledge is a resource. The first questions fall within old neo-classical economic theory and ask how to measure knowledge. But further, more creative work asks whether productivity is still an appropriate measure of social well-being in a knowledge age. A world that uses knowledge most effectively requires a basis in equity. Scholars suggests four clear links – a clear deviation to neo-classical views of economics.

12 Mis-education

Perhaps it is the education of people in wealthier countries who need a re-education about how the world works. A more globally systemic view and rethinking what expertise means might be a good place to start if poverty and the ill-effects of global problems are to be tackled effectively.

13 Education in a new age; 14 The cost of not educating

Education needs to be rethought away from its past based on physical constraints – classrooms, books, teachers, campuses, and desks. What is the environments in which people best learn and create? Further, if education is in service to society, what is the goal of a society? Today’s education maximizes productivity. In the age of knowledge, and global linkages, what defines a good society? Our rethinking learning needs to begin there.

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