This paper examines whether teacher salary policies in the Americas can contribute to sustainable development and improve social conditions among at-risk populations. Many countries have invested in specific interventions. Chile worked to boost learning at low-performing schools. Argentina invested in new facilities to provide poor, rural schools with better learning environments. El Salvador developed community-managed schools. Countries have invested heavily in teacher training, resulting in rising enrollments, literacy, and test scores. Governments need to make such programs permanent. The cornerstone of sustained success in bringing quality education to all rests on the government's ability to attract appropriate numbers of qualified candidates to reproduce these results systemwide. This requires expanding recruitment of qualified teachers, now a scarce resource because of perceived low salaries. Increasing opportunities for the well-educated top percent of the population has resulted in soaring incomes, while teacher wages remain low. Reduction of poverty in the Americas remains a serious challenge. Many hope that education can modify this trend. However, access to quality education for all children who now identify poverty with powerlessness and lack of access to the job market requires a major revision in teacher recruitment and salary policies. (Contains 17 references.) (SM)
Can Teacher Salaries Policies Help to Improve the Social Conditions Of At-Risk Populations in the Americas?*

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The purpose of this presentation is to examine whether teachers' salaries policy in the Americas can contribute to sustainable development. Most countries in the Hemisphere have been experimenting with new Education Investment Programs as "treatments" to enhance the social condition of the poor and to integrate excluded populations to the formal economy. Implementation of these policies often took place without careful analysis of teacher markets conditions: who the teachers are and who is willing to work as a teacher at the existing wage given various country conditions. The first section set the general context for analysis. Then some results are briefly examined. A final section summarizes the main policy conclusions on teacher salaries and sustainable development.

I. Poverty, Education and Democracy

The size of at-risk populations has consistently increased in the Americas during the last quarter of the century as the countries were successively experiencing the effects of structural-adjustment policies and globalization. Welfare and freedoms suffered from unequal distribution of benefits and burden of pursuing these transformations. The reduction of poverty remains in the Hemisphere a serious challenge. Nearly half of all households in Latin America and the Caribbean, roughly 200 million people, live below the poverty line and everyday have to confront situations that further limit their long term capacity to escape poverty. Governments and Non-government Agencies started an open inquire into human well being and the phenomenon of destitution in the Americas because democracy and integration prospects have suffered in the Continent from these developments.

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Much hope was put on education and nutrition to modify this trend (Reimers, 1994 and 2000, UNESCO, 1995). Yet, a major challenge in achieving poverty reduction through education will be to find a way to guarantee access and quality education for all household children now identifying poverty with powerlessness to access the job market (Dasgupta, 1989 and 1990). Ensuring that by the year 2010, universal access to quality primary education for all children is the primary objective set by the Second Summit of the Americas. Quality education for all is expected in this framework to help alleviate poverty and to promote the integration of at-risk families, the excluded or ill equipped to fight for a place within the formal economy (Navarro, Carnoy and Moura Castro, 2000). With this idea in mind, most governments in the Hemisphere invested during the last decade to revamp their public school systems hoping to extend the benefits of literacy and primary education to the underprivileged and the excluded.

Most of these actions took place through investment treatments targeting specific populations. We can mention a few examples. Investments to boost learning at the schools with the poorest performance in (classroom average) math and language tests have been successfully implemented in Chile. Argentina invested heavily in new facilities to run rural schools in a more healthy and adequate learning environment benefiting rural population dispersed in the poorest provinces. El Salvador implemented an innovative program of community-managed schools that successfully passed a recent external evaluation. From Mexico to the pampas, countries invested heavily in teacher training, existing programs where revamped and new flexible curricula creatively emerged from classroom projects having measurable impact on learning outcomes and bringing monetary incentives to basic teacher salaries of participating members. Generally speaking, most of these investment treatments now exhibit some decently good results in terms of rising enrollments, abating illiteracy, incorporating girls or even rising test scores within the targeted population. But these are small triumphs. Still, the unmeet challenge is for most governments to substitute permanent programs for these investment treatments. Thus, the cornerstone of sustained
success in bringing quality education for all rests on government ability to ultimately attract the necessary number of qualified candidates to reproduce these results system wide. Yet, this would require expanding recruitment of qualified teachers, now a scarce resource in most societies because of perceived low salaries (Argentina, 1997, Brazil, 1996, ILO 1991 and 1996). Sustainability of quality education is constrained by the signaling capacity of the teacher market to induce an annual entrance of the adequate flux of skilled teachers required by the school to meet the challenge. Agencies and governments have started to pay increased attention to recruitment, selection and promotion of teachers but only fragmented information on teachers' salaries as a signaling device has yet been collected (Navarro, Carnoy and Moura Castro, op.cit. p.20, Psacharopoulos, Valenzuela and Arends, 1996).

II. The politics and economics of teaching markets and quality education for all

A major challenge most nations face today is to increase the annual flux of skilled, constant quality, teachers (Hanushek, 1994, Navarro, Carnoy and Moura Castro, 2000). Two recent studies have shed some light on the mechanics of teachers markets in Latin America and the Caribbean and will help to assess what would be the mid-range consequences on quality education of keeping teacher salaries low for an extended period of time. First, the dynamic model of wage determination applied to actual teacher salaries in Argentina by Gertel and De Santis (2000) have examined the evolution between 1980 and 1997 of quantities of teachers required and supplied. The research results led to the conclusion that continuous excess-supply provides strong statistical evidence those salaries followed the expected (downward) direction. Then, a choice model for Brazil (Vegas, 1999) has shown that, those that are most likely to end up working as teachers have less human capital and belong to families whose income is, on average below that of other skilled workers. Thus, in Brazil, career decisions of the young are strongly influenced by previous human capital accumulated and family income, and the fact that the demand for teachers (of a constant
quality) will continue to expand seems to have created not enough incentives to the brightest youth to become a (qualified) teacher. Similar findings are presented for Argentina in Davini (1997). A major conclusion is that governments are today in trouble to recruit well-trained teachers. In the Americas, increasing opportunities for the well-educated top percent of the population resulted in soaring incomes, while the wages of teachers continue to fall relative to other professions. The major revision in teacher's recruitment, assessment and promotion policy undertaken by governments and the civil society has now to include new decisions based on recent finding on the role of salaries as signaling devices that allocate teachers to jobs.

III. Final Remarks: New Opportunities, New Threads

The reduction of poverty in the Hemisphere remains a serious challenge. Much hope has been put on education to modify this trend. Yet, to warrant access and quality education for all household children now identifying poverty with powerlessness and lack of access to the job market would require a major revision in teachers recruitment and salary policies. In the past, centralized collective bargaining has prevailed and civil society representatives were not included at the negotiating table.

Empirical research has shown, first, that less trained teachers have substituted for the more able ones. This might be accepted to imply that traditional centralized bargaining has failed across the Hemisphere to warrant an adequate annual flux of well-trained teachers. Second, decentralization and local management of schools was to incorporate civil society in school decision-making improving recruitment screening and linking quality control in teaching to salaries. Yet at the same time, increasing opportunities for the well-educated top percent of the population resulted in soaring incomes, while the wages of teachers continue to fall relative to other professions. Defenders of decentralization failed to account for the financial impact of these trends on the payroll and quality of teachers. Furthermore, the effect of technology on wages has to be considered. If productivity across the economy improved at
a faster rate relative to schools the brightest college students will perceive better career possibilities outside teaching. These would weaken the opportunities of decentralization for quality control in teaching. Thus, sustainability of quality education for all does not depend on centralization vs. decentralization. It is constrained by the capacity of the teacher market to anticipate the trend and provide the adequate flux of skilled teachers required by the school to meet the challenge. Credible and hard fought efforts to extend through education economic and participation benefits to the most forgotten corners in society might be hampered by uninformed government policy on teachers' salaries limiting gains in poverty reduction and equality.

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