Constraints to human capital investment in developing countries : using the Asian financial crisis in Indonesia as a natural experiment

Propositions

Constraints to Human Capital Investment in Developing Countries: Using the Asian Financial Crisis in Indonesia as a Natural Experiment

By
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I. Variations in household income can explain for low educational investments and not variations in family preference for education (Chapters 2, 3 and 5)

II. When household income falls, families use various strategies to maintain some semblance of schooling for their children but they compromise by choosing informal schooling (Chapter 2).

III. Children's simultaneous work-schooling behavior does not reduce human capital accumulation as much as would be expected (Chapter 4).

IV. When household income falls, there is the dynamic complementarity of educational investment where the reduction in educational spending is much lower for children who are nearing completion of formal junior high compared to children just beginning formal junior high (Chapter 5).

V. When household income falls, reductions in financial investments are highly compensated by time investments in education for higher ability children in formal schooling (Chapter 5).

VI. The causal pathway from macroeconomic growth to household poverty reduction in a developing country cannot be traced and ultimately the decision for redistribution has to be taken.

VII. Backward induction doesn't work well in civil wars; despite the difference that the two player groups are fighting and killing for, they both have the same ethno-linguistic characteristics and they will care about fairness.

VIII. Labor economists and development economists live on different planets.

IX. Searching for an instrumental variable can take so long, there may be little time left for writing the PhD.

X. Coffee is fuel for the brain.