

in brief...

Benefits of compulsory schooling

Raising the school leaving age – as the UK government is currently proposing to do – may increase regional mobility and improve the employment outcomes of the least educated segment of the population. As a consequence, the policy may help with pockets of high unemployment across the country. These are the implications of research by **Panu Pelkonen** and colleagues.

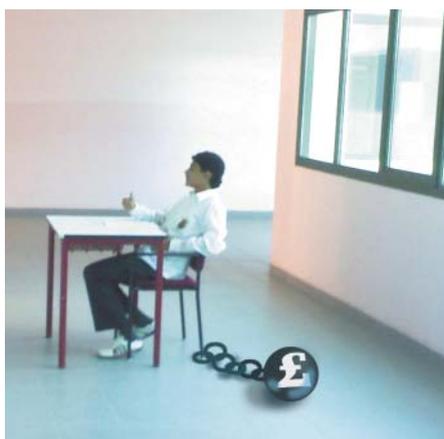
The study reviews levels of education and regional mobility across the developed world, and finds a strong positive correlation between the two. In general, the United States has the highest educated workforce, which is also highly mobile. And in Europe, there is a clear division between a more mobile and more educated Northern Europe and a less mobile and less educated Southern Europe.

In an analysis of a school reform in Norway, the research also finds a causal link between the length of compulsory schooling and regional mobility. The reform, which was implemented in different parts of the country at different times during the 1960s and 1970s, increased the minimum years of schooling by two – from seven to nine.

The researchers find that the people who benefited from longer compulsory schooling were more likely to leave their place of growing up, were more likely to be employed and commanded higher wages. On average, they were also more likely to migrate to a larger city compared with those who received shorter compulsory schooling.

The measurements in the study indicate that one additional year of compulsory schooling increases the annual rate of regional migration of individuals by 15%. The sample used in the study, which consists of middle-aged people with the lowest educational qualifications, had a 1% annual likelihood of moving from one region to another. Thus, one additional year of education would lift this to 1.15%. The size of the estimated effect is large enough to explain the observed international differences in levels of education and regional mobility.

In addition to increasing an individual's regional mobility, there are other benefits. One additional year of



Individuals who benefit from longer compulsory schooling are more likely to leave where they grew up, more likely to be in work and higher paid

compulsory schooling leads to 8% higher annual wages, and a 6% lower likelihood of not being employed in any given year. The effects are similar for men and women.

Overall, the study suggests longer compulsory schooling brings about these advantages by increasing the level of marketable skills and broadening the range of job opportunities for those who would not continue their schooling in the absence of compulsion.

Whether positive effects of a similar size as in Norway could be expected from a further increase in the school leaving age in the UK is uncertain. Work by Colm Harmon and Ian Walker has found

that previous rises in the school leaving age in the UK – from 14 to 15 in 1947 and from 15 to 16 in 1973 – have been associated with large wage returns of up to 16% per year of schooling. Regarding the effect on regional mobility, there are no existing studies for the UK.

Diminishing returns to education suggest that the effects in the UK might be smaller since the planned reform would affect older pupils than in the Norwegian reform or the earlier reforms in the UK. But there is a counter-argument: by most accounts, the average returns to education have been higher in the UK than in Norway, suggesting that the economic benefits of a later school leaving age could also be larger.

This article summarises 'Education and Mobility' by Stephen Machin, Panu Pelkonen and Kjell Salvanes, CEE Discussion Paper No. 100 (<http://cee.lse.ac.uk/cee%20dps/ceedp100.pdf>).

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