

Abstract

The Transformation of the Middle Eastern Family and its implications for economic development

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This paper reviews the changing relationships of men, women, and children in the Middle Eastern family and shows that in most countries of the region families are more balanced in terms of the couple's education and age and their main goal has shifted from procreation to raising educated children. I discuss this transition within the framework of the role of the family in economic development developed by Gary Becker and Robert Lucas. Building on Becker's theories of the family, in his paper on "Industrial Revolution" (Lucas 2002) argues that the changing behavior of the average family has been key to the economic transformation in Europe in the 19th century. The advent of new technologies that raised the returns to human capital encouraged European families to have fewer children and invest more in their education. Rising education in turn helped economic growth. The micro literature on family economics complements this theory by documenting how greater empowerment of women in the family benefits investment in child education.

In most countries of the Middle East and North Africa (MENA) demographic transition has been underway for some time, characterized by rising health standards and falling fertility. The region has achieved several milestones in the modernization and development process. Backed by public investment in education in past decades, rising education, especially of women, has given rise to more families that are more focused on child education than the traditional early marriage and large families.

The paper documents these changes and establishes their link to the falling gender gap in education using cross-country regressions. The paper shows that demographic transition has been closely related to greater investment in child education. MENA region has experienced the fastest rate of increase in the average years of schooling of its youth. I argue that while the region has taken advantage of its demographic transition by increasing the *quantity* of education of its youth, it has failed in making the necessary investments to raise education *quality*. I use evidence from international test score data from the Trends in Mathematics and Science Studies (TIMSS), in which a number of MENA countries have taken part, to show the divergent trends in quantity and quality of education.

I argue that the stagnation of education quality and labor productivity is at the root of "the middle-income trap" in which MENA countries are stuck. Having taken advantage of demographic transition and rising years of schooling to achieve middle-income status, to escape the trap the region needs to invest in education quality. I conclude by noting that, unlike education quantity that benefited greatly from enlightened public expenditures in infrastructure, investment in education

quality depends on greater participation of the other two pillars of any economy:
the families and the private sector.