

some important claims that will be of broad interest, especially because they are backed by convincing evidence: “that the *eye and whip* approach contributes to improved compliance with existing regulations and results in the more efficient use of public resources” (118), that the eye without “at least the implicit threat” of the whip is ineffective (12), and that the costs of conducting audits is more than offset by the efficiency and spending gains (12, 100).

These criticisms are in no way intended to detract from the intrinsic contributions of this carefully designed, refreshingly concise, and meticulous book. If anything, they suggest a need to better integrate methods in the study of regional corruption dynamics. Lagunes has already shown himself also to be a skilled corruption researcher, conducting incisive interviews with key anticorruption officials and organizing a multimethod investigation of the Lava Jato probes across Latin America (Lagunes and Svejnar 2020). Further integration of these diverse research traditions, and dialogue across them, will inevitably enrich the study of corruption across the hemisphere and presumably beyond. In the meantime, *The Eye and the Whip* stands out as a rare three-country exploration of what works in tackling this pervasive and insidious challenge.

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Alejandro Toledo Manrique, *Education and the Future of Latin America*. Boulder: Lynne Rienner, 2021. Figures, tables, illustrations, abbreviations, notes, bibliography, index, 246 pp.; hardcover \$95, ebook \$95.

Latin America is a region of stark inequalities, where a few billionaires have far more wealth than the roughly 40 percent of its population living in poverty. Successful

stories of upward social mobility are the exception; unfortunately, some of them are linked to crime and violence. Perhaps the high rates of poverty and violence and the lack of social mobility that characterize the region are interconnected via the adverse effects of the former on student learning. For instance, child malnutrition combined with violence creates toxic environments in low-income households that dampen early childhood development, student learning outcomes and productivity, employability, and wages later in the life cycle. To break this cycle of intergenerational transmission of poverty, Latin America must address poverty and violence; otherwise, education system reforms have little chance of providing learning for poor children and promoting social mobility. This is the central thesis that Alejandro Toledo Manrique puts forward in this book.

Since the 1980s, enrollment rates have increased substantially in Latin America, closing the gap between the poor and the nonpoor. However, the picture is less rosy when looking at student learning outcomes. According to international student assessments, more than half of the students in Latin America do not get basic foundational skills. Even if they know how to read, students lacking foundational skills cannot comprehend simple texts; they might know how to solve basic math operations but cannot use them to address everyday problems. Lack of basic skills becomes a barrier to effectively using new technologies in the workplace or acquiring new skills in a dynamic and ever-changing labor market. The lack of basic skills constrains overall productivity and growth in the region, and its population suffers from low wages and precarious jobs. And since many of the students not getting foundational skills in Latin America belong to poor households, the cycle of poverty–low learning–poverty repeats itself.

Toledo combines statistics, economic theories, and empirical evidence with his life story as a poor boy growing up in a village in the Andes, who, thanks to education, got into Stanford and became the president of Peru. His diagnosis is simple yet convincing at first sight: low learning among students in Latin America is primarily the outcome of poverty and violence in the region. The fact that some (a few) wealthy students in Latin America achieve high learning outcomes is a sign that, according to Toledo, in the absence of poverty and toxic environments, education systems in the region can deliver quality education. This does not mean that efforts from the Ministries of Education to improve student learning are futile. On the contrary, Toledo presents a rich and well-documented set of policy options in early childhood education, rural education, education for indigenous populations, improving teaching, and higher education that have enhanced learning.

Since the difference in learning outcomes between poor and nonpoor students starts well before they enter the formal education system, early childhood interventions are the most effective way to address these disparities. High-quality early childhood education is perhaps the most cost-effective policy to close development gaps between poor and nonpoor children, creating the conditions for poor children to learn during their academic or formative years. Once in school, poor students should have access to the best teachers. Therefore, governments in

Latin America must design and implement incentive schemes that reward—economically or otherwise—teaching in rural or marginalized areas.

To provide equal opportunities to children in disadvantaged rural areas or indigenous communities, it is necessary to design interventions that account for the particular challenges faced by these two groups. Rural schools need more infrastructure and connectivity, better teachers, and a community-centered pedagogical model, such as the Colombian *Escuela Nueva*. Indigenous students should be taught in their mother tongue—although there is no discussion of how to provide qualified teachers in countries with many official languages, some of which are spoken by relatively small populations (for example, Mexico recognizes 68 official indigenous languages).

Toledo asks himself what I had in the back of my mind while reading his book: Why didn't he implement the education plan outlined in his book when he was president of Peru? The answer tends to fall under the argument that he did what was feasible, given some constraints. Additionally, according to Toledo, the accomplishments during his administration are far from trivial: setting up a conditional cash transfer program and improving teachers' salaries. However, evidence shows that these two interventions have a weak—if any—relationship with student learning outcomes (Ganimian and Murnane 2016; de Ree et al. 2018). Given Toledo's experience in the highest office in Peru and his background as a trained education economist, I was expecting more on the political economy or the politics behind implementing complex education reforms in Latin America. Some of the questions that are relevant for implementation but often neglected by economists include how to build a broad consensus around fundamental principles that should define the education system, how to build coalitions with influential teachers' unions without compromising student learning, and how to shelter—or at least try to—significant education reforms from the political cycle. None of these issues are discussed by Toledo.

But my main disagreement with Toledo's thesis is that the causal link between poverty and student learning is unidirectional, from the former to the latter. Therefore, breaking the cycle of poverty–low learning–poverty can be done only by alleviating poverty (and violence): “Indeed, it is safe to say that unless we can overcome the obstacle of violence, which is so intertwined with poverty in the region, it will be difficult to produce quality education for Latin America's low-income children” (140).

Poverty and violence have, without a doubt, a negative effect on student learning. Still, Toledo's position is almost an invitation to educational determinism: if you are poor, there is little that the education system can do to equip you with learning, and therefore you are trapped in the poverty cycle. This argument does not stand scrutiny. Amartya Sen's *Development as Freedom* (1999)—cited by Toledo—presents several examples where poor nations or states have better education outcomes than richer ones, such as the Indian state of Kerala. Sen shows that countries can escape poverty by investing in human capital (health and education) and focusing on disadvantaged groups, such as the poor, indigenous, and girls. In other words, a

causal relationship runs from learning to poverty, passing through productivity and labor markets. The poor in Latin America have the most significant deficits in human capital, this accounts for most of the foregone productivity and growth in the region.¹ The productivity potential of Latin Americans can be untapped by ensuring that all students, particularly those from poor households, get foundational skills.

The more recent evidence shows that it is possible to improve learning outcomes among poor children in Latin America without waiting for a reduction in poverty or crime levels. Toledo includes some examples of these policies. For instance, the relatively poor municipality of Sobral in Brazil got the best results in the national student assessments thanks to effective education policies, which included identifying poorly performing schools and providing them technical support. The state of Puebla in Mexico presents a similar pattern (de Hoyos and Naranjo 2020). Other interventions improving learning outcomes among poor students include the full-time school model (Padilla-Romo 2022), the use of technology to personalize the learning experience (Muralidharan et al. 2019), and tutoring (Nickow et al. 2020).

Latin America must exploit its full productivity and growth potential to eliminate poverty and reduce violence. The region's potential lies in its people, so governments must invest in them and provide universal access to an education system that guarantees foundational skills. Poor children need rich learning environments to overcome structural disadvantages. This can be achieved by designing evidence-based education policies—to which Toledo's book significantly contributes—assigning enough budget to implement these policies, providing schools that serve poor students more funding and technical support, and ensuring the continuity of successful policies.

Perhaps the necessary component Latin America needs to promote learning and detonate its full development potential is a coalition around an elementary principle: every child—regardless of origin—has the right and ability to learn. This coalition can provide the political support to enact complex education reforms and the continuity needed to achieve measurable results. In highly unequal and heterogenous societies such as Latin America, finding the principles that will make a coalition possible has proven to be a massive challenge. Toledo's book and life story remind us of the urgency of addressing this challenge and providing the poor children in the region with the tools required to build the life they aspire to.

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NOTE

1. Unclear: if productivity and growth are foregone, they have not occurred, correct? So how could they be concentrated if they don't exist? Say "could have been concentrated"?

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