

# The Cost of Inaction: The Case for Investing in Early Childhood Development in Namibia

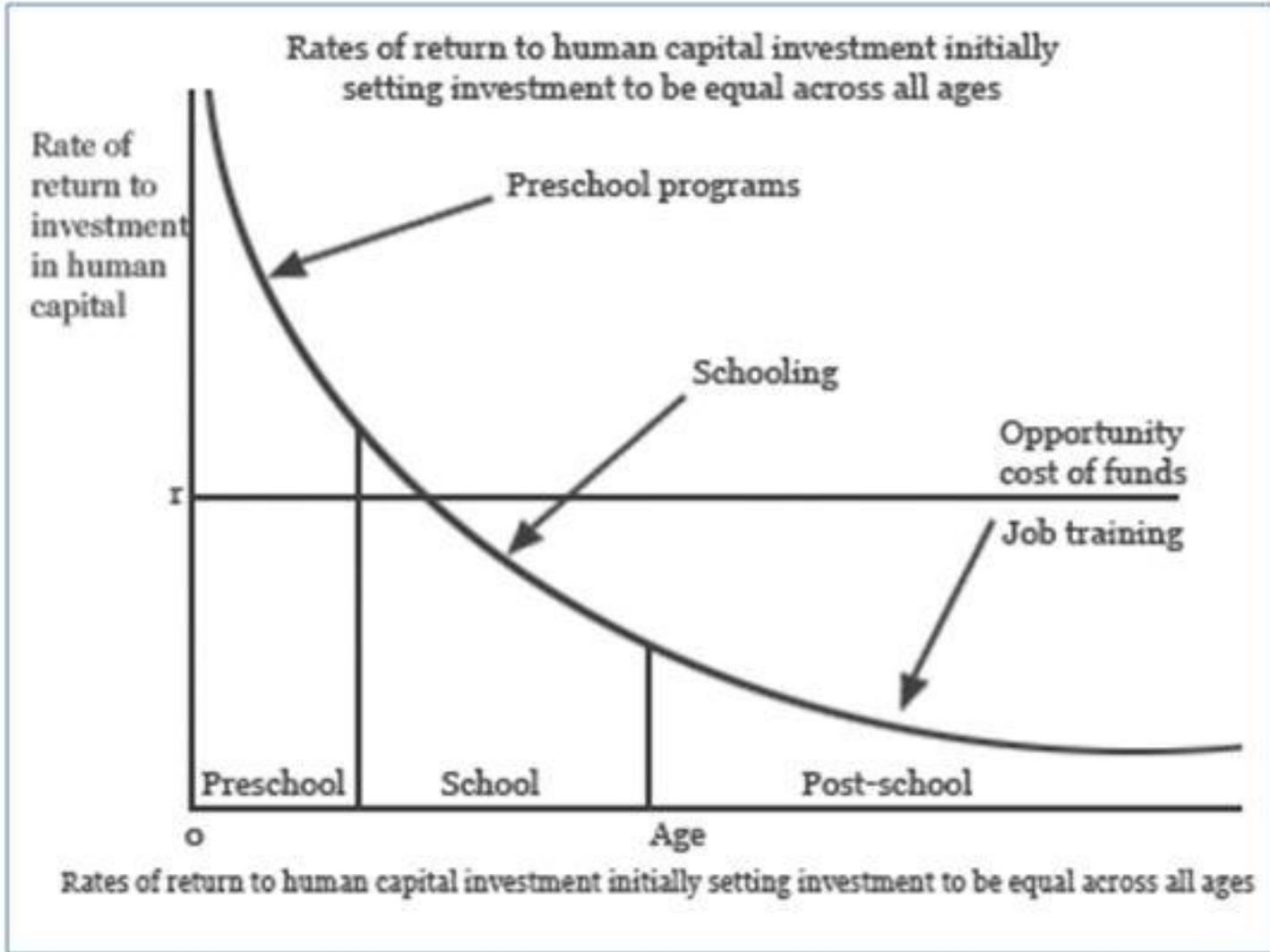
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# Conceptually: What is the cost of inaction?

- The COI is not the cost of doing nothing, but the cost of not doing a particular thing
  - What if there was nothing which could be done?
- Even when there is something which could be done, inaction can be the right choice
- Should not presuppose the outcome either way: the justifiability of inaction can be evaluated
- Can perspective make a difference?
  - Starting from inaction draws attention to sets of actions
  - Draws attention to the multiple types benefits
  - Helps avoid welfarism

**So what are the costs and benefits of ECD interventions, which should be considered and what action or inaction is justified?**



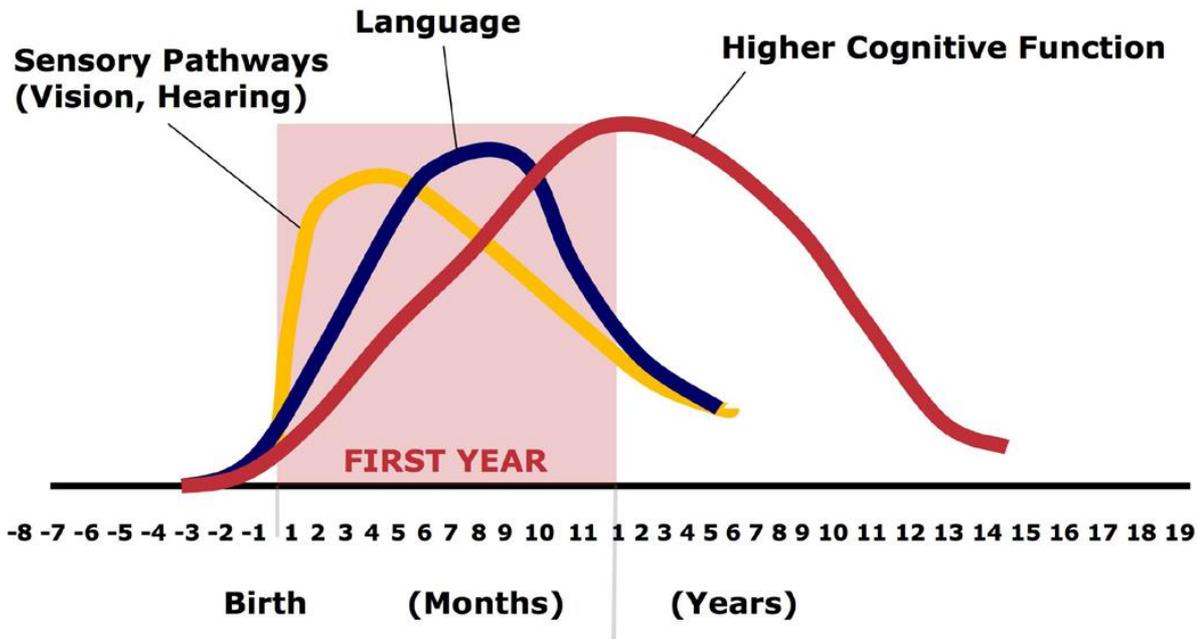
Source: Heckman, J. 2007



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# Human Brain Development

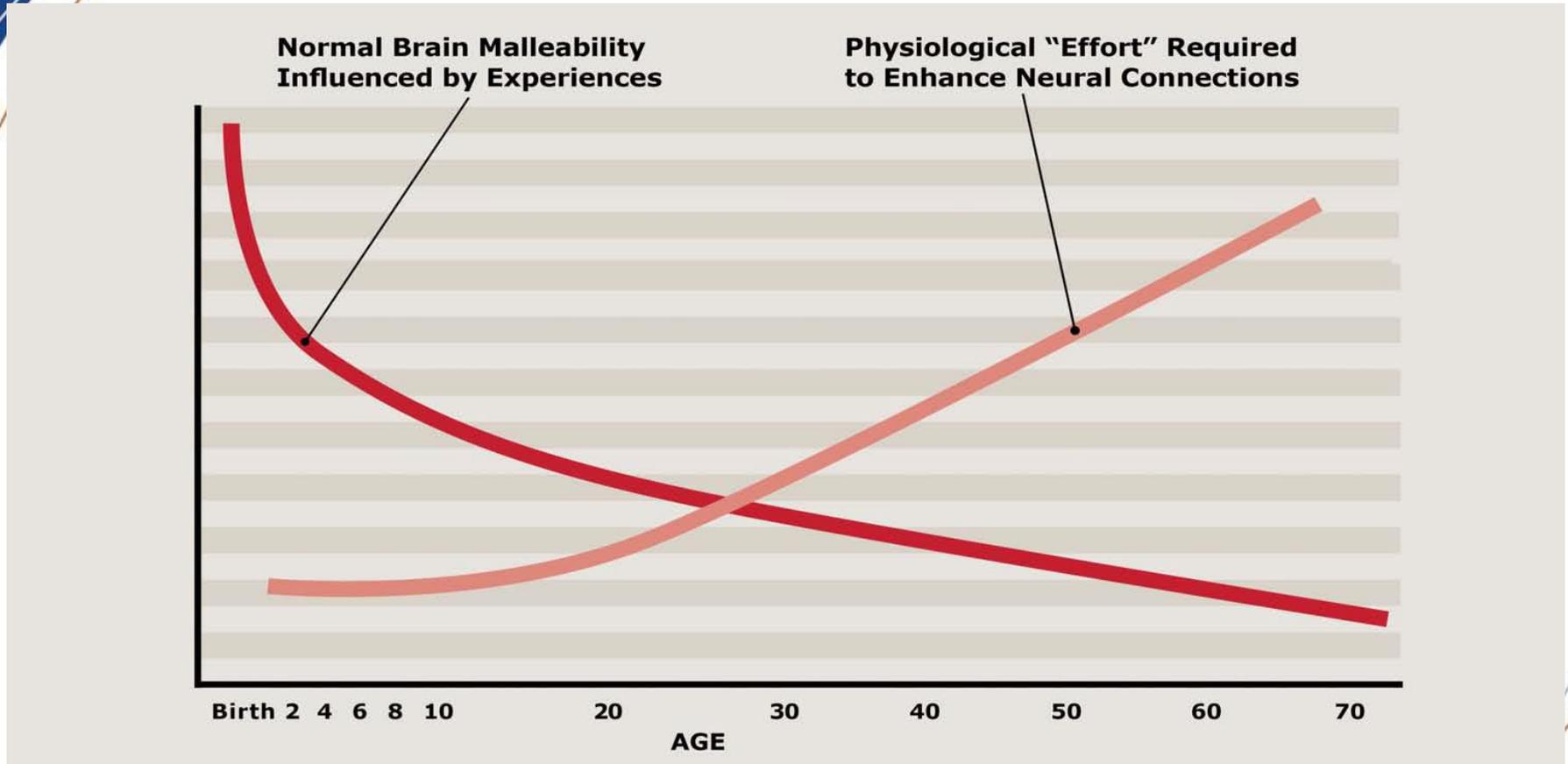
Neural Connections for Different Functions Develop Sequentially



Source: C.A. Nelson (2000)

# CORE CONCEPTS IN THE SCIENCE OF EARLY CHILDHOOD DEVELOPMENT

The Ability to Change Brains and Behavior Decreases Over Time



Graph Source: P. Levitt (2009)

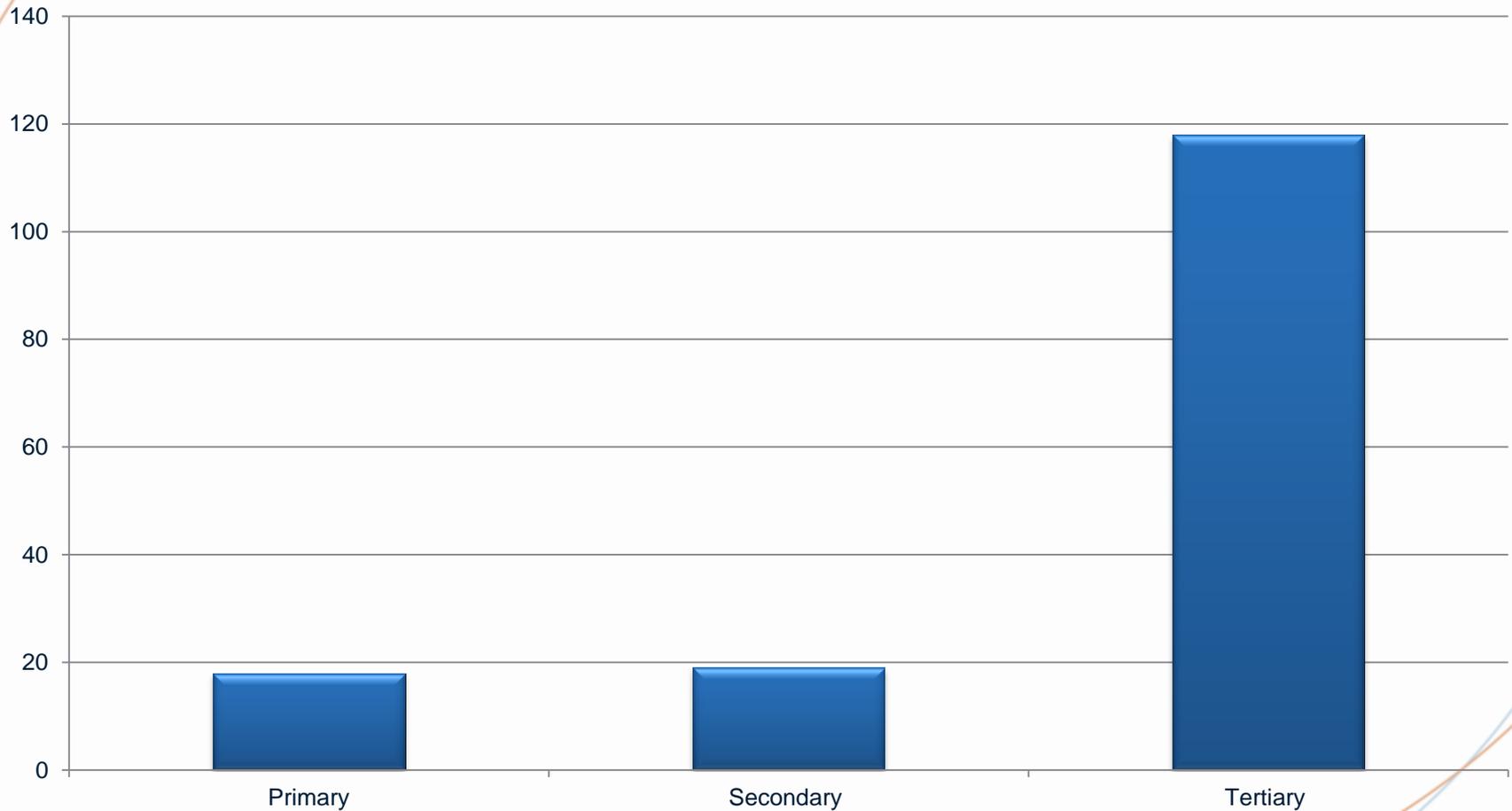


Period of inaction

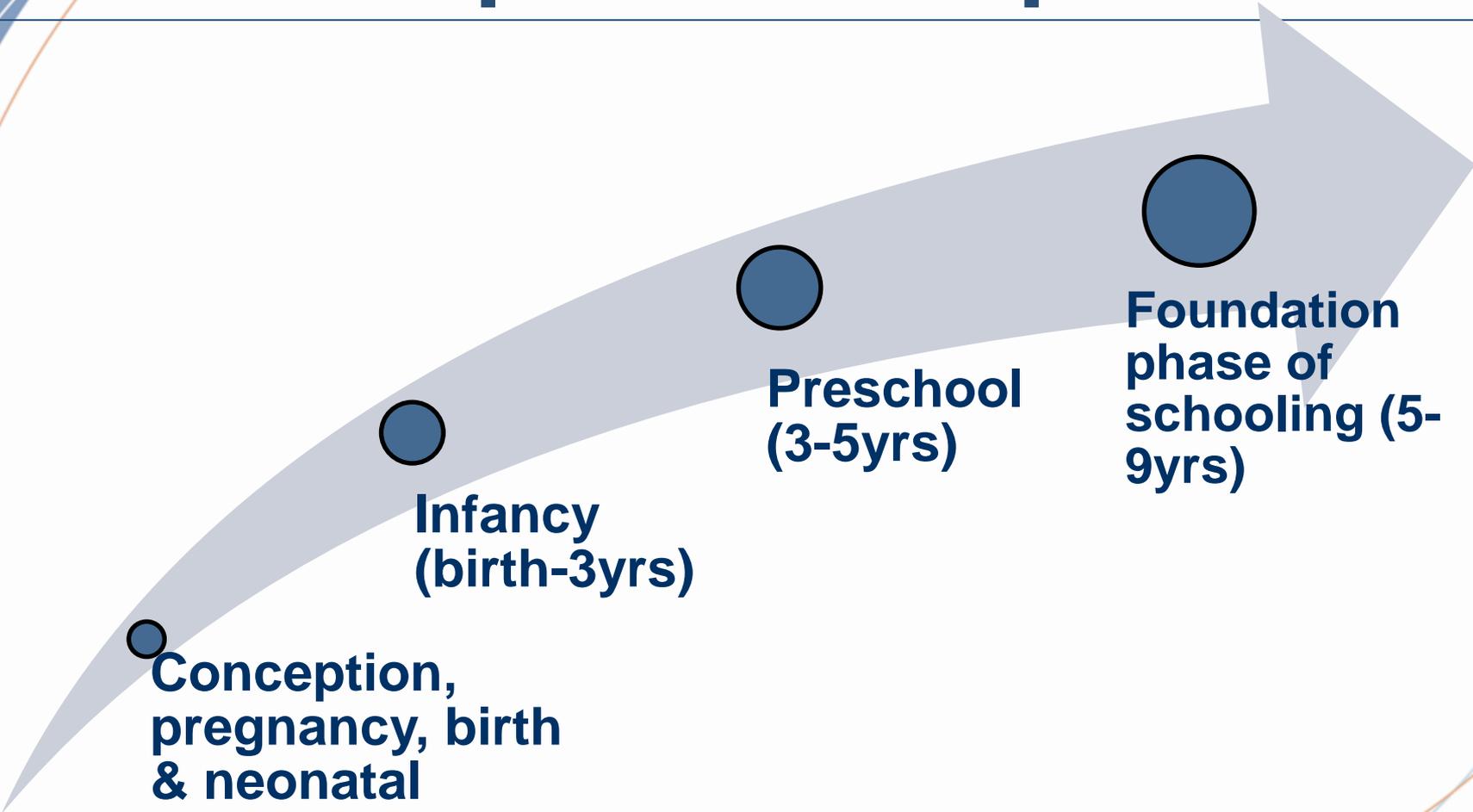




# Expenditure per student as a percentage of GDP per capita (2006)



# ECD: One Stage of Holistic Lifespan Development



**Conception,  
pregnancy, birth  
& neonatal  
period**

**Infancy  
(birth-3yrs)**

**Preschool  
(3-5yrs)**

**Foundation  
phase of  
schooling (5-  
9yrs)**

# Foundations

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• Infant Mortality Rate	28 (2012)
• Exclusive Breast Feeding	24% (2007)
• Immunization rates	75-85% (2012)
• Stunting 0-5	30%(2007)
• Gross enrolment in pre-primary	30% (2006)
• Primary school completion	85% (2012)

# Foundations

- Youth unemployment 34% (2012)
- Poverty head count (NPL) 29% (2009)
- Income share top 10% 55% (2004)
- Income share bottom 10% 1%

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# Constructing the Case and Setting Priorities

Approaches to evaluation:

# Three points

1. We should evaluate sets of intervention
2. In terms of outcome vectors
3. We should consider if framing does/should matter

# Single vs. sets of interventions

- Production lines and bakeries
- Context matters and assuming the context is fixed will bias priorities – typically towards inequitable distributions of services

# Vectors of outcomes

- Constitutive and consequential benefits: How much information is considered when setting priorities?
  - Cost effectiveness analysis (narrow)
  - Cost benefit analysis (often controversial)
  - Cost of inaction (non-ordering)
- Mechanical decision making or process support?
- How and by whom should value judgements be made?

# Framing

- Benefits of action or costs of inaction?
  - Two sides of the same coin?
- Framing and choice:
  - Sins of omission
  - Loss aversion

# An example

# ECD in Angola

- Could not evaluate ECD in isolation – strengthen the education system
- 2012-31:
  - 1.88 million more children enrol in preschool and the primary school
  - 960 000 complete primary by 2031
  - 185 000 complete secondary by 2031
  - PV of cost US\$3 billion (2012 US\$)

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  - 240 000 fewer deaths of under fives
  - 11 000 fewer maternal deaths
  - 40% reduction in the fertility of cohort
  - Numerous unquantified benefits: **equity?**

# Immediate priorities in Namibia?

- Current coverage and quality?
- Potential for impact? On what outcomes?
- Cost?
- Equity?