

# **What Explains Vietnam's Exceptional Performance in Education Relative to Other Countries?**

## **Analysis of the 2012 PISA Data**

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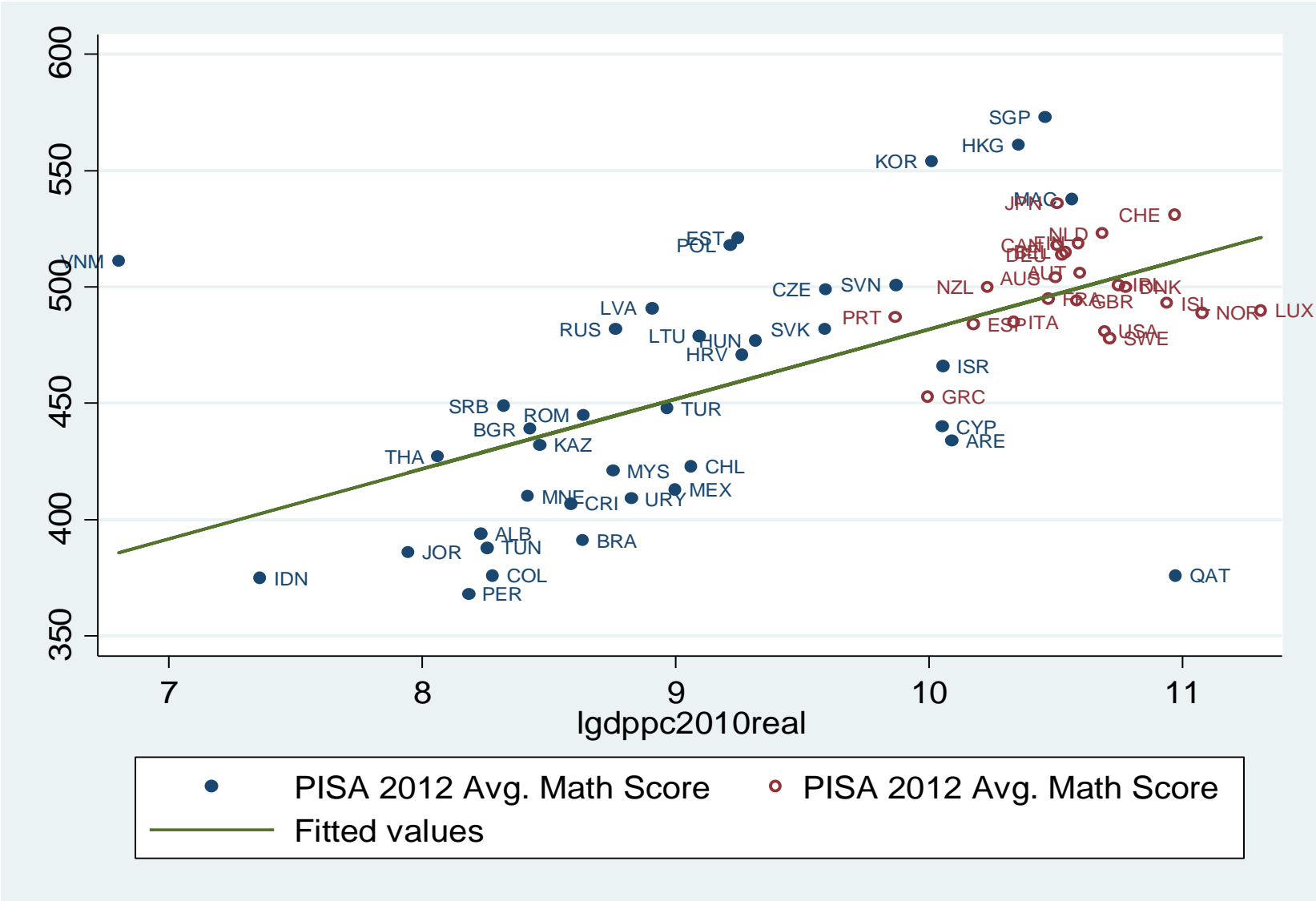
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## **Vietnam: An Apparent International Education Success Story ...**

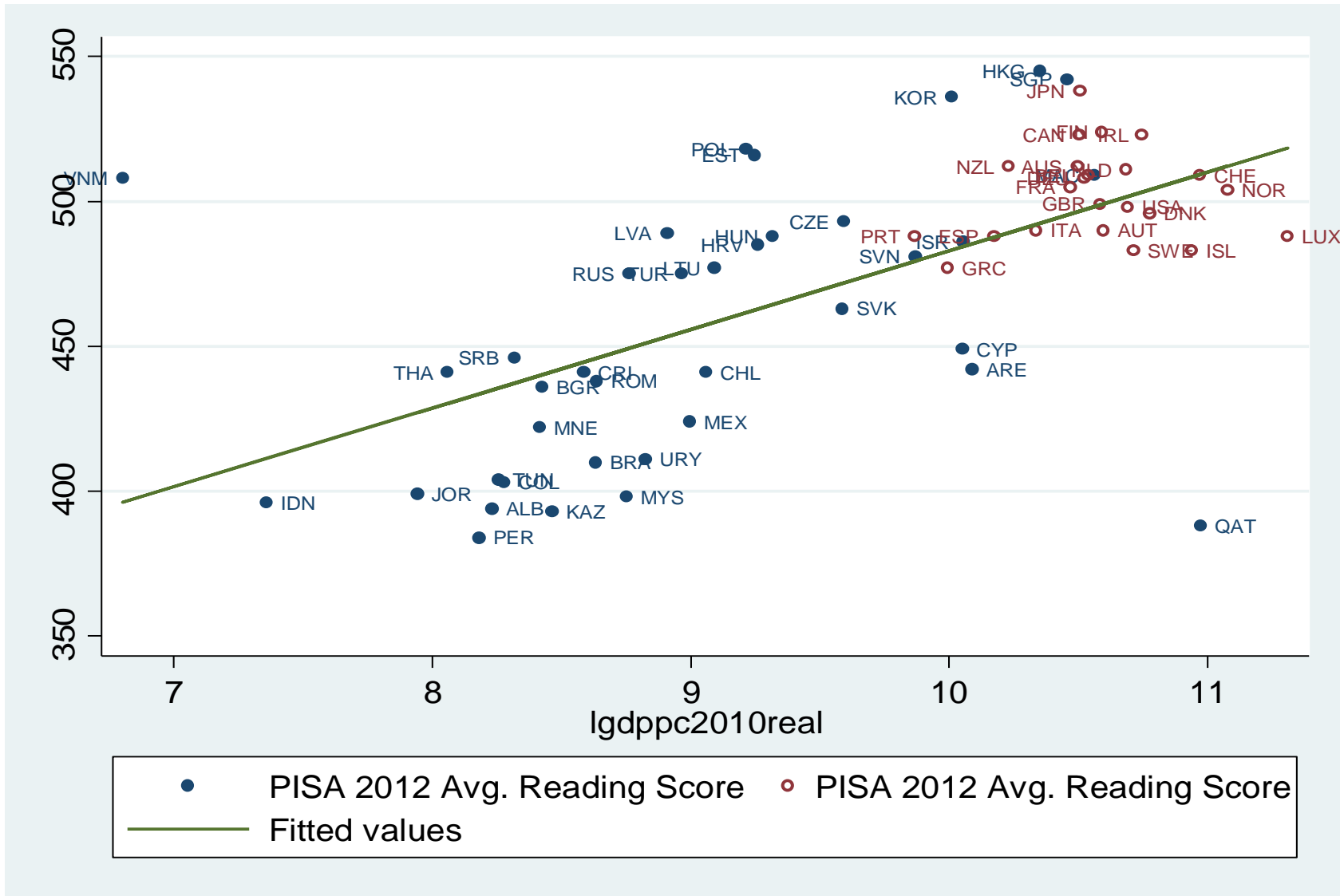
Vietnam's achievements have generated a great deal of international attention

- Primary completion rate 97%, Lower secondary enrollment rate of 95%
- 2012 PISA (Programme for International Student Assessment)
  - 16<sup>th</sup> in math (out of 63 participating countries)
  - 18<sup>th</sup> in reading (out of 63 participating countries)
  - Ahead of both the US and the UK!
  - Vietnam's PISA scores much higher than predicted by its income level ...

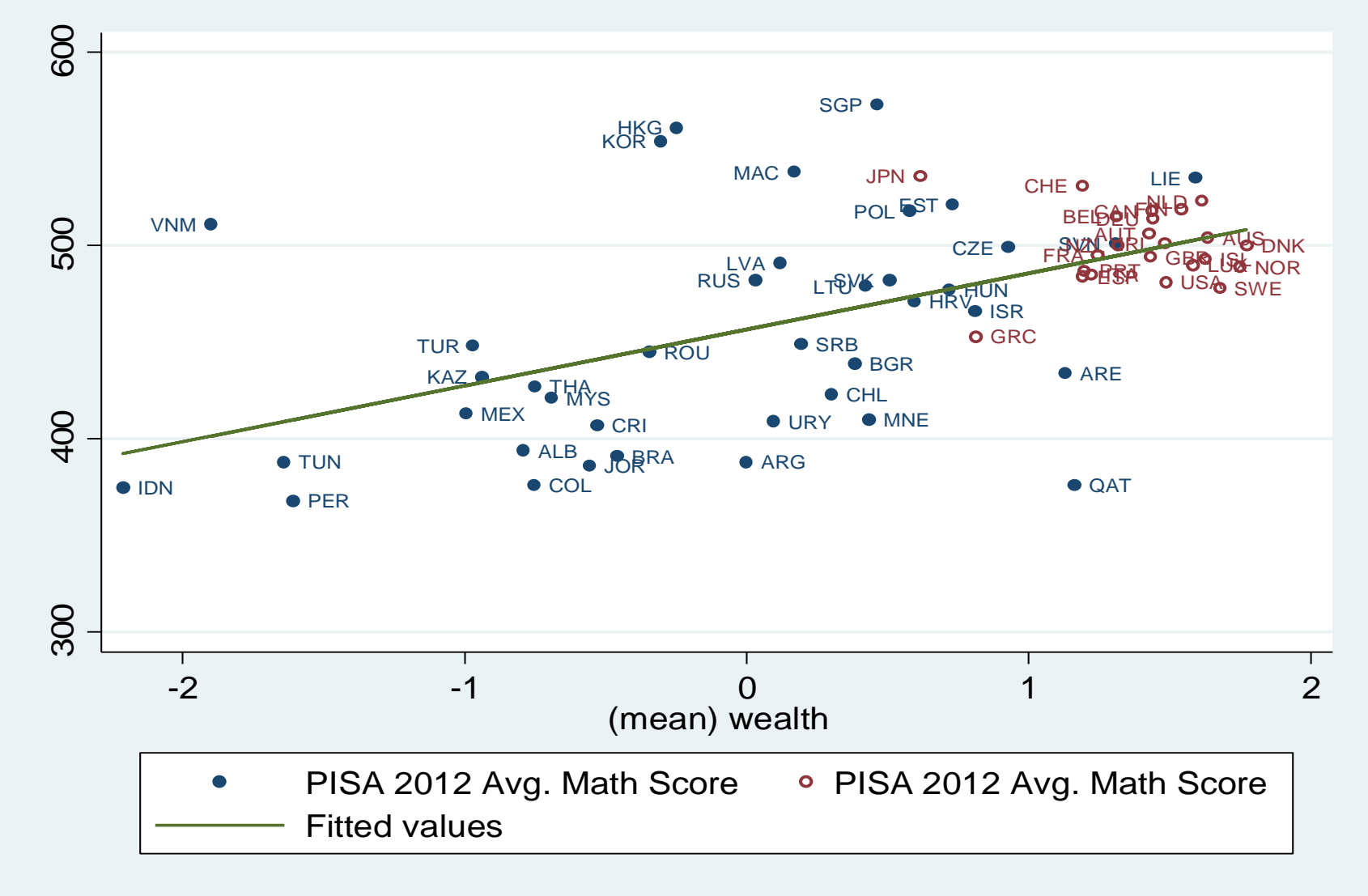
# Mean Age 15 Math Scores in 2012 (PISA), by 2010 Log Real GDP/capita



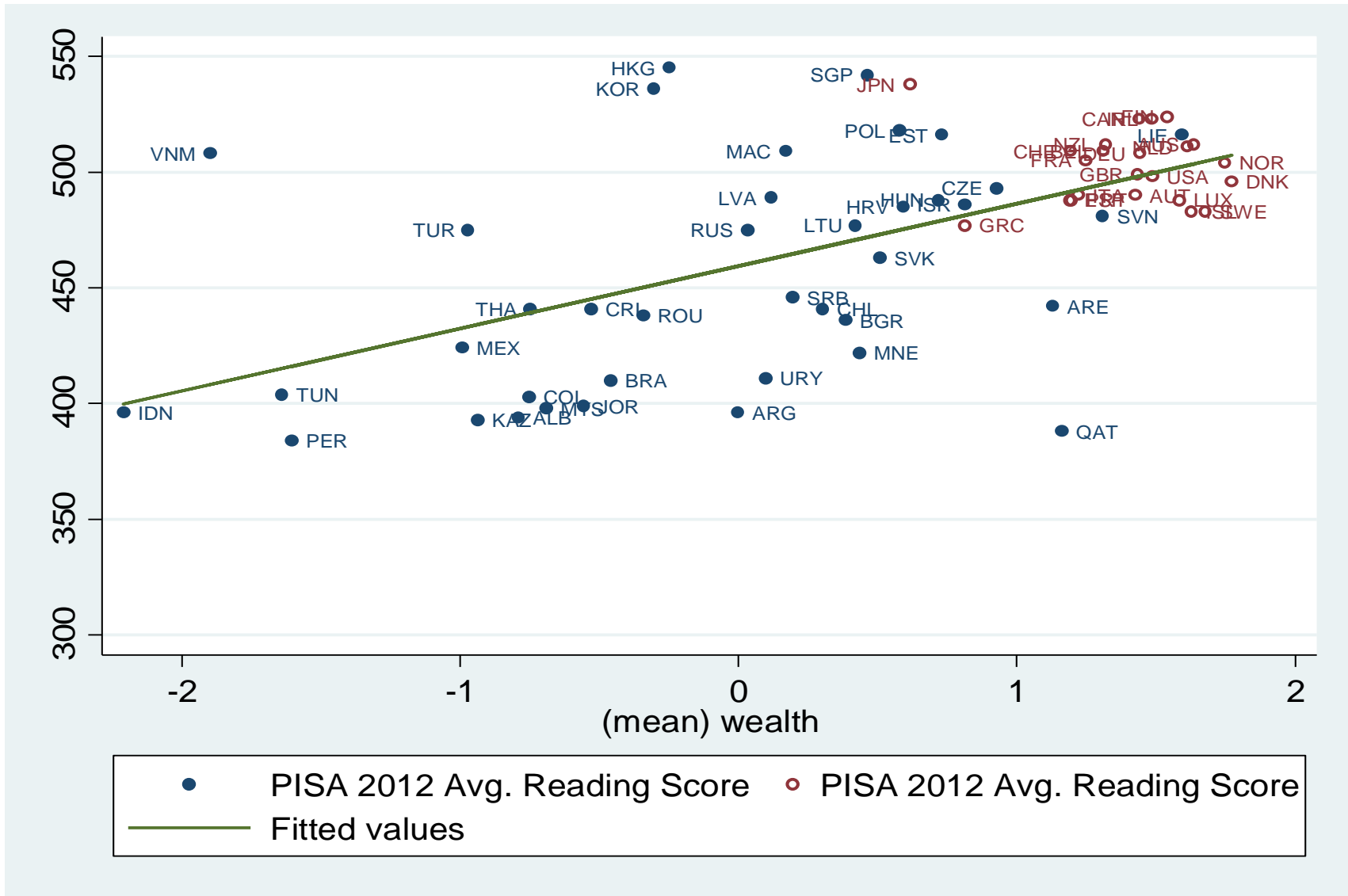
# Mean Age 15 Reading Scores in 2012 PISA, by 2010 Log Real GDP/capita



# Mean Age 15 Math Scores in 2012 (PISA), by 2012 PISA Wealth Index



## Mean Age 15 Reading Scores in 2012 (PISA), by 2012 PISA Wealth Index



**This apparent high performance raises important questions in education for both Vietnam and other developing countries.**

- How and why did Vietnam “get it right”?
- Did Vietnam *really* get it right?
  - How indicative are the PISA results of the true situation in Vietnam?

***Can Vietnam provide useful lessons for other developing countries?***

**This paper will examine:**

1. Whether the PISA sample is representative of Vietnam’s 15 year olds, and if not what happens when it is adjusted to make it representative?
2. What observed variables in the PISA explain the gaps seen after conditioning only on income?
3. What can be learned from an Oaxaca-Blinder decomposition?

# 1. Are PISA 15-year olds Representative of Vietnam's 15-year-olds?

**Maybe not!** Of the 63 countries in the 2012 PISA Vietnam had the **third lowest enrollment rate** (coverage rate), at 55.7%. The average is 75-80%.

For a **“fair comparison”**, assume that those who are not in school would have scored below the 50<sup>th</sup> percentile of all 15-year-olds had they been in school. That is, **compare the “top 50%” of students.**

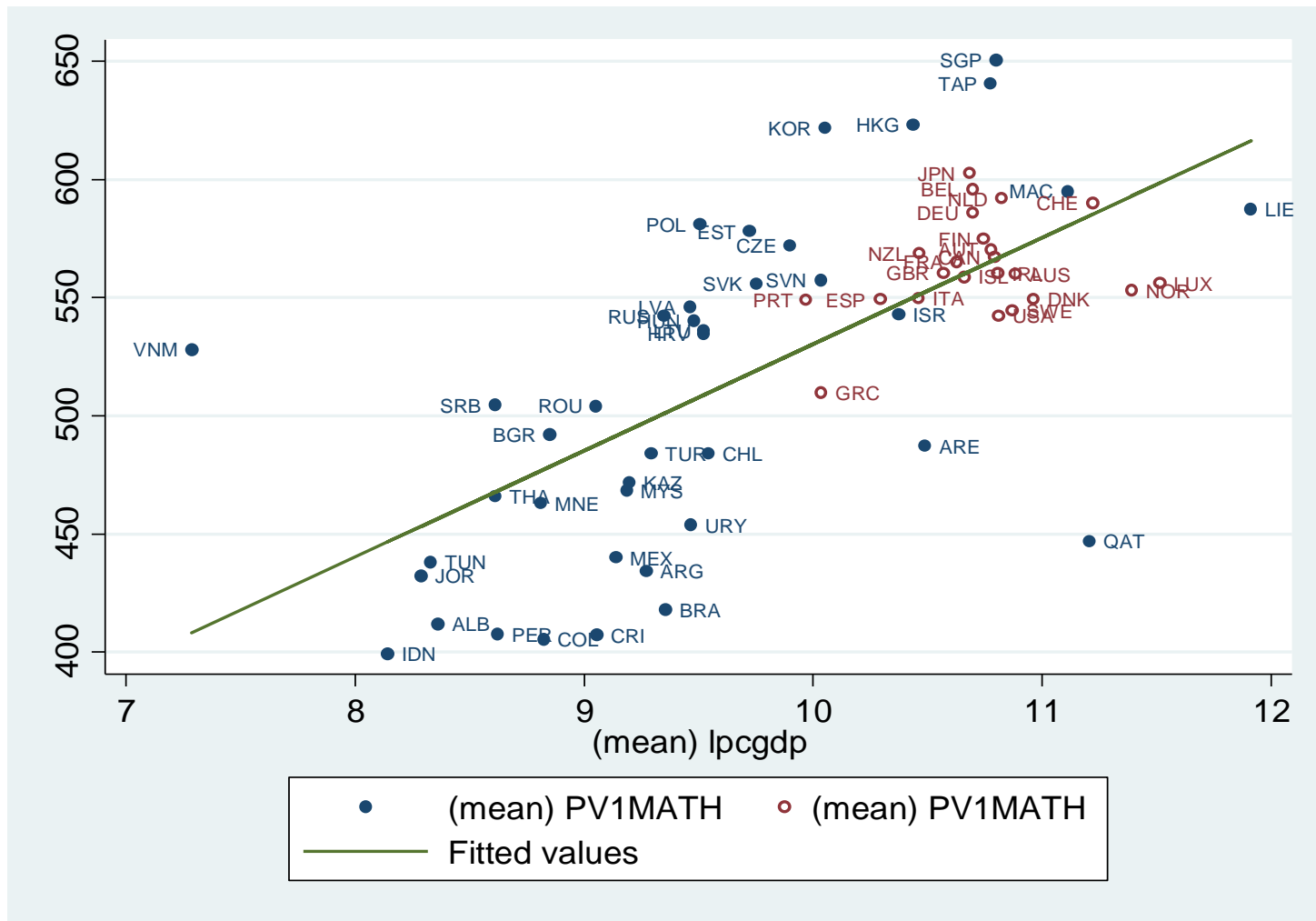
Vietnam's rank (out of 63 countries) drops sharply when this is done:

	Math Rank	Reading Rank
Of 15-year-olds in school	16	18
Of top 50% of students	40	41

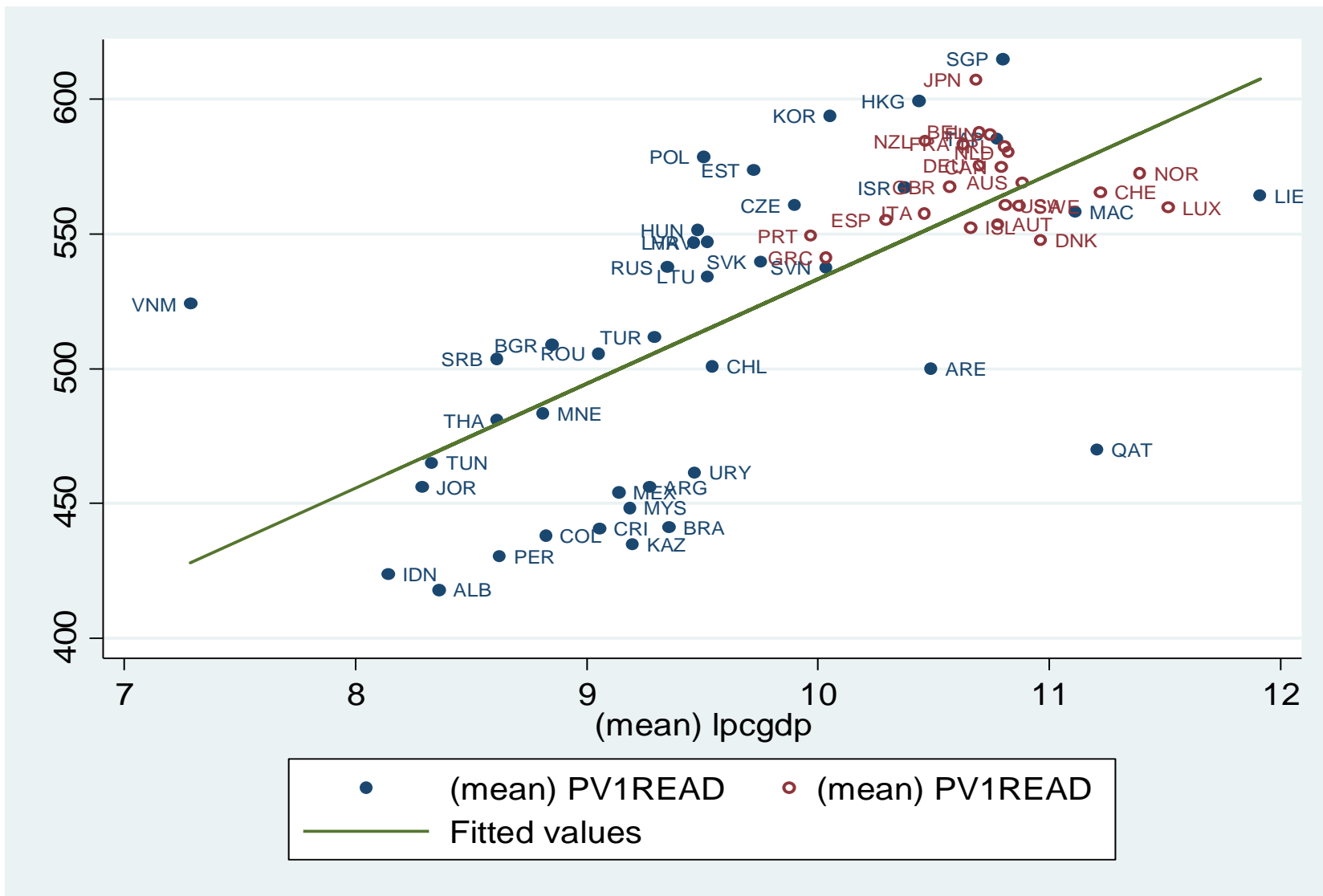


But Vietnam's to 50% score is still a big outlier conditional on GDP/capita!

Figure 3. Mean Age 15 Top 50% Math Scores in 2012 (PISA), by 2010 Log Real GDP/capita



**Figure 4. Mean Age 15 Top 50% Reading Scores in 2012 PISA, by 2010 Log Real GDP/capita**



**Also, even conditional on being in school** it seems that the 15-year-old students in Vietnam in the 2012 PISA have a higher socio-economic status than 15-year-old students in the 2012 Vietnam Household Living Standards Survey:

**Table 2: Characteristics of Students Who Were Born in 1996: PISA vs. VHLSS**

Variable	PISA	VHLSS (PISA-eligible only)		
		All	March-July	Sep-Nov
Rural (%)	49.7	74.0	74.7	73.3
Female (%)	53.8	51.7	51.7	51.9
Current grade: 10 <sup>th</sup> grade (%)	86.1	84.3	75.7	93.5
Current grade: 9 <sup>th</sup> grade (%)	10.3	14.0	22.2	5.1
Father's years of schooling	8.95	7.18	7.19	7.16
Mother's years of schooling	8.34	6.80	6.93	6.66
Owns an air-conditioner (%)	16.0	7.1	7.1	7.2
Owns a motorbike (%)	93.1	91.0	90.7	91.1
Owns a car (%)	7.3	0.7	1.0	0.4
Owns a computer (%)	39.1	24.5	25.1	23.9
Number of TVs owned	1.39	1.00	1.00	0.99
Sample (born 1996, enrolled 2012)	4,771	455	236	219

## So what happens if we use VHLSS means to predict PISA scores?

First, regress PISA scores on all the variables in the previous table, which can be denoted by  $\mathbf{X}$ , **only for observations from Vietnam:**

$$\text{PISAscore}_i = \boldsymbol{\beta}'\mathbf{X}_i + u_i \quad (1)$$

The table on the following slide shows the results of these regressions.

The predictive power of these regressions is high, with an  $R^2$  of 0.341 for the reading score and 0.310 for the math score. Given that the test scores may have substantial random error, the explanatory power of these regressions for the “true” skills that these tests are trying to measure are likely to be much higher, perhaps around 0.500.

**Table 3: Predictors of 2012 PISA Scores in Vietnam (Observations = 4771)**

VARIABLES	READING	MATH
Rural	-11.56*** (1.842)	-18.04*** (2.193)
Female	24.61*** (1.737)	-16.58*** (2.068)
Grade 10	95.14*** (2.587)	105.8*** (3.079)
Father years schooling	1.536*** (0.315)	2.231*** (0.374)
Mother years schooling	1.661*** (0.309)	1.879*** (0.368)
Owns an air conditioner	-0.626 (2.910)	5.456 (3.464)
Owns a car	-3.442 (3.089)	-6.723* (3.677)
Owns a computer	10.86*** (2.039)	17.35*** (2.427)
Number of TVs Owned	2.977* (1.609)	0.526 (1.915)
Constant	385.2*** (3.676)	396.7*** (4.375)
R-squared	0.341	0.310

Second, note that OLS estimation implies that:

$$\overline{\text{PISAscore}} = \hat{\beta}_{\text{OLS}}' \bar{\mathbf{X}}_{\text{PISA}} \quad (2)$$

To obtain the predicted PISA score after adjusting  $\bar{\mathbf{X}}$  to reflect the values in the 2012 VHLSS, assume that the predictive power of  $\hat{\beta}_{\text{OLS}}$  does not depend on the distribution of the  $\mathbf{X}$  variables, & replace  $\bar{\mathbf{X}}_{\text{PISA}}$  with  $\bar{\mathbf{X}}_{\text{VHLSS}}$ :

$$\overline{\text{PISAscore}}_{\text{adjusted}} = \hat{\beta}_{\text{OLS}}' \bar{\mathbf{X}}_{\text{VHLSS}} \quad (3)$$

The PISA examine was given in Vietnam in April of 2012, so the means should be for the months of March – July, as shown in Table 1.

Tables 6 and 7 “adjust” average PISA using means from the VHLSS survey that are from the months of March – July (almost all of these interviews took place in either March, April or June).

**Bottom Line: This adjustment reduces Vietnam’s PISA scores by only 20-24.**

**Table 5: Predicted PISA Reading Scores Based on VHLSS Data,  
Decomposed by Variable**

Variable	Variable Means		Difference in Means	Reading Coeff.	Reading Coefficient Multiplied by:		
	PISA	VHLSS			PISA Mean	VHLSS Mean	Difference in Means
	Rural	0.497			0.747	-0.250	-11.56
Girl	0.538	0.517	0.021	24.61	13.2	12.7	0.5
In Grade 10	0.861	0.757	0.104	95.14	81.9	72.0	9.9
Dad Yrs. Sch.	8.81	7.19	1.62	1.536	13.5	11.0	2.5
Mom yrs. sch.	8.23	6.93	1.30	1.661	13.7	11.5	2.2
Air condit.	0.160	0.071	0.089	-0.626	-0.1	-0.0	-0.1
Car	0.094	0.010	0.084	-3.442	-0.3	-0.0	-0.3
Computer	0.391	0.251	0.140	10.86	4.2	2.7	1.5
TVs	1.39	1.00	0.39	2.977	4.1	3.0	1.1
Constant	1.000	1.000	0.000	385.2	385.2	385.2	0.0
Column sum	--	--	--	--	509.8	489.5	20.3

**Table 6: Predicted PISA Math Scores Based on VHLSS Data, Decomposed by Variable**

Variable	Variable Means		Difference in Means	Math Coeff.	Math Coefficient Multiplied by:		
	PISA	VHLSS			PISA Mean	VHLSS Mean	Difference in Means
	Rural	0.497			0.747	-0.250	-18.04
Girl	0.538	0.517	0.021	-16.58	-8.9	-8.6	-0.4
In Grade 10	0.861	0.757	0.104	105.8	91.0	80.1	11.0
Dad Yrs. Sch.	8.81	7.19	1.62	2.231	19.7	16.0	3.6
Mom yrs. sch.	8.23	6.93	1.306	1.879	15.5	13.0	2.4
Air condit.	0.160	0.071	0.089	5.456	0.9	0.4	0.5
Car	0.094	0.010	0.084	-6.723	-0.6	-0.1	-0.6
Computer	0.391	0.251	0.140	17.35	6.8	4.4	2.4
TVs	1.39	1.00	0.39	0.526	0.7	0.5	0.2
Constant	1.000	1.000	0.000	396.7	396.7	396.7	0.0
Column sum	--	--	--	--	512.7	489.0	23.7



## 2. What observed variables in the PISA data explain the gaps seen after conditioning only on income?

In theory, **something must explain why Vietnam is still an outlier.**

The **PISA data** collected a large amount of information on the students and their schools. **If these observed variables can explain** why Vietnam performs so well, then **Vietnam should no longer be an outlier** when they are added to the regression.

Assume that the underlying skill,  $S_{ic}$ , measured by the PISA score of student  $i$  in country  $c$  is a linear function of the characteristics of: (i) the student; (ii) his or her household; (iii) the teachers which he or she has had; and (iv) the school(s) which he or she has attended:

$$S_{ic} = \boldsymbol{\beta}'\mathbf{x}_{ic} + \varepsilon_{ic} \quad (4)$$

where  $\mathbf{x}$  variables are **all** student, household, teacher and school characteristics, and  $\varepsilon_{ic}$  is measurement error in the PISA test.

An **important distinction** to make regarding the  $\mathbf{x}_{ic}$  **variables** is that between those that are **observed** and those that are **unobserved**:

$$\begin{aligned} S_{ic} &= \boldsymbol{\beta}^o' \mathbf{x}_{ic}^o + \boldsymbol{\beta}^u' \mathbf{x}_{ic}^u + \varepsilon_{ic} & (5) \\ &= \boldsymbol{\beta}^o' \mathbf{x}_{ic}^o + \boldsymbol{\beta}^u' \bar{\mathbf{x}}_c^u + \boldsymbol{\beta}^u' \mathbf{x}_{ic}^{u,d} + \varepsilon_{ic} \end{aligned}$$

(superscript o indicates observed & superscript u indicates unobserved).

The second line disaggregates  $\mathbf{x}_{ic}^u$  into: (i) its country specific mean,  $\bar{\mathbf{x}}_c^u$ ; and (ii) the within-country deviation from that mean for student i,  $\mathbf{x}_{ic}^{u,d}$  (d superscript indicates “deviation”).

For a regression with country fixed effects, the fixed effect for country c would be  $\boldsymbol{\beta}^u' \bar{\mathbf{x}}_c^u$ , and the error term would be  $\boldsymbol{\beta}^u' \mathbf{x}_{ic}^{u,d} + \varepsilon_{ic}$ .

**Now, let’s look at some initial regressions.**

**Table 8. Regressions of Test Scores on Log(GDP)/capita or Wealth/capita: Student Level Data**

VARIABLES	(1) MATH	(2) READ	(3) MATH	(4) READ	(5) MATH	(6) READ	(7) MATH	(8) READ
Log (per capita GDP)	34.14*** (0.136)	31.53*** (0.135)						
Wealth (national average)			28.84*** (0.110)	26.63*** (0.110)				
Wealth (student specific)					22.35*** (0.0772)	20.82*** (0.0763)	16.26*** (0.961)	15.16*** (0.986)
Constant	126.1*** (1.319)	159.5*** (1.310)	454.9*** (0.140)	463.2*** (0.139)	458.3*** (0.139)	467.0*** (0.138)	--	--
<b>Vietnam residual (average)</b>	<b>135.8</b>	<b>119.0</b>	<b>111.6</b>	<b>96.7</b>	<b>98.2</b>	<b>83.6</b>	<b>82.8</b>	<b>73.4</b>
<b>Residual Rank</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>3</b>
<b>More highly ranked</b>	<b>none</b>	<b>none</b>	<b>HK</b>	<b>none</b>	<b>HK</b>	<b>HK</b>	<b>HK</b>	<b>HK</b>
					<b>S. Korea</b>		<b>S. Korea</b>	<b>S.</b>
					<b>Singap.</b>		<b>Singap.</b>	<b>Korea</b>
							<b>Taiwan</b>	
Country fixed effects	No	No	No	No	No	No	Yes	Yes
Observations	473,236	473,236	473,236	473,236	455,971	455,971	455,971	455,971
R-squared	0.117	0.103	0.126	0.111	0.155	0.140	0.969	0.968

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

For fixed effects regression, residual = fixed effect – constant in regression without fixed effects.

Regressions (1) and (2). Same as figures shown above except each student, rather than each country is an observation. Vietnam is still the largest outlier.

Regressions (3) and (4). Replace GDP per capita with average of wealth index (which does vary over student, but for now assign country average to each student). Vietnam is still the largest outlier in reading, but second largest in math.

Regressions (5) and (6). Allow wealth to vary across students. Vietnam is the second largest outlier in reading and fourth largest in math.

Regressions (7) and (8). Add country fixed effects. Vietnam is the third largest outlier in reading and fifth largest in math.

**Overall, for student level regressions with GDP per capita Vietnam is still the biggest outlier. Switching to student-level wealth and country fixed effects make it slightly less of an outlier, but it's still an outlier!**

The goal now is to **add additional variables to equation (5)**, which moves those variables out of  $\mathbf{x}_{ic}^u$  and into  $\mathbf{x}_{ic}^o$ , to see whether Vietnam's outlier status can be explained by observed variables in the PISA data.

This approach has been used by Fryer and Levitt (2004) to investigate the factors that explain the gap in test scores between black and white students in the U.S.

**If the key factors that explain Vietnamese students' success are in the PISA data**, adding them to the regression will lead to a small, statistically insignificant country fixed effect for Vietnam by reducing the variables that contribute to the  $\beta^u \bar{\mathbf{x}}_c^u$  term in the second line of Equation (5).

If all variables are included that explain the performance of *all* the countries in the PISA data set, then *all* country fixed effects will become insignificant and the error term will primarily consist of (within-country) variation in the measurement error,  $\varepsilon_{ic}$ .

Even if the PISA data lack some variables that explain Vietnam's (and other countries') success, so that the country fixed effects are still statistically significant...

...it may still be that those country fixed effects are greatly reduced and thus at least *part* of the reasons for Vietnam's success are explained by the PISA data.

In contrast, if the student, household, teacher and school variables that explain Vietnam's success are for the most part *not* in the PISA data, Vietnam will continue to be a large, positive outlier...

... and the reason(s) for its outlier status will be due to factors that are not measured, or at least are not measured very well, in the PISA data.

**So let's add some variables and see what happens!**

**Table 9: Regressions of Test Scores on Wealth/capita and Student and Household Variables**

VARIABLES	MATH	READ	MATH	READ	MATH	READ	MATH	READ
Wealth index	15.92***	14.66***	9.998***	9.548***	15.77***	14.49***	5.694***	5.080***
Girl			-8.705***	33.31***			-15.39***	26.55***
Sibling index			-1.905***	-2.457***			-1.930***	-2.392***
Sib. index missing			-19.59***	-15.66***			-17.54***	-13.51***
Mom years school			2.978***	2.872***			1.800***	1.702***
Dad years school			3.310***	3.065***			2.046***	1.841***
Grade 10							22.87***	23.87***
Years of preschool							10.74***	10.05***
Educational input index							7.432***	7.985***
Attendance (past 2 weeks)							7.710***	7.638***
Books at home							0.0689***	0.0595***
Hours of study							3.170***	3.017***
Extra math classes (tutored)							0.558***	
Extra math var. missing							-2.929***	
Extra read classes (tutored)								-4.440***
Extra read variable missing								-3.052***
<b>Vietnam residual (avg.)</b>	<b>78.2</b>	<b>68.3</b>	<b>80.6</b>	<b>70.7</b>	<b>79.1</b>	<b>68.9</b>	<b>65.0</b>	<b>55.1</b>
<b>Residual Rank</b>	<b>5</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>3</b>
<b>More highly ranked</b>	<b>HK</b>	<b>HK</b>	<b>HK, Macao</b>	<b>HK</b>	<b>HK</b>	<b>HK</b>	<b>HK</b>	<b>Finland</b>
	<b>S. Korea</b>	<b>S. Korea</b>	<b>Singap.</b>		<b>S. Korea</b>	<b>S. Korea</b>	<b>Macao</b>	<b>HK</b>
	<b>Singap.</b>		<b>S. Korea</b>		<b>Singap.</b>		<b>Singap.</b>	
	<b>Taiwan</b>		<b>Taiwan</b>		<b>Taiwan</b>		<b>Taiwan</b>	
Observations	401,489	401,489	401,489	401,489	393,730	393,730	393,730	393,730
R-squared	0.366	0.295	0.399	0.350	0.360	0.291	0.464	0.421

**Table 10: Regressions Test Scores on Wealth/capita & Student, Household and School Variables**

VARIABLES	MATH	READING	MATH	READING
Wealth	15.32***	13.75***	5.436***	3.869***
Class size			0.0943***	0.271***
Ratio qualified teachers			13.28***	10.44***
Qual. tchr. ratio missing			-1.370***	-2.833***
Square root of computers/pupil			-2.087***	-0.710
Stud. perf. used to assess teachers			1.728***	2.049***
Teacher absenteeism			-3.302***	-2.961***
Parents pressure teachers			11.59***	11.33***
Principal observes teachers			-2.741***	0.117
Inspector observes teachers			-4.735***	-6.698***
Teacher pay linked to stud. perf.			-2.232***	-2.501***
Teacher mentoring index			5.244***	5.906***
<b>Vietnam residual (average)</b>	<b>76.7</b>	<b>66.2</b>	<b>58.1</b>	<b>44.7</b>
<b>Residual rank</b>	<b>5</b>	<b>4</b>	<b>8</b>	<b>4</b>
<b>More highly ranked</b>	<b>HK</b>	<b>HK</b>	<b>HK, Macao</b>	<b>Finland</b>
	<b>S. Korea</b>	<b>S. Korea</b>	<b>Liecht.</b>	<b>HK</b>
	<b>Singap.</b>	<b>Singap.</b>	<b>S. Korea</b>	<b>Liecht.</b>
	<b>Taiwan</b>		<b>Singap.</b>	
			<b>Switz.</b>	
			<b>Taiwan</b>	
Observations	341,409	341,409	341,409	341,409
R-squared	0.354	0.286	0.460	0.405



**Bottom Line:** At most, adding child, household and school variables explains one fourth of Vietnam's exceptional performance in math and one third of its exceptional performance in reading.

Thus most of the explanation for that performance must be found elsewhere.

### 3. What can be learned from an Oaxaca-Blinder decomposition?

The analysis thus far assumes that the impacts of each of the variables on test scores are the same for all 63 countries in the analysis.

But perhaps Vietnam's exceptional performance is partly due to it being "more effective" in using various inputs. For example, maybe Vietnamese parents' years of schooling represent a higher level of cognitive skills.

To examine this possibility consider the standard Oaxaca-Blinder decomposition, applied to differences in test scores between Vietnam and all other countries:

$$S_{i,VN} = \beta_{VN}'X_{i,VN} + u_{i,VN} \quad (\text{Vietnam})$$

$$S_{i,O} = \beta_O'X_{i,O} + u_{i,O} \quad (\text{Other countries})$$

The constant term in each regression can be normalized so that the mean of the error term equals 0. Then taking the mean of both sides of each regression gives the following:

$$\bar{S}_{VN} = \boldsymbol{\beta}_{VN}' \bar{\mathbf{X}}_{VN}$$

$$\bar{S}_O = \boldsymbol{\beta}_O' \bar{\mathbf{X}}_O$$

The difference in the mean test scores between Vietnam and the 62 other countries in the PISA data can be described as follows:

$$\begin{aligned} \bar{S}_{VN} - \bar{S}_O &= \boldsymbol{\beta}_{VN}' \bar{\mathbf{X}}_{VN} - \boldsymbol{\beta}_O' \bar{\mathbf{X}}_O \\ &= \boldsymbol{\beta}_{VN}' \bar{\mathbf{X}}_{VN} - \boldsymbol{\beta}_O' \bar{\mathbf{X}}_O + \boldsymbol{\beta}_O' \bar{\mathbf{X}}_{VN} - \boldsymbol{\beta}_O' \bar{\mathbf{X}}_{VN} \\ &= \boldsymbol{\beta}_O' (\bar{\mathbf{X}}_{VN} - \bar{\mathbf{X}}_O) + (\boldsymbol{\beta}_{VN} - \boldsymbol{\beta}_O)' \bar{\mathbf{X}}_{VN} \end{aligned}$$

The analysis thus far has assumed that  $\boldsymbol{\beta}_{VN} = \boldsymbol{\beta}_O$ , but now we allow for differences in the effect of the variables in Vietnam and in other countries.

**Table 11: Means of Regression Variables, for Vietnam and for Other Countries**

<b>Variable (x)</b>	<b>Vietnam</b>	<b>Other PISA Countries</b>
Math test score	516.5	462.8
Reading test score	512.8	472.5
Wealth	-1.857	0.1007
Grade 10	0.874	0.584
Sibling index	1.048	1.086
Mom years schooling	8.313	10.98
Dad years schooling	8.883	11.09
Years preschool enrollment	1.600	1.487
Education inputs index (desk, books)	-0.3201	0.1538
Books in home	57.59	114.1
Days attended in past 2 weeks	9.849	9.622
Hours of study per week	5.756	5.362
Extra reading classes (tutoring), hours/week	1.290	0.944
Extra math classes (tutoring), hours/week	2.741	1.325
Class size	44.81	32.61
Proportion of teachers who are qualified	0.7999	0.8337
Proportion qualified teacher missing	0.06890	0.1879
Square root of computers/pupil	0.4173	0.6235
Stud. performance used to assess teachers	0.992	0.708
Teacher absenteeism	1.692	1.778
Parents pressure teachers	2.311	1.957
Principal observes teachers	0.9653	0.8018
Outside Inspector observes teachers	0.8471	0.4061
Teacher pay linked to student perform.	2.487	1.703
Teachers are mentored	0.8450	0.6837
Sample size	4,421	336,988

**Table 12: Math Decomposition, including Grade 10 (diff = 516.54– 462.80 = 53.74)**

Variable	$\beta_{vn}$	$X_{vn}$	$\beta_{vn}'X_{vn}$	$\beta_o$	$X_o$	$\beta_o'X_o$	$\beta_o'(X_{vn}-X_o)$	$(\beta_{vn}-\beta_o)'X_{vn}$
Wealth	6.764***	-1.857	-12.56	9.633***	0.101	0.97	-18.85	5.335
Grade 10	85.85***	0.874	75.01	18.93***	0.584	11.05	5.49	58.47
Sibling index	3.152*	1.048	3.30	-1.697***	1.086	-1.84	0.07	5.08
Sibling index missing	-0.576	0.149	-0.09	-17.87***	0.238	-4.25	1.58	2.58
Mom years schooling	0.962***	8.313	8.00	1.786***	10.975	19.60	-4.75	-6.85
Dad years schooling	1.511***	8.883	13.42	2.390***	11.086	26.50	-5.27	-7.81
Years in preschool	6.533***	1.600	10.45	13.07***	1.487	19.43	1.47	-10.45
Education inputs index	4.397***	-0.320	-1.41	7.337***	0.154	1.13	-3.48	0.94
Books in home	0.00887	57.59	0.51	0.0882***	114.07	10.07	-4.98	-4.57
Days attend past 2 wks	10.43***	9.849	102.72	8.094***	9.622	77.88	1.84	23.00
Hours study per week	2.920***	5.756	16.81	2.425***	5.362	13.00	0.96	2.85
Extra math class, hrs/wk	3.904***	2.741	10.70	-0.633***	1.325	-0.84	-0.90	12.44
Extra math class missing	8.890***	0.336	2.98	-3.188***	0.358	-1.14	0.07	4.05
Class size	0.0643	44.81	2.88	0.148***	32.61	4.82	1.80	-3.75
Proport. qualified tchrs	18.18***	0.800	14.55	46.08***	0.834	38.42	-1.56	-22.32
Square root comp/pupil	-0.0392	0.417	-0.02	4.925***	0.623	3.07	-1.02	-2.07
Stud perf. to assess tchrs	25.08**	0.992	24.89	-4.267***	0.708	-3.02	-1.21	29.56
Teacher absenteeism	-0.759	1.692	-1.28	-6.600***	1.778	-11.74	0.57	9.88
Parents pressure tchrs	15.71***	2.311	36.32	6.686***	1.957	13.08	2.37	20.87
Principal observes tchrs	14.12**	0.965	13.63	-3.816***	0.802	-3.06	-0.62	17.32
Inspector observes tchrs	-16.73***	0.847	-14.17	-10.15***	0.406	-4.12	-4.48	-5.58
Tchr pay link stud. perf.	2.209	2.487	5.49	-2.279***	1.703	-3.88	-1.79	11.16
Teachers are mentored	6.766**	0.845	5.72	7.722***	0.684	5.28	1.25	-0.81
Constant	199.86***	1.000	199.86	256.74***	1.000	248.21	0.00	-56.88
			516.54			462.80	-28.69	82.42

## Comments on Math Decomposition:

1. Almost all the Vietnam coefficients have the expected signs, but some of the “other” coefficients do not have the expected signs. All coefficients with significant impacts in an unexpected direction are shown in yellow.
2. Differences in household and school characteristics do not explain the gap; in fact they increase the gap.
3. Differential effectiveness ( $\beta_{vn} - \beta_o$ ) “overexplains” the gap.
4. By far the most important effect is that being in grade 10 in Vietnam has a much larger impact than being in grade 10 in other countries. This may reflect that only students who pass an entrance exam or allowed to go on to grade 10.
5. Contribution of difference in constant terms is hard to interpret.

**Table 13: Reading Decomposition, including Grade 10 (diff = 512.82 – 472.52 = 40.30)**

Variable	$\beta_{vn}$	$X_{vn}$	$\beta_{vn}'X_{vn}$	$\beta_o$	$X_o$	$\beta_o'X_o$	$\beta_o'(X_{vn}-X_o)$	$(\beta_{vn}-\beta_o)'X_{vn}$
Wealth	4.748***	-1.857	-8.82	9.305***	0.101	0.94	-18.21	8.46
Grade 10	79.18***	0.874	69.18	20.58***	0.584	12.01	5.97	51.20
Sibling index	4.045***	1.048	4.24	-1.736***	1.086	-1.89	0.07	6.06
Sibling index missing	-0.428	0.149	-0.06	-12.01***	0.238	-2.86	1.06	1.73
Mom years schooling	0.721**	8.313	5.99	1.083***	10.975	11.88	-2.88	-3.01
Dad years schooling	0.694**	8.883	6.17	1.877***	11.086	20.81	-4.14	-10.51
Years in preschool	4.884***	1.600	7.81	10.98***	1.487	16.34	1.23	-9.76
Education inputs index	5.657***	-0.320	-1.81	8.061***	0.154	1.24	-3.82	0.77
Books in home	0.00231	57.59	0.13	0.0741***	114.07	8.45	-4.19	-4.13
Days attend past 2 wks	16.08***	9.849	158.34	7.806***	9.622	75.11	1.77	81.46
Hours study per week	2.335***	5.756	13.44	2.786***	5.362	14.94	1.10	-2.59
Extra reading class hr/wk	-1.547***	2.741	-1.99	-4.887***	1.325	-4.61	-1.69	4.31
Extra reading class miss.	0.712	0.336	0.24	-3.434***	0.358	-1.23	0.07	1.40
Class size	0.258***	44.81	11.58	0.358***	32.61	11.67	4.37	-4.45
Proport. qualified tchrs	16.22***	0.800	12.98	35.92***	0.834	29.95	-1.21	-15.76
Square root comp/pupil	-4.467	0.417	-1.86	7.049***	0.623	4.40	-1.45	-4.81
Stud perf. to assess tchrs	1.901	0.992	1.89	-4.253***	0.708	-3.01	-1.21	6.11
Teacher absenteeism	-1.489	1.692	-2.52	-5.874***	1.778	-10.45	0.51	7.42
Parents pressure tchrs	9.980***	2.311	23.06	8.313***	1.957	16.27	2.94	3.85
Principal observes tchrs	34.74***	0.965	33.53	-1.893***	0.802	-1.52	-0.31	35.36
Inspector observes tchrs	-18.02***	0.847	-15.26	-11.80***	0.406	-4.79	-5.20	-5.27
Tchr pay link stud. perf.	3.676***	2.487	9.14	-4.785***	1.703	-8.15	-3.75	21.04
Teachers are mentored	9.211***	0.845	7.78	7.342***	0.684	5.02	1.18	1.58
Constant	180.82***	1.000	180.82	285.16***	1.000	285.16	0.00	-104.34
			512.82			472.52	-25.78	66.08

## Comments on Reading Decomposition:

1. Four of the Vietnam coefficients do not have the expected signs, and five of the “other” coefficients do not have the expected signs. All coefficients with significant impacts in an unexpected direction are shown in yellow.
2. Differences in household and school characteristics do not explain the gap; in fact they increase the gap.
3. Differential effectiveness ( $\beta_{vn} - \beta_o$ ) “overexplains” the gap.
4. The two factors that explain most of the differential effectiveness gap are the higher productivity of being in grade 10 in Vietnam (which again may reflect selectivity to get to grade 10) and higher productivity of daily attendance, which is difficult to interpret.
5. The constant term “unexplains” “more than all” Vietnam’s higher performance; this is difficult to interpret but may be a scaling issue.



**Thank you!**

**Questions?**

**Comments?**