

The Effect of Schooling on the Life Quality of Albanians

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Abstract: This study aims to examine whether educated Albanians live wealthier life (N=63,150). According to the study, Albanian with more education are wealthier than Albanian with less education. In quantitative terms, one educational year in Albania is associated with a 0.031 standard deviation increase in Albanian wealth index, completing primary schooling raises Albanian wealth index by 0.186 standard deviations, and completing secondary schooling raises Albanian wealth index by 0.254 standard deviations.

Keywords: Education; Albania; Wealth

Introduction

The rise of educational inequality in Albania has important implications for Albanian wealth and wellbeing. Policymakers in Albania have moved their focus to quantifying the Albanian education-wealth relationship.

Therefore, this study aims to examine whether educated Albanians live wealthier life (N=63,150). The data is from the Albania Demographic and Health Surveys (ALB-DHS). Regression analysis with ALB-DHS data is utilized. The explanatory is Albanian education. The outcomes are Albanian wealth index. Our findings, focused on Albania, contribute to the body of evidence concerning the Albanian education-wealth nexus across Albania.

According to the study, Albanian with more education are wealthier than Albanian with less education. In quantitative terms, one educational year in Albania is associated with a 0.031 standard deviation increase in Albanian wealth index, completing primary schooling raises Albanian wealth index by 0.186 standard deviations, and completing secondary schooling raises Albanian wealth index by 0.254 standard deviations.

Data

Using data from the Albania Demographic and Health Surveys (ALB-DHS), we examine whether educated Albanians live wealthier life. ALB-DHS collects detailed information on Albanian demography. Various Albanian characteristics are also included in ALB-DHS. The wealth index of Albanians is the key outcome. We utilize ALB-DHS provided educational attainment of Albanian as the main explanatory.

Table 1: Albanian Descriptive Statistics

	Mean	SD	N
	(1)	(2)	(3)
Albanian Wealth Index	-0.013	0.994	63150
Albanian Education	10.827	5.016	63150
Albanian Primary School	0.874	0.332	63150
Albanian Secondary School	0.457	0.498	63150
Albanian Age	47.641	17.730	63150
Albanian Male	0.484	0.500	63150
Albanian Currently Married	0.733	0.442	63150
Albanian in Rural Areas	0.499	0.500	63150
Albanian Household Head	0.376	0.484	63150

The descriptive statistics in this ALB-DHS sample is in Table 1. The sample includes around 63,150 Albanian respondents. The average ALB-DHS wealth index of Albanian is -0.013. The average ALB-DHS educational years is 10.827. The share of Albanian completing primary school is 0.874 in ALB-DHS. The share of Albanian completing secondary school is 0.457 in ALB-DHS. The average age of Albanian interviewers is 47.641. Albanian male share is 0.484. The share of married Albanian is 0.733 with a population fraction of 0.499 in rural areas. The share of respondents in ALB-DHS being household head is 0.376.

Empirical Design

To examine whether educated Albanians live wealthier life, we estimate the following regression (N=63,150),

$$Y_{ist} = \beta_0 + \beta_1 Edu_{ist} + X'_{ist} \Omega + \epsilon_{ist}$$

where i , s , and t refer to Albanian individuals, ALB-DHS residential cluster, and ALB-DHS survey date. Y_{jst} is Albanian wealth index.

Edu_{ist} is Albanian educational year, Albanian completing primary schooling, and Albanian completing secondary schooling. X'_{jst} includes Albanian age, squared-age, gender, whether Albanian respondent is married, whether Albanian respondent is in rural areas, whether Albanian respondent is household head, Albanian birth year fixed effects, ALB-DHS residential cluster fixed effects, ALB-DHS survey date fixed effects. ϵ_{jst} is the error term.

The coefficient β_1 is the effects of education on Albanian wealth. Simply put, β_1 reflects the difference in wealth of Albanian living in the same neighborhood but with different education level.

Results

Albanian Education- The relationship between Albanian education and wealth in ALB-DHS is in Table 2. Column 1, where only Albanian education is accounted for, displays the relationship between Albanian education and wealth in ALB-DHS. We find that one educational year in Albania is associated with a 0.074 standard deviation increase in Albanian wealth index.

This estimate is only a correlation between Albanian education and wealth in ALB-DHS, while some factors in ALB-DHS are not accounted. Therefore, we introduce Albanian attributes and ALB-DHS spatial-temporal fixed effects. According to Column 3, we find that one educational year in Albania is associated with a 0.031 standard deviation increase in Albanian wealth index.

Table 2: Albanian Education

	(1)	(2)	(3)
Albanian Education	0.074*** (0.001)	0.049*** (0.001)	0.031*** (0.001)
Observations	63150	63150	63150
Cluster FE	.	.	X
Characteristics	.	X	X

Albanian Primary Schooling - The relationship between Albanian primary schooling and wealth in ALB-DHS is in Table 3. Column 1, where only Albanian primary schooling is accounted for, displays the relationship between Albanian primary schooling and wealth in ALB-DHS. We find that one completing primary schooling raises Albanian wealth index by 0.498 standard deviations.

This estimate is only a correlation between Albanian primary schooling and wealth in ALB-DHS, while some factors in ALB-DHS are not accounted. Therefore, we introduce Albanian attributes and ALB-DHS spatial-temporal fixed effects. According to Column 3, we find that completing primary schooling raises Albanian wealth index by 0.186 standard deviations.

Table 3: Albanian Primary Schooling

	(1)	(2)	(3)
Albanian Primary	0.498*** (0.012)	0.359*** (0.011)	0.186*** (0.008)
Observations	63150	63150	63150
Cluster FE	.	.	X
Characteristics	.	X	X

Albanian Secondary Schooling - The relationship between Albanian secondary schooling and wealth in ALB-DHS is in Table 3. Column 1, where only Albanian secondary schooling is accounted for, displays the relationship between Albanian secondary schooling and wealth in ALB-DHS. We find that one completing secondary schooling raises Albanian wealth index by 0.762 standard deviations.

This estimate is only a correlation between Albanian secondary schooling and wealth in ALB-DHS, while some factors in ALB-DHS are not accounted. Therefore, we introduce Albanian attributes and ALB-DHS spatial-temporal fixed effects. According to Column 3, we find that completing secondary schooling raises Albanian wealth index by 0.254 standard deviations.

Table 4: Albanian Secondary Schooling

	(1)	(2)	(3)
Albanian Secondary	0.762*** (0.007)	0.462*** (0.007)	0.254*** (0.005)
Observations	63150	63150	63150
Cluster FE	.	.	X
Characteristics	.	X	X

Conclusion

This study aims to examine whether educated Albanians live wealthier life (N=63,150). The data is from the Albania Demographic and Health Surveys (ALB-DHS). Regression analysis with ALB-DHS data is utilized. The explanatory is Albanian education. The outcomes are Albanian wealth index. Our findings, focused on Albania, contribute to the body of evidence concerning the Albanian education-wealth nexus across Albania.

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The findings are linked to studies on the effects of various factors on Albanian well-being. For example, food scarcity and political violence in Albania connect to poor survival rates; heat and heavy rain in Albania worsen wellbeing; literacy, nutrition efforts, and land reform enhance Albanian wellbeing; responses to diseases influence Albanian (Hang et al., 2020a, 2020b; Le, 2020a, 2020b, 2020c).

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