

Impact of English instruction on labor market outcomes

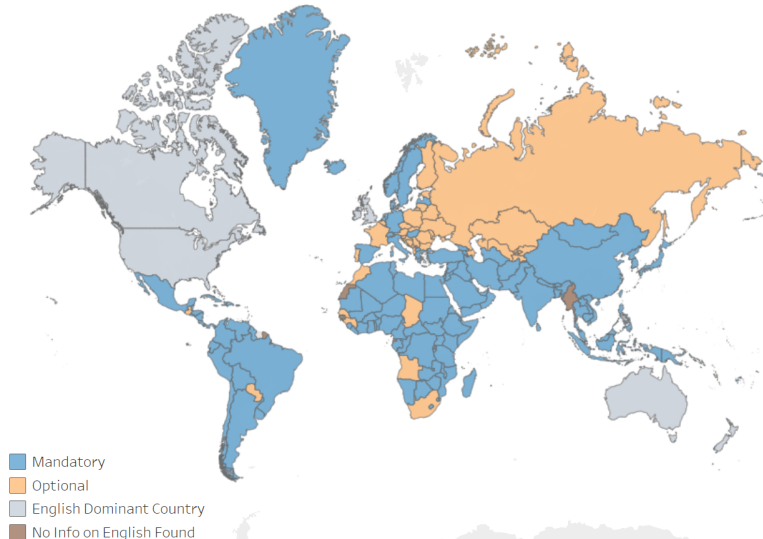
The case of Mexico

Oscar Galvez-Soriano

University of Houston
Department of Economics

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Motivation: Global English education policy



Source: Ives, P., Bale, J., and Haque, E. (2020). How States Promote Global English: Shifting Priorities in Education Policy. Social Sciences and Humanities Research Council of Canada.



Motivation

The value of English language skills in non-English speaking countries

- Globalization: trade and culture (internet, news, social media, etc.)
- Mobility and labor market outcomes

I will study the expansion of English instruction in Mexico

Related Literature

- Returns to English language skills
 - In English-speaking countries: Bleakley and Chin (2004); Chiswick and Miller (2015)
 - In non English-speaking countries: Lang and Siniver (2009); Azam, Chin and Prakash (2013)
- English instruction in schools
 - Policy change in the medium of instruction: Angrist, Chin and Godoy (2008); Eriksson (2014)
 - Exposure in a former British colony: Chakraborty and Bakshi (2016)

I study English instruction as a subject in Mexican public primary schools

Main contributions of this paper

Research question

- What is the effect of exposure to English instruction on labor market outcomes in a non-English speaking country?

Empirical strategy

- Variation in exposure driven by a policy change in Mexico
- Rich data connecting individuals in primary school to their labor market outcomes
- Use school by cohort variation

Key findings

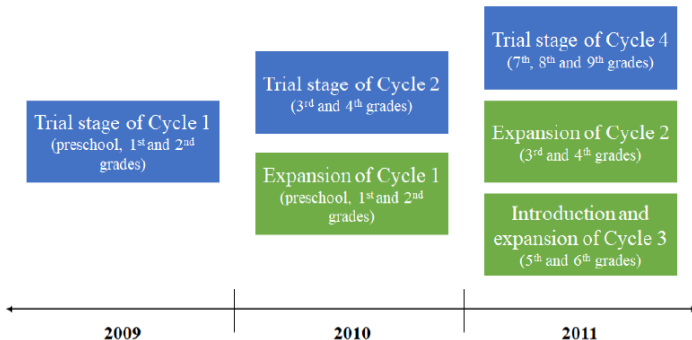
- No average effect on wages, but positive effect among high-achieving individuals
 - Consistent with the acquisition of English skills
- Shifts from Ag/Construction to Manufacturing industries

Policy background

National English Program in Basic Education (NEPBE)
launched in 2009 in Mexico

- Introduced English instruction in public primary schools
- Funded by the central government
- Implemented gradually

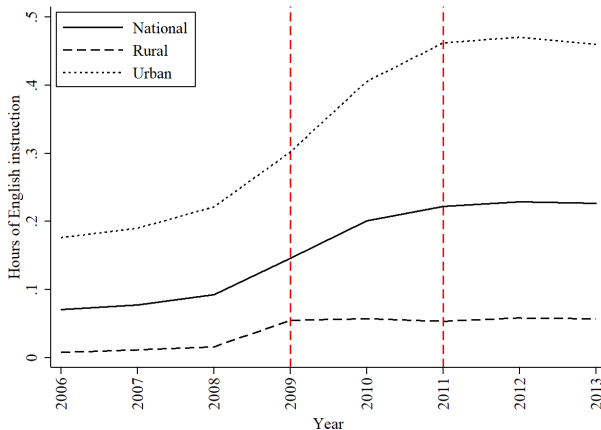
Policy background: English program stages



Note: NEPBE was launched in 2009 as a trial stage with the called Cycle 1. In 2010 the program continued the trial stage with the Cycle 2 and expanded Cycle 1. Finally, in 2011 the program introduced for the first time and expanded Cycle 3, benefiting fifth and sixth graders.

» data

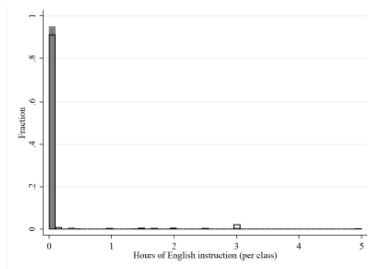
Policy background: English instruction over time



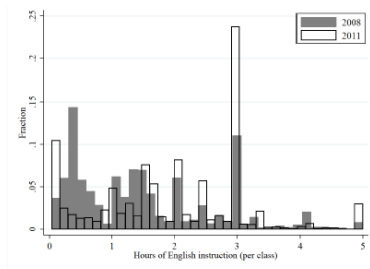
Source: Own elaboration with data from Mexican school census, Ministry of Public Education (SEP).

Note: Hours of English instruction are calculated dividing total hours in a school by total number of classes. Similarly, number of English teachers are calculated dividing total number of English teachers by total number of classes in a school. Vertical dotted line in 2009 highlights the implementation year of the NEPBE's trial stage, while the dotted line in 2011 highlights the expansion of the program.

Policy background: Distribution of hours of English instruction (2008 vs 2011)



(a) Hours of English instruction



(b) Hours of English instruction (w/o zeros)

Note: Density of the indicated variables are plotted. Histograms at the right do not show zeros, which capture most of the distribution. Hours of English instruction are calculated dividing total hours in a school by total number of classes. Similarly, number of English teachers are calculated dividing total number of English teachers by total number of classes in a school.

Proportion of **rural** schools with English instruction (2008 vs 2011)



(a) Rural schools in 2008

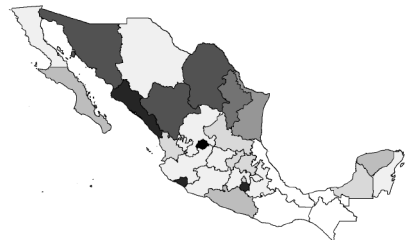


(b) Rural schools in 2011

Proportion of urban schools with English instruction (2008 vs 2011)



(c) Urban schools in 2008



(d) Urban schools in 2011

Empirical strategy

- Challenging to estimate the effect of exposure to English instruction on labor market outcomes
- Key concern: schools that offered English instruction are systematically different from those that did not
 - Likely to have positive selection bias, e.g., schools offering English instruction located in richer neighborhoods
- I address this by using a school FE approach
 - Intuition: compare students from the same school, some with more English instruction and some with less
 - Data of the universe of primary school students, able to connect to their labor market outcomes

Measure of exposure to English instruction » Hours of Eng

Cohort	Primary school					
	1st	2nd	3rd	4th	5th	6th
1997	2003	2004	2005	2006	2007	2008
1998	2004	2005	2006	2007	2008	2009
1999	2005	2006	2007	2008	2009	2010
2000	2006	2007	2008	2009	2010	2011
2001	2007	2008	2009	2010	2011	2012
2002	2008	2009	2010	2011	2012	2013

- Using the Mexican school census, I calculate weekly hours of English instruction (per class), for each school-year
- For each school-cohort, I average the hours of English instruction from 1st to 6th grade
 - I assume students enter school at age 6 and had normal progression until 6th grade

Impact on labor market outcomes

I estimate the following equation to get the effect of exposure to English instruction on labor market outcomes:

$$y_{isc} = \alpha + \beta \cdot ExpEng_{sc} + \mathbf{X}_{isc}\boldsymbol{\gamma} + \zeta_c + \nu_s + \tau_t + \varepsilon_{isc}$$

where y_{isc} is the labor market outcome of individual i , who attended school s and belongs to cohort c

» Descriptive

Data

I construct a unique data set connecting restricted-use administrative data of students and their labor market outcomes

- ENLACE (2006-2013): universe of primary school students
 - I know what school they attended
 - Reading and mathematics test scores
- Mexican school census (2003-2013)
 - School characteristics: weekly hours of English instruction
- Social Security data (2018-2021)
 - I use individual ID to match students to their labor market outcomes
 - Formal sector (cohorts 1997-2002)
 - Individuals between 16-24 years old

Data: Labor market outcomes

I investigate the effect of exposure to English instruction on four main labor market outcomes:

- ① Works in formal sector
 - Dummy for being in social security data among the universe of students
- ② Wages (average monthly wage)
- ③ Geographical mobility
 - Distance from home to working county
 - Moving from home state
- ④ Industries (NAICS) » codes
 - Dummies for agriculture, construction, manufacturing and services industries

Estimation results: sample selection

Table 2: Exposure to English instruction and labor market outcomes (Social Security data)

	(1)	(2)	(3)	(4)
	Formal sector	ln(wage)	ln(distance)	Move state
<i>Panel A: Full sample</i>				
Hrs English	-0.013*** (0.001)	-0.015*** (0.002)	-0.035*** (0.008)	-0.004*** (0.001)
Observations	16,938,183	4,055,434	4,055,434	4,055,434
Adjusted R^2	0.105	0.270	0.477	0.555

- Concern about selection into social security data
- Possibly because individuals are still enrolled in school
- Use counties where it is less likely that they are enrolled

» Statuses

Proposed solution: Construction of low-enrollment sample

- ① Using the 2020 Mexican Population Census, I construct a county-enrollment rate variable
 - Enrollment rates in first year of college (2002 cohort)
- ② I keep the data with 38 percent (or less) of individuals enrolled in school

[» Statuses](#)[» How?](#)

Labor market outcomes with low-enrollment sample

Table 2: Exposure to English instruction and labor market outcomes (Social Security data)

	(1)	(2)	(3)	(4)
	Formal sector	ln(wage)	ln(distance)	Move state
<i>Panel B: Low enrollment sample</i>				
Hrs English	-0.012 (0.008)	-0.005 (0.011)	-0.058 (0.044)	0.015** (0.007)
Observations	1,554,827	259,666	259,666	259,666
Adjusted R^2	0.123	0.312	0.677	0.727

Labor market outcomes with low-enrollment sample

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Labor market outcomes by abilities

Table 3: Exposure to English instruction and labor market outcomes by abilities
(Social Security data)

	(1)	(2)	(3)	(4)
	Formal sector	ln(wage)	ln(distance)	Move state
<i>Panel A: Low enrollment sample</i>				
Hrs English	-0.007 (0.009)	-0.013 (0.012)	-0.079 (0.049)	0.021** (0.010)
Eng×Q2	-0.003 (0.006)	-0.003 (0.009)	-0.018 (0.047)	-0.011 (0.008)
Eng×Q3	-0.005 (0.006)	0.031*** (0.009)	0.012 (0.036)	-0.017 (0.011)
Eng×Q4	-0.013** (0.006)	0.012 (0.012)	0.106*** (0.040)	0.001 (0.012)
Observations	1,554,827	259,666	259,666	259,666
Adjusted R^2	0.123	0.312	0.677	0.727

►► Distribution

English instruction and economic industries

Table 4: Exposure to English instruction and economic industries (Social Security data)

	(1)	(2)	(3)	(4)
	Agri- culture	Con- struction	Manu- facturing	Serv- ices
<i>Panel B: Low enrollment sample</i>				
Hrs English	-0.012** (0.006)	-0.025** (0.010)	0.040** (0.017)	-0.003 (0.016)
Observations	259,666	259,666	259,666	259,666
Adjusted R^2	0.402	0.388	0.342	0.292

Exploring mechanisms

- Mechanism 1: English abilities
 - I do not have data on English abilities
 - I cannot test directly this mechanism
- Mechanism 2: Other cognitive abilities (test score data)
 - Language (Spanish)
 - Mathematics

Mechanism 2: Cognitive abilities » Data

Table 7: Exposure to English instruction and student achievement

	(1)	(2)
	Language 6th	Math 6th
<i>Low enrollment sample</i>		
Hrs English	0.0476 (0.0470)	0.0094 (0.0344)
Observations	259,666	259,666
Adjusted R^2	0.351	0.381

- Exploiting the implementation of state English programs before the NEPBE
- [Galvez-Soriano \(2022\)](#) shows that exposure to English instruction increases the acquisition of English skills
- Workers shifting to more English intensive jobs?

Are workers moving to jobs requiring English abilities?

- Mexican Subjective Well-being Survey (BIARE) has information of English abilities in 2014
- Using BIARE, I construct an index of English skills by economic industries
 - These industries are classified according to the North American Industry Classification System (NAICS) at four-digit code
- I classify industries in “high English” and “low English” intensive jobs

Estimation results: industries requiring English skills

Table 6: Exposure to English instruction and economic industries (Social Security data)

	(1)	(2)	(3)	(4)
	Manufacturing		Services	
	High English	Low English	High English	Low English
<i>Panel B: Low enrollment sample</i>				
Hrs English	0.060*** (0.013)	-0.026** (0.012)	0.046*** (0.014)	-0.039*** (0.011)
Observations	259,666	259,666	259,666	259,666
Adjusted R^2	0.175	0.189	0.145	0.116

» Manu Ind

» Svcs Ind

Gender heterogeneous effects

- Increase in mobility is driven by women
 - Women move away from rural areas
- Positive effect on wages is driven by men
 - Men have a stronger effect moving to industries requiring English abilities

Robustness Checks: heterogeneous treatment effects

Table 8: Solutions for TWFE with heterogeneous treatment effects (Social Security data)

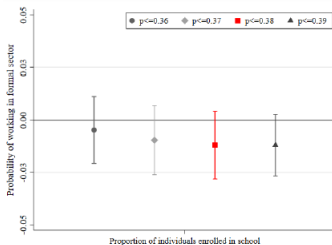
	(1) Formal sector	(2) ln(wage)	(3) ln(distance)	(4) Move state
<i>Panel A: Binary treatment</i>				
Eng	-0.009 (0.006)	0.000 (0.011)	-0.020 (0.042)	0.014* (0.008)
Observations	1,554,827	259,666	259,666	259,666
Adjusted R^2	0.125	0.292	0.675	0.726
<i>Panel B: Binary treatment w/o always treated</i>				
Eng	-0.011* (0.006)	0.002 (0.011)	-0.016 (0.043)	0.016* (0.009)
Observations	1,531,834	254,287	254,287	254,287
Adjusted R^2	0.125	0.292	0.675	0.726

Robustness Checks: different exposure variable

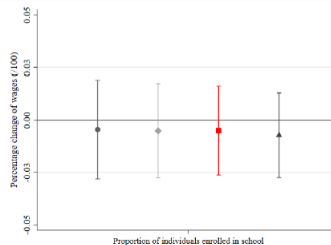
Table 9: English instruction and labor market outcomes (Alternative exposure variable)

	(1)	(2)	(3)	(4)
	Formal sector	ln(wage)	ln(distance)	Move state
<i>Panel B: Low enrollment sample</i>				
Eng Teachers	-0.202* (0.120)	-0.127 (0.196)	-0.772 (0.751)	0.072* (0.040)
Observations	1,554,827	259,666	259,666	259,666
Adjusted R^2	0.123	0.312	0.677	0.727

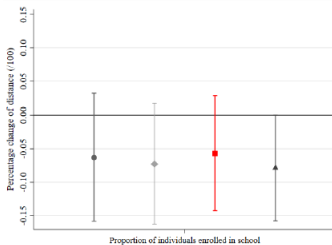
Robustness Checks: solution to sample selection



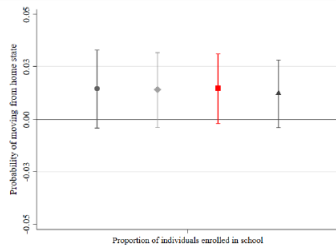
(a) Formal sector



(b) Ln(monthly wage)



(c) Distance home-job county



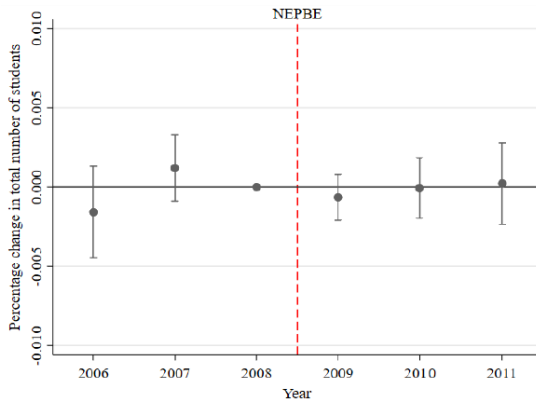
(d) Moves from home county

Robustness Checks: non-fixed labor market conditions among cohorts?

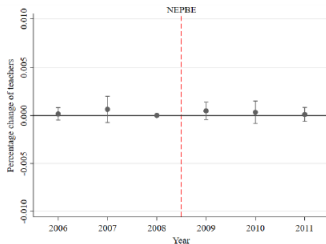
Table 10: Exposure to English instruction and labor market outcomes
(with state-by-cohort FE, Social Security data)

	(1)	(2)	(3)	(4)
	Formal sector	ln(wage)	ln(distance)	Move state
<i>Panel B: Low enrollment sample</i>				
Hrs English	-0.007 (0.010)	0.008 (0.013)	-0.045 (0.051)	0.012 (0.010)
Observations	1,554,827	259,666	259,666	259,666
Adjusted R^2	0.124	0.313	0.677	0.728

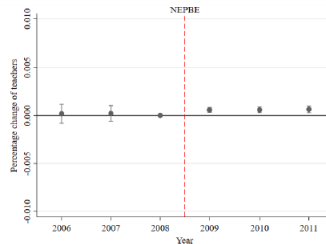
Robustness Checks: no-changes in private school enrollment



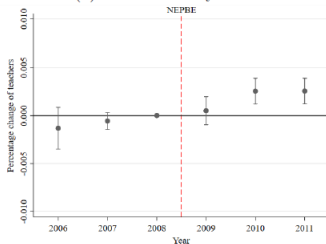
Robustness Checks: changes in number of teachers



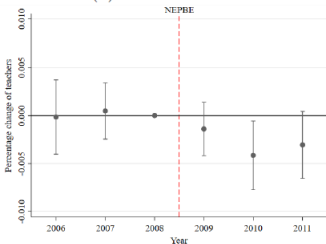
(a) With elementary school



(b) With middle school



(c) With high school



(d) With college degree

Discussion

- Exposure to English instruction in Mexican primary schools
 - Has, on average, no significant effect on wages
 - But positive returns among high-achieving kids
 - Across industries: shifts workers out of agriculture and construction
 - Within industries: shifts workers to jobs requiring English abilities
- These effects are mediated by the acquisition of English skills
 - Evidence from previous state English programs (Galvez-Soriano, 2022)
 - No effect on other cognitive skills

Thank you!

For more about me and my research, scan here:



Measuring hours of English instruction



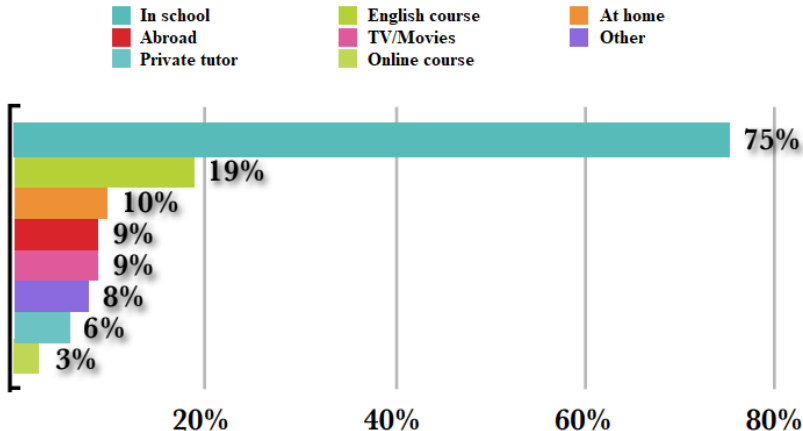
Benito Juárez Elementary School

Weekly hours of English instruction	18
Number of classes	6
Hours of English instruction (per class)	3

» Eng over time

» Exposure

Where did you learn English?



Note: This question was answered only by individuals who reported having English abilities. The answers are independent, i.e. do not sum 100 percent.

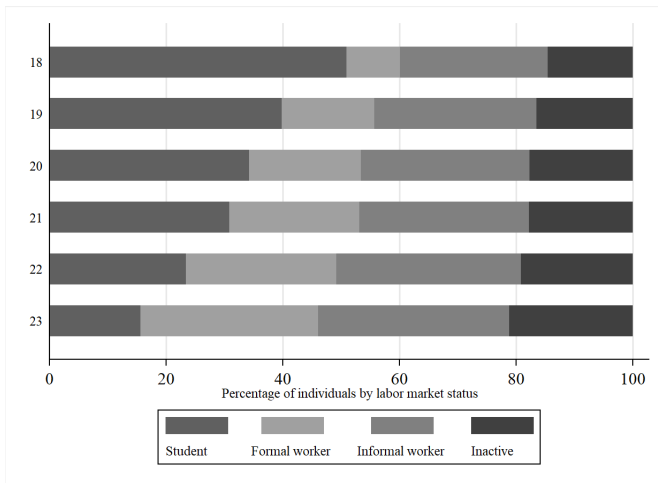
Source: CIDAC (2008). Encuesta CIDAC sobre Capital Humano en México. México.

Descriptive statistics (matched data sets)

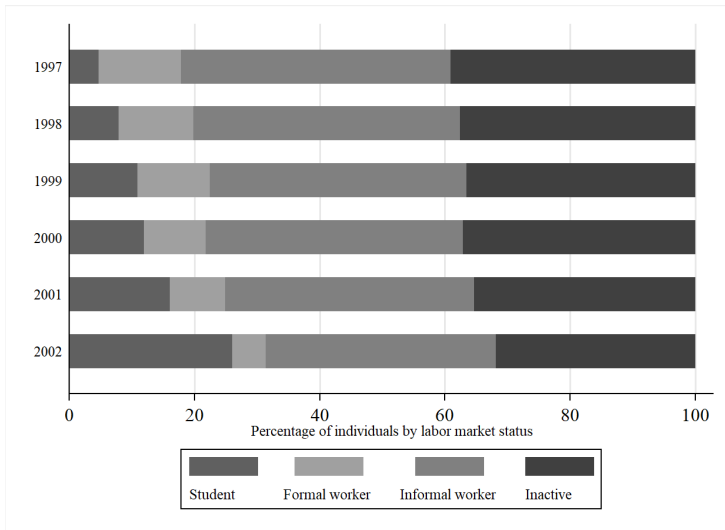
Table 1: Descriptive statistics

Variable	Mean	SD	Min	Max
<i>Individual characteristics</i>				
Female	0.39	0.49	0	1
Age	20.88	1.51	16	24
Language test score	-0.06	0.97	-2.84	3.53
Math test score	-0.04	0.97	-2.69	3.40
<i>School characteristics</i>				
Hours of English instruction	0.23	0.60	0	9.41
English teachers	0.02	0.05	0	1
Number of students (6th grade)	28.87	9.49	1	119
Number of teachers with college	0.87	0.20	0	2.15
Number of teachers with masters	0.05	0.07	0	0.91
Rural (%)	0.27	0.44	0	1
<i>Labor market characteristics</i>				
Wage (monthly pesos)	6,586	3,383	2,510	67,215
Permanent job	0.81	0.39	0	1
Number of jobs (in a year)	1.48	0.83	1	17
Number of permanent jobs	1.20	0.83	0	14
Company size (workers)	1,922	5,456	1	92,972
Distance home-work (km)	107	265	0	2,029
Observations	4,055,434			

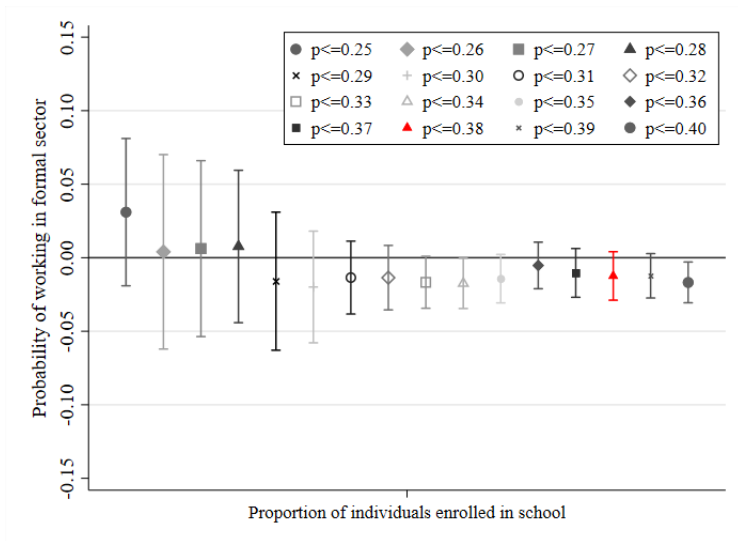
Potential problem: many 16-22 year olds are enrolled in school (2020 Mexican census)



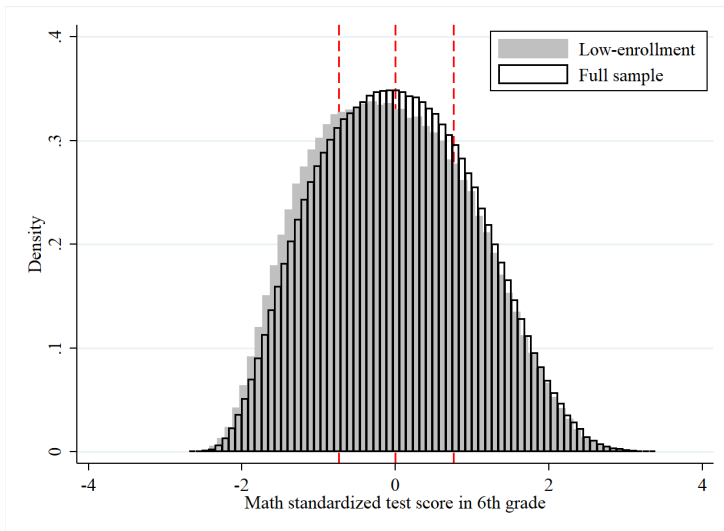
Statuses with low-enrollment sample



How I chose the 38 percent enrollment rate?



Abilities distribution (full vs. low-enrollment sample)



High-English intensive manufacturing industries

Table A.6: Economic Manufacturing Industries

4-digit code	Industry name	5-digit code	Industry name
3110	Animal food manufacturing	31131	Sugar and confectionery product manufacturing
		31141	Fruit and vegetable preserving manufacturing
		31151	Dairy product manufacturing
		31161	Animal slaughtering and processing
3120	Beverage and tobacco industries	31211	Beverage manufacturing
3150	Apparel manufacturing	31511	Apparel knitting mills
		31521	Cut and sew apparel manufacturing
3160	Leather and hide tanning and finishing	31611	Leather and hide tanning and finishing
		31621	Footwear manufacturing
3220	Paper industry	32211	Pulp, paper, and paperboard mills
3250	Chemical industry	32511	Basic chemical manufacturing
		32521	Resin, synthetic rubber, and artificial and synthetic fibers
		32541	Pharmaceutical and medicine manufacturing
		32551	Paint, coating, and adhesive manufacturing
		32591	Other chemical product and preparation manufacturing
3270	Nonmetallic mineral products	32711	Clay product and refractory manufacturing
		32731	Cement and concrete product manufacturing
3320	Metal products manufacturing	33241	Boiler, tank, and shipping container manufacturing
		33251	Hardware manufacturing
		33281	Coating, engraving, heat treating, and allied activities
3340	Manufacturing of computer	33461	Manufacturing and reproducing magnetic and optical media
3350	Electric appliances and electric power generation	33511	Electric lighting equipment manufacturing
		33521	Household appliance manufacturing
		33531	Electrical equipment manufacturing
3360	Transportation equipment	33611	Motor vehicle manufacturing
		33641	Aerospace product and parts manufacturing
		33651	Railroad rolling stock manufacturing
		33661	Ship and boat building
3370	Household furniture	33710	Nonupholstered wood household furniture manufacturing

Services that require English abilities

Table A.7: Economic Services Industries

4-digit code	Industry name	5-digit code	Industry name
4310	Wholesale trade of groceries, food, beverages and tobacco	43111	Grocery merchant wholesalers
4350	Wholesale trade of industrial machinery and equipment	43112	Tobacco and alcoholic beverage merchant wholesalers
4620	Retail trade in self-service shops and department stores	43522	Wholesale trade of manufacturing machinery and equipment
4641	Retail trade of health care items	43541	Computer and software merchant wholesalers
4651	Retail trade of perfumery and jewelry	46211	Retail trade in self-service shops
4661	Retail trade of household furniture	46221	Retail trade in department stores
4682	Automotive parts and accessories	46412	Optical goods and other health care stores
4841	Freight truck transportation	46511	Cosmetics, beauty supplies, and perfume stores
4931	Warehousing services	46611	Furniture stores
5170	Telecommunications	46821	Automotive parts, accessories, and tire stores
5324	Commercial and industrial machinery	48410	General freight trucking
5610	Administrative and support services	49310	Warehousing and storage
7100	Artistic, cultural and sporting services	51731	Wired and wireless telecommunications carriers
7211	Traveler accommodation	53242	Office machinery and equipment rental and leasing
7223	Special food services	56160	Investigation and security services
7224	Drinking places (alcoholic beverages)	56170	Services to buildings and dwellings
8114	Personal and household goods repair	71121	Spectator sports
8131	Religious organizations	71311	Amusement parks and arcades
9314	Justice, public order, and safety	72111	Hotels and motels
		72231	Food and beverage preparation services
		72241	Nightclubs, bars and similar drinking places
		81140	Personal and household goods repair and maintenance
		81311	Religious organizations
		93141	Justice, public order, and safety activities

» Back

NAICS codes in my classification

Industries	NAICS code	Industry Title
Agriculture	11	Agriculture, Forestry, Fishing and Hunting
	21	Mining
Construction	22	Utilities
	23	Construction
Manufacturing	31-33	Manufacturing
	42	Wholesale Trade
Services	44-45	Retail Trade
	48-49	Transportation and Warehousing
	51	Information
	52	Finance and Insurance
	53	Real Estate Rental and Leasing
	54	Professional, Scientific, and Technical Services
	55	Management of Companies and Enterprises
	56	Administrative and Support and Waste Management
	61	Educational Services
	62	Health Care and Social Assistance
	71	Arts, Entertainment, and Recreation
	72	Accommodation and Food Services
	81	Other Services (except Public Administration)
	92	Public Administration

Data: Student achievement

- 1 I look at test scores as one of the mechanisms
- 2 I standardize test scores, ts_{ist} , of each student i in school s at time t using the following formula:

$$test_score_{ist} = \frac{ts_{ist} - \mu_t}{\sigma_t}$$

where $test_score_{ist}$ is the standardized test score, while μ_t and σ_t are the mean and standard deviation of test scores, respectively, pooling all Mexican students by grade and by each observed year

» Back

Estimation results: exposure to Eng and test scores

Table 7: Exposure to English instruction and student achievement

	(1)	(2)	(3)	(4)
	Language 6th	Language 6th	Math 6th	Math 6th
<i>Panel A: Full sample in ENLACE database</i>				
Hrs English	0.0335*** (0.0033)	0.0099* (0.0054)	0.0155*** (0.0036)	-0.0081 (0.0062)
Observations	16,938,183	16,938,183	16,938,183	16,938,183
Adjusted R^2	0.426	0.472	0.429	0.482
<i>Panel B: Full sample in Social Security data</i>				
Hrs English	0.0284*** (0.0033)	-0.0015 (0.0075)	0.0105*** (0.0037)	-0.0225*** (0.0086)
Observations	4,055,434	4,055,434	4,055,434	4,055,434
Adjusted R^2	0.404	0.453	0.413	0.470