

levels of uncertainty could rise significantly before elections depending on how the markets perceive the policy stances of the major candidates or parties and the presence or lack of a confidence anchor. Also, global financial markets and their participants are constantly learning and adjusting. Hence, policies following elections are important as they may be the cause of less or more financial disruptions in subsequent elections. A reflective discussion on the performance of the major emerging economies relative to the developed economies during the financial crisis of 2008 to 2012 makes a case for the improved fiscal resilience of emerging economies and a reconsideration of how global investors view overall risks due to macroeconomic disruptions in emerging economies. Although its main focus is Latin America, the book presents convincing country and regional accounts and discussion of the evidence regarding the political preferences of global investors and market uncertainty associated with elections in emerging economies.

KENNETH C. FAH

Ohio Dominican University

Giving Kids a Fair Chance: A Strategy That Works. JAMES E. HECKMAN.
Cambridge, MA: Boston Review Book, The MIT Press, 2013. Pp. 137.
\$14.95.

In *Giving Kids a Chance*, James Heckman writes to a general audience about the importance of early childhood development of cognitive and non-cognitive skills and how effective childhood development leads to later economic and social success. His basic claim is that we need to develop more effective programs for disadvantaged pre-school infants and young children. He presents evidence of recent deterioration in the quality of early childhood development and shows the importance of early investments to the life chances of these children. Finally, Heckman describes two early childhood development pilot programs that were run about 40 years ago that involved extensive long-term follow-ups of the participants. He advocates bringing programs of this nature to scale to serve disadvantaged infants and pre-school children.

Heckman begins the book with his essay on early childhood development. Heckman's essay is followed by eleven critiques by experts

from various disciplines and diverse ideological perspectives, ranging from Charles Murray who opposes most forms of early childhood intervention to Geoffrey Canada, the founder and CEO of the comprehensive Harlem Children's Zone project for disadvantaged youth. In the concluding chapter, Heckman makes a brief response to the eleven critiques. The result is an interesting book on one of the most vexing problems of our time.

Readers should be warned, however, not to expect a traditional academic work. The book includes very few direct references to the literature, which makes it difficult to link claims and assertions to specific books and articles. Even so, this short book serves a useful purpose of surveying Heckman's key arguments regarding the importance of early childhood development and the importance of targeting public resources to developing young children's cognitive and non-cognitive skills.

Heckman begins with evidence that early childhood development is an important determinant of educational attainment. He shows that despite increasing economic returns to education in recent years, high school graduation rates have been falling in the United States. This claim is contrary to official government graduation rate statistics that show increasing high school graduation rates by counting GED recipients as high school graduates. Heckman shows that, when GEDs are excluded, high school graduation rates actually fell since 1970. This is a disturbing trend in light recent increases in the labor market demand for skilled workers (p. 10). Heckman decides to not count GED recipients as high school dropouts because research indicates that GED recipients have earnings and anti-social behavior patterns that are more similar to high school dropouts than high school graduates (p.8).

Heckman argues that the decline in high school graduation rates is in large measure explained by declining levels of early childhood development, especially in low-income homes. He also believes that remedial programs directed toward older children and adults are less effective than those directed toward pre-school children. It appears that non-cognitive abilities, such as strength of motivation, ability to act on long term plans, and socio-emotional regulation, are not improved much by programs that focus primarily on cognitive development of older children (p. 12). In general, programs directed toward older children will be more effective if they are complements to early childhood programs rather than substitutes for them.

Heckman emphasizes the importance of both cognitive and non-cognitive skill development. Heckman presents dramatic evidence of how neglect and abuse during early childhood has negative effects on adult cognitive abilities (p. 23) and health risks such as smoking, obesity, suicide attempts, drug use and sexually transmitted disease (p. 21). He concludes by warning that “the worrisome news, then, is that early environments play a powerful role in shaping adult outcomes, and more and more American children are growing up in adverse environments. The good news is that environments can be enhanced to promote important skills in children and that society need not passively observe its own polarization and decline. Policy can matter (p. 26).”

Heckman’s evidence of effective policies to promote early childhood development comes from two experimental programs that attempt to enrich the environments of disadvantaged children. The Perry Preschool Project and the Abecedarian Project were small experimental programs with 58 and 111 low-income young children enrolled respectively. These programs were run during the 1960s and 1970s and the long-term outcomes were measured in reference to carefully selected control groups. Both programs attempted to enrich the child’s environment by applying resources, including in-home schoolteachers.

Heckman presents convincing evidence that program participants receive significant educational and job market benefits from both programs (pp. 29-34). The challenge, of course, is bringing these programs to scale. For example, there is likely to be political difficulty passing legislation to fund a very expensive childhood intervention that would target only disadvantaged children. Programs that are more universal would have more political support but would be very expensive and may substitute the public sector into the lives of families that are already doing a good job raising young children. We seem to have a classical conflict between developing an economically efficient targeted program with the need to gain universal political support by creating a more universal program.

While many of the critical discussions between Heckman and the eleven commenters are cordial, there is one exception. Sparks fly in the exchange between Heckman and Charles Murray who co-authored the controversial *The Bell Curve: Intelligence and Class Structure in American Life*. In this book, Herrnstein and Murray argue that cognitive ability is largely genetically determined and that public programs for early childhood development cannot be effective. Heckman rejects the notion of genetic

determinism and argues that more recent research shows that “the gene-environment distinction that shaped *The Bell Curve* and so much other discussion about the origins of inequality is obsolete (p.16).” Murray, in his Comment questions the validity of the two programs (Perry Preschool Project and the Abecedarian Project) that Heckman praises. Murray complains that Heckman’s conclusions are drawn on studies conducted by biased people who use a very small sample. Murray, in a rather dismissive tone, states that “if the case *against* the efficacy of early childhood interventions rested on two studies with small samples conducted by people who were openly hostile to such interventions, no one would pay any attentions to them (64).”

Heckman’s reply to Murray’s criticism is direct and, in my judgment, correct. He accuses Murray of totally misrepresenting the two studies explaining that both studies “survive batteries of rigorous testing procedures. They are conducted by independent analysts who did not perform or design the original experiments (p. 126).” Heckman then launched into an attack of Murray’s counter evidence.

This book is an excellent read for economists and non-economists with an interest in policy and early childhood development. It provides a good overview of why we should show concern for the inadequate early cognitive and non-cognitive development of pre-school children. It also points to possible solutions.

MICHAEL SEEBORG

Illinois Wesleyan University