

## Table of Contents

<b>CHAPTER 1 INTRODUCTION</b>	1
1.1 Background	1
1.2 Satu Desa Satu PAUD	6
1.3 Research Gaps	8
1.4 Research Questions	10
1.5 Research Objective	10
1.6 Research Benefits	11
1.7 Research Contribution	11
1.8 Scope and Limitations of Study	13
<b>CHAPTER 2 LITERATURE REVIEW</b>	15
2.1 ECE and Cognitive Development	15
2.2 Empirical Research	18
2.2.1 ECE and Cognitive Abilities	18
2.2.2 ECE and School Readiness	20
2.2.3 ECE and Schooling Outcomes	22
2.2.4 ECE and Economic Returns	27
2.2.5 ECE and Socio-emotional Development	28
2.3 Determinants of Cognitive Abilities	30
2.3.1 Child-specific Characteristics	30
2.3.2 Parent-specific Characteristics	32
2.3.3 Household-specific Characteristics	33
2.4 Research Questions and Hypothesis	35
2.4.1 Research Questions	35
2.4.2 Hypothesis	36
<b>CHAPTER 3 DATA AND METHODOLOGY</b>	40
3.1 Research Design	40
3.1.1 Data Source	41
3.1.2 Variables	43
3.1.3 Population and Sample	46
3.2 Data Analysis Methodology	46

3.2.1	Ordinary Least Square .....	47
3.2.2	Instrumental Variable.....	48
3.2.3	Two Stage Least Square.....	53
<b>CHAPTER 4 RESULTS AND DISCUSSION .....</b>		<b>57</b>
4.1	Descriptive Analysis .....	57
4.2	Reduced Form .....	60
4.3	IV Estimate .....	61
4.4	Subgroup Analysis .....	65
4.4.1	Gender .....	65
4.4.2	Urban and Rural .....	70
4.4.3	Java and Non-Java .....	75
4.5	Falsification Test.....	81
<b>CHAPTER 5 CONCLUSION AND RECOMMENDATIONS .....</b>		<b>83</b>
5.1	Conclusion .....	83
5.2	Future Research Recommendations.....	84
5.3	Policy Recommendations.....	85
<b>CHAPTER 6 BIBLIOGRAPHY .....</b>		<b>88</b>