

Essays on economics of education and school choice

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Addendum on Valorization

This addendum on valorization is added in accordance with article 23.5 of the 'Regulation governing the attainment of doctoral degrees at Maastricht University' decreed by the 2013 resolution of the Board of Deans.

These Essays on Economics of Education and School Choice explore several interventions, intended and unintended, that have shaped the educational achievements of students at secondary education in both developed and developing countries. Given the increasing interest of students, parents, governments, donors, and further shareholders on implementing educational policies whose effects are backed up by causal empirical evidence, this thesis provides different examples of such trend. Notably, the identification of causal effects on economics of education turns out to be necessary, as many preconceptions about what works or not in the task of improving the schooling outcomes of children can be challenged.

By showing how parental heterogeneous preferences for academic attributes in a free school choice system determine their children's schooling outcomes and subsequent economic prospects, Chapter 2 informs educational interventions that might modify the tastes and values of underrepresented families in a context of early tracking, large academic differentiation, and a government-based funding system offering public and private alternatives to pursue education. Chapter 2 provides evidence on the positive (negative) educational sorting of pupils from high (low) educated backgrounds on the academic option that grants the right to pursue further university studies. Conceiving education as a vehicle to foster social and intergenerational mobility, it can be inferred from Chapter 2 that the combination of i) informational interventions focused on reducing the "awareness gap" between parents from different socio-economic status (SES) and, ii) school-level interventions aimed to base admission procedures on objective performance measurements alone, can be plausible strategies that can be used to reduce the enrollment gap observed between children with different socio-economic backgrounds but comparable cognitive ability.

Using administrative data sources on political competition, educational outcomes of children in secondary school, and civil conflict related indicators for a developing country, Chapter 3 provides causal evidence on the negative effect of internally forced migration on cognitive tests scores at hosting areas. This study is ingrained in the economics of education literature that is focused on identifying educational

interventions aimed to foster students' academic performance. Considering that in this literature, detected effects are rather conservative, in many cases not surpassing 10% of a standard deviation impact, a key policy implication of this chapter is that any program implemented in the shadow of an internally displaced crisis will have its effectiveness compromised. Hence, designing policy programs focused on reducing the negative spillover effect from internally displaced civilians seems to be the natural recommendation. Chapter 3 provides evidence that can be generalized to contexts where internally displaced people (IDPs) compete in educational and labor markets with original residents, since no further language, cultural, and legal barriers are constraining market participation.

The debate about the effectiveness of grade retention, as a policy tool designed to attend the educational needs of underachieving students has gained increased popularity. This is partially due to the fact that its effects are ambiguous and highly depend on the segment of the ability distribution the retention policy threshold is set. In addition, the probability that a student faces grade retention is correlated with unobserved aspects of the educational relationship, such as ability and motivation. Chapter 4 makes use of a natural experiment in a developing country to assess the impact of increased retention rates at the school level on final results of the high-school exit exam. This Chapter shows that retention net-benefits (mostly in language) are non-linear in nature, affecting negatively students at the margin of being retained. At the school level, the returns of retaining more students are marginally decreasing, implying that schools which are retaining a large fraction of their students might be doing it inefficiently. These results inform the policy design, especially in contexts where educational regulators intend to restrict schools' discretion to promote or retain students without proper cost-benefit analysis in terms of the student's forgone earnings in the labor market versus the potential benefits as a better educational progress has been made while being retained.

These Essays have offered original insights by questioning and refining existing thinking in the field of Economics of Education. Some have been published as working papers, and analytical chapters are currently being reshaped to be submitted to peer-reviewed journals. They also have been presented in numerous internal and external conferences; fruitful opportunities to disseminate results and receive comments and suggestions. Examples of these conferences are: The Lisbon Research Workshop on Statistics, Econometrics and Economics of Education (Lisbon, 2016), the Maastricht Workshop on Economics of Education (Maastricht, 2018), The European Society of Population Economics (Glasgow 2017, Antwerp 2018), The International Workshop of Applied Economics of Education (IWAAE, Catanzaro 2018), and The European Economics Association Conference (Cologne 2018).