

# Decentralizing Public Education: Does Everyone Benefit? Evidence from Colombia

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ZELDA BRUTTI

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# Purpose and set up

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Straightforward evaluation of decentralization reform in the education sector in Colombia.

The 100 000 cut-off allows for a relatively clean identification of the causal impact of decentralization, at least at this size of a municipality.

# Link to inequality?

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Generally publicly provided education of high quality is seen as a key to equality of opportunity, though of course not a sufficient condition. Extent to which reform affects average quality of (and access to) education, can thus be important for inequality.

If effect of reform on quality of education also is different across different socio-economic groups, then there is also a very direct link to inequality, possibly even reinforcing current levels of inequality.

# Identification?

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Seems like a very clean natural experiment, but there are always a few things worth thinking about.

- Education reform concurrent with other decentralization reforms to health care and other public services. Health, income etc. also affects student performance and if ability to deliver services in one area is correlated with other areas, then results may overstate effect of educational reform.
- Can migration of talented and motivated students from under performing to over performing municipalities bias results upward (in particular over time)? Schools are rated and results publicized widely. At least worth discussing.
- Even if a clean effect on test results are produced, does that map squarely into educational quality? A worldwide debate on teaching for the tests, may incentives be stronger in a more decentralized system?

# External validity?

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As Zelda points out in the paper, 90 % of Colombian municipalities are too small to be included in current study. The trade offs between centralization and decentralization may look quite different at different sizes of municipalities (local competence, opportunities for corruption, etc.), unclear how well results travel.

Would results travel to other countries? I have no idea, but I think that a discussion of this is always warranted, but often neglected.

# Results?

Main results seem to be that there is no difference at the aggregated level, but that effects are positive for more developed municipalities and negative for less developed municipalities, and that effects grow stronger over time.

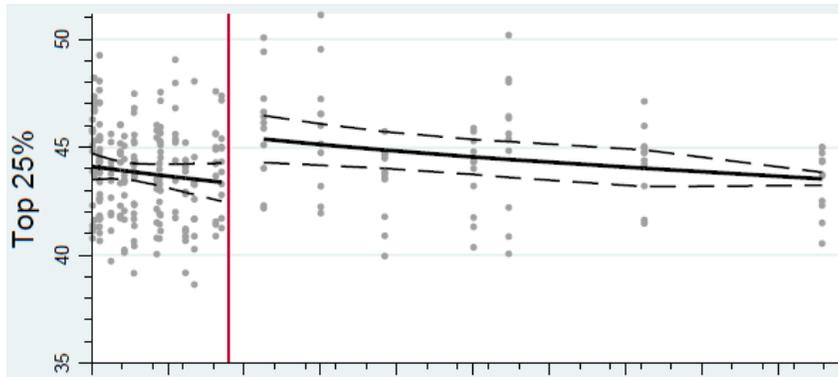
Classification into development levels is critical but to me confusing. “respectively, those characterized by top 25%, top 50%, bottom 50% and bottom 25% values from the development distribution of municipalities that in 2002 were certified in education.”

Is sample heavily skewed towards underperforming municipalities?

	(1) All	(2) Bottom 25%	(3) Bottom 50%	(4) Top 50%	(5) Top 25%	(6) Interaction
Certified	0.167 (0.63)	-1.580 (0.99)	0.399 (0.94)	0.729 (0.87)	2.201** (0.86)	-2.542*** (0.56)
Certif.*MDI'01 perc.						0.037*** (0.01)
MDI'01 percentile						0.023*** (0.00)
.						
F(Population)	Yes	Yes	Yes	Yes	Yes	Yes
N	7,572	6,536	7,100	472	275	7,561
R-sq.	0.013	0.003	0.003	0.011	0.050	0.084

# Immediate effect that increases

Results increase over time, intuitive and nicely captured.



Quite large effects already in 2002, reform initiated in 2002-2003.

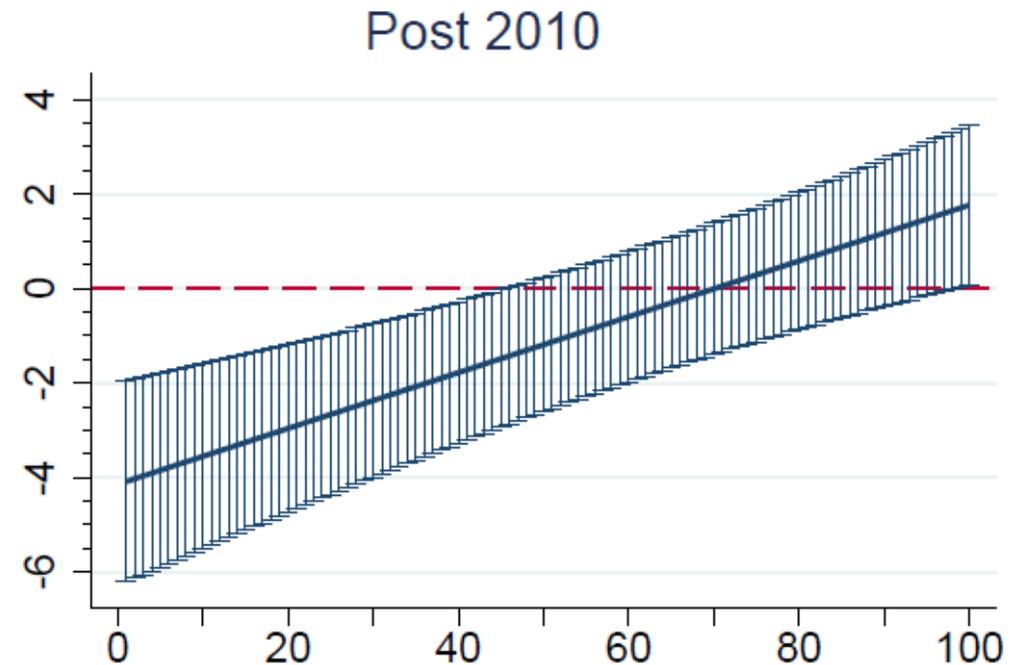
What does it look like in 2001?

# No effects on average?

Are there really no effects on average quality?

Even without weighing poor municipalities more than better off, the results seem generally negative.

Just taking estimated coefficient and share of students at different levels of development index, what would be expected effect on randomly picked child?



# School enrolment

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Still preliminary. Conclusions argue that no effects are found, but my understanding is that preliminary results suggest increased enrolment in less developed municipalities and reduced enrolment in more developed municipalities.

Suggests that differences in results may have very little to do with improved/worsened average human capital across municipalities at different development levels, just different approaches to enrolment. Understanding this is critical.

# Conclusions: Welfare/mechanisms

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Following up on enrolment results; more analysis of the mechanisms at work is crucial for any policy/welfare arguments.

Decentralization did not affect funding, and teacher salaries and curricula largely determined by national guidelines. What explains the results?

Maybe districts allocate better teachers to more challenging municipalities (centralization), whereas municipalities compete over good teachers (decentralization), with more developed municipalities winning out?

Interpretation of results depend critically on mechanism at work, needs to be discussed and to the extent possible explored.