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On the Way Down: The Unintended Consequences of School Transport Subsidies

by

Barbara Masi

The paper written by Barbara Masi investigates the unintended effects of a policy aimed at increasing school choices on education quality. In particular, Barbara Masi examines the effects of a policy reform that occurred in England in 2008, which expanded free transport for students with a low socioeconomic status to attend any of the three closest schools at a distance between 2 and 6 miles from their home. The explicit aim of the policy was to increase access for poor families to high quality education, with the ultimate goal of improving test scores of disadvantaged students.

Theory predicts that monetary incentives push low income families to enroll their children in more distant schools, but the effect on school quality is ambiguous. Parents may select more distant schools, regardless of their quality, only to enjoy free transport; furthermore, over-subscription of high quality schools, coupled with distance-based admission criteria, may actually limit the choice of poor families to lower quality schools.

When identifying the impact of this type of policy on school choice, a number of sources of endogeneity should be taken into account: self-selection of students into the treatment group, endogenous sorting of families across areas based on their school preferences and endogenous school openings and closures. The paper by Barbara Masi addresses all these sources of potential bias by applying a Difference-in-Differences estimator to a unique data-set of the universe of England's students starting secondary school in the period 2005-2011. In her paper Barbara Masi devotes great attention in defining both the treated and the control group on the basis of detailed information on both pupils' and schools' postcodes. Estimates confirm that the introduction of free transport increases the probability of enrolling at more distant schools (by around 2 percentage points), but with lower quality (between 0.02-0.03 standard deviations). These results suggest that the introduction of free transport did not yield the desired effect of improving the quality of the school attended by disadvantaged students.

The AIEL executive board believes that the paper is highly deserving of the Tarantelli Prize because of its careful estimation strategy and its policy-relevance, also for Italy. Compared to other European countries, Italy is characterized by lower intergenerational mobility, but there is evidence that better school quality increases both educational attainment and returns to education especially for individuals with poorer family background. The evidence provided by Barbara Masi is even more useful in a context of increasing migration flows, being new immigrants in Italy much more socio-economically disadvantaged than established immigrants.