When does inter-school competition matter? evidence from the chilean "voucher" system

Cita:


Abstract

I investigate the effects of voucher-school competition on educational outcomes. I test whether voucher-school competition (1) improves student outcomes and (2) has stronger effects when public schools face a hard-budget constraint. Since both voucher-school competition and the degree of hardness of the budget constraint for public schools are endogenous to public school quality, I exploit (i) the interaction of the number of Catholic priests in 1950 and the institution of the voucher system in Chile in 1981 as a potentially exogenous determinant of the supply of voucher schools and (ii) a particular feature of the electoral system that affects the identity of the mayors of different counties (who manage public schools) as a source of exogenous variation in the degree of hardness of the public schools’ budget constraints. Using this information, I find that (1) an increase of one standard deviation of the ratio of voucher-to-public schools increases test scores by just around 0.10 standard deviations; and (2) the effects are significantly bigger for public schools facing more binding minimum enrollment levels.