Motivation Letters

Nina Guyon, Paris School of Economics PSE - Poverty Action Lab JPAL

The Effect of Tracking Students by Ability into Different Schools

Countries differ significantly in the extent they track students during obligatory schooling. Tracking is often controversial and always hard to evaluate. Guyon, Maurin, and McNally study the consequences of a policy that increases the share of elite-school students in Northern Ireland, which tracks at age 11. They show that the policy was associated with an improvement of academic student performance at the end of obligatory schooling and beyond. Guyon, Maurin, and McNally's study is likely to stimulate the debate on the extent to which tracking is productive.

Benjamin Elsner, Trinity College Dublin

Does Emigration Benefit The Stayers? The Eu Enlargement As A Natural Experiment. Evidence From Lithuania

Migration impacts both receiving and source countries. While both are important in assessing the welfare consequences of migration, most research has focused on the receiving countries. Elsner studies the effect in the source country of migration resulting from the eastern enlargement of the European Union in 2004. From 2004 to 2007, around 9 percent of the Lithuanian workforce emigrated to the UK and Ireland. Elsner finds that demographic and educational groups in which a larger share emigrated had a more positive wage trend. He concludes that emigration had a significant positive effect on the wages of those who stay. This effect is only significant for men, and the impact is greater for unmarried people. These are important pieces of evidence to evaluate welfare consequences of migration flows.

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Entry on Export Markets and Firm-Level Performance Growth: Intra-Industrial Convergence or Divergence

It is now well established that exporting firms are more productive and bigger than domestic ones. A natural question then concerns the nature of causality between export participation and productivity: do better firms become exporters or does exporting improve firms' performance? This paper investigates theoretically and empirically the endogenous investment decision of firms conditioning on export decision. It shows that firms that start exporting invest more and grow more than the others. However, it is shown that when consumers' preferences are CES initial productivity and investment are strategic complements, inducing intra-industrial divergence. On the contrary, when consumers' preferences are quadratic, initial productivity and investment are strategic substitutes: less productive firms invest more and grow more than the others, inducing intra-industrial convergence. The paper then tests these predictions on French data, finding support for the predictions of the quadratic preferences model.