

Exploring Education in Brazil

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Research Design

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Abstract

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Introduction

This paper proposes a research project on educational data. The aim is establish causality between variables of interest using state of the art causal inference techniques. The Brazilian context offers interesting sources of variation among data as well as granular observations. These are key factors in providing robust empirical analysis.

Motivation: It is well established (**MOKYR_2005**) that density in the upper tail is crucial for innovation and diffusion of modern technology. Nonetheless, under many aspects there is little knowledge of what causes good educational outcomes (<empty citation>). Many factors concur in forming students, thus scholars have always had hard times in distinguishing chains of causes and effects. The proposed paper could provide some more evidence.

Data: such a high aim requires the best tools. The author put a lot of effort in the data collection step, many institutional websites have been surfed until the best source of data come out. The Brazilian Education Panel Databases (Huberts et al., 2025), appears the best source of observation for the proposed task. Not only it provides researchers with granular data, it also comes from a reliable and well known institution, namely IDB (Interamerican Development Bank).

Methodology: If we are to establish causality in a credible way, we need to use causal inference methodologies. The author will provide the reader with extensive explanation of employed identification strategy in the methodology section (Methodology). The following lines briefly anticipate that section: The identification strategy selected for our aim is split in two: first, due controls come along with two regressions. Secondly, a Difference in Difference application of these regressions, should isolate with more efficacy the causal effect of independent variables on dependent one. An appropriate review of the literature provides for

suitable control variables.

Policy value: The following pages are intended to create value for policy makers. Putting aside cumbersome vocabulary and context related dictions, they should inform policy making in the field of education in a simple and transparent manner. The results of the analysis may open new ways of investing in education and shed light on wiser policy aims.

Research Question

Hypothesis

My goal is to distinguish two channels: standardized test performance (*extensive margin*) and grade progression outcomes (*intensive margin*). Comparing extensive and intensive margin helps determine which mechanisms affect the test score.

The analysis in the next sections will test the following hypothesis:

$$H_p \text{ n}^o 1: \text{Teacher quality } \uparrow \Rightarrow \text{median student performance } \uparrow$$

$$H_p \text{ n}^o 2: \text{Teacher quality } \uparrow \Rightarrow \text{worst students performance } \uparrow$$

1 Literature Review and Historical Setting

Knowledge and insights on the historical context and institutional settings are drawn from Encyclopedia Britannica (Ball, James, et al., 2026; Ball, Schneider, et al., 2026), Glossario of Atlas Geográfico Escolar (CEON, n.d.) and Southey (2012).

These norms will serve as instruments to predict changes in schools quality. They are expected to positively affect the outcome variables.

A preliminary analysis of the literature on education in developing countries, highlighted a study from Turmena and Bitencourt (2022). The journal article

constitutes the milestone of this article and serves as main reference for the literature on education in Brazil. This paper suggests that the "Law No. 5.692/1971 (Reforma do Ensino de 1º e 2º Graus)" had a major effects on education. I will exploit data related to this law.

2 Data

2.1 Data Collection

All projects begin with data collection, which is a crucial step. However it takes a lot of time and effort.

In order to select the best source, many datasets have been explored and many institutional websites have been visited. Potential data sources included IPUMS ("IPUMS Online Data Analysis System", n.d.) and the Instituto Brasileiro de Geografia e Estatística ("Portal Do IBGE", 1967). Additionally, aggregated data may be retrieved from other sources¹. Eventually, an article from Rubiane Daniele Cardoso de Almeida et al. (2023) offers panel data on some demographic aspects.

The Brazilian Education Panel Databases (Huberts et al., 2025), which covers the period from 1996 to 2015, was selected as main source of data.

¹(Instituto Brasileiro de Geografia e Estatística (IBGE), n.d.-a, n.d.-b, n.d.-c, n.d.-d, n.d.-e, n.d.-f, n.d.-g, n.d.-h, n.d.-i, n.d.-j, n.d.-k, n.d.-l, n.d.-m, n.d.-n, n.d.-o, n.d.-p, n.d.-q, n.d.-r, n.d.-s, n.d.-t, n.d.-u, n.d.-v, n.d.-w, n.d.-x, n.d.-y, n.d.-z, n.d.-aa, n.d.-ab, n.d.-ac, n.d.-ad, n.d.-ae; Instituto Nacional de Estudos e Pesquisas Educacionais Anísio Teixeira (Inep), n.d.-a, n.d.-b).

2.2 Description of Data

3 Methodology

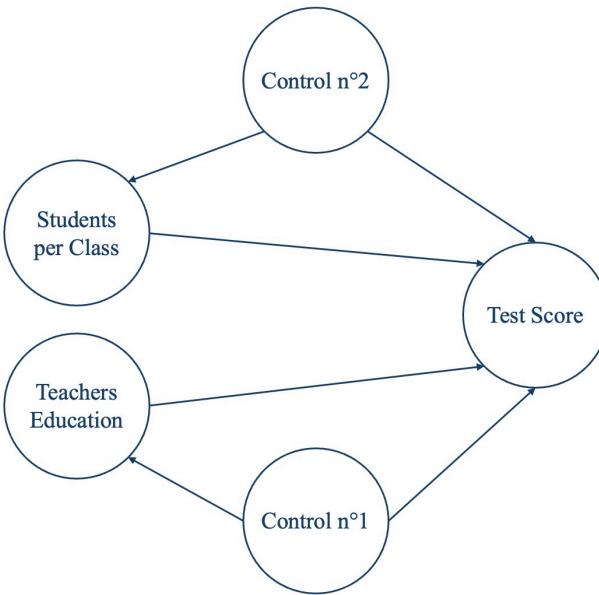


Figura 1: Causal DAG.

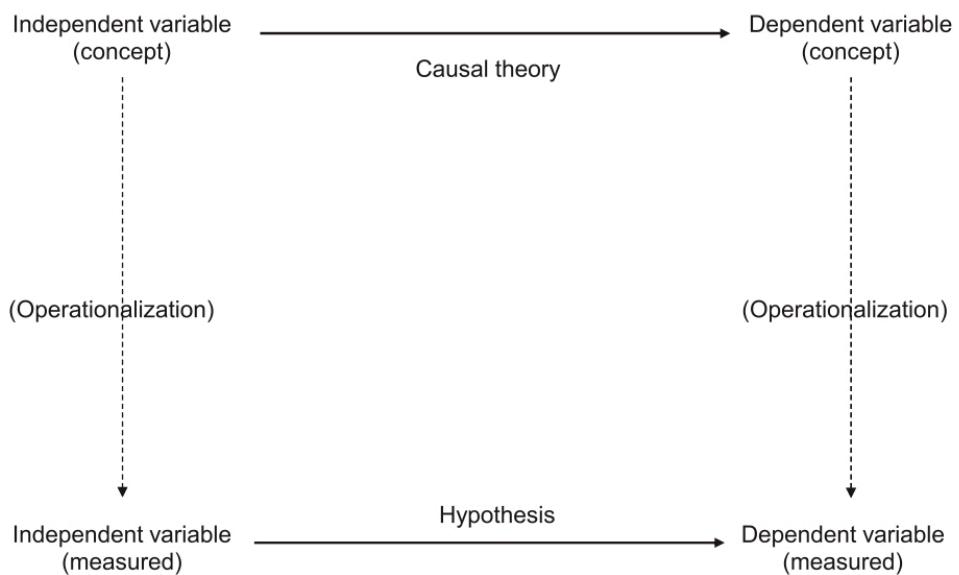


Figura 2: Figure 1.2 From theory to hypothesis

To establish causality between the dependent and independent variables, the analysis will employ causal inference techniques. As a possible solution to the

identification problem the study will provide results from a Difference-in-Difference. This technique is able to isolate the effect produced by the introduction of the laws in the variables that approximate education quality. Nonetheless, without appropriate control variables no identification strategy is reliable. Following best practices of the political science field, only a deep analysis of the literature will provide for suitable control variables.

3.1 Extensive Margin

The first of the two regression presented in the paragraph looks at the extensive margin. Therefore, it investigates the relationship between teachers quality and test scores. The equation used is the following:

$$Y_{smt}^{score} = \beta_0 + \beta_1 TQ_{smt} + \beta_2 INFRA_{smt} + \gamma X_{smt} + \mu_m + \lambda_t + \varepsilon_{smt}$$

Teachers quality is measured as number of students per class *or* as teachers education.

Identification also relies on:

-*Municipal FE*: this is a way to control for possible unobserved variables that might bias the analysis. To the eyes of statistitians this is a mere intercept that captures the mean value for a town.

-*State FE*: the same concern we had for the municipal level, motivates the use of FE at the state level. However, concern comes along with a great fortune². What Cunningham (2021, chap. 2, p. 46) said about USA perfectly suits the Federation of Brazil.

-*Year FE*: since our dataset (Huberts et al., 2025) offers several years, we

²Cunningham (2021, chap. 2, p. 462) says: "I have a bumper sticker on my car that says "I love Federalism (for the natural experiments)". [...] United States is a never-ending laboratory. Because of state federalism, each US state has been given considerable discretion to govern itself with policies and reforms. Yet, because it is a union of states, US researchers have access to many data sets that have been harmonized across states, making it even more useful for causal inference."

will exploit time variation too. The methodological solution to make use of panel data is again FE. In fact, thanks to this instrument, we are able to isolate the variation among years and discard the magnitude of variation in a single year.

This strategy isolates the effect of teachers quality on students test scores, which is commonly referred to as *outcome variable*.

Controls: The vector of controls is X_{smt} , while γ is the vector of coefficients. It represents the effects of control variables on our outcome variable. The selected controls are:

3.2 Intensive Margin

The second regression presented in the paragraph looks at the intensive margin. Therefore, it investigates the relationship between teachers quality and rates of failure. The equation used is the following:

$$Y_{smt}^{failure} = \beta_0 + \beta_1 TQ_{smt} + \beta_2 INFRA_{smt} + \gamma' X_{smt} + \mu_m + \lambda_t + \varepsilon_{smt}$$

Teachers Quality is measured as number of students per class *or* as teachers education. Again, identification relies on municipal FE, state FE and year FE.

4 Limitations

From the very first page, in this paper I adopted a transparent approach. Therefore, this section highlights all limitation of the analysis conducted so far. In this way, constructive criticism become active part of the scientific process.

I noticed three weakness of the identification strategy:

- Omitted Variable Bias.
- Provide tests for observable implications in as many as possible narrow, focused, controlled circumstances (<empty citation>).
- Do not include control variables that are a consequence of the key IV(<empty citation>).

Omitted Variable Bias is a common burden of all empirical scientists. There is no way to include all possible sources of variation in the identification strategy and hampers the

possibility of identifying the "perfect" causal mechanism. However, there are painkiller to this issue. They do not come from causal inference or econometrics. Instead, they come from institutional and qualitative knowledge of the topic under study.

Thus, we can reassure the reader of the reliability of the empirical result deepening the qualitative knowledge of the problem at stake.

A second important limit of this study comes from the fact that the more we generalise the results, the less we can be sure of what we state. Empirical tests have incredible internal validity. Nonetheless, they all suffer of a noticeable restriction, namely external validity. The identification strategy is solid only when we test the causal mechanism in data it was thought to work for. When we apply the identification strategy to external data, coming from a similar data generating process, the results tend to become fuzzy, and the ground of the analysis becomes slippery.

Eventually, we have another source of doubts about the research proposal. Let's imagine a state investing more in school with better test scores or with lower failure rates. In this way, school managers or regional governments are forced to act in accordance with an incentives scheme.

However, if this were the case for Brazil, there would be a huge bias in the identification strategy used so far. This bias is due to the fact that the outcome variable (test score for example) shapes investments in the school infrastructure, that at the same time influences students performances.

Further exploration of the institutional setting can shed light on this issue.

Conclusion

This research proposal sets out to turn a familiar policy question—what actually improves educational outcomes?—into an empirical design for the Brazilian case. Building on a panel framework, the project is motivated by a core inferential ambition: identify credible causal effects.

Two conceptual contributions structure the empirical strategy. First, the proposal distinguishes between two outcome margins: first, standardized test performance (the "extensive margin"), and secondly, failure rates (the "intensive margin"). This distinc-

tion is meant to reveal whether improvements in observed performance reflect genuine learning gains, changes in selection into testing, shifts in promotion standards, or other institutional mechanisms. Second, the project operationalizes "teacher quality" through measurable proxies—teachers' education and class size—then embeds these in a causal framework that explicitly anticipates confounding, as illustrated by the proposed causal DAG.

From the standpoint of methods employed, the design combines fixed-effects panel regressions with a Difference-in-Differences (DiD). The fixed-effects architecture (municipality, state, and year) is intended to absorb time-invariant heterogeneity across places and common national shocks across years.

The DiD is proposed as a second line of support: by focusing on changes induced by reforms, it aims to isolate the marginal effect of shifts in educational inputs from other background trends. In policy terms, this is the kind of design that can speak to decision-makers: its targets are realistically adjustable—teacher qualifications, class size, infrastructure. The design asks how changes in these targets map onto outcomes that matter for human capital formation.

At the same time, the proposal is transparent about what could go wrong. Omitted variable bias remains the classic specter: even with extensive fixed effects and controls, some determinants of educational performance (local political capacity, school leadership quality, household shocks, informal labor dynamics) may vary over time and correlate with both inputs and outcomes.

External validity is the second constraint: estimates that are internally persuasive in one institutional setting, may not apply cleanly to other contexts or periods.

A third risk is reverse causality: performance itself may shape investment, producing a feedback loop in which outcomes partially determine the "treatments" meant to explain them. This is especially salient in contexts where funding formulas, administrative incentives, or reputational competition allocate resources based on observable performance.

These limitations do not invalidate the design; they specify the conditions under which it can succeed. In practical terms, they point toward concrete refinements that would elevate the proposal from a promising design to a highly persuasive empirical

study.

The most important is institutional context: mapping the precise timing and scope of the targeted reforms and documenting whether—and how—funding and administrative responses are conditioned on performance is crucial for the credibility of the study.

Eventually, the "two-margins" structure proposes a richer interpretation of mechanisms: if teacher quality improves test scores but not failure rates (or vice versa), that divergence is analytically meaningful and can adjudicate between competing narratives about learning, retention policies, and classroom sorting.

In sum, the proposal's value lies in its attempt to convert a broad and politically consequential question into a design that can generate defensible causal claims. Brazil is not merely an interesting case; its federal structure, policy variation, and the availability of granular panel data make it a powerful empirical laboratory for education policy research. If the project successfully integrates its econometric strategy with careful institutional analysis it can offer findings that are both academically informative and directly relevant to policy choices.

Acknowledgements

Artificial intelligence-based tools were employed solely to improve linguistic clarity and grammar. No AI system contributed to the development of the research questions, theoretical framework or conclusions presented in this paper.

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