

Dissertation Summary

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“Elections and Productivity in Procurement Auctions of Pavement Contracts in Mexico” (Job Market Paper)

Abstract:

When governments allocate contracts, it is unclear whether exercising a greater hiring discretion will lead to better outcomes than allowing a higher level of competition without firm selection. The trade-off depends in part on the government’s ability to select the best firms when restricting competition, and on the probability that this practice will lead to corruption. In this paper, I study the allocation of street pavement contracts in Mexico. Combining auction methods with an analysis of the firms’ productivity, I test whether the government selects the most cost-efficient firms when it restricts competition, and I study the firms’ behavior under different auction formats. I find that firms selected to settings with less competition are more experienced and have lower costs in complex pavement projects, but have higher costs in simple projects. When comparing auction formats, firms are more aggressive under auctions by invitation than in public auctions in complex projects, but bid similarly under both formats in simple ones. The results suggest that, for simple projects, a higher level of competition through public auctions is preferred profit-wise. For complex projects, restricting competition in the form of auctions by invitation is beneficial if the government selects the most cost-efficient firms. Nevertheless, evidence of an electoral cycle in the allocation of contracts raises concerns of misuse of a greater hiring discretion from the part of the government. [Download Paper \(PDF\)](#)

“Developing Educational and Vocational Aspirations through International Child Sponsorship: Evidence from Kenya, Indonesia, and Mexico” - with Paul Glewwe, Phillip Ross, and Bruce Wydick

Abstract:

The role of aspirations in facilitating movement out of poverty is a subject of increasing research in development economics. Previous work finds positive impacts from international child sponsorship on educational attainment, employment, and adult income. This paper seeks to ascertain whether the impacts of child sponsorship on educational outcomes may occur through elevated aspirations among sponsored children. Using an age-eligibility rule applied during program rollout to identify causal effects, we study whether international child sponsorship increases educational and vocational aspirations among a sample of 2,022 children in Kenya, Indonesia, and Mexico. While effects are heterogeneous, and strongest in Kenya, we find that, averaging over the three countries, sponsorship increased indices of self-esteem (0.25), optimism (0.26), aspirations (0.29) standard deviations respectively, and expected years of completed education (0.43 years). We find that sponsorship increases actual grade completion by 0.56 among children at the time of the survey, and mediation analysis suggests that the impact of sponsorship on aspirations is likely to mediate higher levels of grade completion. Our results contribute to a growing body of evidence indicating that the positive impacts of child sponsorship

stem partly through elevating aspirations. More generally, our research contributes to a larger literature suggesting that the alleviation of internal constraints among the poor is a strong complement to addressing their external constraints.

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“International Child Sponsorship Impact on the Intended Choice of Acquiring a Higher Education Degree: the Case of Rural Mexico”

Abstract:

This paper studies the impact of a child sponsorship program on the aspiration to acquire a higher education degree, among a sample of rural children in the states of Oaxaca and Chiapas in the south of Mexico. To account for the program’s selection of sponsored children, I estimate a binary Roy type model with unobservables generated by a one-factor structure. I further account for the children’s income beliefs by directly eliciting their subjective expected returns to schooling. I find that the average treatment effect on the treated is positive and consistent with previous studies of the sponsorship program, although it is not statistically significant. Estimates of the marginal treatment effect show that the sponsorship effect is higher for children most likely to be selected to the program. From the subjective income expectations data, I document that children in rural settings, 12 to 15 years old, have realistic although heterogeneous expectations, and present a clear gender gap, even at these young ages. [Download Paper \(PDF\)](#)