

# **Evaluation Report**

## **NWO Priority Program SCHOLAR**

**Professor Anders Bjørklund**

**Stockholm University**

**Professor Henry Levin (chair)**

**Columbia University**

**Professor Stephen Machin**

**University College London and  
London School of Economics**

October 2006

# **Evaluation Committee**

## **Professor Anders Bjørklund**

Anders Bjørklund is Professor of Economics at the Swedish Institute for Social Research (SOFI) at Stockholm University. His affiliations with the SCHOLAR group developed at international meetings and by his collaborations with Erik Plug (SCHOLAR).

## **Professor Henry Levin (chair)**

Henry M. Levin is the William Heard Kilpatrick Professor of Economics and Education at Teachers College, Columbia University, Director of the National Center for the Study of Privatization in Education, and David Jacks Professor Emeritus of Higher Education and Economics at Stanford University. His involvement with the SCHOLAR group is threefold: he has known Joop Hartog (SCHOLAR) since 1984 at Stanford University, his son obtained his PhD at SCHOLAR, and he was member of the mid term evaluation committee in 2000.

## **Professor Stephen Machin**

Stephen Machin is Professor of Economics at University College London, Director of the Centre for the Economics of Education and Research Director at the Centre for Economic Performance at the London School of Economics. His direct involvement with the SCHOLAR group is limited to one common network which he manages with Hessel Oosterbeek (SCHOLAR).

## Evaluation procedure

The committee received the *Mid term evaluation report* from October 2000 as well as the *Document Output of the NWO priority program SCHOLAR 1996-2005+*, which lists the academic output of NWO priority program SCHOLAR from the start of the program in 1996 until October 2006. This document distinguishes for each of the years 1996-2005 the following output categories:

- Dissertations (PhD-theses)
- Academic publications in journals - refereed
- Academic publications in books - refereed
- Academic publications in journals - non-refereed
- Academic publications in books - non-refereed
- Academic publications in proceedings
- Academic publications in working and discussion papers
- Professional publications
- Popular publications
- Contributions to conferences, workshops and seminars
- Organisational contributions
- Referee activities
- Research contributions in the media
- Grants, prizes, honours
- Various activities.

On 5 October 2006, SCHOLAR organised the conference *Moving the Frontier - Human Capital, Theory and Application*. During the lunch meeting the evaluation outcomes were discussed. Based on the minutes of this meeting, this evaluation report was drafted and sent around for amendments before the final draft was produced.

## Evaluation meeting

Venue: Amsterdam, Hotel de l'Europe

Date: 5 October 2006

Time: 12:45-13.45

Present:

- Drs. Paul Berendsen                      Netherlands Organisation for Scientific Research: NWO
- Professor Anders Bjørklund            member of the evaluation committee
- Professor Joop Hartog                    SCHOLAR
- Professor Henry Levin                  chairman of the evaluation committee
- Professor Stephen Machin              member of the evaluation committee
- Drs. Julia Mensink                        rapporteur

## Outcomes of the evaluation meeting

The committee takes into account, among others, the mid term evaluation report, the *Document Output of the NWO priority program SCHOLAR 1996-2005+*, the list of working papers, and the presentations in the morning program of the conference. The focus is on what has been accomplished and what can be learned from this project.

The following five issues formulated in the mid term evaluation are readdressed:

1. International rank: whether the program is internationally a leader in its field;
2. Scale: whether the scale of the program is substantial;
3. Coherence: whether the program is set up in a coherent fashion;
4. Output: whether the output is high by all available standards;
5. Policy relevance: whether the contributions have a relevance for policy (whether government or firm policy).

The committee judges that on all of these points the SCHOLAR project has performed excellently. The committee has been very impressed by the performance of the SCHOLAR group. The output in terms of publications and activities is outstanding, and the public returns are multiple. Firstly, good scholars and excellent graduate students have been attracted and trained, who now have promising academic career prospects. Secondly, excellent topics have been addressed. Thirdly, very important policy relevant issues have been researched. Fourthly, important insights have been garnered in the research which have been disseminated in scholarly and policy articles and which make contributions to both the Dutch and international policy agenda.

The listing of the publications and activities clearly demonstrates the high productivity and the substantial scale of the SCHOLAR program. The committee praises the focus on publications. The amount of A level publications is something to be proud of and the inclusion of C level publications in the output is appreciated as well.

The value, depth and breadth of the contributions are acclaimed. The committee compliments the organisation and cooperation within the group as well as the variety of orientations. SCHOLAR research covers not only empirical research, but also theoretical interpretations and development of econometric models. This is done within a wide range of subject areas, demonstrating a variety of different ideas, topics, and methods.

The research has addressed very good issues and has raised important questions. The program has broadened the field of economics of education as can be seen by, for example, the fuller development of the topic of 'training on the job'. The forthcoming book *Human Capital, Theory and Evidence* (Hartog and Maassen van den Brink (eds), 2007) meets the high standards of a professional Handbook and will appeal to a broad audience because of its focus on a broad spectrum of education questions and a wide range of useful analytical tools.

In terms of policy relevance, a politician looking for practical guidelines might judge the contributions as too general and too broad. However, the committee argues that important issues are raised with policy relevance that can be translated into more specific policy recommendations when placed in a particular context such as legislation. Moreover, due to popular publications and SCHOLAR researchers' activities within the policy sphere, the research can be seen to have significant impact on committees and policy domain.

SCHOLAR has become well known both in Europe and in the United States of America and is seen as a strong effort by international standards. It can be said that the project has produced a highly productive outcome considering the investments and therefore represents an excellent return on investment. As mentioned before, the public returns of the project are high, considering the training of good scholars and the high output of policy relevant research with high academic standards.

Compared to similar attempts elsewhere, SCHOLAR has proved to be a collaborative group where the researchers and graduate students can be seen to cooperate and stimulate one another. Especially in light of the complexity of a project such as this including multiple funding and multiple institutions, SCHOLAR has been extremely successful.

When asked why the program has been so successful, the following suggestions are made from the inside perspective:

1. Selection of the right people.

SCHOLAR has managed to attract good scholars who were open minded and who interacted well with one another. The group members have proceeded independently, but have embraced two common interests. Firstly, the subject link: the interest in the broad field of education economics and policy relevance, and secondly, the methodology link: interest in methodology which meant looking for causal effects instead of mere correlations.

2. Good housekeeping.

Henriëtte Maassen van den Brink is praised for her excellent job in organizing, providing the good environment and arranging the facilities while motivating the group. She also allocated resources in productive directions while monitoring them in a parsimonious manner, leading to no-cost extensions and expansions of the work relative to the initial spending plans.

3. Combination of academic research and policy orientation.

Focusing the research on policy questions was an original stipulation for the NWO funding, a condition which was met and produced policy questions that were translated into appropriate academic questions and *vice versa*.

4. Informal contact within the group and strong cooperation.

While in the beginning people from outside were involved, and the idea of competition for research topics was put forward, this proved not to work. Cooperation was the key. Sharing the same physical facility allowed for continual informal contacts which proved to create a stimulating environment where people easily shared ideas and solved problems.

5. Good leadership.

Joop Hartog, Henriëtte Maassen van den Brink, Wim Groot and later Hessel Oosterbeek have been very instrumental in guiding the group to its success.

## **Additional information and contact**

For additional information, please visit:

<http://www1.fee.uva.nl/scholar/>

The website includes among others the background information and the original aims of the program, resumes of the researchers involved, working papers and the *Document Output of the NWO priority program SCHOLAR 1996-2005+*.

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## Appendix 1: Programme of seminar 5 October 2006

On Thursday 5 October 2006 the seminar *Human Capital, Theory and Application* was organised in the context of the End Term Evaluation of the SCHOLAR programme.

Location: Doelenzaal, Singel 425, Amsterdam

### Seminar

#### *Moving the Frontier*

#### Human Capital, theory and application

- |               |  |
|---------------|--|
| 09.00 - 09.05 | Opening seminar<br>Henriëtte Maassen van den Brink (SCHOLAR)                           |
| 09.05 - 09.30 | <i>The importance of education for entrepreneurs</i><br>Justin van der Sluis (SCHOLAR) |
| 09.30 - 10.00 | <i>Labor market gift exchange and firm structure</i><br>Randolph Sloof (SCHOLAR)       |
| 10.00 - 10.30 | <i>The health benefits of education</i><br>Wim Groot (SCHOLAR)                         |
| 10.30 - 11.00 | Coffee break   |
| 11.00 - 11.30 | <i>Effective training policies</i><br>Edwin Leuven (SCHOLAR)                           |
| 11.30 - 12.00 | <i>Are successful mothers the secret to success?</i><br>Erik Plug (SCHOLAR)            |
| 12.00 - 12.30 | <i>The determinants of students' borrowing behavior</i><br>Hessel Oosterbeek (SCHOLAR) |
| 12.30 - 14.00 | Lunch  |

- 14.00 - 14.30 *The Public Returns of Public Educational Investments in At-Risk Populations*  
Professor Henry Levin (Columbia University)  
High school completion rates in the U.S. are about 70 percent with only about half of racial minorities and immigrants graduating from high school. This project compares the public costs of increasing graduation rates with the public benefits associated with high school graduation. Benefits include higher tax revenues and lower costs of criminal justice, public health, and public assistance associated with more education. Public investments were calculated from interventions that were evaluated mostly from experimental or quasi-experimental designs. Analysis of the consequences of five educational interventions suggest public benefit-cost ratios of at least three, and probably higher because our benefits estimates are based upon conservative assumptions.
- 14.30 - 15.00 *Competition, Choice and Pupil Achievement*  
Professor Steve Machin (University College London)
- 15.00 - 15.30 Tea break
- 15.30 - 16.00 *Nature and Nurture in the Intergenerational Transmission of Socioeconomic Status: Evidence from Swedish Children and Their Biological and Rearing Parents*  
Professor Anders Bjørklund (Stockholm University)  
This study uses an extraordinary Swedish data set to explore the sources of the intergenerational transmission of socioeconomic status. Merging data from administrative sources and censuses, we investigate the association between sons' and daughters' socioeconomic outcomes and those of their biological and rearing parents. Our analysis focuses on children raised in six different family circumstances: raised by both biological parents, raised by the biological mother without a stepfather, raised by the biological mother with a stepfather, raised by the biological father without a stepmother, raised by the biological father with a stepmother, and raised by two adoptive parents. Relative to the existing literature, the most remarkable feature of our data set is that it contains information on the biological parents even when they are not the rearing parents. We specify a simple additive model of pre-birth (including genetic) and post-birth influences and examine the model's ability to provide a unified account of the intergenerational associations in all six family types. Our results suggest substantial roles for both pre-birth and post-birth factors
- 16.00 - 16.15 *Evaluation outcome*  
Professor Henry Levin  
  
Chair of the End Term Evaluation Committee
- 16.15 - 16.20 *Closure seminar*  
Joop Hartog (SCHOLAR)
- 16.20 - 18.00 Reception

