

“When Buddies Migrate: School Dropout and Peer Migration in China”

(in English)



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Date: 27 November 2018 (Tuesday)

Time: 10:30am – 12:00nn

Venue: WYL314, 3/F, Dorothy Y. L. Wong Building

Abstract: The secondary school dropout rates have reached alarming rates in rural China. The dropout problem not only compromises future options for the school-leavers, but also sets China up for a human capital crisis in the future. In this paper, we empirically explore the effect of peer migration on school dropout decision. As a key determinant, peer migration worsens the school dropout problem, not only by affecting the youngster's decision of migrating to work in the urban area, but also by increasing the probability of working locally. Using the data of Census 2010 in China, we estimate the impact of peer migration on youngsters' school dropout decision in a Multinomial Probit Model, highlighting the cross-choice effect of peer migration. To address the "reflection problem" and other concerns with endogeneity, we further identify the impact of peer migration using a unique census-type panel dataset from Guizhou Province in China. We employ an exogenous policy shock of land expropriation as an instrumental variable. The census-type dataset in 26 natural villages also allows us to appropriately define the reference group. The estimation results provide us with further evidence on the impact of peer migration on school dropout and its underlying mechanisms (social learning effect vs. social utility effect). We also find that the impacts are heterogeneous, depending on youngster's gender and social connections.

Biography: Wang Ruixin is an Assistant Professor in Economics in Harbin Institute of Technology, Shenzhen. He obtained PhD in Economics from Tilburg University in the Netherlands in 2015. His research interests are Development Economics and Public Economics. Most of his work focuses on Chinese economy. By using micro-econometric and experimental tools, he attempts to explore the determinants of economic development, e.g. social norm, human capital, and village governance.

All Are Welcome

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