

# The quality of public education and private school enrolment: an assessment using Brazilian data

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## Abstract

In this paper, we test the hypothesis that private school enrollment is the households' response to the low quality of public schools. In order to deal with the simultaneity issue, we explore variations in public school funding caused by the FUNDEF reform that occurred in Brazil in 1998. Using data from the Brazilian School Census, we show that a positive impact of the reform is associated with an immediate reduction in the share of private enrollment for the first grade of primary school at the municipality level. The same effect is not observed for the subsequent primary school years. This confirms the intuition that the parents may be reluctant to switch schools after the beginning of their child's schooling track. Our estimation results are robust to variations in the school participation and changes in the income distribution. Thus, the improvement in the quality of public schools originated by the FUNDEF reform has attracted households that would otherwise enroll in private institutions. The same mechanism seems to explain the increase in the net attendance rate during the same period.