

Assessment of dissertation by Gega Todua, Essays on the Economics of Education

Thank you for the opportunity to review the dissertation by Gega Todua, "Essays on the Economics of Education."

Overall, this is a quality thesis and meets the standards for awarding the PhD degree.

Comments on the three chapters:

1. Financing Education Abroad: A Developing Country Perspective

This is a well-researched and written chapter on loans and scholarships for higher education. It sets out the research question very well and offers a good analysis. There are only a few suggestions for improvement:

- Please add more facts at the outset: what percentage of students take out loans and scholarships? How much financing is involved, in absolute terms, and in relation to how much of the costs of education are covered by loans and scholarships? Where are the students who take loans and scholarships from? Where do they study if outside of their home country? I believe this information would improve the chapter and recommend the change.
- On page 7, the assertions of Franck and Owen (2015) have not yet been contradicted, but this section is written as if they were; please clarify. It is a minor point.
- It is interesting that so much data were collected, but most of it was only used to set up the stylized fact. The rest of the chapter is theoretical. Is there any way to apply the data? Or could you set up future research tasks with such data? This is an optional comment.

2. Hosting International Students: A Developed Country Perspective

This is a well-researched and written chapter on hosting international students. It sets out the research question very well and offers a good analysis. There are only a few suggestions for improvement:

- Clarify that the chapter is written from an EU perspective (optional)
- Explain why the *Times* and only the *Times* ranking of university quality was used (recommended)
- The students being considered come from Georgia. But don't Georgian students also go to other countries outside the EU, such as USA and Russia? Could you put this in context? (optional)
- Facts presented include:
 - Higher university rankings associated with higher GDP
 - Higher university rankings associated with higher tuition
 - Aren't these two facts essentially the same thing? Higher income countries, if they charge tuition, would charge higher amounts than lower income countries?

- Or that there is a higher cost of education in higher income countries?
- Also, wouldn't the higher tuition be justified by the future higher earnings of graduates from such higher ranked universities? Especially compared to the home country (this is a recommended change)

Minor: the point about unfavorable views of foreign students is not substantiated. Can you add references?

I don't follow the return estimate in the numerical example. Please clarify. This a recommended change.

3. Information, Perceived Returns, and College Major Choice

This is a well-researched and written chapter on information, returns and college choices. It sets out the research question very well and offers a good analysis. This is a good experiment on the use of information provision. I think the follow up on changes to preferences is an excellent idea and contribution to the literature. I think it was interesting that students tended to overestimate potential wages and unemployment, and how much of a difference the provision of information made.

There are only a few suggestions for improvement:

- Explain how the information was provided to the students
- Explain why direct provision of information is “expensive” – maybe it’s only relative but this must be very inexpensive overall, and thus a good “buy” in terms of policy interventions
- The unemployment angle is interesting; it’s a valid point, but I think you could clarify a bit more how this argument works (on page 94)
- Also, it is stated that unemployment rate are high in Georgia for those with university. Why? For how long? What about for younger Georgians, i.e. recent graduates?
- Selection exams determine access; but there are 40,000 applicants for 50,000 openings; excess supply must have an impact. How would this be different in country where there weren't enough openings? (optional)
- Also, are there 40,000 applicants including those who go abroad?
- How does the 10% change in preferences compare with other studies in other countries?
- What is the cost of information provision? Do you recommend this as a policy option?
- Minor:
 - the concept of indirect information spillover is mentioned early on, but not explained until much later in the chapter
 - correct spelling of Oreopoulos

Overall, this is a quality thesis and meets the standards for awarding the PhD degree. This is a well-researched and written dissertation on the economics of education. I believe that the thesis satisfies formal and content requirements for a PhD thesis in economics. I recommend the dissertation for a defense.

Thank you,

Harry Anthony Patrinos

Practice Manger, Education
The World Bank