

**IMPLICATIONS OF BRAZILIAN INSTITUTIONAL GUIDELINES ON EDUCATIONAL EFFICIENCY****Marcus Gerardus Lavagnole**

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A common idea in Brazilian public debate is that advances in educational quality are directly proportional to the amount of investment in the area. Although this argumentation might be appealing, the education economics literature presents some evidences in a different direction (Hanushek and Luque, 2003; Glewwe et al., 2011; Monteiro, 2015), exposing the necessity to a well designed public policy and rigorous evaluations about its effectiveness. Towards the current economic scenario and the serious fiscal crisis that Brazil is facing, a particular topic of interesting rises from the discussions: efficiency in education management, specially, in education spendings.

Therefore, this paper contributes to the literature investigating the relation between inefficiency in the Brazilian education system and municipal wealth, discussing how the actual legislation possibly influences it. We underline the actual legislation because it imposes rigid regulations that disregards the economic capacity of each municipality and does not introduces incentives for efficient policies which is of great importance since local governments have limited budgets.

A stochastic frontier model was applied to a panel dataset from the Metropolitan area of Porto Alegre municipalities over the period 2007-2017. This region is the 4th most populous in Brazil, concentrating more than 4 million inhabitants, and also is the 4th richest in the country. The results indicated that the GDP per capita has a positive effect on inefficiencies, suggesting that richer municipalities are less efficient in allocating their resources and corroborating to our main hypothesis. Two other results should be highlighted. The positive impact of Fundeb on Ideb combined with the positive effect of GDP

on inefficiencies, points to an alternative criteria to the fund redistribution based on the economic capacity of the municipalities. In addition, no significant improvements on efficiencies were observed over the period under analysis, indicating a lack of incentives.

**REFERENCES**

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EXECUTIVE SUMMARY