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Destination

Wisconsin Russian Project
 Postdoctoral Fellowship Competition

Dear Center for Russia, East Europe, and Central Asia (CREECA) representative,

I write this letter to apply for the opportunity entitled “Academic Year 2019-2020 Postdoctoral Fellowship in Social Science of Russia at the University of Wisconsin-Madison” posted on 30th November 2018 on the Wisconsin Russian Project web-page.

My name is Sergey Alexeev and I’m a PhD candidate currently completing the final chapter of my dissertation, which I expect to submit by June 2019. In what follows, I intend to convince you that my research skills and interests, teaching abilities, and general life experience have shaped me as an ideal candidate for your opening.

1. The research description

For the duration of the Fellowship, I intend to take advantage of the expertise and experience of Dr. Jeffrey Smith, Dr. Matthew Wiswall, and/or Dr. John Kennan to study how the centralization of college admissions during the Russian educational reform of 2001–2008 equalized access to higher education.

This research question synthesizes and builds upon my previous work at the University of Technology Sydney, and it also matches the requirements of CREECA Fellows to conduct research on “education, labor markets, and inequality”, utilising “related methods to the study of Russia’s regions”.

The key component of the reform is a sequentially introduced Unified State Exam (USE). I have in my possession the timing of the reform (see Figure 1) and a large (about 20,000 respondents per wave) nationally representative panel data set – RLMS – that runs from 1994 until now. Thus, the sequential nature of the reform can be interpreted as a quasi-experiment, where respondents from the regions where the exam was not yet introduced serve as a contrafactual to measure the equalization of access to higher education.

Assuming that, in the absence of reform, the changes in the average outcomes between respondents in treated and untreated regions (conditional on respondents’ observed characteristics) would have been the same, and that regions did not change teaching methods or otherwise take preemptive action before they were assigned to the reformed system, I can evaluate the impact of the reform using a linear regression difference-in-differences estimator:

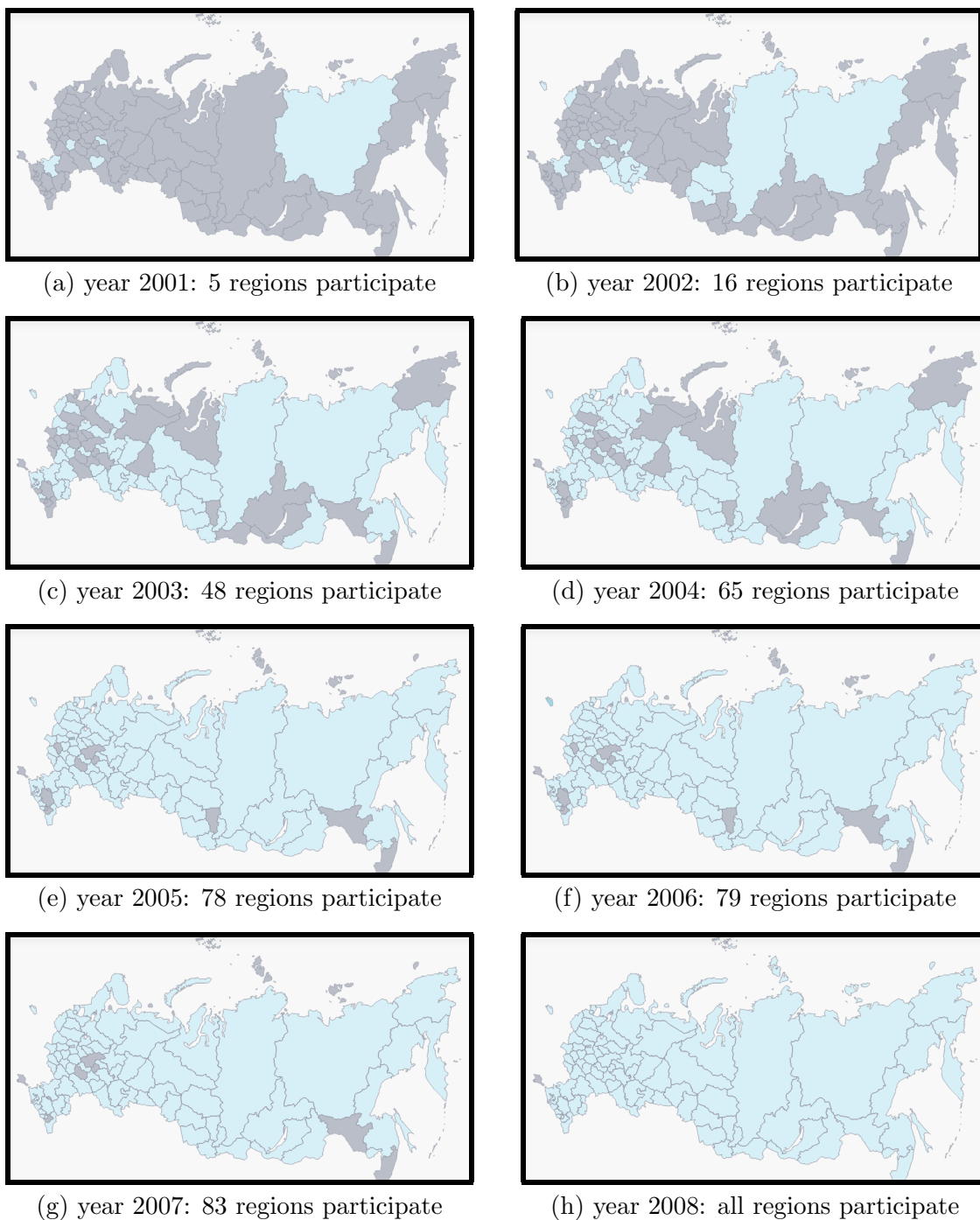
$$y_{irt} = \alpha_r + \delta_t + \sum_k \gamma_k D_{irk} + X_{irt} \delta + \varepsilon_{irt}, \quad (1)$$

where y_{irt} is an indicator of being a college student for a person i in year t in region r , α_r and δ_t are region and year dummies, $X_{irt}\delta$ are observable characteristics of respondents, and D_{irk} , the coefficient of interest, is an indicator which is equal to one for a region adopting the policy in all $k \geq t$ years.

I will also explore extensions to this analysis on a number of fronts. It is possible to construct a representative sample that connects two generations within the sample household to see how the reform effects intergenerational mobility.¹ Alternatively, I could track the same respondent in the early and late stages of his/her life, as in intragenerational mobility literature.²

If time permits, I also plan to finalize my PhD dissertation chapters into publishable

Figure 1: Graphical illustration of the sequence of USE introduction



papers. Assuming, optimistically, that I do fulfil the above plans in the duration of the CREECA Postdoctoral Fellowship, I also have a number of other research projects that utilize Russian cross-regional variation that I wish to pursue. I believe the projects are very important. One is devoted to the abuse of counter-terroristic legislation by the Russian justice system. It is similar in spirit to Acemoglu et al. (2016). Another regards the increase in weapons trafficking in Russian regions after the beginning of the Ukrainian uprising. It both mimics in approach and compliments Guriev and Melnikov (2016). Both projects use unique datasets that I was able to retrieve through my connections in Saint Petersburg.

There are also several other early stage projects. Although, being a junior researcher, I would clearly be heavily influenced by the University of Wisconsin-Madison faculty members, whose expertise I would wholeheartedly welcome.

The research plan outlined above is informed by my work on several earlier projects, which I now summarise.

Russian educational reform

Under the guidance of Dr. Mario Fiorini, I started my economics research in 2017 with an empirical analysis of the Russian educational system. Oddly, I discovered that a reform that was designed to equalize educational opportunities had quite the opposite effect, most likely due to emergence of unequal test preparation opportunities. This analysis, however, did not yield a publishable paper due to certain detected data limitations.

Centralized college admission

Providentially, Dr. Kentaro Tomoeda, in an incidental casual conversation, noted that the hypothesized mechanism was still of theoretical value. This inspired my second research endeavour, which is being supervised by Dr. Isa Hafalir and Dr. Kentaro Tomoeda. I have solved a novel model of a contests version of an all-pay-auction with a budget constraint and analyzed the conditions for the stability of centralized college admission in environments where exam marks might not truly reflect the applicants' skill due to the availability of commercial preparation materials.

Russian labour market wage premium

In further empirical explorations (still trying to document the effects of educational reform in Russia but across different majors), and under the supervision of Dr. Peter Siminski, I discovered an unusual transitory wage differential in the Russian labour market, which relates to theories on transformation recessions.

I believe that this discovery is of high value. In his feedback letter to me, Dr. Nezhil Guner, *The Economic Journal* referee, notes that the discovery is interesting. So do other empiricists. But I still need, and I know how, to modify and enrich the paper to publish it well.

Intergenerational mobility

My current work continues with Dr. Peter Siminski. I'm finishing my PhD dissertation with a paper on the Australian housing affordability crisis and its manifestation in measures of income mobility, inequality and polarization.

2. Personal statement

As an applied microeconomist and econometrician, I find joy in reflecting on and measuring the effects of economic reforms. Even though my formal training and teaching

experience come from European, North American and Australian universities, it is my Russian background that shapes and motivates much of my work.

The uniqueness of my birth year (apart from the presence of a mysterious-to-many hammer and sickle emblem on my identification documents) allowed me to witness three macroeconomic crises and about two dozen large scale economic reforms, which profoundly affected the way I think about societies.

“What was happening and what was going wrong with the Russian economy?” is a question I asked my mother in 1994 when I was 7 years old, after hearing yet another series of disturbing news stories on TV. I was unsatisfied with her answer, and I never stopped asking this question.

Even though I have since made good progress in answering it, as my father, a neurosurgeon by training and a businessman by necessity, gave me the best education available in Saint Petersburg, most Russians were not as lucky as me. I saw a lot of injustice growing up. Much of it was caused by humans drafting misguided policy recommendations based on bad economics. Trying to fix it, even a little piece of it, would make my life worthy.

I am excited by the opportunity that the CREECA Postdoctoral Fellowship at the University of Wisconsin-Madison would afford me in achieving this goal.

Thank you for taking the time to consider my application.

Yours sincerely,

Sergey Alexeev

Enclosure:

Recommendations letters (Dr. Peter Siminski, Dr. Isa Hafalir, Dr. Olena Stavrunova)

Writing sample (two chapters of the PhD dissertation)

Curriculum vitae

Notes

1. A similar identification approach in a quite similar institutional environment has been used by Pekkari-nen et al. (2009) who analyzed the sequentially introduced Finnish schools reform of 1972–1977 and showed an increase in intergenerational income mobility using a representative sample of males born between 1960 and 1966. Ermisch et al. (2006) showed somewhat similar results for the Swedish schools reform. Both papers, however, use census data with large sample sizes. Still, in a forthcoming paper, Borisov and Pissarides (2019) construct a quite large sample ($n=2,086$) for intergenerational income mobility using RLMS. Even if that is not enough, it is possible to focus on educational mobility only, which is known to be less data demanding than income mobility.
2. Lukiyanova and Oshchepkov (2012) showed how RLMS can be used to study intragenerational mobility. Her sample size is about 12,000 people.

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