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OLIVIER DE GROOTE

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KU LEUVEN

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Placement Officer: Prof. Jan De Loecker <u>jan.deloecker@kuleuven.be</u> + 32 16 37 45 83

EDUCATION

2013-2018 (expected) PhD in economics, KU Leuven

Supervisor: Prof. Frank Verboven Visits: Duke University (spring 2016)

Hosted by Prof. Peter Arcidiacono and Prof. Arnaud Maurel

2012-2013 Master of science in Economics, KU Leuven

Major: Research

Result: Magna cum laude

2009-2012 Bachelor of science in Economics, KU Leuven

Result: *Magna cum laude* Visits: UCLouvain (fall 2011)

REFERENCES

Prof. Frank Verboven Prof. Jo Van Biesebroeck Prof. Jan De Loecker Department of Economics Department of Economics

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FIELD OF INTEREST

Labor economics, industrial organization, applied microeconomics

JOB MARKET PAPER

"The effects of high school curriculum. A model of program and effort choice."

This paper addresses the impact of study programs in secondary education on long run educational and labor market outcomes. I estimate a dynamic model of educational decisions that allows for observed and unobserved differences in initial ability. It is novel in that it adds unobserved effort as a choice variable, along with the choice of study program. This replaces traditional approaches, which assume end-of-year performance follows an exogenous law of motion. I use the model to calculate how each study program contributes to different outcomes and I investigate policies that aim to match students to the right program. I find that academically rigorous programs are important to improve higher education outcomes, while vocational programs prevent drop out, grade retention and unemployment. At the same time, policies that encourage underperforming students to switch to less academic programs do not have a negative impact on higher education outcomes and they substantially reduce grade retention and drop out. I also find that ignoring the fact that students choose their effort level generates biases in counterfactual predictions.

OTHER WORKING PAPERS

"Subsidies and Myopia in Technology Adoption: Evidence from Solar Photovoltaic Systems" with F. Verboven. (Revise and Resubmit, American Economic Review)

Many countries have relied on subsidies to promote the adoption of renewable energy technologies. We study a generous program to promote the adoption of solar photovoltaic (PV) systems through subsidies on future electricity production, rather than through upfront investment subsidies. We develop and estimate a tractable dynamic model of technology adoption, also accounting for local market heterogeneity. We exploit rich variation at preannounced dates in the future production subsidies. Although the program led to a massive adoption, we find that households significantly undervalued the future benefits from the new technology. This implies that an upfront investment subsidy program would have promoted the technology at a much lower budgetary cost, so that the government essentially shifted the subsidy burden to future generations of electricity consumers.

"Tracking and Specialization of High Schools: Heterogeneous effects of school choice" with K. Declercq.

We analyze the causal impact of choosing for an elite high school on study performance in an early tracking system. We investigate this using a dataset for Belgium, where schools can offer one or more tracks, but elite schools offer only the academic track. If students underperform in this track, they can switch to a lower track to avoid study delay. For students in elite schools, switching also implies choosing for another school. We account for self-selection and heterogeneity in the treatment effect and derive a small and non-significant average effect. However, there is substantial heterogeneity and students who self-select into elite schools experience the most negative effects. This result can be explained by track switching. Students with a high preference for elite schools do not want to leave this school to sort into a better suited track.

PUBLICATIONS

"Heterogeneity in the adoption of Photovoltaic Systems" with G. Pepermans and F. Verboven, *Energy Economics*, September 2016, 59, pp. 45-57.

We study the determinants of PV adoption in the region of Flanders (Belgium), where PV adoption reached high levels during 2006–2012, because of active government intervention. Based on a unique dataset at a very detailed spatial level, we estimate a Poisson model to explain the heterogeneity in adoption rates. We obtain the following findings. First, local policies have a robust and significant impact on PV adoption. Second, there is a strong unconditional income effect, implying a Matthew effect in the subsidization of PVs. Our third finding is however that this income effect is largely driven by the fact that wealthier households are more likely to adopt because they tend to be higher users, are more frequent house owners, or own houses that are better suited for PV. In several extensions, we consider the determinants of the average size of installed PVs, and the differential impact of certain variables over time.

TEACHING

Fall 2013-2017 Intermediate microeconomics in the Bachelor of Economics (teaching assistant)

Fall 2015 Principles of Economics for Scientists in the Bachelor programs of the Faculty of Science

(minor Business and Innovation) (teaching assistant)

INVITED SEMINARS AND CONFERENCES

2017	Leuven Education Economics Research workshop (Belgium), ECORES summer school
	(Belgium), Society of Labor Economists (USA), International Workshop on Applied
	Economics of Education (Italy), European Association of Labour Economists conference
	(Switzerland), Université de Liège (Belgium), RES PhD meeting (UK)
2016	Duke University, International Workshop on Applied Economics of Education (Italy),
	International Industrial Organization Conference (USA), European Association of Labour
	Economists conference (Belgium)
2015	University of Antwerp, Université Saint-Louis, Leuven Education Economics Research
	workshop: efficiency in education (Belgium), Conference of the European Economics
	Association (Germany), ECORES summer school (Belgium)
2014	Economics of Low Carbon Markets workshop (Brazil)
2013	Belgian Environmental Economics Day (Belgium), Workshop of the Benelux Association for
	Energy Economics (Belgium)

AWARDS AND SCHOLARSHIPS

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2017	Selected by the review panel of the Council for the Lindau Nobel Laureate Meetings to
	participate in the 6th Lindau Meeting on Economic Sciences
2014	PhD fellow of the Research Foundation Flanders (FWO)
	Yearly stipend and 4 year scholarship
	Proposal ranked #1 in expert panel on Economics, Business economics and Management
2014	Pinxten award for the best paper in the Master of Advanced Studies in Economics/Doctum
	Colloquium at KU Leuven

PERSONAL DATA

Citizenship Belgium

Languages Dutch (native language), English (fluent), French (very good command), German (basic)