

Own and Sibling Effects of Conditional Cash Transfer Programs:

Theory and Evidence from Cambodia * β ϵ π π ϵ $(\pi \pi)$ π π $-$ $-$
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but child-specific substitution effect, which is brought on by the reduction in the opportunity cost of

practice in Colombia, where child-specific CCTs increased own enrollment, but reduced sibling enrollment. Our model allows for both the empirical results observed in Cambodia and Colombia: The net effect on ineligible siblings depends on the relative magnitudes of the income effect of the transfer and of its displacement effect. This depends on size of the of the income transfer, as well as on the extent to

period 2. They take all decisions in period 1 so as to maximize household welfare, which is a function of

(2000), the result is driven by missing capital markets: if families could borrow in period 1 against the child's income in period 2 then, for sufficiently large returns to education (i.e. for a sufficiently large

In sum, our simple model of schooling decisions for a multi-child household predicts that a child-specific conditional cash transfer will lead to increased enrollment for eligible children. This increase reflects the combination of effects. First, there is a displacement effect among those households that only enroll one child: they tend to replace their ineligible children with their eligible siblings in school. Second, some households that would not send any children to school in the absence of the program are now compelled to send an (eligible) child to school, due both to a substitution effect (the opportunity of that decision has fallen from w to $w -$

Phnom Penh. There, a firm contracted for this purpose “scored” them, using the responses and the set of

of the underlying characteristics that make up the dropout score $v_7(m)$ 1priha

References

Attanasio, O., E. Battistin, E. Fitzsimons, A. Mesnard, and M. Vera-Hernández. 2005. “How Effective are Conditional Cash Transfers? Evidence from Colombia.” Unpublished manuscript, The Institute for Fiscal Studies, London, UK.

Figure 3: Program effects on applicants and their siblings

A. Enrollment

**B. Work for pay
Applicants**

C.

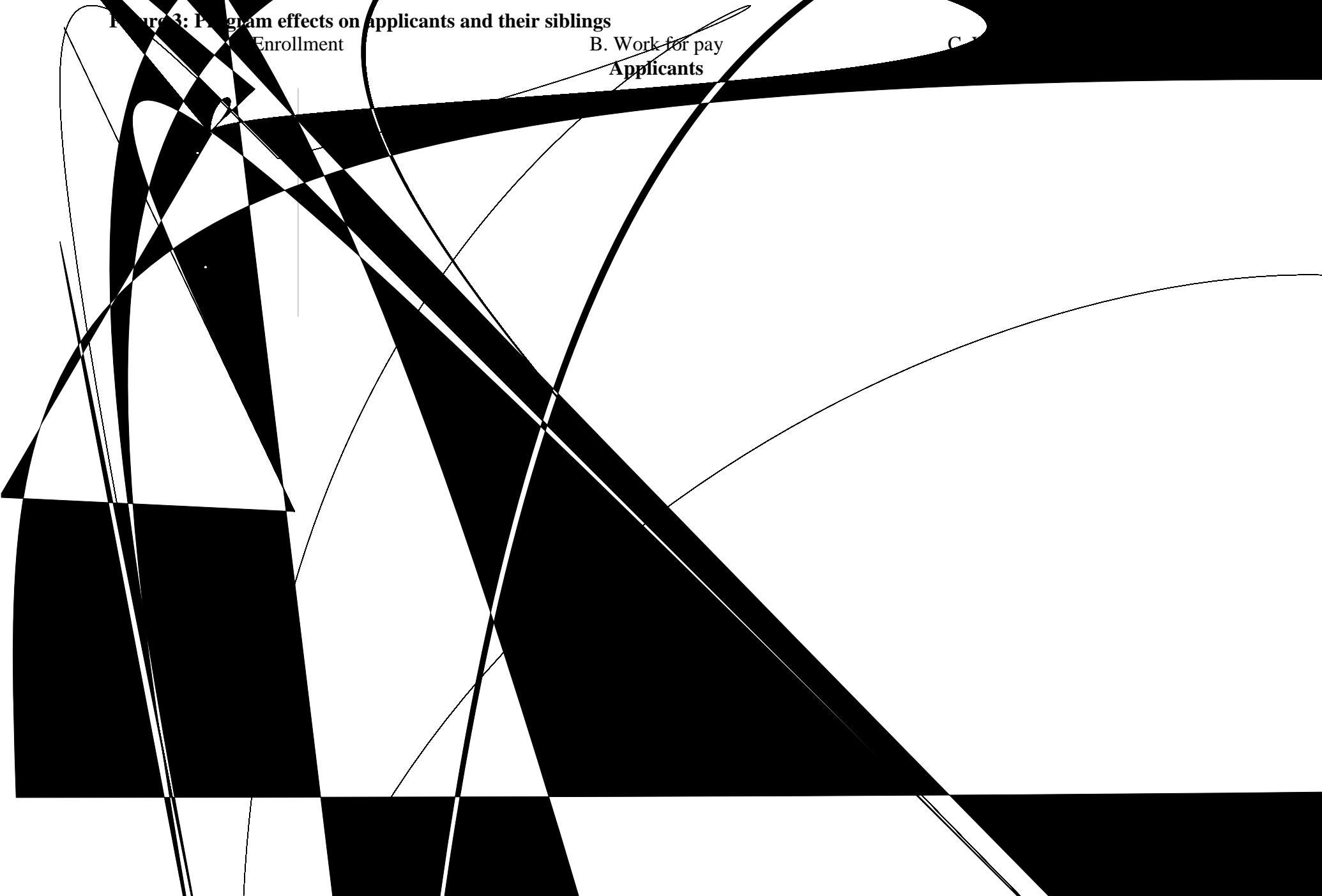


Table 1: Characteristics of CSP recipients and non-recipient applicants

Table 3: Program effects on recipients and siblings, by gender

	School enrollment	Work for pay	Work without pay
Own effect*male	0.215** (0.031)	-0.120** (0.032)	0.043 (0.037)
Own effect*female	0.200** (0.026)	-0.088** (0.025)	0.074* (0.029)
Sibling effect*male	0.011 (0.019)	-0.007 (0.020)	0.046 (0.030)
Sibling effect*female	-0.000	o	
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Table 4: Program effects on recipients and siblings, by gender

	Tobit (Marginal Effects)		OLS
Hours of schooling	Hours worked for pay	Hours worked	

Table 5: Program effects on recipients and siblings, by gender – alternative estimation approaches

Table 6: Program effects on recipients and siblings, by ge

Table 7: Program effects on recipients and siblings, by age relative to applicant's age

School enrollment

Own effect	0.198** (0.020)	-0.092** (0.020)	0.059* (0.024)
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Siblings

Note

Appendix 2: Program effects on parents

The model proposed in the paper assumes that parents continue to supply labor inelastically in