



# CEDLAS

Centro de Estudios Distributivos, Laborales y Sociales

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**Comment on:**

***Schooling, Learning and Earnings:  
Effects of a Three-Year Conditional Cash Transfer  
Program in Nicaragua after 10 Years***

**By Barham, Macours and Maluccio**

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# First things first

- Reward risk-taking and innovation: this paper produces exactly the type of information and analysis we need.
  - In academia
  - For policy making
- Few cases like this: direct and high quality responses to the most relevant questions in a literature: Dozens (hundred+?) of CCTs, little idea on long term effects.
- Risky, time consuming, expensive enterprise: track participants 10 years later, even migrants. With no Swedish id card and admin database...

# First things first

- Credible interpretation – increase in school-related skills.
- Caveat to comments: clarify some aspects, improve presentation, suggest some ideas.
- Some of the missing bits are [promised] in the paper.
- Most (minor) flaws do not stem from the analysis or the design, but from the inherent difficulty.

# General comments

- General tone: presenting impact. No impact as a result is still interesting – qualify with discussion of statistical power, precise zeroes, etc...
- Example: labor market results for women.
- Presentation:
  - Include timeline: Diagram of who was treated when
  - Who was surveyed when (original survey/tracked, oversample, etc.).
- More compact? Lengthy discussion and methodological details are necessary, but may be a more synthetic version for publication – online appendix, etc...

# Attrition

- Attrition is a fact of life. Even more so in poor rural areas in Nicaragua.
- It would be suspicious NOT to have attrition. Don't be too apologetic, it's probably as good as it gets as it is.
- But include a bit more in terms of robustness-corrections etc.:
  - Attrition as an outcome
  - Formal testing of balance, etc.
  - Multiple/joint testing
  - Bounds based on attrition

# Multiple testing and bounds

- Bounds for attrition (but careful – with no assumptions these are too harsh).
- Synthetic variables (Kling et al.) OK to gain precision, perhaps also more joint testing of outcomes?
- IHST for earnings, and also bounds for earnings, not only quantiles.
- Figure for quantile regs – more graphical presentation in general.

# Intervention

- Did the supply side intervention happen?
- Ages and school completion— end of primary/start of secondary?
- More background/discussion about size of the transfer and program impact for the early/late groups.
- Results all the more remarkable:  
Comparing two treated groups with relatively small differences in treatment intensity. Ideally, control group.

# Extensions of the project

- Given these relatively small differences between the two groups, definitely: pursue the non-experimental complement.
- Chetty et al. have established that we can have perfectly good evidence from (good) experimental data with clever strategies (teacher value added, EITC, etc.).
- Also: rich data – non experimental Mincers with cognitive/non cognitive skills, etc. (probably not power for IV, OLS still interesting).
- A word from our keynote speaker:



# Extensions of the project

- *[There] ...is a long-standing obsession amongst economists with selection bias based on unobserved variables. There are essentially two ways to address endogeneity concerns about participation in the intervention being evaluated (...). The first way is to collect more data...*
- So two experiments would be great, but if one helps establish the degree of selection then you can correct related non-experimental results.
- And this correction may end up being minor.
- More and more: combine experimental + observational evidence.

# A few more points



Notes: Unshaded municipalities were randomly assigned to receive cash transfers (G1), to receive transfers and direct investments (G2), to receive direct investments (G3), or to receive no treatment (G4). See text for details.

- Cost-benefit analysis.
- Broaden geographical definition of treatment (exposure).
- Other data sources? Galiani & McEwan (2013), IEN Paper: use Census data to revisit Honduras' PRAF. Duflo-Indonesia type of analysis to complement results?
- Other age groups. Externalities at the locality and at the household level? Siblings...



Thank you!

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