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Centro de Estudios
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Comment on
*The heterogeneous impact of
conditional cash transfers in Honduras*

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The paper



Overview

- This paper analyzes the impact of a conditional cash transfer program in Honduras.
- Outcomes under study: school enrollment; child labor (inside and outside the house); labor supply of adults.
- Exploit the original experimental design of the program's evaluation... with a twist.



The approach



The approach

- The paper exploits the experimental nature of the program's evaluation, but it innovates in important aspects:
 - Use census data instead of the evaluation surveys.
 - Exploit the stratified design of the random allocation process.



The approach

- Turn a straightforward identification strategy (random assignment) into something more interesting and original:
 - Heterogeneous effects (exploit stratification)
 - Detect spillover / externalities
 - Alternative identification strategies – more than just robustness checks (exploit geographical dimension of the program/data).



Specific comments



Comments

- The use of the census data clearly a worthwhile idea, but limited deployment time:
 - Very large results on enrollment / child labor for poorer hhs...
 - Mechanism? Incorporate into permanent income? Or more than just the monetary transfer: awareness, focus on education, etc.?
- Other outcomes – even within this short timeframe:
 - Household structure – composition? (not fertility)
 - Other Census variables (for robustness/balance at least): dwelling characteristics (utilities-water-sanitation-electricity).
- But also (Census questionnaire, sponsored by Google):
 - Consumption/investment (durables & fuel questions)
 - Migration module in the census (also: attrition – migration as an outcome? Concentrated on Mitch)
 - Health: questions on mortality (esp. maternal).
 - So *there are* some health questions. And educ. more than binary:

Comments

- Schooling: enrollment binary:

8. ¿Actualmente está estudiando en algún centro educativo como universidad, colegio, escuela o kinder?

Si 1

No 2

- but also read/write:

7. ¿Sabe leer y escribir?

Si 1

No 2

- and level & year within level attained for those aged 5+:
Beyond children – teenagers?

9. ¿Cuál es el último grado, curso o año que aprobó?

P09

- | | | |
|------------------------------|-------------------|------------------------|
| 1. Ninguno | 0 | } → Pase a pregunta 12 |
| 2. Alfabetización | 1 2 3 | |
| 3. Pre-primaria | 1 2 3 | |
| 4. Primaria | 1 2 3 4 5 6 7 8 9 | |
| 5. Secundaria ciclo común | 2 3 | |
| 6. Secundaria diversificado | 2 3 4 | |
| 7. Superior no universitaria | 1 2 3 4 | |
| 8. Universitaria | 1 2 3 4 5 6 7 8 | |
| 9. Post-grado universitario | 1 2 3 4 5 | |



Comments

- Ethnicity: more than Lenca (Garifuna...): only Lenca in intervention areas?
- Labor supply at the household level and not only individuals? [full disclosure: Alzua Cruces & Ripani]
 - Interactions child-adults
 - Adults within the household
 - Types of households: single parent, etc.
- Especially relevant: Census more detailed than most on labor market indicators:
 - More than inside/outside the house.
 - Other CCT papers look at possible sector reallocations.
 - Here also: type of employment.
- Spin off labor supply of adults from the paper? Even with no significant results (pub. bias)

PARA PERSONAS DE 7 AÑOS O MAS DE EDAD

12. ¿Durante la semana pasada, trabajó?

Si 1 No 2
 Pase a pregunta 14 ← p12

13. ¿Durante la semana pasada:

A p13

- Atendió cultivos agrícolas, forestales o crianza de animales de su propiedad o de un familiar?..... 01
- Atendió o ayudó en algún negocio o taller propio o familiar?..... 02
- Preparó alimentos o elaboró artículos para la venta?..... 03
- Tenía trabajo pero no trabajó por estar de vacaciones, licencia, enfermedad, etc.? 04
- Buscó trabajo y había trabajado antes?..... 05

B

- Buscó trabajo y nunca había trabajado?..... 06
- Vivió de su jubilación o pensión?..... 07
- Vivió de sus rentas?..... 08
- Sólo estudió?..... 09
- Sólo realizó quehaceres del hogar?..... 10
- Está incapacitado permanentemente para trabajar?..... 11
- Otro?..... 12

Pase a pregunta 17 ←

14. ¿Cuál es el nombre de la ocupación principal, oficio o puesto que desempeña o desempeñaba en ese trabajo? Ejemplo: Agricultor de maíz, carpintero de muebles, conductor de autobús, etc.

p14a

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15. ¿En ese trabajo, se desempeña o desempeñaba como:

p15

- Empleado(a) u obrero(a) privado?..... 1
- Empleado(a) u obrero(a) público?..... 2
- Patrón(a) con empleados(as)?..... 3
- Trabajador(a) independiente?..... 4
- Trabajador(a) familiar sin pago?..... 5
- Empleada(o) doméstica(o)?..... 6
- Otra?..... 7

16. ¿A qué actividad se dedica o que produce la empresa, institución o lugar donde trabaja o trabajó por última vez? Ejemplo: Cultivo de maíz, fabricación de muebles, transporte de pasajeros, etc.



Spillovers

- Related literature: Angelucci-DiMaro-AER.
 - Effects of PROGRESA on the consumption of ineligible households.
 - Analyze effects on “entire local economy” rather than just eligible households.
- Spillovers: more?
 - Emphasis on within households in the paper.
 - More on within communities?



Messages for researchers

- Making RCTs complex: randomization can (should?) be more than just flipping a coin.
- This paper shows how a sophisticated design (under-exploited for years) provides interesting results beyond the mean.
- Also: spillovers – beyond the treated.
- Potential for geography – GIS elements.
- Important message: against the YAPP effect.



Comments on
interpretation, conclusions,
policy implications



Interpretation

- Heterogeneity great – but still “reduced formish”:
 - What is going on within those households?
 - Why only on the poorest? Just a matter of larger transfer (income effect) w.r.t. household income?
 - Paper mentions lower education costs (direct or opportunity) in poorer areas. Employment levels by area, etc.?
 - Also: brief mention of high elasticities.



Conclusions - interpretation

- Policy conclusions:
 - Effect of CCTs on enrollment/child labor outcomes.
 - Reinforce message of low or negligible effects on adult labor supply (though external validity – upscaling & extrapolation caveats).
 - Small transfer (smallest in the NIC/MEX/HND) seems to have large effect (related: information in DR...).
 - But beyond cost-effectiveness – potential effects on other non-measured outcomes? Larger transfers?
- This paper is good news – confirm positive effects, nuance: more among the poorer.
 - But paper concentrates on importance of targeting – more than that?