

Authors

Marianne Bertrand
The University of Chicago

Felipe Barrera-Osario
Vanderbilt University

Leigh Linden
University of Texas

Francisco Perez-Calle
National Bureau of Economic Research (NBER)

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Improving the Design of Conditional Transfer Programs: Evidence from a Randomized Education Experiment in Colombia

By FELIPE BARRERA-OSARIO, MARIANNE BERTRAND, LEIGH L. LINDEN,
AND FRANCISCO PEREZ-CALLE

Using a student level randomization, we compare three education-based conditional cash transfers designs: a standard design, a design where part of the monthly transfers are postponed until children have to re-enroll in school, and a design that lowers the reward for attendance but incentivizes graduation and tertiary enrollment. The two nonstandard designs significantly increase enrollment rates at both the secondary and tertiary levels while delivering the same attendance gains as the standard design. Postponing some of the attendance transfers to the time of re-enrollment appears particularly effective for the most at-risk children. (JEL H23, I21, I22, J13, O15)

Conditional cash transfer (CCT) programs have become a popular and effective (see, for example, Paul Gertler 2004) mechanism for incentivizing academic participation. Given the number of programs, there is surprising little variation in their structure. Most are closely inspired by the popular Mexican Conditional Cash Transfer program previously known as PROGRES A and now OPORTUNIDADES. Under this program, students are paid on a monthly or bi-monthly basis for meeting a specified attendance (usually 80 percent per month) target.

*Barrera-Osario: The World Bank, 1818 H Street, NW, MSN GJA-800, Washington, DC 20035 (e-mail: fbarrera@worldbank.org); Bertrand: The University of Chicago Booth School of Business, 5807 Woodlawn Avenue, Chicago, IL 60637 (e-mail: marianne.bertrand@chgooth.uchicago.edu); Linden: Department of Economics, Columbia University, 420 West 118th Street, Mail Code 3508, New York, NY 10027 (e-mail: leighlinden@columbia.edu); Perez-Calle: Universidad del Cauca, P.O. Box 112 06, 86001, Bogotá, Colombia (e-mail: fperez@diepocho.unicauca.edu.co). We are most indebted to the Secretary of Education of Bogotá (SEB) for cooperating with us in this experiment, putting up with the constraints created by the research effort, and, of course, financially supporting the entire project. Furthermore, the thesis work for which Barrera-Osario and Perez were working during the execution of the project provided financial support as well and helped the SEB in the design and implementation of the program. While everyone at the SEB has been extremely helpful, we are particularly indebted to Abel Rodríguez, Carolina Velasco, and Magistrate Vega. We are indebted to Silvia Restrepo of Potosantillo for the logistical assistance and for the data collection. Camilo Domínguez has done an excellent job as a research assistant during the entire project, and we thank Carlos Ospina and Lucía Higgins for their help at key points in the effort. We thank Sebastián Meléndez, Mario Sánchez, and several anonymous referees for their comments and assistance, as well as seminar participants at the World Bank's Human Development Network, Colombia University's Department of Economics, NBER Summer Education Meeting, Rutgers University's Department of Economics, New York University's Robert F. Wagner School of Public Service, the LACEA Impact Evaluation Network, the C-PRERU/IBRS-AD Conference, the 2008 C-PRERU Conference, and the Universidad de Los Andes for their helpful questions and comments. Linden thanks the National Science Foundation for support through award SES-0551333. The views expressed in this document are solely those of the authors and do not reflect the views of the World Bank or the Secretary of Education of Bogotá.

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167

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