

The Impact of Zambia's Unconditional Child Grant on Schooling and Work: Results from a large-scale social experiment

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Introduction

This paper reports the impact on child schooling and work of the Government of Zambia's Child Grant Programme (CGP), an unconditional cash transfer programme targeted to households with children under the age of 3 in three districts of the country. In this programme, recipient households receive a flat (i.e. irrespective of household size) 70 kwacha (KW) a month (equivalent to U.S. \$12) transfer, an amount deemed sufficient to purchase one meal a day for everyone in the household for one month.

This paper contributes to the small but growing evidence on whether unconditional cash transfers can work in Sub-Saharan Africa (SSA), focusing specifically on schooling and child labour; indeed there is only one other published article that provides evidence on the schooling impacts of a national cash transfer programme (Kenya CT-OVC Study Team 2012) in SSA. In contrast there is a substantial evidence base on the impacts on schooling of conditional cash transfers (CCTs). However CCTs have traditionally been implemented in Latin America while most programmes in SSA are social cash transfers (SCTs), so cross-country comparisons of SCT versus CCT impacts are likely to confound overall levels of development, differences in supply side constraints, differences in out-of-pocket costs associated with schooling, and values placed on education.

The intriguing and even exciting feature of unconditional cash transfers is that, since money is not tied to behaviour, impacts may be found in any sphere, depending on what are the major constraints facing households, and how the household itself believes the cash can best address its needs. In this article we take advantage of the unconditional nature of the Zambian CGP, which focuses on very young children and in particular on their health and development, to see if the programme has an impact on the schooling and work of older (school-age) children who in principle are not the main target population of the programme. In such a context, schooling effects - particularly among older children - would be considered more or less secondary level or 'spillover' effects facilitated by the fact that the programme is not tightly conditioned.

Analysis and results

We use data from a large-scale social experiment involving 2,500 households, half of which were randomized out to a delayed-entry control group that was used to assess the impact of the programme in three districts in Zambia.

We focus the analysis on children age 4-14 and also stratify our analysis into ages 4-7, 8-10, and 11-14.

Ex-ante analysis suggests that given the pattern of income effects and structural features of the Zambian school system, we would see impacts at very young ages encouraging on-time enrolment into school of

younger children who are entering the system for the first time; at the age of drop out; and no impacts on child labour. Actual estimated impacts conform to this pattern.

Findings highlight that the CGP appears to be quite successful in boosting on-time and on-age enrolment in school, with impacts of 5-6 percentage points in the 4-7 year age group. Moreover these impacts are driven by children in treatment households enrolling in school earlier in the year, with potential implications for learning outcomes (though we do not measure those here). The largest programme impacts on schooling are found among children 11-14, precisely the age where significant drop-out begins to occur in Zambia. Point estimates range from 6 to 9 percentage points depending on the exact sample we use.

Impact of CGP on school enrolment of children by age group

	4-7	8-10	11-14
After 3 years	5-6 pp	<i>No significant impact</i>	6-9 pp

We find no significant impact of the CGP on any work (defined as either paid and/or unpaid) overall. However, for the older age group (11-14) we also estimated impacts for paid work separately since - based on ex-ante analysis - paid work starts to be relevant for these children. Results highlight a significant reduction in participation in paid work of around 3-4 pp.

Finally, we provide evidence on the potential pathways through which the unconditional cash transfer impacts on enrolment. Several barriers inhibit educational access in Zambia; given the sample is extremely poor we tested the poverty channel hypothesis by looking at the impact of the CGP on school inputs (in particular education expenditures, uniforms and shoes). Results suggest that the households in the CGP spend more on education, and in particular on uniforms and shoes, two items cited as key barriers to school enrolment in study areas.