

# The Impact of the Expansion of the Programa Bolsa Família on School Attendance<sup>1</sup>

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**Conditional Cash Transfer (CCT)** programmes have been extensively used by many governments worldwide with the dual purpose of alleviating poverty in the short term and increasing investment in human capital for children from poor families, so that they can achieve better living conditions in the long term. The first goal is usually achieved through the money transfer component of programmes, and the second by making the transfer conditional on certain actions undertaken by beneficiary families, such as prenatal care, child immunisation and school attendance of children and adolescents. Therefore, it is expected that the children of beneficiary families will acquire the necessary skills to escape from poverty in the long term.

The success of such programmes in reducing poverty, however, depends on the extent to which the transfers and conditions affect the allocation of the beneficiaries' time, particularly with respect to schooling decisions. The key contribution of this study is to perform an empirical assessment of the effects on schooling and labour supply of extending the coverage of a CCT programme to youths. More specifically, the study evaluates the impacts of expanding the Brazilian Programa Bolsa Família (PBF) with the creation of the Benefício Variável Jovem (BVJ — Variable Benefit for Youngsters) in 2007 on the time allocation of beneficiary household members.

The BVJ is a variable benefit component of the PBF that offers cash transfers to poor families and requires school attendance by family members aged 16 and 17. As school drop-out in Brazil increases significantly at age 15, the main purpose of introducing the benefit was to encourage young people to stay longer in school.

The data for the study come from the Pesquisas Nacionais por Amostra de Domicílios (PNAD), the main household survey in Brazil. The effects of the BVJ are estimated using the differences-in-differences methodology. Households that are among the poorest 20 per cent in Brazil and have 16-year-old adolescents are included in the treatment group. The control group consists of households that are also part of the poorest 20 per cent segment of the population and have 15-year-old children. The identifying assumption here is that whatever factors that affected the control group in the interval before and after the intervention would have affected the treatment group as well in the absence of the intervention. Note that this condition does not require that the groups are similar before the programme implementation.

## Impact of the BVJ on School Attendance

Variables	Without controls	With controls
Treated	-0.07 (0.014)***	-0.066 (0.014)***
2009	0.035 (0.011)***	0.028 (0.011)***
Treated*2009	0.044 (0.018)**	0.040 (0.018)**
Constant	0.88 (0.008)***	0.921 (0.040)***
Observations	5451	5441
R <sup>2</sup>	0.013	0.049

Source: PNAD, 2006.

Note: Robust standard error in parentheses. \*\*\*1 per cent significance; \*\* 5 per cent significance and \*10 per cent significance.

The table presents one of the main results of the research, showing that the creation of the BVJ had a positive impact on school attendance, increasing the probability of youngsters' school attendance by 4 percentage points, even after controlling for the number of children in the household, the educational level and age of the mother, race and indicators for urban areas and state of residence.

When the sample was split by the regions of Brazil, positive effects were found on school attendance especially in the Northeast and Southeast regions. Moreover, the effects on school attendance were greater for young males and for the youngest child in the household. The effects were especially large for male youngsters who were the youngest child of the household. In sum, the introduction of the BVJ has increased school attendance of youngsters in Brazil, though perhaps by a small amount.

### Reference:

Chitolina, L., M. Foguel and N. Menezes-Filho (2013). *The Impact of the Expansion of the Bolsa Família Program on the Time Allocation of Youths and Labor Supply of Adults*. São Paulo, Insper Institute of Education and Research, mimeo.

### Note:

1. Based on Chitolina, Foguel and Menezes-Filho (2013).