Education, Income and Mobility: Experimental Impacts of Childhood Exposure to Progresa after 20 Years

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Abstract: In 1997 the Mexican government designed the conditional cash transfer program Progresa, which became the worldwide model of a new approach for social program, simultaneously targeting human capital accumulation and poverty reduction. Since then, a large literature has documented the short and medium-term impacts of the Mexican program and its successors in other countries. Using Progresa’s experimental evaluation design originally rolled out in 1997-2000, and a tracking survey conducted 20 years later, this paper studies the differential impacts of exposure to Progresa at critical moments in childhood. Specifically, we focus on two cohorts of children: i) those that during the period of differential exposure were in-utero or in the early years of life, and ii) those who during the period of differential exposure were transitioning from primary to secondary school. Results for the older cohort, in their early 30s at endline, show that the short-term impacts of differential exposure to Progresa on schooling are sustained in the long-run and manifest themselves also in larger labor incomes, more international migration, and delayed fertility. The younger cohort, 17-20 shows similar differential impacts to those of the older cohort on schooling and a positive effect of differential exposure to Progresa on labor income expectations.