

Does Child Sponsorship have a positive impact on the quality of life and social behavior of sponsored children?

Evidence from Indonesia

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1. INTRODUCTION

This research investigates the effects of Compassion International child sponsorship program (CI) on the quality of life and social behavior of sponsored children looking specifically at Self-Esteem (SE), Life-Expectations (AC), Reference Points (RP), Reciprocity (RC) and Patience (PAT).

2. HYPOTHESES

$H_0 = 0$, {CI does not have an impact on SE, ARP, AC, RC, PAT}

$H_1 > 0$, {C.I. has a positive impact on SE, ARP, AC, RC, PAT}

3. METHODOLOGY

- Research was conducted in Jakarta, Indonesia from May though July 2012.
- Data comes from four churches that are partner with Compassion International.
- To be eligible for sponsorship a child must be between the ages of 3 and 9
- A maximum of two children can be sponsored from the same household.
- Churches were selected based on the year when the child sponsorship program was “rolled out.” (2 in February 2003 and 2 in February 2007).
- Rolled out in this research is used as a natural instrument that allows the construction of an Instrumental Variable (IV) for the selection of the oldest eligible children for sponsorship within households.
- Fieldwork include a survey, a time preference experiment and a trust game.
- Sample size

Number of sponsored children (treated) = 286

Number of non-sponsored children (non-treated) = 234

Age range {4 to 23}

Age mean {10.80}

Number of males {240}

Number of females{280}

4. EMPIRICAL MODEL

Ordinary Least Square Model (OLS) with an Instrumental Variable (IV) and Fixed effects:

$$Y_{ij} = \alpha_j + \gamma \check{S}_{ij} + \beta X_{ij} + \varepsilon_{ij}$$

Y = is one of the outcomes variables we are interested on

α_j = church fixed effect

\check{S} = the instrumented probability (IV), includes a set of dummies for being the oldest-eligible at the time the family was selected for sponsorship.

X_{ij} = vector of control variables {age, gender, birth order, mother and father’s occupation, housing quality index, family size, treated house hold}

5. EMPIRICAL RESULTS

Table 1

VARIABLES	IV Estimations-Church Fixed Effect						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Self-Esteem Index	Optimism Index	Social Trust Index	Spirituality Index	What age is a good age to get married?	Number of children is a good number to have?	Expected level of education you will achieve
csp (1 = sponsor; 0 = no sponsor)	-0.07 (0.10)	0.17 (0.12)	-0.10 (0.11)	-0.01 (0.10)	-0.34 (0.79)	-0.14 (0.25)	0.166* (0.09)
age	0.01 (0.01)	0.0550*** (0.01)	0.0192* (0.01)	0.01 (0.01)	0.02 (0.06)	0.00 (0.02)	0.0223** (0.01)
gender (1=male)	0.03 (0.05)	0.139** (0.07)	-0.112* (0.06)	-0.01 (0.06)	0.26 (0.38)	0.18 (0.15)	0.01 (0.05)
Birth Order (1=first)	-0.01 (0.03)	0.06 (0.04)	-0.03 (0.03)	-0.0538** (0.03)	-0.19 (0.17)	0.10 (0.07)	0.03 (0.03)
Size of Family	0.02 (0.03)	0.01 (0.03)	0.05 (0.03)	0.05 (0.04)	0.01 (0.16)	-0.06 (0.10)	-0.0501* (0.03)
Treated house hold	-0.05 (0.16)	0.612*** (0.18)	-0.439*** (0.15)	0.521*** (0.16)	8.890*** (1.31)	-0.33 (0.41)	-0.489*** (0.13)
Constant	-0.719* (0.41)	-1.889*** (0.44)	-0.53 (0.46)	-1.579*** (0.44)	14.85*** (2.80)	2.756** (1.33)	3.894*** (0.38)
Observations	394	394	394	394	391	393	394
Adjusted R-squared	0.01	0.06	0.02	0.00	0.01	-0.01	0.02

Clustered standard errors at house hold level in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Controls Variables : Mother Job Type, Father Job Type, (3=Skilled; 2=Semiskilled, 1=Unskilled), 3 Binary Variables for Church Fixed Effect, Housing Quality Index (Scale 5-10), 3 Binary Variables

Table 2

VARIABLES	IV Estimations for Reciprocity and Patience-Church Fixed Effect	
	IV Reciprocity	IV Patience
mean dep variable (std. dev)	7.55 (3.59)	0.33 (0.47)
csp (1=sponsor; 0=no-sponsor)	-4.075*** (0.456)	-0.255** (0.107)
age	-0.048 (0.046)	-0.0207** (0.010)
gender (1=male)	-0.242 (0.334)	0.041 (0.048)
Birth Order (1=first)	0.198 (0.170)	0.010 (0.029)
Size of Family	-0.175 (0.156)	0.000 (0.026)
Treated house hold	0.769 (0.783)	
Constant	10.57*** (1.917)	0.590 (0.439)
Observations	391	337
Adjusted R-squared	0.194	-0.014

Clustered standard errors at house hold level in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Controls Variables : Mother Job Type, Father Job Type, (3=Skilled; 2=Semiskilled, 1=Unskilled), 3 Binary Variables for Church Fixed Effect, Housing Quality Index (Scale 5-10), 3 Binary Variables

6. CONCLUSIONS

- CI does not have an effect on SE, ARP, AC of sponsored children
- CI has a negative an statically significant effect on RC and PT of sponsored children