"The Role of Beliefs in parental Investments and Child Development in Chile"

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Abstract

There exists increasing evidence that high quality early childhood investments produce gains in child development that translate into improved long-run outcomes. However, much less is known about the channels through which these programs operate, and how high quality investments like stimulation and expenditures in children can be fostered in the family. Moreover, the provision of additional financial resources to poor families does not automatically translate into better development (e.g., Mayer (1997)). In this research project we aim to understand how parental beliefs about effective parenting styles, about the expected benefits of time invested in children, and about their own ability as parents, determine investments in children and their subsequent development.

On this study we will collect data, with specific measurements of parental beliefs and information, of parental investments, and of child development. While measures of cognitive stimulation and child development are available and administered both in developed and developing country context, measures of parental beliefs and expectations, are rarely available. We jointly collect measures of beliefs about parenting styles and self-efficacy as parents from the child development literature, together with new measures of beliefs developed by economists aimed at eliciting parental expectations about the returns to investments in children (Culhane, Cunha and Elo 2012).

Second, we will collect new data in a setting where we observe exogenous changes in parental beliefs, which will allow us to identify their impact on parental investments and child development. Controlled variation in parental beliefs helps a more rigorous understanding of the impact of parental beliefs on parental investments and on child development. We explore exogenous variation in beliefs induced by the experimental evaluation of a parenting program: "Nobody's Perfect" (Nadie es Perfecto - hereafter NEP). NEP is a group-based parenting intervention, that provides parents from poor economic backgrounds with information and support about the benefits of positive parenting strategies, and encourages improvements in home environments. We also evaluate experimentally an intensive arm of the policy which includes sessions of work with parents
and children, encouraging play and sensitive language in parent-child interactions.

Third, we will use this data to estimate factor models and behavioral models of parental investments in children, linking parental beliefs, parental investments, and child development. We formulate and estimate a model of skill formation in the fashion of Cunha and Heckman (2007) with uncertain returns to child investments (Badev and Cunha (2012)). In this setup parents may not perfectly know the technology of skill formation but they may learn about it, either through parenting interventions or other ways of acquiring information. Both the detailed measures of parental beliefs and the observation of exogenous variation in these measures will allow us to provide credible estimates of such a model.

Such a complete treatment of the determinants of parental investments in children is not available elsewhere in the literature. We are in a unique position to do so. This work will contribute to a unique understanding of the mechanisms through which parenting programs may influence the lives of children, which is essential if we want to design new interventions in this field. The evidence systematically organized by Engle et al. (2007, 2011) is weak on the cost-effectiveness of parenting interventions alone. Furthermore, there is scarce evidence of scalable interventions. This project will allow us to evaluate the overall effect that a nationally scaled parenting intervention modifying beliefs has on parental behavior and developmental outcomes and understand the mechanisms through which is operating.