

# Essays on Human and Social Capital Formation

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## SUMMARY

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This dissertation comprises three empirical studies addressing questions related to human and social capital formation and their consequences. Specifically, it presents empirical findings on the family environment's role on adolescents' human capital formation, the nexus between cash transfer programs and social capital, and the role of demand-side factors, such as overconfidence and trust on farmers' information-seeking behavior.

The first empirical study presented in chapter 2 of this dissertation examines the role of siblings' sex ratio on adolescents' human capital development and investigates a number of potential mechanisms by taking Ethiopia as a case study. To study the role of siblings' sex composition on human capital, it relies on the plausible exogeneity of the share of brothers for a given sibling size in the absence of sex-selective reproduction. The results from this study show that having relatively more brothers rather than sisters increases adolescents' human capital outcomes. The chapter also shows that a greater share of brothers reinforces traditional gender norms, improves males' physical wellbeing, and increases the eldest sibling's school attainment. That said, it finds no evidence that the human capital effect of brothers is mediated by either wellbeing or gender norms. Instead, it finds suggestive evidence that the brothers' effect could be driven by spillovers of parental investments in the form of the eldest sibling's role model/tutoring effects.

The second empirical study presented in chapter 3 looks into the effects of randomized conditional and unconditional cash transfer programs on Malawian adolescent women's social capital—an important but less explored outcome. The chapter contributes to the ongoing debate on whether a conditional or unconditional transfer is better at providing a least-cost social protection to the poor. Based on the results, the conditional cash transfer program increases social capital but not the unconditional cash transfer program. Further analyses reveal that adolescents with initial reciprocal beliefs drive the increase in social capital among recipients of the conditional transfer. Interestingly, the chapter shows that both programs reduce real-world altruistic behavior proxied by voting. The chapter suggests that policymakers could generate higher social cohesion by adopting conditional transfers rather than unconditional transfers.

The last empirical study presented in chapter 4 studies the demand-side constraints to information and knowledge in agriculture. Specifically, the chapter investigates the role of overconfidence and trust in farmers' information-seeking behavior using a lab-in-the-field experiment in Ethiopia. The results show that overconfidence is widespread among farmers, and it predicts less information-seeking and is associated with an efficiency loss. Moreover, the chapter shows that farmers tend to seek more information from extension agents than peer farmers and that information-seeking increases when the source is perceived as more knowledgeable. When aiming to increase the adoption of productivity-enhancing practices, farmers' overconfidence in their own information set and their trust in the quality of information shared should not be overlooked.