

# Who Benefits from Free Education? Evidence from a Policy Experiment in Cambodia\*

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## Abstract

Free primary education is considered an important public policy to promote poor children's schooling. We explore a nationwide policy experiment in Cambodia in 2000 that abolished primary school fees to assess this claim. The paper investigates the effects of the program by combining differences in fee exposure across province, time, and cohort. One additional year of free education had no impact on children living in households below the consumption poverty line, but increased the likelihood of completing primary school, led to more years of schooling completed, and raised literacy for children in households above the poverty line. To ensure a causal interpretation of the heterogeneous effects, we exploit weather-induced agricultural volatility to estimate the difference across the consumption poverty line. Though poor and non-poor children attended school to same extent after the reform, poor children were less likely to progress and complete the higher grades. The findings are consistent with the idea that poor children and their parents are affected by the local community's educational norm, where income segregation may explain why poor students fail to take advantage of the policy change.

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