

The Intergenerational Effects of EU's Trade Preference in Cambodia

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Abstract

This study examines changes in the EU's trade preferences and their impact on Cambodia, focusing on intergenerational effects. Using district-level exposure to exports to the EU as indicators, I find that greater exposure increases Cambodian workers' wages and monthly working hours. However, children in districts more exposed to EU import demand shocks exhibit larger decreases in school attendance and years of schooling, as well as a higher probability of paid work involvement. This may be explained by rising opportunity costs of education due to export expansion. While my research indicates income and household conditions have improved in Cambodia, there is potential detriment to children's well-being.