

# **Learning from Innovative Conditional Transfers in Education for Mozambique**

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## Conditional Transfers

- Social transfers “in which payment is made conditional upon certain behaviors of the beneficiaries, such as regular school attendance of their children or regular health center visits” (World Bank)
- Popularity following the successful implementation of PROGRESA in Mexico, as demonstrated by a rigorous evaluation by Randomized Controlled Trial (RCT). As of 2009, they were implemented in 29 developing countries (World Bank 2009).
- Unanswered Questions:
  - Independent role of information component of conditionality?
  - Optimal recipient: parent or child?

## Background on Education in Mozambique

- Lowest mean adult years of education (1.2 years) among the 187 countries for which these data are available in the UNDP database for the year 2012 (<http://hdr.undp.org>).
- Despite large increases in enrolment rates in lower primary school grades, most children are still not completing primary education (as in many other African countries). Excess female drop out.
- Total fertility rate (DHS): 5.9 children per woman in 2011, up from 5.2 in 1997.
- This combination of exceptionally low levels of human capital and high fertility suggests that female education may be a particularly powerful tool to help sustain the high levels of growth observed in the past 15 years.

## Project: Motivation

- Assess effectiveness of traditional and innovative (incl. low-cost) alternatives to standard model:
  - Effect of providing only information on attendance to parents/guardians
  - Comparison of effectiveness of rewarding parents vs. rewarding children
- More broadly speaking, shed light on the respective role of parents and children in decisions about investments in children's human capital (often assumed to be made by parents alone)

## Why Would Parents and Children Disagree on School Attendance?

1. Different perceived costs and benefits of attending:

a. Parents may under- or overestimate the disutility (i.e., displeasure) associated with school attendance

b. Different discount rates. E.g., children may not care much about the future and so undervalue the future benefits of their education

c. Parents are not altruistic

# Why Would Parents and Children Disagree on School Attendance?

## 2. Asymmetric Information

As shown by Bursztyn and Coffman (JPE, 2012), even when more education is optimal from the point of view of the parent-child pair, parents may not be able to incentivise their children to go to school if they do not have enough information on whether their children are attending school or not.

In this case, simply providing information to parents on children's attendance could increase attendance.

Bursztyn and Coffman (JPE, 2012) show that parents value this type of information (in urban Brazil), but do not test the effect of providing information only on attendance.

## Qualitative Evidence from Rural Mozambique

Focus group interviews in Manica Province in May 2014. Five groups of girls age 12-15 and their parents or guardians (girls and guardians interviewed separately)

### **Main conclusions:**

1. Children's opinions matter in decision to attend/drop out of school
2. Asymmetric information in school attendance
3. Parents and children express support for conditional transfers to girls (in kind rather than in cash)
4. Transfers in kind such as shoes, school uniforms and school bags would not be taken away from the girls if they received them as a reward for regular attendance



## The Research Protocol

Manica Province. Eligible group: poor girls age 12-15. Four Experimental Groups of about 50 EP2 schools each:

1. **Treatment arm A** - in which we give money-equivalent "tokens" to girls ages 12-15 who could then use the tokens to buy a selected number of items: school uniforms, shoes, school bag, smaller materials (pens, notebooks, etc...), which would be ordered and then delivered at the school.
2. **Treatment arm B** - in which we give money to the parents, and make the same items as in Treatment arm A available for purchase at the school. Except for the availability of the items listed above, this treatment corresponds to the typical model followed in conditional cash transfers around the world.

## The Research Protocol

3. **Treatment arm C-** an "information" treatment, in which girls simply receive some certificate of exemplary attendance (observable by parents).
4. **Control group.** This group would only receive an encouragement to have an event in which people come together to celebrate the end of the trimester (but with no informational content or discourse about the benefits of schooling or anything which could influence attendance).

Value of the transfer: 5-7% of mean annual (poor) household expenditure.

Review in World Bank (2009) discusses CCT programs with transfers varying from 1 to 29% of household expenditures.

## The Research Protocol

Baseline and attendance data collected in the third school trimester before the program is announced, and endline data collected in the third school trimester after the start of the program.

A comparison of regular school attendance between treatment groups (A) and (B) will answer the question of the respective role of parental incentives and children incentives in attendance decisions, while a comparison of regular school attendance between group (C) and the control group will answer the question of the effect of removing information asymmetry. The inclusion of treatment group (C) will allow us to disentangle the effect of providing information to parents on their child's attendance from that of increasing parental (group (A)) or children's (group (B)) returns to attendance.

## Conclusion

- We propose an innovative intervention to learn about the optimal design of a conditional transfer to increase female enrollment in Mozambique, thus providing options for policy makers based on sound evidence
- The RCT testing of the relative effectiveness of different schemes will also allow us to shed light on the way decisions regarding investments in human capital are made within the household
- Comments welcome!

## Appendix

### 1. Children's opinions matter

It was clear that both parents *and* children had influence on the decision to go to school. It was interesting, for instance, to note that several parents contrasted different daughters of theirs, with one sibling going to school regularly without any problem, and another dragging their feet, arriving late at school, making excuses not to go, or simply skipping schools (e.g., seemingly going to school but then turning around and going back home while their parents are out for work).

From one mother of two girls, on her older daughter: *“My older daughter, Gabriela, she doesn’t like going to school, she misses school a lot. I want her to go but she doesn’t like it. You tell her: it’s time to go, and she says: I’ll go tomorrow. She finds excuses. Lucia, no, she likes going to school. Even if lunch is late, she goes to school anyway [i.e., skipping lunch].”*

And from a father of two girls, on his younger daughter: *“Veronica doesn’t like school, but her older sister likes it. Sometimes she says: my clothes are dirty, or my clothes are still wet. Sometimes I’m not even sure she doesn’t turn around and goes back home instead of going to school. Sometimes she says she’s feeling unwell, but I’m dubious.”*

Similarly, on the decision to drop out altogether, all groups seem to agree that it is sometimes under parental pressure, and sometimes out of the girls' own volition:

In the words of one of the girls interviewed: *“Some drop out because they themselves think they are grown ups and prefer to marry, others have to drop out because their parents think they are grown now and think it is the right time to receive their money.”*