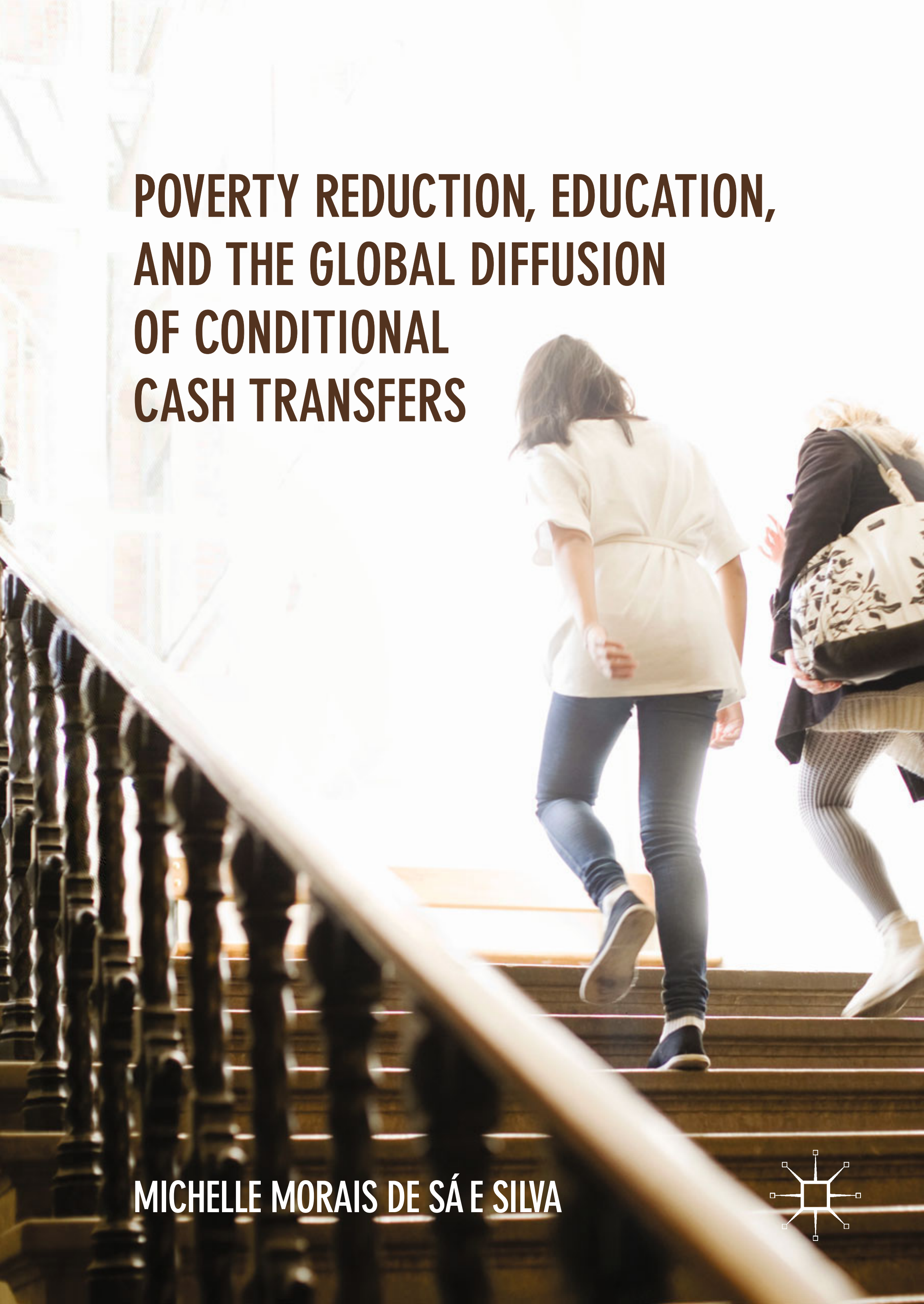
POVERTY REDUCTION, EDUCATION, AND THE GLOBAL DIFFUSION OF CONDITIONAL CASH TRANSFERS



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Poverty Reduction, Education, and the Global Diffusion of Conditional Cash Transfers

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To my children João Pedro and Manuela, my greatest sources of motivation and strength.

To my love Fabio, my partner in the adventures of life.

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Contents

Abbreviations

ABC	*Agência Brasileira de Cooperação* (Brazilian Cooperation Agency)
AIG	American International Group
CAB	Citizens Advice Bureau
CCT	Conditional Cash Transfer
CEO	Center for Economic Opportunity, Mayor's Office
CIDER	*Centro Interdisciplinario de Estudios sobre Desarrollo* (Development Studies Interdisciplinary Center)
DFID	Department for International Development
DOE	Department of Education
EdLabs	Education Innovation Laboratory
EFA	Education for All
Enade	*Exame Nacional de Desempenho de Estudantes* (National Assessment of Student Performance)
Enem	*Exame Nacional do Ensino Médio* (National High School Exam)
Fedesarrollo	*Fundación para la Educación Superior y el Desarrollo* (Foundation for Higher Education and Development)
FSSAP	Female Secondary School Assistance Program (Bangladesh)
FODESEP	*Fondo de Desarrollo de la Educación Superior* (Higher Education Development Fund)
Fundeb	*Fundo de Manutenção e Desenvolvimento da Educação Básica e de Valorização dos Profissionais da Educação* (Fund for the Maintenance and Development of Basic Education and the Valorization of Education Professionals)
GDP	Gross Domestic Product

HDI	Human Development Index
IBGE	*Instituto Brasileiro de Geografia e Estatística* (Brazilian Institute of Geography and Statistics)
IDB	Inter-American Development Bank
Ideb	*Índice de Desenvolvimento da Educação Básica* (Index of Basic Education Development)
IGD	*Índice de Gestão Descentralizada* (Index of Decentralized Management)
ILO	International Labor Organization
IMF	International Monetary Fund
IPC-IG	International Policy Center for Inclusive Growth
IPEA	*Instituto de Pesquisas Econômicas Aplicadas* (Institute of Applied Economic Research)
LDB	*Lei de Diretrizes e Bases da Educação Nacional* (National Educational Bases and Guidelines Law)
MDGs	Millennium Development Goals
MDRC	Manpower Demonstration Research Corporation
MDS	*Ministério do Desenvolvimento Social e Combate à Fome* (Ministry of Social Development and Fight Against Hunger)
MDSA	*Ministério do Desenvolvimento Social e Agrário* (Ministry of Social and Agrarian Development)
MESA	*Ministério Extraordinário de Segurança Alimentar e Combate à Fome* (Especial Ministry of Food Security and Fight Against Hunger)
MIT	Massachusetts Institute of Technology
MoE	Ministry of Education
NIS	*Número de Identificação Social* (Number of Social Identification)
NPO	Neighborhood Partner Organization
NYC	New York City
OSI	Open Society Institute
PSAT	Preliminary Scholastic Assessment Test
PDT	*Partido Democrático Trabalhista* (Democratic Labor Party)
PNAD	*Pesquisa Nacional por Amostra de Domicílios* (National Household Survey)
PPP	Purchasing Power Parity
PRS	Poverty Reduction Strategy
PRSPs	Poverty Reduction Strategy Papers
PSDB	*Partido da Social Democracia Brasileira* (Brazilian Social Democratic Party)
PT	*Partido dos Trabalhadores* (Workers' Party)

SECADI	*Secretaria de Educação Continuada, Alfabetização, Diversidade e Inclusão* (Department of Lifelong Learning, Literacy, Diversity and Inclusion)
Seedco	Structured Employment Economic Development Corporation
SENARC	*Secretaria Nacional de Renda de Cidadania* (National Department of Citizen's Income)
UFT	United Federation of Teachers
UnB	*Universidade de Brasília* (University of Brasília)
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
US	United States of America
UPZs	*Unidades de Planeamiento Zonal* (Units of Zoning Planing)

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Introduction

This book is about a magic silver bullet in the policy world: the renowned "Conditional Cash Transfers" (CCTs). It is about how they became a unanimous policy recommendation in a timespan of ten years. The book will examine what promises CCTs have and have not delivered, especially in the field of education, and what potential they could still bear, depending on how much political support they still have.[1]

For starters, conditional cash transfers are public programs that deliver cash directly to poor families, provided that they perform a set of predefined activities that are expected to reduce their condition of poverty—and especially of their children—in the long run. The delivery of cash is aimed at immediate poverty and hunger reduction, at the same time that the so-called conditionalities aim at breaking the intergenerational cycle of poverty.

An appraisal prepared for this book indicates that between 1994 and 2016, there were a total of 75 conditional cash transfer programs in the world. They span three continents—Africa, the Americas, and Asia—and are present in 40 countries. Having been adopted for different reasons and with some small variations, all of them are cash-based and conditional upon the completion of some education-related activity.

Different from other books on the same topic, this book is not a meta-analysis of various other studies, or a quantitative evaluation of a set of cases. It attempts to bring the story around CCTs, how they diffused to all corners of the world, and how some central and local governments implemented them. To some extent, the book is about the lived reality of a policy experience, one that has become world famous and whose future may be debatable at this point.

Not least important, this book is also about the international rise of the poverty-reduction agenda and how education has been intertwined with it in the wake of conditional cash transfers. It is about the astonishing international diffusion of CCTs and the various ways to explain it. It is also about the intriguing long life of these programs in most countries and how their political survival may not be related to how they spread in the first place. It is finally about their blurry future, as the poverty-reduction agenda may be giving space to more conservative and economic-focused agendas in various countries.

Finally, the book brings details about the policy trajectories of three CCT programs from different parts of the Americas: *Bolsa Familia* from Brazil; *Subsidios* from Bogota, Colombia and Opportunity NYC from New York, USA. Why these programs? Because each had a different take in terms of how they addressed education and related it to poverty reduction. Each tells us a different story in terms of how much education there is in conditional cash transfers. *Bolsa Familia*, with the "traditional" CCT design, only requires beneficiary families to send their children to school and maintain minimum attendance. *Subsidios*, having been designed and implemented by Bogota's Department of Education, went a little further and required graduation and even enrollment in higher education in some cases. Opportunity NYC, in turn, tried an ambitious design and went so far as to condition cash disbursements to performance improvement in school tests.

Each in a different way, these programs tried to impact education, either from the outside or from the inside, ultimately aiming to raise the education level of poor children as a measure to prevent that they grow into poor adults. The real design and implementation experiences related to the three programs are hidden treasures that are not visible if one only looks at the macrodata. This book hence brings the unique possibility of zooming out and in to better understand the policy world of CCTs in the past 20 years.

The first chapter begins by presenting the international rise of the poverty-reduction agenda in the broader development framework and how education was related to it. Then it moves to presenting the meaning of conditional cash transfer programs, when and where they were first created, telling the story of how they became internationally popular in the wake of the poverty-reduction agenda.

Chapter 2 brings a new and updated appraisal of all ever-existing CCTs with education-related conditions. It points to how they diffused over time and space, gradually being adopted by an increasing number of countries. The chapter lays down an overview of the most common characteristics of CCTs across the globe, looking at variables such as source of funding, education-related conditionalities, and program duration. The chapter also presents alternative theories that may help us explain CCT's worldwide diffusion.

Chapter 3 paves the way for the study of specific CCT cases, where the interest lies mainly in analyzing how CCTs and education policies have interrelated. The chapter briefly introduces the theories and concepts that framed the study of cases. It also explains the methodology used in the comparative study, so as to establish the credibility of its results.

Chapter 4 brings a complete account of the design, implementation, and frustrating results of Opportunity NYC, a conditional cash transfer program that was experimented in New York, supposedly following the example of the Mexican CCT. It tells how Opportunity NYC had a rationale that was distinct from any other CCT in the world, how it was financed only with private money, and how it was terminated after only three years of implementation. Finally, the chapter looks into the policy diffusion processes involving the program, revealing how it was not really the result of emulation from Mexico and how, even before its evaluation was completed, the program was being used as an international example.

Chapter 5 brings up the story of a not so prominent and yet very promising conditional cash transfer: the *Subsidios* program. It was adopted by Bogota's city government and, throughout its short life, combined characteristics that, from an educational perspective, make of it a very interesting case. The chapter also reveals how the political dynamics between Bogota's government and Colombia's national government restricted the international promotion of the program, even by the international development bank that had lent the money for its creation.

Chapter 6 is about the Brazilian *Bolsa Familia*, the largest conditional cash transfer program in the world. *Bolsa Familia* currently reaches 14 million families, including 17 million students. It has been one of the main contributors to the stark reduction of extreme poverty and to the elimination of hunger in Brazil over recent years. The chapter gives an account of how the program was created, how it currently works, and how it relates to education policies and practices in Brazil. The chapter also raises questions about the program's political survival, given the recent and abrupt changes in Brazil's political system.

Chapter 7 contrasts case-specific findings, pointing out what they reveal in terms of CCT's linkage (or absence of) to education policies and practices. Some suggested inputs to existing theories are provided, along with the presentation of some lessons learned. The findings are meant to inspire the large array of stakeholders that have somehow got involved in the CCT debate and expansion throughout the world. It speaks especially to those who have high hopes of CCTs having deeper impacts on the education indicators of developing countries and points out the challenges that need to be surmounted if those hopes are to become true. Lastly, the chapter is also dedicated to looking at CCT's long program lives. It argues that when funding is not an issue, most of these programs have been able to survive for long periods of time. *Bolsa Familia* has existed since 2004 in Brazil and the same long life story applies to the multiplicity of CCTs in Latin America, such as in Chile, Ecuador, Uruguay, and even the national Colombian CCT.

Despite its history of long existence, the last and concluding chapter raises questions about CCTs' future. As the political thermometer changes from progressive to conservative in various countries, one cannot but wonder what will happen to the international poverty-reduction agenda, which brings us back to the discussions presented in the beginning of the book. As conservative governments come to power—whether legitimately or illegitimately—and as national budgets become tighter, it is not too clear if the poverty-reduction agenda, which made room for the creation and diffusion of CCTs, will remain as a top international development priority.

Note

1. This book builds on the author's doctoral dissertation and extends it, incorporating further data collection and analysis, especially new facts and developments occurred since 2010. See Morais de Sa e Silva, M. (2010). *Conditional cash transfers and education: United in theory, divorced in policy.* Unpublished doctoral dissertation, Columbia University, New York City.

PART I

A Best Practice to Reduce Present and Future Poverty

CHAPTER 1

Conditional Cash Transfer Programs and the Poverty-Reduction Agenda

Reducing poverty has never been an easy task, especially for poor families by themselves. However, it has not been an easy task for governments either, particularly those that have made the political decision to reduce or even eliminate from their societies the experience of living in poor conditions. Conditional cash transfers—or CCTs, as they have become known—have been spearheaded as a good policy solution for the plight of economic poverty. The CCT model carries the core idea that poverty will be alleviated immediately through the direct transfer of cash to poor families, which in return will have to perform a set of activities that are expected to reduce the chance that their children will grow into poor adults.

On the one hand, this core idea is the consequence of a perceived failure, across countries, of social work services that had been based on individual case management and the provision of social assistance services. Especially in developing countries, food subsidies that had been used to alleviate poverty and hunger had also proven ineffective and regressive—that is, as food subsidies were not exclusively for the poor, they tended to actually benefit those who purchased more, and not less food.

On the other hand, as CCTs first emerged in the 1990s, the combination of human capital ideas with that of human development led to a program architecture that sought to build human capital for future generations, and therefore attempted to break the intergenerational cycle of poverty.

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