

Helpdesk Report: Demand-Side School Incentive Programmes

Date: 1 February 2011

Query: What is the evidence of impact from demand side school incentive programmes (CCTs, Vouchers, Scholarships) on uptake, retention and educational performance in Asia? What are the key literature sources/ websites etc providing information on operationalising incentive schemes from around the world such as: ratio of total cost to administration costs, relationship between fund size and reach and unit cost (i.e. are there economies of scale?); and targeting strategy and fund delivery mechanisms.

Enquirer: DFID India

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1. Overview

Specific data showing the impact of school incentive schemes in Asia was found for two projects in Bangladesh.

Evidence on The Food For Education (FFE) project (Ahmed & Ninno, 2002):

- Enrolment increased by 35% on average.
- Overall attendance is 70% compared to 58% in non-FFE schools.
- 6% of beneficiary students dropped out compared to 15% of the non-beneficiary students in FESP schools.
- Average test scores are slightly lower in FFE schools. This is likely to be a result of difference in economic status.

Evidence on the Female Secondary School Assistance Project (FESP) (Liang, 1996):

- Female enrolment growth was almost twice that of male enrolment growth.
- Attendance is higher in FESP schools, 78.6%, compared to 67% in non-FESP schools.
- The proportion of girls who pass the Secondary School Certificate among FESP schools is 2 percentage points lower than that of the non-FESP schools. This is thought to be because the dropout rate is lower.

Evidence of impact was also found from a girls' scholarships programme in Cambodia (Filmer & Schady, 2006):

- Enrolment and attendance at eligible schools increased by approximately 30 percentage points.
- Enrolment at any school increased by about 22 percentage points.

Other reports found positive impacts of demand-side incentives and are listed in sections 2, 3 and 4. These reports either give less detail of the impact or give evidence from countries outside of Asia, often Latin America. Some of these reports detail how the schemes work. Section 5 includes some documents that more specifically address the operationalisation of demand-side incentive schemes.

2. Cash (or in-kind) transfer programmes

The Food for Education Program in Bangladesh: An Evaluation of its Impact on Educational Attainment and Food Security

Ahmed AU & del Ninno C, IFPRI, 2002

<http://www.ifpri.org/sites/default/files/publications/fcndp138.pdf>

The Government of Bangladesh launched the innovative Food for Education (FFE) programme in 1993. The FFE programme provides a free monthly ration of rice or wheat to poor families if their children attend primary school. The goals of this programme are to increase primary school enrolment, promote attendance, reduce dropout rates, and enhance the quality of education. This paper presents the findings of a recent International Food Policy Research Institute (IFPRI) evaluation of the FFE programme that demonstrates the extent to which these goals were met.

Survey results include:

- Student enrolment in FFE schools increased by 35 percent per school over the two-year period from the year before the programme to the year after the introduction of the programme (44 percent increase for girls and 28 percent for boys).
- As recorded in the attendance register, the overall rate of attendance is 70 percent in FFE schools and only 58 percent in non-FFE schools.
- From 1999 to 2000, only about 6 percent of the FFE beneficiary students dropped out compared to 15 percent of the non-beneficiary students in FFE schools.
- Average test scores are lower in FFE schools (49.3 percent) than in non-FFE schools (53.0 percent). Larger class sizes in FFE schools are found not to be the cause of this. The difference is likely to be due to difference in economic status of the students.

The programme costs US\$0.10 per beneficiary student per day. To maintain their eligibility, children must attend 85 percent of classes each month.

Eligible households must not receive help from other targeted programmes and meet at least one of the following criteria:

- a landless or near-landless household that owns less than half an acre of land
- the household head's principal occupation is day labourer
- the head of household is a female (widowed, separated from husband, divorced, or having a disabled husband)
- the household earns its living from low-income professions (such as, fishing, pottery, weaving, blacksmithing, and cobbling)

Where is the “Education” in Conditional Cash Transfers in Education?

Reimers F, DeShano da Silva C & Trevino E., UNESCO, 2006

http://www.uis.unesco.org/TEMPLATE/pdf/EducGeneral/WP4_Reimers.pdf

This paper discusses the IFPRI report outlined in the previous reference. It also discusses evidence on cash transfers for education from other countries, mostly in Latin America.

EFA Global Monitoring Report 2003/4. Gender and Education For All, The leap to Equality

UNESCO, 2003

<http://unesdoc.unesco.org/images/0013/001325/132513e.pdf>

This report also discusses the Food for Education (FFE) programme in Bangladesh (p170, Box 4.8). It largely draws on the IFPRI evaluation.

Bangladesh: Female Secondary School Assistance

Liang X, *World Bank*, 1996

http://siteresources.worldbank.org/EDUCATION/Resources/278200-1099079877269/547664-1099079934475/547667-1135281552767/Bangladesh_female_secondary_school_case.pdf

Bangladesh's Female Secondary School Assistance Project (FSSAP) illustrates another successful example of providing monetary incentives for girls to reduce the direct cost of schooling and to encourage participation. Bangladesh's specific economic, cultural and religious environment combines to depress demand for girls' education so that girls either never enrol in school or withdraw earlier than boys. The situation worsens considerably at the post-primary level, as the direct costs of schooling rise. The FSSAP was initiated in 1993 to address gender disparity in secondary education. It aims to close the gender gap in secondary education and to raise female status in the economy and society.

Like Guatemala's *Eduque a la Niña* project, the FSSAP represents an integrated package approach incorporating multiple interventions. As a major component of the project, the FSSAP provides stipends, ranging from US\$12 in Grade 6 to US\$36 in Grade 10, to girls who are currently enrolled at secondary schools in 118 targeted districts and who meet eligibility criteria.

This case study describes the specific context from which the project stems. It also examines its design, special features, cost, expected benefits, fiscal impact, and other issues. Preliminary evidence suggests that providing monetary incentives directly to girls can be an effective way of increasing their participation in secondary education.

Evaluations results show:

- Female enrolment growth was almost twice that of males at the secondary level in the Female Education Scholarship Program (FESP) schools. Assuming the year preceding implementation as the base year (for which the index is 100), the overall growth in enrolment is 122 for boys, and 216 for girls.
- The older the life of the project, the higher the enrolment growth. The enrolment of girls in Bangladesh Association for Community Education, the oldest FESP project was 4.5 times higher in 1990 compared to 1981, the year preceding the implementation of the project.

- Attendance is higher in FESP than non-FESP schools. The average BACE school has a girls' attendance rate of 78.6 percent, compared to 67.0 percent in the matched non-FESP school.
- The FESP scholarship programme also had a positive influence on reducing the dropout rates of girls in those schools.
- Achievements in terms of the proportion of Grade 6 enrollees who subsequently completed Grade 8 and Grade 10 are greater for the FESP than non-FESP schools.
- The proportion of girls who pass the Secondary School Certificate among FESP schools is 2 percentage points lower than that of the non-FESP schools. The findings suggest that the FESP schools are more likely than the matched non-FESP schools to retain the students and thereby help reduce wastage in the education sector due to dropouts.
- The proportion of FESP secondary school completers married is lower than their comparable non-FESP counterparts. Contraceptive prevalence is higher among the married FESP than non-FESP girls.

Conditional Cash Transfer Programs: An Effective Tool for Poverty Alleviation?

Son HH, ADB, 2008

http://www.adb.org/Documents/EDRC/Policy_Briefs/PB051.pdf

This policy brief reports that conditional cash transfer (CCT) programmes in Bangladesh raised primary school enrolment by 9 percentage points. The programme was thought to be particularly effective because a large proportion of children were not enrolled in primary school.

Evaluating the Impact of Conditional Cash Transfer Programs

Rawlings LB & Rubio GM, *Oxford University Press*, 2005

<http://www.crin.org/docs/Evaluating%20the%20Impact%20of%20Cash%20Transfer%20Programs.pdf>

This paper discusses evaluation results from outside of Asia. The authors find clear evidence of CCT programme success in Colombia, Mexico, and Nicaragua in increasing enrolment rates, improving preventive health care, and raising household consumption.

Conditional Cash Transfer Programmes: A Magic Bullet to Improve People's Health and Education

3ie, 2010

http://www.3ieimpact.org/userfiles/doc/Impact_Evaluation_01_CCT_Final.pdf

This discussion reports on results from Latin America.

The authors found that school achievements of adolescents who would have attended school even without the cash transfer were negatively affected by the programme, possibly due to adverse effects on the quality of education caused by peer effects or the crowding of classrooms.

Education Vouchers: Is there a Model for India?

Weidrich E, *Centre for Civil Society*, 2003

<http://www.ccsindia.org/ccsindia/policy/ed/studies/wp0072.pdf>

Bangladesh's Female Secondary School Assistance Project (FSSAP) illustrates a successful attempt of providing monetary incentives for girls to reduce the direct cost of schooling and to encourage participation in a developing country.

The project represents a so-called integrated package approach incorporating multiple interventions. As a primary component of the project, it has provided stipends ranging from US\$12 in Grade 6 to US\$36 in Grade 10, to girls who have been enrolled at secondary schools in 118 targeted districts and who meet eligibility criteria.

The stipend covers 30-54 percent of direct school expenses. It is paid directly to the account of each girl, in a nearby commercial bank. The recipient girls are expected to pay out of their stipend the other school fees. Additionally, the FSSAP also provides tuition assistance, but this part of the financial assistance is paid to the school where the girl is enrolled.

The project has had positive effects on enrolment, attendance, drop-out rates and (partly) on student's performance. This indicates that providing monetary incentives directly to girls can be an effective way of increasing their participation in secondary education.

Food for Thought: Are School Feeding Programmes Effective in Improving Educational Outcomes?

Thapa R, *3ie*, 2009

<http://www.3ieimpact.org/admin/pdfs/19.pdf>

Existing evidence shows that school feeding leads to better educational outcomes, though results are more positive for school enrolment and attendance than for cognitive performance.

3. Vouchers

Subsidising Education: are School Vouchers the Solution?

Thapa R, *3ie*, 2010

http://www.3ieimpact.org/admin/pdfs/Vouchers_EQ_16_July_1.pdf

Good quality education is out of reach for many poor people, due to its high costs. Governments try to make it more accessible by subsidising it. School vouchers provide one means to subsidise education. Vouchers allow students to expand their school choice, including attending private schools, potentially providing "better quality" education. Providing an increased incentive to avoid failing a grade and complete schooling, seems to improve students' test scores in college entrance exams.

However, this evidence is limited to two cases in Latin America with a well developed institutional structure, Colombia and Chile. The relevance of voucher schemes for other developing countries, and how replicable they are to other contexts, is unclear. Rigorous impact evaluations, adequate baseline data and monitoring mechanisms of true and quasi-voucher schemes are lacking. More evidence is needed from more countries to draw more conclusive lessons.

Public Private Partnerships in Education: Some Policy Questions

Kingdon GG, *RECOUP Policy Brief*, 2007

<http://recoup.educ.cam.ac.uk/publications/pb1.pdf>

Evidence on the impact of demand-side funding for public-private partnerships (i.e. for school vouchers to parents) comes mainly from Chile, Colombia, New Zealand and the US. While the evidence is somewhat mixed, the weight of this evidence suggests that voucher funding for private schooling is generally associated with improved student outcomes.

Vouchers for Basic Education in Developing Countries, a Principal-Agent Perspective

Gauri V, The World Bank, 2003

<http://www->

wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2003/04/23/000094946_03040404262855/Rendered/PDF/multi0page.pdf

A subsidy scheme in Bangladesh functioned as a sort of voucher scheme. When schools attracted enough students to warrant the hiring of another teacher, the government subsidised that increase in enrolments by paying for most of the teacher's salary. But the norms for the transfer of the subsidies were weakly enforced. Schools applied for and received subsidies without complying with enrolment-related and other norms. The quality of the education was also found to be inadequate.

The Bangladeshi experience with a quasi-voucher system is consistent with several theoretical predictions: intense incentives can fail to achieve objectives without a functioning monitoring system, school effort will not be related to academic outcomes if exogenous factors, such as textbook shortages and examination pressures, limit returns to effort, risk averse actors will lobby to reduce the risk to which voucher programmes expose schools, and certain pedagogical activities, such as curricular innovation and teacher training, will not occur in the presence of intense incentives on enrolment and external pressures, such as exams.

4. Scholarships

Getting Girls into School: Evidence from a Scholarship Program in Cambodia

Filmer D & Schady N, *World Bank*, 2006

<http://south-south.ipc->

undp.org/index2.php?option=com_sobi2&sobi2Task=dd_download&fid=157&format=html&Itemid=137

Increasing the schooling attainment of girls is a challenge in much of the developing world. In this paper we evaluate the impact of a programme that gives scholarships to girls making the transition between the last year of primary school and the first year of secondary school in Cambodia. We show that the scholarship programme had a large, positive effect on the school enrolment and attendance of girls.

Estimates of impact indicate that the programme:

- increased enrolment and attendance at eligible schools by approximately 30 percentage points
- increased enrolment at any school by about 22 percentage points

The impact of the programme appears to have been largest among girls with the lowest socioeconomic status at baseline.

Impact of Incentives to Increase Girls' Access to and Retention in Basic Education

Ridley A & Bista MB, UNESCO, 2004

http://www.ungei.org/resources/files/unesco_impact_of_incentives.pdf

A study into the effectiveness of incentives in Nepal revealed that scholarships were not distributed to the girls most in need. Indeed, they were distributed according to political pressure from local leaders. There were also complaints that needy students were not receiving scholarships and incentives, and that nepotism and favouritism were pervasive in the distribution process. It was also found that scholarships were not sufficient to cover the cost of educational materials, and money was found to be misused. In fact, the amount of scholarship paid to girls attending primary schools was so small that it did not provide any incentive to families to send their girls to schools.

The study estimated a direct cost of 1,819 Nepalese rupees (NPR), or 25 U.S. dollars (USD), and an indirect cost (opportunity cost) of 4,607 NPR (62 USD) to put a child in primary school. Combined, it cost a family a total of 6,426 NPR (87 USD) to put a child in primary school annually. The amount of scholarship given to a child in Nepal is 250 NPR (4 USD) per annum, thus covering only 5 percent of the total cost. Poor families who must rely on children's labour and income will not be prepared to release their children for schooling despite the provision of a cash incentive if the incentive is too small. The study further noted that due to the small amount of scholarship and high direct and indirect costs of schooling, families living in desperate poverty were not able to benefit from limited financial support or incentives provided by the government.

5. Operationalising incentive schemes

Designing Targeted Educational Voucher Schemes for the Poor in Developing Countries

Shafiq NM, *National Center for the Study of Privatization in Education*, 2008

http://www.ncspe.org/publications_files/OP161.pdf

A targeted educational voucher scheme [TEVS] is often proposed for the poor in developing countries. Essentially, a TEVS involves a voucher or certificate by which poor households are given the ability to pay tuition and fees for their children's schooling at participating non-public schools. However, little is known about TEVS design in developing countries. By exploring the details of TEVS design, this article provides the foundation for constructing a TEVS and conducting subsequent scientific evaluations to support, modify, or oppose the TEVS. Specifically, this article uses three policy instruments to design a TEVS: regulation, support services, and finance. Regulation refers to the rules that must be adhered to by participating households, children, and schools. Support services refer to services facilitating the participation of children, households, schools, and financial and political supporters. Finance refers to the value of each voucher, total TEVS costs, and sources of finance.

The Bangladesh Primary Education Stipend Project: A Descriptive Analysis

<http://siteresources.worldbank.org/EDUCATION/Resources/278200-1099079877269/547664-1099080014368/BangladeshStipend.pdf>

This document outlines the project and discusses:

- the design process, innovations and objectives
- targeting
- stipend amount
- pupil and school performance conditions

- stipend disbursement and leakage
- management and monitoring
- costs, financing and issues of sustainability

Making Conditional Cash Transfers More Efficient: Designing for the Maximum Effect of the Conditionality

de Janvry A & Sadoulet E, *University of California*, 2006

http://www.renda.nepp.unicamp.br/sistema/files/America_Latina/DeJanvry_TargetingMay05.pdf

Conditional Cash Transfer (CCT) programmes are now extensively used to induce poor parents to increase investment in the human capital of their children. These programmes can be large and expensive, motivating the quest for greater efficiency in increasing the impact of the imposed condition on human capital formation. This requires designing the programmes' targeting and calibration rules specifically to achieve this result. Using data from the ProgresA randomised experiment in Mexico, we show that large efficiency gains can be achieved by taking into account how the probability of enrolment of a child is affected by a cash transfer. Calibration of the transfers relies on heterogeneity in responses due to child, household, and community characteristics. Rules for targeting and calibration can be made easily implementable by selecting indicators that are simple, observable and verifiable, and that cannot be manipulated by beneficiaries. In the case under study, results show that these efficiency gains can be achieved without rising inequality among the poor.

How to Design and Update School Feeding Programs

Bundy D et al, *World Bank*, 2009

This report chapter is a compilation of existing tools and two new tools to assist program designers and policy makers. It includes:

- A checklist to design and implement new school feeding programs.
- A checklist to update existing school feeding programs.
- A designer's toolkit.
- Additional sources of useful information.

This chapter comes from the report: Rethinking School Feeding: Social safety nets, child development and the education sector.

http://siteresources.worldbank.org/EDUCATION/Resources/278200-1099079877269/547664-1099080042112/DID_School_Feeding.pdf

Conditional Cash Transfers, A World Bank Policy Research Report

Frizbien A & Schady N, *World Bank*, 2009

http://siteresources.worldbank.org/INTCCT/Resources/5757608-1234228266004/PRR-CCT_web_noembargo.pdf

Chapter 6 (pp165-204) outlines policy and design options:

- When is a CCT programme the right policy instrument?
- Designing an efficient CCT programme
- Adapting the supply of social services
- CCT programmes as components of social protection systems

The Functioning and Effectiveness of Scholarship and Incentive Schemes in Nepal

Acharya S & Luitel BC, *UNESCO*, 2006

<http://unesdoc.unesco.org/images/0014/001460/146085e.pdf>

This study aims to answer a number of questions concerning the functioning and effectiveness of scholarships and incentives intended for girls and children of disadvantaged communities. The desire to understand various incentive schemes from local perspectives arises from the need to provide policymakers, planners, administrators, educators and donors with important insights to help improve the management of existing incentive and scholarship schemes. Initiated primarily to generate understanding about the management, functioning, institutional arrangement, potential impact and constraints related to Government and UN scholarship/incentive schemes, this study also uncovered some unexpected issues and information. One of these issues raises a debate on the concept and intention of scholarships.

Education Vouchers in Practice and Principle: A World Survey

West EG, *World Bank*, 1996

http://siteresources.worldbank.org/EDUCATION/Resources/278200-1099079877269/547664-1099079934475/547667-1135281552767/Education_Vouchers_WorldSurvey.pdf

A tax funded voucher system exists when governments make payments to families that enable their children to enter public or private schools of their choice. The payments can be made directly to parents or indirectly to the selected schools. The usually stated purpose is to increase parental choice, to promote school competition and to allow low income families access to private schools. Some opponents object that vouchers will destroy the public system, aggravate the poverty problem and encourage segregation. Others fear that voucher-receiving independent schools will be regulated out of recognition.

Evidence collected here of 20 countries, provinces or states, so far offers no clear support for the negative predictions. The typical voucher system, which is one in which governments subsidise "schools of choice" in strict proportion to enrolment, appears to be contributing to the growth in quantity and quality of schooling. This type of voucher has been adopted by developing as well as developed countries and notable examples of it are found in Chile, Colombia, Bangladesh, Guatemala, Belize and Lesotho. Elsewhere the most striking cases occur in the US (Milwaukee), Poland, the UK and Sweden.

6. Additional information

Author

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