

The international community has set several ambitious Millennium Development Goals, one of which is to cut poverty in half by 2015 and another to make primary education universal by the same date. An important milestone was to have been the achievement of gender equality in school enrollments – ensuring that girls and boys attend school in equal numbers – by 2005.

Educating the world's children is both right and smart: right because all kids deserve a chance to learn basic reading, writing and arithmetic; and smart because investment in education yields high returns across all sectors of the economy. This is especially true for the education of girls. Girls who attend school do much better in their lives than girls who do not. They are healthier and have higher incomes, and they have fewer and healthier children, so the benefits carry forward, generation after generation.

But while progress in raising enrollments and narrowing the gender gap in schooling has been substantial, it has been too slow to meet the 2005 target. Of the 100 million school-age kids who do not attend school, almost two out of three are girls. A new report on primary education from the Millennium Project Task Force on Education and Gender Equality¹ stresses that in addition to more money there is an urgent need for innovative approaches to ensure that all girls and boys attend school.

From Social Assistance to Social Development: Targeted Education Subsidies in Developing Countries describes a promising and novel approach: offering low-income mothers cash and

other incentives to keep their kids in school. This recent, compelling volume of case studies and analysis by Samuel Morley and David Coady shows how programs in countries as different as Brazil and Bangladesh have boosted school attendance and at the same time raised living standards of poor households.

Morley and Coady call these incentive programs "conditioned transfers for education" or CTE. The approach is based on the simple fact that poor parents often cannot afford to wait for future income from educated children. They and their children need more income now, even if it means keeping the kids out of school. By giving food or money to low-income parents who keep their kids in school, such programs meet two goals: they raise the incomes of the poorest families and they provide education to the next generation of parents, helping to break the cycle of poverty.

"Investing in the educational status of children appears to play a key role in breaking the intergenerational transmission of poverty and destitution," the authors conclude. They report on programs in Latin America and in parts of Asia. Results have been encouraging. They find that about 70 percent of CTE benefits go to the bottom 40 percent of families.

Consider Brazil's Bolsa Escolar, which began in 1995 with a small-scale program to pay mothers for sending to school as many as three children. From 1995 to 2004, the federal government distributed money to each municipality based on poverty indices and a national census. School records were reviewed by local officials for compliance. Mothers

¹ Based on *From Social Assistance to Social Development: Targeted Education Subsidies in Developing Countries*, by Samuel Morley and David Coady. Center for Global Development (CGD) and International Food Policy Research Institute (IFPRI). August 2003

whose children attended school on a regular basis – and promised not to work – received as much as \$18 a month.ⁱⁱ While the program operated:

- Incomes of participating families in Brazil rose 20 to 30 percent and dropout rates declined;
- Among participating families, less than one percent of the girls and boys left school early, compared to a dropout rate of 5.6 percent for nonparticipating families;
- Children in *Bolsa Escolar* were more likely than non-participating classmates in similarly poor families to start school at the appropriate age and to be promoted to the next grade on time.

In Bangladesh, a Food for Education program achieved similarly impressive success. The program emphasizes educational performance at the school level; a school could be temporarily suspended from the program if random inspection revealed less than 60 percent attendance. Participating families received a monthly allotment of about 12-15 kilograms of wheat or rice if the children attended school at least 85 percent of the time.

In 1997-98, 2.19 million households benefited from the program. The cost per beneficiary family was small, about \$40 per year per family or roughly 60 cents per month per person. Among the benefits:

- In the very poor families that participated in the program, monthly calorie consumption increased by about 9%;
- In participating schools, enrollment increased by 44 percent for girls and 28 percent for boys, compared to a 2.5 percent increase in enrollments nationally;
- Only about 6 percent of beneficiary students dropped out, compared to 15 percent of non-beneficiary students.

The book draws on other case studies to document similar successes in Chile, Honduras and Nicaragua. And the authors note in an extended examination of Mexico's well-known *Progres*

program (now *Oportunidades*), that the government addressed the gender gap by offering higher subsidies for girls, particularly in secondary education where the problem is greatest.

Going Global

Morley and Coady go beyond documenting success to calculate the costs of widely replicating the program, first across Latin America and then globally. They estimate that in Latin America some 9 million children – or 15 percent of the region's 61 million primary school age children – come from indigent families and would be eligible for subsidies. If each of these children were paid 25 percent of the indigence line for the area in which they live, the total cost for the region would be just under \$1 billion per year. If the programs included the non-indigent poor by paying the same subsidy to all children whose families have per capita incomes under the poverty line, 25.5 million children would be eligible for assistance, raising the cost of the program to \$2.5 billion a year.

Expanding the cash-for-education program worldwide to South Asia and Sub-Saharan Africa would cost about \$10 billion and cover 170 million children. Excluding the Middle East and North Africa (for which data for these calculations were lacking), a global program to pay poor families to keep their children in school would cost about \$12.5 billion per year.

ⁱ See *On the Road to Universal Primary Education*, by Ruth Levine and Nancy Birdsall, CGD Brief, Feb. 2005.

ⁱⁱ In 2004 the federal government dropped the requirement that municipalities make payments to low-income families conditional on school attendance.