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To Condition or Not to Condition: What is the Evidence?

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Introduction

In 2006, when working on social protection at DFID, we were approached by the World Bank with a request for financial support for a conference on conditional cash transfers (CCTs) that they were planning to hold in Istanbul. We told the Bank that we would be happy to support the conference ***on condition that*** they allowed us to choose the speaker who would argue against conditions, in a debate they were planning. As expected, the Bank staff were not particularly happy with having conditions imposed on them, but they eventually relented: so, we chose the speaker and they received their money (thus proving that conditions do work in some contexts).

At the conference, the debate on the value of conditions became quite lively. The main thrust of our speaker's argument was that, while CCT programmes generated positive impacts on school enrolment and attendance, there was no evidence that this was the result of the condition. Given that many unconditional transfers – even old age pensions – had similar impacts, he concluded that there was no evidence on the effectiveness of imposing conditions and sanctions. It was just as likely to be the result of families receiving regular and predictable financial support. Worryingly for the World Bank, the person they had chosen to argue in favour of conditions let them down by agreeing with our speaker.

At the end of the debate, two World Bank staff stood up, visibly angry, arguing against both speakers by insisting that conditions must make a difference. Our speaker calmly explained to them that, since there had never been an experiment explicitly comparing a conditional with an unconditional transfer, there really was no evidence. The World Bank staff responded by announcing that they would now undertake in-depth research so as to prove that conditions made a difference.

One result of the debate was a 2009 World Bank publication on CCTs by Ariel Fiszbein and Norberto Schady. It was a good, comprehensive study – with lots of interesting information – but, in the end, they agreed that there was, in fact, no robust evidence of any positive impact from the use of conditions within cash transfer programmes.

A further consequence was a series of experiments – mainly funded by the World Bank – which aimed to compare conditional and unconditional transfers. These experiments were carried out in Kenya, Malawi, Burkina Faso and Morocco. By providing cash only to one group of households while a comparison group received cash alongside punitive conditions, the impacts of both types of programme could be compared. In the main, the experiments were carried out by advocates of the use of conditions.

The results from the experiments

So, what were the results of these experiments? A summary of each is provided below:

Morocco

In Morocco, Benhassine et al (2013) reported that conditions had no impact on school participation: the unconditional transfer was just as effective as the conditional. However, the unconditional transfer was significantly more effective than the conditional transfer in improving performance in mathematics.

Interestingly, although the initial results from the experiment used the term unconditional transfer, in a subsequent publication the authors decided to call the unconditional transfer a "labelled" transfer. As **Freeland (2013)** argues, it would appear that they were trying, somewhat unconvincingly, not to credit an unconditional transfer with being more effective than a conditional one.

Burkina Faso

In Burkina Faso – in a study undertaken by Akresh et al (2013) – the best interpretation of the results is that the use of conditions had an impact on the enrolment of young children aged 7-8 years who were not in school prior to the experiment (although it is unclear whether this was the result of the enforcement of the condition or the messaging associated with the conditional transfer, which encouraged children to go to school). However, among the vast majority of children already enrolled in school the unconditional transfer was just as effective as the conditional one. It appears that there were no results provided on attendance so the study was limited in its utility.

Malawi

In Malawi, the experiment – which was led by Baird et al (2010; 2011a) – has been particularly controversial. The design of the scheme was significantly flawed: for example, the children on the conditional programme received the additional benefit of free education, which almost certainly influenced the results. Furthermore, the researchers produced contradictory results. Their initial published analysis indicated that the enforcement of conditions offered no added value. However, once the experiment finished, the researchers surprisingly re-analysed their data: they changed the methodology and, using a smaller sample and a different set of informants, argued that the condition made a difference, reversing their original finding (but bringing it more in line with World Bank orthodoxy). In reality, the second methodology, which depended on teacher recall, does not seem particularly robust – see **Kidd and Calder (2012)** for further information – and the best conclusion is that the experiment provided no reliable evidence on whether conditions increase children's participation in school (and may well have shown that they did not).

Nonetheless, the study did produce some interesting results: for example, the enforcement of conditions was found to contribute to deteriorating mental health among teenage girls – possibly because they were obliged to attend schools where sexual and physical harassment was high – while the unconditional scheme had a greater impact on delaying the age of marriage (Baird et al 2011b).

Kenya

In Kenya's CT-OVC programme, the conditional transfer did not result in any additional impact over the unconditional transfer (Ward et al 2010). However, the main conclusion from the study was that it was immensely challenging to enforce conditions – and, therefore, to carry out the experiment – and, as a result, the use of conditions was removed from the programme. Recently, however, the World Bank has insisted that conditions are once more to be enforced in the CT-OVC programme, despite the evidence from the earlier experiment. A high-ranking government of Kenya official told me that they were fully aware that the conditions had previously failed, but they had no choice but to follow the dictates of the World Bank (the World Bank has provided a large loan to Kenya for social protection, which means it can call the shots).

Box 1: Results from other programmes

Ecuador's *Bono De Desarrollo* programme is nominally a CCT but the conditions are not enforced. However, in its early years, many families believed that they would be. A study by Schady and Araujo (2005) showed that the increase in enrolment was greatest among those who believed that the programme was conditional. Interestingly, though, the results were dependent on income and it was found that, among low-income households, the condition made no difference to enrolment rates. Any difference was restricted to better-off households. This suggests that, when poverty was the constraint on school enrolment – as it was among low-income households – it was the cash that made the difference rather than the condition. Only among the more affluent – among whom factors other than poverty were the main constraint to enrolling in school– did the condition have an impact. A later version of the Schady and Araujo paper eliminated the results by income, only showing the generalised result, potentially because this favoured the use of conditions. As seen above in the results from Morocco and Malawi, the practice of changing results or interpretations when they are deemed unfavourable seems to be common among the advocates of conditions.

Another study in Pakistan by Raza (2009), which examined the Child Support Programme, indicated that the conditions made no difference to school attendance and that any improvements were the result of families receiving the cash.

Furthermore, a systematic review by Manley et al (2012) has demonstrated that conditional cash transfer programmes are no more effective than unconditional programmes in tackling undernutrition among young children.

Conclusion

Based on the evidence, it would appear that the best conclusion on the value of conditions is that there is no robust evidence of any positive impact deriving from their use. Indeed, in some cases they have been shown to be less effective than unconditional programmes and may well cause harm.

There are logical arguments for why conditions may reduce enrolment and attendance. For example, if families whose children only just miss out on the attendance threshold are sanctioned, they may be forced to remove their children from school, putting them to work to compensate for the loss of income. Furthermore, while it should be the norm to expect children to attend school 100% of the time, CCTs change this important message by letting families know that 85% (or less) attendance is acceptable to government. Parents may respond to this new message by removing their children from school for up to 15% of days, knowing that they will still be rewarded with cash. It does seem strange that a government would send out a message to parents that anything less than 100% school attendance is acceptable.

So, given the absence of evidence, why do some countries enforce conditions by sanctioning families? As Fiszbein and Schady (2009) explain, a common justification is that conditions make poverty-targeted schemes – which tend not to be popular with taxpayers – more politically acceptable and sustainable. Taxpayers can see that the "poor" are not receiving "handouts" but are being made to work for their cash. Yet, again, there is no robust evidence that conditions have ever generated greater political support for schemes. A much better way of building support for social security schemes would be to expand coverage to a much higher proportion of the population so that the main taxpayers – and most active voters – are also able to benefit (see **Kidd (2015)** for a further explanation). The unconditional Child Support Grant in South Africa – which reaches 60% of children (including most of the African National Congress's voting bloc) – and Mongolia's universal Child Money scheme both have significantly larger budgets than any CCT programme, gaining their political support from their wide coverage.

Another reason given for the use of conditions is a belief among many elites – and social protection "specialists" – that the "poor" are lazy and do not appreciate the value of education (Fiszbein and Schady 2009). Therefore, they need to be "encouraged" to send their children to school through the use of both a carrot and a stick. Yet, the evidence from around the world strongly indicates that, once families living in poverty receive financial support, they voluntarily take action to send their children to school. The vast majority of families do not need to be obliged by the state to look out for the best interests of their children.

The debate on the relative merits of conditional and unconditional transfers will almost certainly continue, since many advocates of conditions are driven by ideology and appear unwilling to accept the value of evidence. Yet, international experience indicates that there is a middle way, focusing not on sanctions but on incentivising families to send their children to school, either via messaging or additional support. "Nudges" can be integrated into schemes to remind families that they are receiving cash to help them care for their children. For example, the title of the "Child Support Grant" in South Africa can be regarded as a strong nudge. Another example – suggested by Benhassine et al (2013) – is to register children for a child benefit within schools, to build an association between the cash and school attendance. Asking parents to sign a form in which they solemnly promise to send their children to school may also be a sufficient nudge.

Nudges are much simpler and cheaper than conditions to implement and are likely to be just as effective. So, why the enthusiasm for conditions? It is common knowledge that World Bank staff have been told that loans cannot be provided for unconditional programmes, thereby creating a massive incentive for them to promote CCTs in their policy "advice" to governments. But, national governments should take this "advice" with a pinch of salt and push back, asking for evidence. Conditions make social security programmes more complex and expensive – as well as more likely to fail – but for little or no reward, while potentially harming children. Most families – even those disparaged by elites as poor/worthless – do not need to be sanctioned to force them to care for their children: rather, in progressive societies, the focus should be on providing all families with income security to empower them to do what is best for their children. As we saw in Istanbul, the World Bank do not like having conditions imposed on them: so why impose them on others?

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About the Author

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Stephen Kidd is a Senior Social Policy Specialist at Development Pathways. When he was a child, he hated being punished and, if truth be told, it didn't make much difference anyway. So, he wonders why some people continue to insist on punishing recipients of social security in developing countries.

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