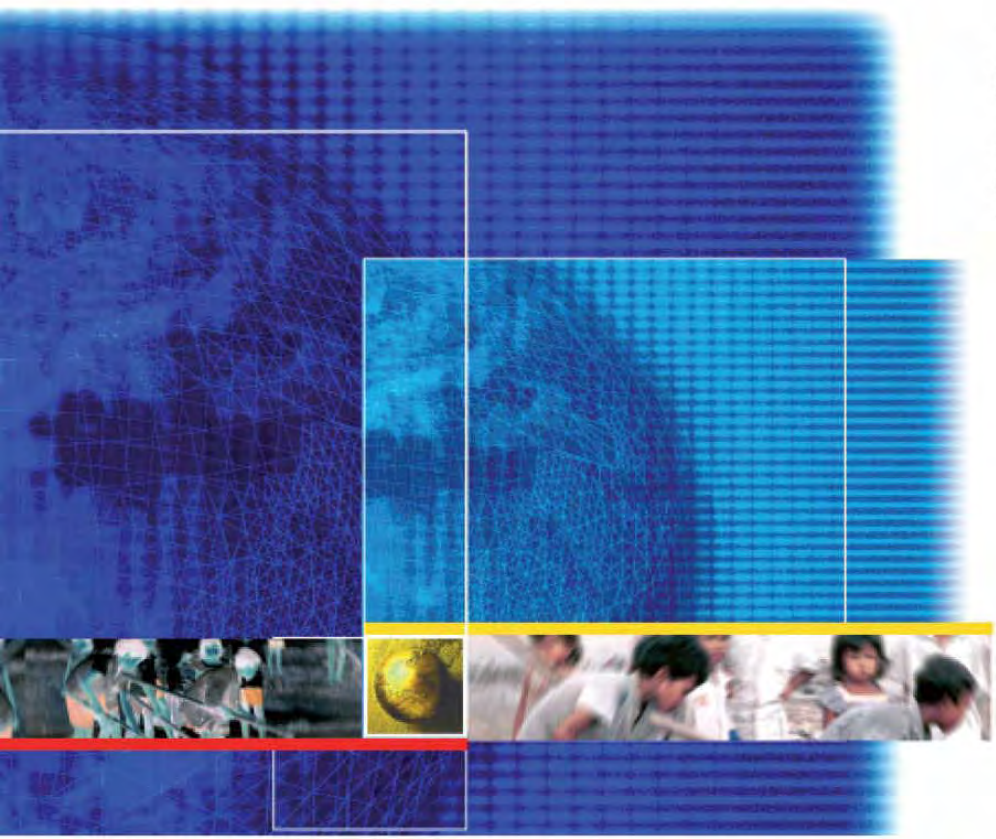

International Labour Office

Eliminating child labour:
The promise of conditional cash transfers

Hamid Tabatabai

International Programme on the Elimination of Child Labour (IPEC)

INTERNATIONAL LABOUR OFFICE (ILO)
INTERNATIONAL PROGRAMME ON THE ELIMINATION OF CHILD LABOUR (IPEC)

ELIMINATING CHILD LABOUR:
THE PROMISE OF CONDITIONAL CASH TRANSFERS

HAMID TABATABAI
(ILO/IPEC)

October 2006

First published (2006)

Tabatabai, H.
Eliminating child labour: The promise of conditional cash transfers
Geneva, International Labour Office, 2006

ISBN 92-2-119423-X & 978-92-2-119423-1 (print)
ISBN 92-2-119424-8 & 978-92-2-119424-8 (web pdf)

Child labour, children, schooling, family benefit, social assistance, developing countries, Latin America R. 13.01.2

ILO Cataloguing in Publication Data

Printed in Switzerland

Table of contents

Acknowledgements

The author is grateful to Miriam Abu Sharkh, Maria Arteta, Patrick Daru, and Phan Thuy for their comments on an earlier draft of this paper. The usual disclaimer applies.

Executive summary

Conditional cash transfers…

In recent years, the perceived success of several large-scale conditional cash transfer (CCT) programmes in some Latin American countries has provoked substantial interest in their replication elsewhere in the region and in other parts of the world. CCT programmes (CCTs) are now being promoted by the United Nations agencies and development banks as an effective approach to extending social assistance to those in need. The literature on the CCTs is growing rapidly, with much of it devoted to their evaluation from various perspectives.

As the name implies, *conditional cash transfers* are social assistance programmes that provide a certain amount of cash to poor households on a regular basis on condition that the beneficiaries fulfil some obligation(s) aimed at human development, such as sending their children to school or participating in health programmes (vaccination, regular visits to the clinic). They are thus a means of using financial incentives to motivate participants to behave in ways that are not necessarily in their short term interest but are important for the society. The idea is characterised, somewhat bluntly though favourably, by the Nobel laureate Gary Becker as a way of "bribing" parents to keep their kids in school (Becker, 1999).

The reduction of child labour is rarely an explicit objective in the current crop of the CCTs, with the notable exception of *Programa de Erradicaçao do Trabalho Infantil* (Programme for the Eradication of Child Labour), or *PETI*, in Brazil, which targets the worst forms of child labour. Nonetheless, various evaluations have shown that some CCT programmes have indeed been effective in reducing child labour, even if this was not an explicit objective. In many cases however, the CCTs neither seek specifically to reduce child labour, nor are they evaluated as regards their child labour impact.

The CCTs vary in scale from modest pilot schemes covering a few thousand households and costing a few million US dollars, to huge programmes reaching millions of households with annual budgets of the order of three billion US dollars as in Brazil and Mexico. The amount of the grant, usually paid monthly or bi-monthly, may be a function of the number of eligible children in the household, the age, educational level and sex of the child, duration of the programme, etc. Payments are typically made to women in the household, which has proven to be an effective way of promoting women's empowerment and children's welfare. Beyond the requirement of maintaining minimum attendance at school (normally 80-90 per cent of the time), the education component may involve additional conditions such as children's participation in after-school activities – as in the case of *PETI* –, which is a way of reducing the time available for work unrelated to their education.

The CCT programmes are essentially demand-side interventions that seek to promote the use of social services. The premise is that the poor's lack of access to such services is, at least in part, due to demand-side constraints arising from lack of information, high direct costs of participation (transport, uniforms, etc.), and/or high opportunity costs of participation (e.g. the child labour income that has to be given up to send the child to school). But for demand-side interventions to work, social services must of course exist in the form of schools, teachers, and clinics, and be of sufficiently good quality. The very availability of such services is indeed often a key consideration in the choice of the geographic areas to be targeted, a fact that clearly disadvantages the more deprived areas, notably rural areas. As a result, some CCT schemes incorporate measures to improve the supply side of the equation as well.

The purpose of this paper is to review some of the issues that arise in the consideration of the CCTs in the fight against child labour. The paper is intended in the first instance to stimulate discussion and debate within the ILO. As it develops, the audience may be extended to ILO partner agencies in the child labour field and, in due course, to other stakeholders contemplating the use of CCT-type schemes in the effective abolition of child labour.

… and their impact on child labour

Numerous evaluation studies have assessed the impact of the CCTs on a broad range of outcomes: poverty and food consumption, school attendance and performance, gender disparities, demographic effects, intra-household relations, community social relationships, and, not least, child labour. The findings are broadly similar and positive, suggesting that the CCTs do yield promising results with respect to their key objectives. A recent survey of seven first-generation programmes in Latin America and the Caribbean by Rawlings concludes that "this innovative design has been quite successful in addressing many of the failures in delivering social assistance such as poor poverty targeting, disincentive effects and limited welfare impacts" (Rawlings, 2005, p. 133).

From the standpoint of child labour, the main strength of the CCT approach lies in the fact that it tends to address the roots of the problem: chronic poverty, vulnerability to economic shocks, absence of schooling alternatives, labour market conditions, and cultural factors. Rawlings' survey of the programmes in Latin America and the Caribbean further concludes that they "are also effective in reducing child labour" (Rawlings, 2005, p. 149). In the case of Brazil's *PETI*, the one programme whose foremost objective is to reduce the worst forms of child labour in rural areas, Yap et al. (2002) find that it has increased time in school and improved academic success on the one hand, and reduced labour force participation and hazardous work on the other. According to their estimates, the probability of working among the participating children aged 7-14 fell from 17 per cent to 10-13 per cent in the state of Pernambuco, from 17 per cent to 4 per cent in Sergipe, and from 38 per cent to 12 per cent in Bahia, the state with the highest child labour force participation rate in the country (Yap et al., 2002, pp. 13-14 and 27). What is more, *PETI* decreased the probability of children working in higher-risk activities, i.e. those more likely to be among the worst forms of child labour. But the programme seems to have had less success in limiting the probability of long hours of work (ten hours or more).

An important feature of *PETI* is its after-school programme, *Jornada Ampliada*, which is obligatory for children benefiting from the grant. The basic idea is to help reduce child labour by simply keeping the children at school twice as long, thereby limiting the time available for work. Yap et al. find that while the after-school programme is the most important element in combating child labour, it alone would not be enough and the targeted transfer appears to be necessary to get the dramatic increases in time in school voluntarily and reduce child labour (Yap et al., 2002, pp. 14 and 19).

Unlike *PETI*, Mexico's *Progresa* did not have the reduction of child labour as an explicit objective, but it nonetheless "reduced the probability of working among those aged 8 to 17 by 10 to 14 per cent in relation to the level observed prior to the programme" (Rawlings, 2005, pp. 149-50). The impact was higher for boys aged 12 to 13, but there was no significant reduction among boys age 16 to 17. For girls, there was a significant reduction as well (p. 150). Dramatic reductions in child labour have also been observed in the Ecuador programme (Schady and Araujo, 2006).

Other evidence seems to suggest less of a positive impact as far as child labour is concerned. When Brazil's *Bolsa Escola* programme was initiated in 1996 in some urban areas, the reduction of child labour was a stated goal but children were not required to leave work as a condition. The

programme was later found to have had "little" impact on child labour, in part presumably because there was much less child labour there than in rural areas (Yap et al., 2002, p. 3). Similarly, summing up the evidence based on a review of literature and their analysis of Costa Rica's *Superémonos*, Duryea and Morrison contend that "these programmes are good at promoting certain outcomes such as school attendance, but that other outcomes such as reducing child labour are more difficult to achieve" (Duryea and Morrison, 2004, p. 3). Yap et al., however, seem to regard that as a distinction without a difference: "The PETI experience suggests that by increasing time in school, whether voluntarily or through government mandate, child labour can be reduced" (Yap et al., 2002, p. 19).

Notwithstanding their advantages, the CCTs are not without their drawbacks. Significant resources are likely to be needed to finance the transfers, reach large populations, and maintain the programme long enough for sustainable results. Data requirements may be substantial for targeting, monitoring, and evaluation, which would be a serious handicap in the case of many least developed countries. Availability and quality of social services are pre-requisites that are not always met. And appropriate exit options need to be built into the programmes to avoid long-term dependency on the part of beneficiaries. Among the alternatives currently being tried are those that involve a decline in benefits after some time and/or a time limit on how long a beneficiary household may remain in the programme. In other cases the emphasis has been on developing supplementary opportunities for those who finish their cycle in the programme and who need other types of support to preserve the gains made. These may involve employment creation projects, vocational training and microfinance facilities, particularly for youth.

Where do we go from here?

Further research is necessary to shed light on the potential role of conditional cash transfers in fighting child labour. An important task ahead is to promote the mainstreaming of child labour concerns in CCT research that is already being carried out on an extensive scale. The implications of the CCT and similar programmes for child labour should be among the important issues that are addressed in their evaluations. Over and above that, the paper proposes a tentative research agenda that, while far from being comprehensive, goes beyond what the ILO alone can or should do. It comprises work in at least four main areas: (i) taking stock of current literature and experience, (ii) assessment of impact on child labour, (iii) replicability, and (iv) pilot projects. In relation to the last two, it should be noted that most CCT programmes have been operating in Latin America and the Caribbean, a region where child labour is less extensive than in Africa or Asia. This is also a region where resource problems and supply constraints (availability of educational facilities, clinics, etc.) tend to be less severe than in other developing regions. But the relevance of the CCT experience from the perspective of child labour resides precisely in its potential for replicability elsewhere in the developing world. This calls for both research and experimentation with pilot projects.

Policy research is needed to guide action and ILO should facilitate the implementation of CCT schemes in member States that request its assistance, as several already have. Initially this could take the form of small-scale pilot projects, requiring only modest resources. Such projects would also help the ILO develop its knowledge base and capacity to provide policy advice and appropriate technical assistance on request, notably through its support projects assisting member States to design and implement time-bound programmes for the elimination of the worst forms of child labour.

In recent months ILO/IPEC has initiated various activities on a modest scale to build a foundation for more intensive work in line with the research agenda proposed. Among these are the preparation of annotated bibliographies of the literature on CCTs, analytical reviews of

selected existing schemes in Central and Eastern Europe (Bulgaria and Romania so far), thematic studies, participation in the evaluation of the child labour and schooling impact of several on-going programmes (Brazil's *PETI*, Colombia' *Familias en Acción*, Mexico's *Oportunidades*, and South Africa's *Child Support Grant*). Consultations are also underway to develop collaboration with other units of the ILO with a view to initiating joint activities linking child labour concerns in the context of the CCT approach with microfinance interventions – where the most destitute could initially receive transfers with the aim of reducing their vulnerability, eventually graduating into the microfinance programme –, youth employment programmes and labour intensive investment in infrastructural activities.

The struggle against child labour has been characterised in the main by two approaches: direct intervention to withdraw, rehabilitate and reintegrate child labourers, and indirect intervention through policy action at the macro level, with mainstreaming efforts aiming to enhance the role of policy. The CCT approach falls in between these two as a policy instrument or response that may be specifically geared towards the reduction of child labour, but which shies away from getting directly involved with the control of the processes of prevention, withdrawal, rehabilitation, and reintegration. The transition to less direct approaches is indispensable if the worst forms of child labour are to be effectively ended in a decade, as called for in the recent *Global Report on Child Labour* (ILO, 2006b). The CCT approach may be a powerful tool in the service of this objective.

1. Introduction

In recent years, the perceived success of several large-scale conditional cash transfer (CCT) programmes in some Latin American countries has provoked substantial interest in their replication elsewhere in the region and in other parts of the world. CCT programmes/schemes (CCTs) are now being promoted by the United Nations agencies and development banks as an effective approach to extending social assistance to those in need. This support is reflected not only in their research and advocacy efforts, but also increasingly in the provision of significant resources to extend such schemes in time and space and to multiply them. The literature on the CCTs is growing rapidly, with much of it devoted to their evaluation from various perspectives.

Most CCT programmes are aimed at reducing poverty, especially future poverty by interrupting its intergenerational transmission. This is achieved by making cash transfers to poor households conditional on certain behavioural responses on their part that promote human development through education, better health and improved nutrition. They may also reduce current poverty as transfers augment current income.

The reduction of child labour is rarely an explicit objective in the current crop of the CCTs, with the most notable exception being the *Programa de Erradicaçao do Trabalho Infantil* (Programme for the Eradication of Child Labour), or *PETI*, in Brazil, which targets the worst forms of child labour. Nonetheless, various evaluations have shown that some CCT programmes – for example, Mexico's *Progresa* (now called *Oportunidades*) – have indeed been effective in reducing child labour as well, even if this was not an explicit objective. In many cases however, the CCTs neither seek specifically to reduce child labour, nor are they evaluated as regards their child labour impact.

ILO's work on the subject of conditional cash transfers has so far been fairly modest. In 2001, the ILO explored, in collaboration with UNCTAD, the feasibility of applying the CCT approach in the least developed countries of Africa, which came to be known as the MISA (Minimum Income for School Attendance) Initiative (ILO and UNCTAD, 2001). In the foreword to this document, the Director-General of the ILO and the Secretary-General of UNCTAD characterised the approach as

> "something practical, feasible and desperately needed. It is an example of inter-agency cooperation and inter-regional exchange of experience oriented to the reduction of poverty, misery, economic insecurity, child labour and women's low economic status. It can be an integral element of poverty reduction strategies and part of a practical partnership to achieve international development goals",

ending with a clarion call: "Let us do it!" (ILO and UNCTAD, 2001, p. ix). Currently, the proposed ILO agenda for the Americas advocates the CCT approach as a means of combating poverty, promoting decent work and reducing child labour (ILO, 2006a). The ILO's International Programme on the Elimination of Child Labour (IPEC), too, has noted, though less formally, the CCTs in various publications and materials as a promising approach to promoting school attendance and eliminating child labour.[1] Several IPEC projects have also had components akin to the CCT approach and ILO constituents have on various occasions sought

[1] Among the more important IPEC publications that have done so are the TBP/MAP (ILO/IPEC, 2003) and the cost-benefit analysis study (ILO/IPEC, 2004).

IPEC's advice and help in the formulation, implementation and evaluation of such programmes as a means of reducing child labour.[2]

Yet, despite its interest and stated position, IPEC's knowledge about existing programmes is very limited. There is little understanding of the implications of the CCTs for child labour and the workings and effectiveness of existing schemes. These gaps in knowledge need to be filled quickly if IPEC's advocacy and technical assistance are to be more effective, in particular in terms of how such schemes may be designed and implemented to better serve the objective of child labour elimination in different settings. The same imperative operates at the international level too where IPEC needs to develop an informed position on this approach. It must also develop appropriate material for the information, guidance and training of its staff and national partners in this area. All such initiatives assume greater urgency in view of the vision advanced in the *Global Report on Child Labour* to end its worst forms in a decade (ILO, 2006b).

The purpose of this paper is to review some of the issues that arise in the consideration of CCT-type programmes in the fight against child labour. It draws on the documented experiences of such programmes, which have proliferated in Latin America although some operate in other regions as well. The focus is on *conditional cash transfer* programmes but reference will also be made as appropriate to similar social assistance programmes – notably unconditional transfer programmes and in-kind transfer programmes (food for education or school feeding programmes) – but only in a comparative context.

This paper is intended in the first instance to stimulate discussion and debate within ILO/IPEC in regard to the potential role of the CCT approach to the elimination of child labour. As it develops, the audience may be extended to ILO partner agencies in the child labour field and, in due course, to other stakeholders contemplating the use of CCT-type schemes in the effective abolition of child labour.

The paper is structured as follows. Section 2 reviews the main characteristics of the CCTs and their results. The next section narrows the focus and dwells on how the CCT approach may contribute to the reduction of child labour by addressing some of its key determinants. Current evidence on the matter will also be reviewed. Section 4 takes up several additional issues that arise in the application of the approach in the fight against child labour. Section 5 looks ahead and proposes a research agenda in relation to further work on the subject and identifies a number of specific activities that have been initiated at IPEC in this connection or are under consideration. Section 6 concludes.

2. The CCT approach: Characteristics and results

2.1 What are the CCTs?

As the name implies, *conditional cash transfers* are social assistance programmes[3] that provide a certain amount of cash to poor households on a regular basis on condition that the beneficiaries fulfil some obligation(s) aimed at human development, such as sending their children to school

[2] For example, IPEC's Albania Country Programme includes a CCT component. IPEC also financed a study in El Salvador about the costs of such a programme for working children, which resulted in the incorporation of the CCT approach in the country's poverty alleviation plan.

[3] Social assistance refers to non-contributory and means-tested benefits provided by the state to vulnerable groups such as the young children in poor households, the elderly, and the disabled.

or participating in health programmes (vaccination, regular visits to the clinic).[4] They are thus a means of using financial incentives to motivate participants/citizens to adopt behaviours that are not necessarily in their short term interest but are important for the society. The idea is characterised, somewhat bluntly though favourably, by the Nobel laureate Gary Becker as a way of "bribing" parents to keep their kids in school (Becker, 1999).

The CCTs typically pursue two core objectives:[5]

1. Reducing future poverty by promoting the development of human resources through higher educational attainment (attendance and performance) and/or improved health outcomes (on the premise that poverty is associated with low human capital development); and
2. Reducing current poverty by targeting the poor, augmenting their current income, and improving their health.

The combination of these two objectives involves a delicate balancing act since there is a trade-off: while the grant increases current income, meeting the condition(s) may entail a loss in income, such as when children have to be kept away from work to attend school.[6] Be that as it may, the pursuit of these twin objectives also contributes to the attainment of another set of twin objectives, which are usually implicit and arise mostly as a by-product:

3. Acting as a partial safety net for poor families by providing income support to shield them from falling into poverty in the event of an adverse shock; and
4. Reducing child labour by alleviating household poverty and requiring children in beneficiary households to attend school.

In some programmes, a further objective may also be included explicitly as a means of facilitating the attainment of the preceding ones, namely:

5. Providing supply-side support to service providers by channelling financial resources to schools and health facilities to enable them to meet the increased demand.

CCT programmes operate in a number of countries around the world but they have been most prominent in Latin America (Table 1). Their scale varies enormously, from modest pilot schemes covering a few thousand households and costing a few million US dollars, to huge programmes reaching millions of households with annual budgets of the order of three billion US dollars as in Brazil and Mexico. The budgets, however, are usually below 0.5 per cent of gross domestic product (Ayala Consulting, 2006).

All CCTs have an education component focused on primary- and secondary-age children. Attendance at school is the main quid pro quo for receiving the grant. Most CCTs also have a health component focused on infants and very young children (Rawlings, 2005). Additional

[4] The term "conditional" refers to the need for the beneficiaries to fulfil some obligation(s) *after* they join the programme, not to the conditions which they would have to meet to be eligible to join it.

[5] The formulation of the objectives that follows represents a somewhat modified version of the original in Sedlacek et al. (2000, p. 1).

[6] This is a crucial question that raises the issue of the leverage of the CCT programme: What share of direct and opportunity costs should it cover and for how long? What should be the division of responsibility between the state and parents in meeting the costs ("co-responsibility")? Can one evaluate the desire of parents to give their children a decent future and their willingness to pay for it? Is this desire the same for all children (e.g. girls versus boys, own children versus Aids-orphaned step-children).

components linked to health and nutrition, where present, normally have their own parallel grants and requirements.

The schemes are in general targeted at poorer households with school-age children. The specifics of how the recipient households are identified vary from one scheme to another but the basic approach involves: (i) identifying the geographic areas (districts, municipalities) that will be covered by the programme; and (ii) selecting the households within the chosen geographic areas on the basis of income and/or various social and community indicators that are expected to reflect the level of need (means test, or proxy means test).[7] Interestingly, in some programmes – for example, in Mexico's *Progresa/Oportunidades*– the households selected in the second stage may be subject to a community review to confirm the need.[8]

The amount of the grant, usually paid monthly or bi-monthly, may or may not depend on the number of children involved, their age and educational level, sex of the child, duration, etc. (see illustration under Transfer size in Table 2).[9] Payments are typically made to women in the household, which has proven to be an effective way of promoting women's empowerment and children's welfare. The transfer itself may be "near-cash", or even in-kind, as in the case of Costa Rica's *Superémonos* programme that provides poor families with a subsidy (food coupons) for the purchase of food conditional upon *all* their children regularly attending school (Duryea and Morrison, 2004, p. 7). The education component may involve additional conditions beyond maintaining minimum attendance at school, such as in the case of *PETI* where children are also required to take part in after-school activities, which is a way of reducing the time available for work unrelated to their education.

The CCT programmes are essentially demand-side interventions that aim to promote the use of social services. The premise is that the poor's lack of access to such services is, at least in part, due to demand-side constraints which may arise from: (i) lack of information (on benefits, returns, availability, rights); (ii) high direct costs of participation (transport, uniforms, etc.); and/or (iii) high opportunity costs of participation (e.g. need incomes from adult and/or child labour) (Lindert, 2005, p. 18). But for demand-side interventions to work, social services must of course exist in the form of schools, teachers, clinics, etc. and be of sufficiently good quality. The very availability of such services is indeed often a key consideration in the choice of the geographic areas to be targeted, a fact that clearly disadvantages the more deprived areas, notably rural areas. As a result, some CCT schemes incorporate measures to improve the supply side of the equation as well. Honduras' *PRAF*, for example, allocates new resources for the health centres and provides for in-service teacher training and grants to parents-teachers associations (Sedlacek, 2002).

---

[7] Costa Rica's *Superémonos* programme, for example, relies on household's SIPO *(Sistema de Información sobre la Población Objetivo)* score that is based on five factors: occupation of household head, quality of housing stock, household income, educational level of household head, and net worth of the household (Duryea and Morrison, 2004, p. 7).

[8] An interesting issue in this context would be whether programmes may be designed to be self targeting, that is for the net benefit of participation (the cash transfer net of the direct and opportunity costs to satisfy the conditionality) to be positive for the intended beneficiaries and negative for others (Das et al., 2005).

[9] The criteria used to set the transfer amount generally relate to both direct costs and the opportunity costs involved, though they may not necessarily cover them in full. The amount may also be supplemented at particular transition points, for example when the child passes to a higher grade or finishes his/her education, both as an extra incentive and as an initial capital to facilitate transition into the world of work. The latter purpose is in some ways akin to the practice in microfinance programme that encourages saving. The two types of approaches – CCT and microfinance – may indeed be combined, in parallel or sequentially.

2.2 Assessment of current programmes

A remarkable feature of the CCT programmes in Latin America – notably of the early ones such as Mexico's *Progresa* that are now very large indeed – is that their designs attached a great deal of importance to the rigorous evaluation of their outcomes.[10] Over and above the usual reasons for a strong evaluation component, the visionary early designers saw solid empirical evidence on the effectiveness of the programme as a powerful means of countering political interference that could derail it from its objectives or jeopardise its continuation.[11]

That foresight has paid off handsomely, for the fact is that, despite the vicissitudes of politics in different countries, there is hardly a single example of a CCT programme that has been abandoned or derailed. Quite to the contrary. In almost all cases operational programmes have been routinely improved in their design and implementation and expanded.[12] There is also a tendency for them to absorb other social assistance programmes as similar programmes are consolidated. Jamaica's *PATH*, to cite an example, evolved from the rationalisation of three programmes, lowering costs and improving efficiency.[13]

The CCTs are often credited with a variety of advantages in terms of efficiency and effectiveness (adapted from Ayala Consulting, 2003, p. 10):

- In regard to *efficiency*, the presumed advantages are the programmes' ability:
    - to contend with multiple objectives (i.e. education, health, and nutrition) through the single instrument of cash;
    - to allow better targeting of the poor than general subsidies or investments in infrastructure (due to fewer inclusion errors);
    - to overcome problems of asymmetric information since families have better information about their needs than does the government;
    - to transcend political barriers;
    - to promote gender equality and empower women (cash grants normally go to women in the household, who tend to be better at using it for the welfare of children);
    - to ensure better use of resources through the use of transfers; and
    - to keep administrative costs relatively less than, say, similar in-kind programmes.

- In terms of *effectiveness*, the advantages derive from the programmes' ability:
    - to establish a necessary social protection network, whether or not there is a crisis;

[10] This section is mainly concerned with the outcome evaluations of the CCTs. For a discussion of their operational aspects – targeting, registration, and compliance; programme design; participation of institutions and line ministries; financial management; role of beneficiaries and local actors; monitoring and evaluation –, see Ayala Consulting (2003) which summarises the results of a 2002 workshop of CCT practitioners from eight countries.

[11] In discussing how political capital may be made for the CCTs, Tabor (2002a) notes that new social protection programmes tend to start during crisis periods but political interest in them tends to fade quickly, which explains why such programmes are often plagued by start-stop cycles. Politicians, furthermore, tend to like to "re-shape" entitlement programmes. Accordingly, political support for such programmes needs to be sustained through analysis, information outreach, and social partner consultation, as well as strong monitoring and evaluation systems.

[12] The impact evaluations of *Progresa* played a large role in preserving the programme in the transition to an opposition administration – the programme was in fact expanded, with the name changed to *Oportunidades* – and influencing the adoption of similar programmes in many other countries (Morley and Coady, 2003).

[13] Plans are now underway in Brazil to integrate *PETI* into the much larger *Bolsa Familia* programme.

- to empower families with responsibility for their own progress, in part by letting them decide on how they would spend the transfers ("co-responsibility" between government and the household);
- to obtain positive and significant improvements in the well-being of the beneficiaries (mainly in terms of education and health); and
- to stimulate multiplier effects in local communities and contribute to their development.

Numerous evaluation studies have assessed the impact of various CCTs on a broad range of outcomes: poverty and food consumption, school attendance and performance, gender disparities, demographic effects, intra-household relations, and community social relationships, not to mention child labour (to which we shall turn in the next section). The findings are broadly similar and positive, suggesting that the CCTs do yield promising results with respect to their key objectives. In a recent survey of seven first-generation programmes in Latin America and the Caribbean, Rawlings concludes that "this innovative design has been quite successful in addressing many of the failures in delivering social assistance such as poor poverty targeting, disincentive effects and limited welfare impacts" (Rawlings, 2005, p. 133). The evidence lies in increasing enrolment rates (see, for example, Table 3), preventive healthcare and higher household consumption levels. One or two specific examples from the most recent evaluations may be highlighted. In the case of Colombia's *Familias en Acción* (FA), school attendance of 12-17-year-olds was found to be substantially higher in municipalities with FA compared to those without: 56.3 per cent versus 46.2 per cent in rural areas, and 73.7 per cent versus 68.5 per cent in urban areas. For younger children aged 8-11 the differences were not statistically significant, which is most likely due to the fact that the school attendance of this group was already very high to begin with (Attanasio et al., 2005). In terms of work, the effects were generally largest for younger children whose participation in domestic work decreased by around 10-12 percentage points after the programme but whose participation in income-generating work remained largely unaffected (Attanasio et al., 2006). As another example, Nicaragua's *Red de Protección Social* (Social Protection Network) may be far more modest in scale compared to Colombia's programme but its "impacts are even more impressive. Average primary school enrolment rates in treatment areas increased nearly 22 percentage points as a result of the programme, from a low starting point of 68.5 per cent" (Rawlings, 2005, p. 149).

Notwithstanding their advantages, the CCTs are not without their drawbacks. Briefly, these include:

- Resource requirements: Significant resources are likely to be needed to finance the transfers, reach large populations, and maintain the programme long enough for sustainable results. To the extent that the programmes are financed by loans or grants from bilateral or multilateral agencies, they may be vulnerable.
- Data requirements may be substantial for targeting, monitoring, and evaluation, which would be a serious handicap in the case of many least developed countries, notably in terms of reaching the poorest of the poor.
- Availability and adequate quality of social services are pre-requisites that are not always met.
- Exit options: To avoid long-term dependency, appropriate exit options need to be built into the programmes. A variety of alternatives are currently being tried:

    - Some involve a decline in benefits after some time and/or a time limit on how long a beneficiary household may participate. In the case of *Oportunidades,* which places emphasis on chronic poverty, recertification is required after three years of

participation and benefits decline after a number of years (six in rural areas and four in urban areas) until they stop altogether (participation time limit of nine years in rural areas and seven in urban areas). In Chile the limits are much shorter: six months until benefits begin to decline and two years for participation in the programme (Lindert, 2005, p. 26).

- *Oportunidades* has also been developing alternative and complementary programmes for those beneficiaries who finish their cycle in the programme and who need other types of support to preserve the gains made. These could involve, for example, employment creation projects in the medium term through vocational training and microfinance facilities, particularly for youth. An interesting dimension here is the link to youth employment and to school retention at the crucial age of 11-12. Various assessments have concluded that, at least in Latin America, a major barrier to continued improvement in basic education is the low private return to education if it is limited to only the elementary school. Children appear to need to complete high school (and sometimes more than that) in order to ensure a reasonable private return and high schools need to become more practical and more aligned with the job market. This is why Mexico introduced completion (graduation) bonuses for high school and why some influential CCT proponents such as Senator Buarque (the originator of Brazil's *Bolsa Escola*) would like to see their countries do the same as well.

3. CCTs and child labour

What is the relevance of the CCT approach for child labour? How effective are the CCT programmes in fighting this scourge? Are they affordable? These and similar questions form the backdrop to the rest of this paper.[14]

3.1 Relevance of the CCT approach

From the standpoint of child labour, the main strength of the CCT approach lies in the fact that it tends to address the key determinants of the problem. Among the determinants that are most relevant in this context are:

- *Chronic poverty:* There is little dispute that chronic poverty is often the main cause of child labour. Many studies have shown that child labourers tend to come from poorer households and that, as household income rises, child labour falls. For example, analysing cross-country data since 1950, a recent World Bank study concludes that "increases in per capita incomes can explain almost all of the reductions in worldwide child labour since 1950" (Gunnarsson et al., 2005, p. 11). Similarly, on the basis of panel data for the growth period of 1993 to 1997 in Vietnam, it has been found that "[i]mprovements in per capita expenditure can explain 80 percent of the decline in child labour that occurs in households whose expenditures improve enough to move out of poverty" (Edmonds, 2005, p. 77). The poverty factor can also take the form of credit constraint and Baland and Robinson (2000) have shown that this results in inefficiently high levels of child labour. Given these, one way to affect child labour is to help raise household income by means of income transfers to poorer households, and induce them to invest in their members, particularly younger members, by altering household behaviour through conditionality, which is the rationale for the CCT approach.

[14] See also Raju (2006) for a critical review and analysis of the effects of CCTs on child work.

- *Economic shocks:* Child labour sometimes arises as a response to economic shocks, which may take the form of unemployment of breadwinners, crop failures, a family health crisis, death, etc. In such cases, child labour would help smooth transitory income shocks. A recent review of the empirical studies by de Janvry et al. tends to confirm this proposition and their theoretical analysis "predicts a strong mitigating effect of a conditional transfer on the school enrollment response to a shock, but a minimal effect on the child work response" (de Janvry et al., 2006, p. 372). The application of their model to *Progresa* data finds that "transfers largely or completely protected children from the effect of these shocks on school enrollment" (de Janvry et al., 2006, p. 372). This confirms the safety net role of CCT programmes which "are effective in sheltering recipient children from being taken out of school when they are used as risk coping instruments in response to shocks" (Sadoulet et al., 2004, p. 8). The child labour impact under crisis conditions requires further research.

- *Absence of schooling alternative:* Child labour appears more attractive when there is no schooling alternative for children, either because schools are not available, are of poor quality, or are unaffordable. The latest estimates put the global number of primary school-age children who are out of school at 115 million in 2001/02 (Table 4), or 18 per cent of all primary school-age children. The vast majority of them are in South Asia and in Sub-Saharan Africa, the two major developing regions where child labour is most pervasive. The education component of the CCTs is thus a powerful means of addressing the need for an alternative to child labour, in addition of course to its intrinsic value as contribution to the extension of schooling opportunities. Whether the CCTs can be successfully transplanted from Latin America to Africa and Asia is a critical question that needs to be explored not only as a research issue but in practice through pilot projects and programmes.

- *Labour market conditions:* Strong markets for child labour (for example when child labour wages are high) tend to raise the incidence of child labour and lower school enrolment rates (Yap et al., 2002, p. 2). This suggests that raising the opportunity cost of child labour could be one way to help reduce it, which can be accomplished by, for instance, making child time in school more attractive through cash incentives, school feeding programmes, improving educational quality, etc. The Food-for-Education programme in Bangladesh, for example, had some such effect, although it increased schooling by far more than it reduced child labour (Ravallion and Wodon, 2000). The weak substitutability between child labour and child time in school suggests that work and school can be combined but there is a natural limit to this option. After a certain point, longer time at school necessarily limits the time available for child labour. And this is the main reason behind *PETI*'s after-school programme, *Jornada Ampliada*.

- *Cultural factors:* Tradition and cultural factors sometimes play significant roles in exacerbating the problem of child labour, particularly in the case of girls who may be disadvantaged relative to boys in terms of access to education. CCTs have proven to be useful in helping to empower women and providing more incentives for girls to attend school and remain there. This is the rationale for giving the grants not to the head of the household as such, but to mothers. The amount of grant may also be somewhat greater for girls than for boys, as is the case in Mexico's *Oportunidades*.

How does child labour figure in the current crop of CCT programmes?

Child labour can enter the picture *explicitly* in at least three ways: (i) as an objective of the programme, (ii) as a criterion for the selection of the beneficiaries, and / or (iii) as an outcome indicator in programme evaluation. But child labour need not manifest itself explicitly for it to be profoundly affected by the CCTs.

i. Few CCT programmes are explicitly aimed at reducing child labour. The most notable is Brazil's *PETI* whose foremost objective is in fact the eradication of the worst forms of child labour. Other programmes where reducing child labour is cited as an explicit objective, though not necessarily the foremost objective, are Jamaica's *PATH* and Ecuador's *Beca Escolar*. The objective may well be implicit however, as the reduction of child labour is commonly seen as flowing naturally from the programme's success in reducing poverty and increasing schooling for children.

   The CCTs face several challenges when they seek to tackle child labour. The first is that child labour is not always easy to identify. As a result, such schemes are often content with targeting one of its proxies: school attendance. The use of such a proxy however ignores the fact that leisure time is crucial to the development of the child as well, and that child labour may continue outside school time, impeding the capacity of the child to focus on his/her studies (Cardoso and Souza, 2004). Another difficulty is the paucity of data on child labour that is comprehensive and up to date to serve programme purposes. Finally, the lack of adequate awareness about the problem contributes to its relegation to a lower priority.

ii. Exceptional cases aside, indicators of child labour are typically not used to identify beneficiaries. Where the reduction of child labour is an explicit objective, the programme may target regions where child labour is pervasive (*PETI*), or run during periods when child labour is likely to be high such as in a crisis (*Beca Escolar*). In other programmes, where the reduction of child labour is an implicit objective, the focus tends to be on prevention through incentives for families to put their children in school, which constitute indirect incentives against child labour (Sedlacek et al., 2000, p. 5).

iii. Where child labour is neither an explicit objective nor a beneficiary selection criterion, it may still figure as an outcome by which the programme is assessed. The most prominent example is Mexico's *Progresa* but there are several others too, as discussed below.

3.2 Impact on child labour

Rawlings' survey of the CCT programmes in Latin America and the Caribbean, mentioned earlier, concludes that they "are also effective in reducing child labour" (Rawlings, 2005, p. 149). But there are discordant voices as well. According to Duryea and Morrison, for example, evidence to date shows that "these programmes are good at promoting certain outcomes such as school attendance, but that other outcomes such as reducing child labour are more difficult to achieve" (Duryea and Morrison, 2004, p. 3). Yap et al. seem to regard that as a distinction without a difference contending that "[t]he PETI experience suggests that by increasing time in school, whether voluntarily or through government mandate, child labour can be reduced" (Yap et al., 2002, p. 19). Weiner (1991) had said much the same more than a decade earlier.

We begin with *PETI*, the one CCT programme whose foremost objective is to reduce the worst forms of child labour. *PETI* was launched in 1996 in the rural states of Northeast Brazil and targeted areas with a high incidence of risky child labour, particularly in agriculture which accounts for 90 per cent of rural working children. It provides cash incentives to poor households in return for their children (not necessarily all of them though) attending school at

least 80 per cent of the time and participating in an after-school programme that effectively doubles the length the school day.

Comparing data on children from *PETI* municipalities and children in a matched set of control municipalities, Yap et al. (2002) find that the programme has increased time in school and improved academic success on the one hand, and reduced labour force participation and hazardous work on the other. They estimate that the probability of working among the participating children aged 7-14 fell from 17 per cent to 10-13 per cent in Pernambuco, from 17 per cent to 4 per cent in Sergipe, and, dramatically, from 38 per cent to 12 per cent in Bahia, the state with the highest child labour force participation rate in Brazil (Table 3; Yap et al., 2002, pp. 13-14 and 27). What is more, *PETI* decreased the probability of children working in higher-risk activities, i.e. those which are more likely to be regarded as among the worst forms of child labour. But *PETI* seems to have had less success in limiting the probability of long hours of work (ten hours or more). The researchers interpret these results as suggesting that *PETI* was more successful in removing part-time child workers from the labour force than it was in removing more dedicated child labourers from their jobs (Yap et al., 2002, p. 14).

Yap et al. also consider the "spillover effects", i.e. the effect on non-participating children. It may be that the reduction of labour supply on the part of participating children could raise the returns to labour and affect the supply of labour from children who are not in the programme. They find no evidence that non-participating children in *PETI* municipalities were more likely to work with the implementation of *PETI* (i.e. their incidence of working didn't rise), but those children among them who did work, worked longer hours per week. There were thus some adverse spillover effects (Yap et al., 2002, p. 2).

An important feature of *PETI* is its after-school programme, *Jornada Ampliada*, which is obligatory for children participating in *PETI* and benefiting from the grant, but available as well to non-participating school children in Bahia, though not in the other two states. The basic idea is to help reduce child labour by simply keeping the children at school twice as long, thereby limiting the time available for work. The content of the *Jornada Ampliada* is under local control, varying from academic programmes to intramural athletics. The assessment by Yap et al. of the schooling and child labour impacts involving participating and non-participating children led them to conclude that while the after-school programme is the most important element in combating child labour, it alone would not be enough and the targeted transfer appears to be necessary to get the dramatic increases in time in school voluntarily and reduce child labour (Yap et al., 2002, pp. 14 and 19).

Unlike *PETI*, Mexico's *Progresa* did not have the reduction of child labour as an explicit objective, but it nonetheless "reduced the probability of working among those aged 8 to 17 by 10 to 14 per cent in relation to the level observed prior to the programme" (Rawlings, 2005, pp. 149-50; see also Skoufias, 2005). The impact was higher for boys aged 12 to 13, but there was no significant reduction among boys aged 16 to 17. For girls, there was a significant reduction as well (p. 150). On the other hand, when *Bolsa Escola* was initiated in 1996 in some urban areas, the reduction of child labour was a stated objective but such work was not prohibited as a condition. The evaluation of the programme found "little" impact on child labour, in part because there was much less child labour there than in rural areas (Yap et al., 2002, p. 3). Similarly, in the case of Costa Rica's *Superémonos*, there is strong evidence that it achieves its goal of improving school attendance, much weaker evidence regarding school performance, but little evidence that the likelihood of child work is reduced (Duryea and Morrison, 2004, p. 3). Most remarkable, however, is perhaps the case of Ecuador's *Bono de Desarrollo Humano (BDH)* that had neither targeted child labour nor even required school attendance. The basic objective was to reduce

poverty but an impact evaluation suggested that the programme had no significant effect on consumption, a fact that was explainable, at least in part, by a massive 17 percentage point reduction in child labour (Schady and Araujo, 2006). Although further detailed examination is necessary to better understand this case, it seems to suggest that child labour can indeed be reduced substantially and rapidly under the right circumstances, but also that such a successful outcome, whether aimed for or not, can come at the expense of other objectives, a trade-off that needs to be borne in mind from the start and "managed", for example by taking account of opportunity costs in setting the transfer amounts.

The picture therefore appears rather mixed. The lack of significant effect on child labour in "traditional" CCTs has led some analysts and practitioners to argue that complementary elements or activities, such as participation in after-school programmes, may be necessary to ensure that children would not end up both working and attending school, simply because after-school activities use up the time that could have been allotted to work. As noted above, documented reductions in child labour have happened in *PETI* and *Progresa*, i.e. those programmes where complementary activities were part of the education component. Duryea and Morrison press the point: "In only one case, from Bangladesh, have researchers documented that a stand-alone transfer program (in this case an in-kind transfer of food) led to a decline in child labour" (Duryea and Morrison, 2004, pp. 5-6, referring to Ravallion and Wodon, 2000).[15]

Such strong conclusions may however not be entirely warranted on the basis of a few examples. Other factors may be involved too. The initial prevalence of child labour could be important in explaining the differential impact. It is reasonable to expect that the impact would likely be less pronounced where the initial child labour prevalence is lower, as it is in urban Costa Rica compared to rural Mexico where *Progresa* operated at the time. Another confounding effect could be the size of the municipalities, as Pianto and Soares (2004) find the child labour effect to be better in *smaller* municipalities. Further research is clearly needed to disentangle the relative importance of various factors, including after-school programmes, and their combination.

4. Selected additional issues

4.1 Conditional? Cash? Transfer?

While the focus of this paper is on the CCTs, many similar programmes exist as well, and often have been for much longer. The three most conspicuous features of the CCTs are captured by the label itself: (i) that the grant is paid conditional on certain behaviour on the part of the recipient household (which generally is *not* linked to the use to which the grant itself is put), rather than being unconditional, (ii) that the grant is in the form of cash rather than in-kind (for example, food), and (iii) that the transfer takes the form of a grant and need not be repaid. A detailed discussion of these dichotomies is beyond the scope of this paper, but some brief elaboration may be useful.

4.1.1 Conditional versus unconditional

Cash transfers can be conditional or unconditional and the question of whether conditional transfers are more effective than unconditional transfers is an important policy issue. Where household expenditure priorities are in line with those of the transfer programme, there may be no need to impose any conditions and then have to enforce them. For example, the requirement

[15] IPEC Brazil, too, has stressed the need for "supplementary" programmes alongside *Bolsa Escola* providing after-school activities and levelling educational courses to ensure that children would not keep working along with studying. This is one lesson of the *PETI* in Brazil.

that children attend school is called for only if it is believed that sending children to school would not necessarily enjoy the highest priority among recipient households. Whether this is or is not the case is an empirical question that needs to be addressed on a case by case basis. Clearly, in the absence of any conditionality, the costs of enforcement and monitoring would be saved.

Unconditional cash transfers, even in the poorest countries, are known to have done well in terms of achieving their goals and more besides, including improving children's welfare and reducing child labour. In Mozambique, it was both "possible and quite efficient to simply give money to the poor" as a way of achieving certain development and economic objectives (Hanlon, 2004, p. 381).[16] The extension of state Old Age Pension (OAP) to black households in South Africa – which are typically multigenerational – has been associated with increases in school attendance and declines in hours worked by children, which are in turn associated with higher school attainment and primary school completion rates (Edmonds, 2006). The other large-scale unconditional cash transfer programme in South Africa, the Child Support Grant (CSG), has been found to have bolstered early childhood nutrition, although it may well have been possible to do even better by conditioning the payments on, say, medical check-ups (Agüero et al., 2005). A recent IPEC paper suggests that the CSG and OAP are probably having some effect in encouraging school attendance among children. The CSG receipt may also tend to decrease the likelihood of older children working (Budlender and Woolard, 2006).

4.1.2 Cash versus in-kind

Conditional transfers may be in-kind rather than in cash, as in the case of food-for-education programmes. Most transfers in developing countries are in-kind, in the form of subsidies for food, education, etc. Cash transfers however are gaining ground little by little.

Cash transfers vary in type, purpose, source of funding, etc. In developing countries they mainly take the form of social insurance that depends on employment in the formal economy and is financed by worker and employer contributions, rather than social assistance which is targeted at the needy and financed out of public revenues. Their coverage of the workforce is less than 10 per cent in Africa and Asia, 15-60 per cent in Latin America, 20-25 per cent in North Africa, and 50-80 per cent in transition countries (ILO, 2000). The low coverage is due mainly to fiscal and administrative constraints and the fact that priority in poverty alleviation is typically accorded to development spending over transfers. Their role is increasing however, with minimum income guarantees introduced in several low- to middle-income countries and the positive experience of CCTs in Latin America (Tabor, 2002a and 2002b).

Among the pros and cons of cash transfers commonly noted are (Tabor, 2002b):

- Their being market friendly, as they rely on beneficiaries' knowledge of their own needs;
- Less risk of distorting markets or causing unanticipated income distribution effects;
- Lower stigma attached to receipt and use of cash;
- Higher "net transfer" for each level of allocation, although value may erode due to inflation;
- High fixed costs but lower operating costs (fixed costs depending on the state of financial and administrative services);
- More vulnerable to mal-governance, thus requiring better fraud safeguards; and

[16] Hanlon's conclusion is based on two experiences of handing out money to demobilised soldiers over a two-year period and single payments to flood victims.

- Politicians may not want to fund "de-merit" good consumption and their patrons may want to use transfers to expand markets for their goods.

4.1.3 Grant versus loan

The transfers in the CCT approach are grants that, unlike loans, need not be paid back. They impose a burden on the (usually national) budget, but are also seen at times to run the risk of creating dependency on the part of beneficiaries. Proper safeguards are thus needed in the form of "exit" strategies and options. These are varied and were touched upon before. Cash transfers are perhaps best viewed as transitory measures that may serve as a stepping stone towards a more self-reliant future, which may be promoted by access to vocational skills, employment opportunities, and microfinance. The savings element of some CCTs is designed to provide not only financial incentives for better performance at school, but also initial capital to young adults who may be entrepreneurially minded. The "graduation" from CCTs to microfinance is another possible pathway towards self reliance that links up these complementary approaches.

4.2 Targeting child labour directly/alone?

Although our interest in the CCT approach is motivated by the objective of eliminating child labour, this policy instrument addresses other compatible objectives at the same time, notably reducing poverty and improving education. This complementarity suggests that employing this approach does not necessarily have to involve child labour as a prominent explicit objective in its own right, as in the case of *PETI*. Equally effective may be to integrate child labour concerns in a broader set of objectives that motivate the CCT programmes on the one hand, and tend to figure prominently in national development agendas, the Poverty Reduction Strategy Paper (PRSP) process, the Millennium Development Goals (MDG), the Education for All (EFA) initiative, etc., on the other. An important policy issue is how typical CCTs may be made more effective in reducing child labour, even if this is not a deliberate goal in itself. Among possible options are targeting them towards areas and households with higher prevalence of child labour and incorporating after-school programmes.

4.3 Replicability

The experience with the CCTs is relatively new and confined mostly to a number of Latin American countries. In some cases furthermore, the programmes are only in initial stages of development and relatively small. An assessment of the relevance of the CCT approach as a means of reducing child labour must not only consider their strengths and weaknesses where they are currently implemented, but their relevance and replicability in countries and areas where conditions may be very different. This is all the more important since, child labour being much more prevalent in other developing regions than in Latin America, the real value of the approach from the standpoint of child labour would manifest itself if it holds promise for the poorer countries of Africa and Asia.

The question of the relevance, desirability and feasibility of the approach was at the heart of the joint report by the ILO-UNCTAD advisory group that considered it for the African least developed countries (LDCs). The report argued that there was strong justification for applying the Minimum Income for School Attendance (MISA) approach in African LDCs in order to achieve both education and poverty reduction objectives" (ILO and UNCTAD, 2001, p. xi). The report went on to propose a set of pilot projects that were unfortunately not followed up.[17]

[17] The initiation of a pilot MISA project in Mozambique was announced in Lavinas (2003), but it apparently did not take place.

Another important issue is the suitability and feasibility of CCT programmes in poorer developing countries where existing infrastructure is less well developed, supply constraints (schools, clinics, etc.) more severe, and budgetary resources more limited (see below). Doubts remain, for example, as to whether the resources necessary to screen the beneficiaries and ensure the necessary conditions would not be better spent on improving social services across the board.[18] On the whole however, the momentum is towards extension of similar programmes beyond Latin America. Their design and implementation would be well served by closer examination of scattered programmes of similar nature that have been and are being tried in Africa, Asia and Central and Eastern Europe (CEE).[19] The documentation of such experiences and their assessment from a child labour perspective constitutes another research gap that needs to be addressed.

4.4 Supply-side constraints

Supply-side constraints are obviously more binding in poorer countries and regions within them and they do raise serious issues in regard to the relevance and feasibility of such interventions in, say, the least developed countries of Africa.

In recognition of this constraint, some CCT programmes already incorporate significant components aimed at improving the availability and quality of relevant facilities and services. For example, in Nicaragua, teachers receive a small bonus per participating child; in Mexico extra resources for health services are provided to accommodate the rise in demand due to the conditionalities; and in Colombia and Honduras grants are provided directly to schools and municipalities to improve their services (Lindert, 2005, p. 26). Nicaragua's *RPS* uses government-contracted private health-care providers, a delivery mechanism that can be effective in some areas where public services may not be available.

There is further the issue of the synchronization of CCTs to education. Given that the goal of the approach is to improve human capital development, is the education system in a position to absorb the increased enrolment at all levels? More specifically, how ready are different countries to meet the special needs of child labourers as a vulnerable group? CCTs clearly cannot succeed if the inadequacies of the education system – physical facilities, teachers, quality of teaching – are not addressed. Providing youngsters with low quality education will not help sustain the short term gains acquired from participation in the programmes. Could this be one of the factors accounting for the observed lack of effect of CCTs on the employment patterns of children 16 years and up? A promising research area would be to look at the linkages between the CCTs, the education systems and youth employment patterns in selected countries.

Serious as the supply constraint may be, it is important to bear in mind that, even in the poorest of developing countries, the demand constraint still poses a problem (Lavinas, 2003).[20] Both supply and demand need to be addressed in some optimal combination. Indeed, stimulating the

---

[18] This is the issue of targeting versus universalism; see Mkandawire (2005). See also Coady et al. (2004).

[19] It should be pointed out that some of the CCT programmes in Latin America are being implemented in relatively poor countries, such as Honduras and Nicaragua, albeit mostly on a pilot basis. Similar examples may be found in other poor countries elsewhere (Bangladesh and Zambia among others).

[20] This was shown most dramatically in 2005 when the newly-elected president of Burundi fulfilled his election pledge and removed primary school fees. As a result, enrolment of new children at primary school more than doubled, from the expected 226,000 to over 500,000 (BBC, 19 September 2005). Such an influx overwhelms any education system and Burundi's was no exception. But the point to emphasise is that many parents were unable to take advantage of what openings there may have been before because of inability to pay the fees of 1,500 Burundi francs (US$1.5) a year.

demand may well be the most effective way of highlighting the shortfall in the supply of public services and provoking a response.

4.5 Budget constraints

Budgetary constraints in poorer countries immediately spring to mind as a serious obstacle to the initiation and expansion of CCT programmes. More generally, the larger notion of social protection has often been regarded as unaffordable for low-income countries. This view however is being increasingly challenged. Some recent ILO simulations applied to several low-income sub-Saharan African countries show that "basic social protection programmes are feasible and have a marked effect on the reduction of poverty, … even though some international assistance would be necessary for a transitory period" (Pal et al., 2005, p. ix; see also Kakwani et al., 2005).

4.6 Pilot projects

Beyond the need for learning from additional research, there is also a need to promote learning from practical experiences and a strong case may be made for launching pilot programmes based on the CCT approach, or ones incorporating such an approach in a broader set of interventions that could include microfinance, measures to alleviate supply constraints, etc. Such pilot programmes need to be introduced in different environments, preferably as collaborative efforts of various partners. An example would be for employment-intensive investment component to construct schools, for the CCT component to support the most destitute families, and for a microfinance component to assist those able to take advantage of business opportunities.

5. Where do we go from here?

5.1 Proposed research agenda

On the basis of the foregoing review of issues several areas may be identified where further research could shed light on the potential role of conditional cash transfers in fighting child labour. This section proposes a tentative research agenda that, while far from being comprehensive, goes beyond what the ILO alone can or should do. Indeed, an important task ahead is to promote the mainstreaming of child labour concerns in CCT research that is already being carried out on an extensive scale, for example at the World Bank. Furthermore, it is hoped that the discussions within the ILO will lead to the emergence of priorities for policy research that could be carried out through collaboration among interested units and with other organisations.

Broadly speaking, further research may be envisaged in four main areas:

5.1.1 Taking stock of current literature and experience

Building up the knowledge base on the CCT programmes and their relevance for child labour requires an initial attempt to take stock of the available literature and experience and to document cases which are particularly relevant. There is a need to keep abreast of the rapidly growing CCT literature and to synthesise the main findings and the lessons they hold for the extension to the child labour area.

5.1.2 Assessment of impact on child labour

Conceptually, one needs to understand the channels through which CCTs affect child labour and how the beneficial impacts may be strengthened. Empirically, it needs to be recognised that

among the CCT programmes in place, there are few that are specifically concerned with child labour, or assessed in respect to their impact on it. This lacuna may be remedied through:

- launching new research activities aimed at assessing this impact;
- encouraging researchers and institutions involved in evaluating existing programmes to incorporate a child labour component in their studies (the Understanding Children's Work (UCW) project could play a significant role here through its World Bank links); and / or
- trying to gauge the likely implications for child labour indirectly through assessment of impact on related outcomes such as poverty, school attendance and performance, employment, etc.

This line of research may be extended in due course to unconditional and non-cash transfers, of which there are many examples.

5.1.3 Replicability

Most CCT programmes have been operating in Latin America, a region where child labour is less extensive than in Africa or Asia. It is also where resource problems and supply constraints (availability of educational facilities, clinics, etc.) are somewhat less severe. But our interest in the CCT experience is rooted in its possible relevance for other developing regions, i.e. the potential for its replicability. A couple of studies already exist that have considered this issue, though not from the child labour angle (ILO and UNCTAD, 2001; Kakwani et al., 2005) but more thorough analyses are required. There is a need in particular to identify, document and examine the on-going experiences in Africa and Asia that, while not necessarily examples of a CCT approach as such, involve similar attempts that offer lessons in relation to replicability. South Africa offers great potential with its varied programmes and wide coverage of the population but is perhaps not the ideal case as an African example. Other efforts are being tried though, as in the case of a CCT programme in a Zambian district – providing a cash benefit of US$ 13.71 (PPP) per month to the 10 per cent most destitute households – that is intended to be expanded to reach 10 per cent of the country's population (GTZ, 2005).

5.1.4 Pilot projects

Policy research is intended to guide action and ILO should seek to facilitate the implementation of CCT projects in member States that request its assistance (as several already have). Initially this could take the form of small-scale pilot projects, examples of which were suggested in the ILO-UNCTAD MISA study. Pilot projects will also help the ILO develop its capacity to provide appropriate assistance and advice on request, notably through its TBP support projects.

5.2 ILO/IPEC initiatives

In recent months IPEC has initiated various activities on a modest scale to build a foundation for more intensive work in line with the research agenda proposed above. Among those underway or under consideration are the following:

1. Taking stock of current literature and experience

- Annotated bibliographies: An annotated bibliography of the English-language literature on conditional cash transfers has been prepared (Schapper, 2006). Similar bibliographies are also available of the literature in Spanish and Portuguese. These will be updated regularly.

- Analytical reviews of existing schemes in Bulgaria (Kabakchieva, 2006) and Romania (Briciu and Popescu, 2006).
- Thematic studies (for example, combining CCTs with microfinance in parallel or in sequence).
- Technical consultation on conditional cash transfers and child labour envisaged for 2007.

2. Assessment of impact on child labour

- Brazil: Participation in the evaluation of *PETI*; Tracer study of young participants of the *PETI* programme.
- Colombia: Evaluation of the child labour impact of *Familias en Acción.*
- Mexico: Study on the child labour impact of *Oportunidades.*
- South Africa: Study on the impact of Child Support and Old Age Grants on child labour and schooling (Budlender and Woolard, 2006).
- Guidelines on the use of the CCT approach in child labour reduction.

3 & 4. Replicability and pilot projects

- Costa Rica and El Salvador: Technical assistance in targeting and enforcement of conditionality to ensure reduction of child labour in Costa Rica's *Avancemos* and El Salvador's *Red Solidaria* programmes.
- Indonesia: Technical assistance in the design (especially targeting) and implementation of a pilot CCT programme with the reduction of child labour as an objective. The pilot would cover six provinces with a budget of about half a billion US dollars. The pilot in 2007 may lead to a full-scale programme subsequently.
- Possible collaboration with the ILO's Social Finance Programme in considering combination of microfinance interventions with CCTs, where the most destitute could initially receive transfers with the aim of reducing their vulnerability and eventually graduating into the microfinance programme.
- Discussion on possible collaboration with ILO's Employment Intensive Investment Programme (EIIP) in cases where the supply of services in CCT programmes depends on improvements in infrastructure.

In addition, several activities related to CCTs are underway at the Understanding Children's Work (UCW) project in which IPEC participates along with UNICEF and the World Bank.

Relevant outputs of the above are or will be made available through the IPEC public website.

6. Concluding remarks

The struggle against child labour has been characterised in the main by two approaches: (i) direct intervention to withdraw, rehabilitate and reintegrate child labourers, and (ii) indirect intervention through policy action at the macro level, with mainstreaming efforts aiming to enhance the role of policy measures in the reduction of child labour. The CCT approach falls in between as an instrument or a policy response that may be specifically geared towards the reduction of child labour, but which shies away from getting directly involved with the control of the process of prevention, withdrawal, rehabilitation, and reintegration. The transition to less direct approaches is indispensable if the worst forms of child labour are to be effectively ended in a decade, as called for in the recent *Global Report on Child Labour* (ILO, 2006b). The CCT approach may be a powerful tool in the service of this objective.

References

Agüero, Jorge M.; Michael R. Carter; Ingrid Woolard. 2005. "From flows to stocks: The impact of unconditional cash transfers on human capital". Preliminary draft. 1 November.

Attanasio, Orazio; Erich Battistin; Emla Fitzsimons; Alice Mesnard; Marcos Vera-Hernández. 2005. "How effective are conditional cash transfers? Evidence from Colombia". Briefing Note No. 54. London: Institute for Fiscal Studies (IFS).

Attanasio, Orazio; Emla Fitzsimons; Ana Gomez; Diana Lopez; Costas Meghir; Alice Mesnard. 2006. "Child education and work choices in the presence of a conditional cash transfer programme in rural Colombia". London: Institute for Fiscal Studies (IFS).

Ayala Consulting. 2003. "Conditional cash transfer programs (CCTs): Operational experiences". Final report prepared for the World Bank. Quito, Ecuador.

Ayala Consulting. 2006. "Country program profiles". Background document for the Third International Conference on Conditional Cash Transfers, 26-30 June 2006, Istanbul, Turkey.

Baland, Jean-Marie ; James A. Robinson. 2000. "Is child labour inefficient", in *Journal of Political Economy*, 108.4, pp. 663-79.

BBC. 19 September 2005. "Burundians flock to free schools", <http://news.bbc.co.uk/2/hi/africa/4260092.stm>.

Becker, Gary S. 1999. "'Bribe' third world parents to keep their kids in school", in *Business Week*, 22 November, Issue 3656, p. 15.

Briciu, Cosmin; Raluca Popescu. 2006. "Conditional cash transfers and child labour in Romania". Bucharest and Geneva: ILO/IPEC. Mimeographed.

Budlender, Debbie; Ingrid Woolard. 2006. "The impact of the South African Child Support and Old Age Grants on children's schooling and work". Pretoria and Geneva: ILO/IPEC. Mimeographed.

Cardoso, Eliana; A.P. Souza. 2004. "The impact of cash transfers on child labor and school attendance in Brazil". Working Paper No. 04-W07. Nashville: Vanderbilt University, Department of Economics. April.

Coady, David; Margaret Grosh; John Hoddinott. 2004. *Targeting of Transfers in Developing Countries: Review of Lessons and Experience*. Washington DC: World Bank and the International Food Policy Research Institute (IFPRI).

Das, Jishnu; Quy-Toan Do; Berk Özler. 2005. "Reassessing conditional cash transfer programs", in *World Bank Research Observer*, 20.1, pp. 57-80.

de Janvry, Alain; Frederico Finan; Elisabeth Sadoulet; Renos Vakis. 2006. "Can conditional cash transfer programs serve as safety nets in keeping children at school and from working when exposed to shocks?", in *Journal of Development Economics*, 79.2, pp. 349-73.

Duryea, Suzanne; Andrew Morrison. 2004. "The effect of conditional transfers on school performance and child labor: Evidence from an ex-post impact evaluation in Costa Rica". Research Department Working Paper No. 505. Washington DC: Inter-American Development Bank. February.

Edmonds, Eric V. 2005. "Does child labor decline with improving economic status", in *Journal of Human Resources*, 40.1 (Winter), pp. 77-99.

Edmonds, Eric V. 2006. "Child labor and schooling responses to anticipated income in South Africa", in *Journal of Development Economics*, 81.2, pp. 386-414.

GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit). 2005. "Social cash transfer in development cooperation. Kalomo District, Zambia." Division 4300 – Health, Education and Social Protection, Sector Project: Elaboration and Introduction of Social Health Insurance Systems in Developing Countries. Eschborn, Germany.

Gunnarsson, Victoria; Peter F. Orazem; Guilherme Sedlacek. 2005. "Changing patterns of child labor around the world since 1950: The roles of income growth, parental literacy and agriculture". Social Protection Discussion Paper Series No. 0510. Washington DC: World Bank. May.

Hanlon, Joseph. 2004. "Is it possible to just give money to the poor?", in *Development and Change*, 35.2, pp. 375-83. Oxford and Malden: Institute of Social Studies.

ILO. 2000. *World Labour Report 2000: Income Security and Social Protection in a Changing World*. Geneva.

ILO. 2006a. *Decent Work in the Americas: An Agenda for the Hemisphere, 2006-2015*. Report of the Director-General to the ILO's XVI American Regional Meeting. Geneva.

ILO. 2006b. *The End of Child Labour: Within Reach*. Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, Report I(B), International Labour Conference, 95th Session, 2006. Geneva.

ILO/IPEC. 2003. *Time-Bound Programme: Manual for Action Planning (TBP/MAP)*. Geneva.

ILO/IPEC. 2004. *Investing in Every Child: An Economic Study of the Costs and Benefits of Eliminating Child Labour*. Geneva.

ILO; UNCTAD. 2001. *The Minimum Income for School Attendance (MISA) Initiative: Achieving international development goals in African least developed countries*. Report of the Advisory Group on the desirability and feasibility of extending minimum income schemes conditional on school attendance to African least developed countries. Geneva. May.

Kabakchieva, Petya. 2006. "Conditional cash transfers and child labour in Bulgaria". Bucharest and Geneva: ILO/IPEC. Mimeographed.

Kakwani, Nanak; Fábio Veras Soares; Hyun H. Son. 2005. *Conditional Cash Transfers in African Countries*. Working Paper No. 9. Brazil: International Poverty Centre (IPC), United Nations Development Programme (UNDP). November.

Lavinas, Lena. 2003. "Encouraging school attendance in Mozambique by granting a minimum income to parents", in *International Social Security Review*, 56.3-4, pp. 139-155.

Lindert, Kathy. 2005. "Reducing poverty and inequality in Latin America: The promise of conditional cash transfers". Guest Lecture at the American University, Paris. 5 April.

Mkandawire, Thandika. 2005. *Targeting and universalism in poverty reduction*. Programme Paper No. 23. Geneva: United Nations Research Institute for Social Development (UNRISD).

Morley, Samuel A.; D. Coady. 2003. *From Social Assistance to Social Development: Targeted Education Subsidies in Developing Countries*. Washington DC: International Food Policy Research Institute (IFPRI).

Olinto, Pedro. 2004. "The impact of LAC CCT programs on schooling and health". Presentation at the Second International Workshop on Conditional Cash Transfer (CCT) Programs, 26-29 April 2004, São Paulo, Brazil.

Pal, Karuna; Christina Behrendt; Florian Léger; Michael Cichon; Krzysztof Hagemejer. 2005. *Can Low Income Countries Afford Basic Social Protection? First Results of a Modelling Exercise*. Issues in Social Protection Discussion Paper No. 13. Geneva: ILO. June.

Pianto, Donald M.; Sergei Soares. 2004. "Use of survey design for the evaluation of social programs: The PNAD and PETI". Universidade Federal de Pernambuco (UFPE) and World Bank. 15 July.

Raju, Dhushyanth. 2006. "The effects of conditional cash transfer programs on child work: A critical review and analysis of the evidence". 15 May. Washington DC: World Bank. Mimeographed.

Ravallion, Martin; Quentin Wodon. 2000. "Does child labour displace schooling? Evidence on behavioural responses to an enrollment subsidy", in *Economic Journal*, 110.462, March, pp. C158-75.

Rawlings, Laura B. 2005. "A new approach to social assistance: Latin America's experience with conditional cash transfer programmes", in *International Social Security Review*, 58.2-3, pp. 133-61.

Rawlings, Laura B.; Gloria M. Rubio. 2005. "Evaluating the impact of conditional cash transfer programs", in *World Bank Research Observer*, 20.1, pp. 29-55.

Sadoulet, Elisabeth; Frederico Finan; Alain de Janvry; Renos Vakis. 2004. *Can conditional cash transfer programs improve social risk management? Lessons for education and child labor outcomes.* Social Protection Discussion Paper No. 0420. Washington DC: World Bank.

Schady, Norbert; Maria Caridad Araujo. 2006. "Cash transfers, conditions, school enrolment, and child labor: Evidence from a randomized experiment in Ecuador". Policy Research Working Paper 3930, Impact Evaluation Series No. 3. June. Washington DC: World Bank.

Schapper, Andrea. 2006. "Conditional cash transfers: An annotated bibliography". Geneva: ILO/IPEC. Mimeographed.

Schubert, Bernd; Rachel Slater. 2006. "Social cash transfers in low-income African countries: Conditional or unconditional?", in *Development Policy Review*, 24.5, pp. 571-78.

Sedlacek, Guilherme. 2002. "Programa de Asignación Familiar (PRAF) – Honduras". Presentation at World Bank Institute course on Protecting the Vulnerable: The Design and Implementation of Effective Safety Nets, 2-13 December 2002. Washington DC: World Bank.

Sedlacek, Guilherme; Nadeem Ilahi; Emily Gustafsson-Wright. 2000. "Targeted conditional transfer programs in Latin America: An early survey." Washington DC: World Bank.

Skoufias, Emmanuel. 2005. *PROGRESA and Its Impacts on the Welfare of Rural Households in Mexico.* Research Report 139. Washington DC: International Food Policy Research Institute (IFPRI).

Tabor, Steven R. 2002a. *Assisting the Poor with Cash: Design and Implementation of Social Transfer Programs.* Social Protection Discussion Paper Series No. 0223. Washington DC: World Bank. September.

Tabor, Steven R. 2002b. "Cash transfers". Presentation at World Bank Institute course on Protecting the Vulnerable: The Design and Implementation of Effective Safety Nets, 2-13 December 2002. Washington DC: World Bank.

Turkey, Republic of, Prime Ministry, General Directorate of Social Assistance and Solidarity, Social Risk Mitigation Project. 2006. *Conditional Cash Transfers in Turkey: Interim Report 2003-2006*. Ankara.

UNICEF/UNESCO Institute for Statistics. 2005. *Children Out of School: Measuring Exclusion from Primary Education.* Montreal: UNESCO Institute for Statistics.

Weiner, Myron. 1991. *The Child and the State in India: Child Labor and Education Policy in Comparative Perspective*. Princeton: Princeton University Press.

Yap, Yoon-Tien; Guilherme Sedlacek; Peter F. Orazem. 2002. "Limiting child labor through behavior-based income transfers: An experimental evaluation of the PETI program in rural Brazil". 18 June. Washington DC.

Table 1. Listing of selected CCT programmes

Among the oldest and best known CCT programmes in Latin America and the Caribbean are:

- Brazil: *Bolsa Escola* [School Scholarship], now *Bolsa Familia*. Start date: 2001. *Bolsa Familia* covered some 9 million beneficiary families in April 2006 (81 per cent of target population and 19.5 per cent of Brazilian population), with a budget of US$ 3.1 billion (0.33 per cent of GDP and 1.41 per cent of government expenditures in 2005). See Ayala Consulting (2006).
- Brazil: *Programa de Erradicaçao do Trabalho Infantil (PETI)* [Programme for the Eradication of Child Labour]). Start date: 1996.
- Mexico: *Programa de Educación, Salud y Alimentación (Progresa)* [Education, Health and Nutrition Programme], now renamed *Programa de Desarrollo Humano Oportunidades (Oportunidades)* [Opportunities Human Development Programme]. Start date: 1997. *Oportunidades* covered some 5 million families in January 2005 (some 19 million people or 18 per cent of country's population), with a budget of US$ 3.2 billion (0.4 per cent of GDP). See Ayala Consulting (2006).

Similar programmes that have been instituted in recent years include

- Argentina: *Jefes de Hogar* [Household Heads]. Start date: 2002.
- Chile: *Chile Solidario* (includes elderly as well with conditionality being regular medical check-ups). Start date: 2003.
- Colombia: *Familias en Acción* [Families in Action]. Start date: 2000.
- Costa Rica: *Superémonos*. Start date: 2000.
- Dominican Republic: *Solidaridad* [Solidarity]. Start date: 2005.
- Ecuador: *Bono de Desarrollo Humano (BDH)* [Human Development Subsidy]. Start date: 2003.
- El Salvador: *Red Solidaria* (comprises parallel expansion of social services to meet the new demand in targeted areas). Start date: 2005.
- Honduras: *Programa de Asignación Familiar (PRAF II)* [Family Allowance Programme].
- Jamaica: *Programme for Advancement through Health and Education (PATH)*. Start date: 2001.
- Nicaragua: *Red de Protección Social (RPS*) [Social Protection Network]. Start date: 2000.
- Peru: *Juntos*, a new programme announced by the government.
- Turkey: *Conditional Cash Transfers*. Start date: 2001. The programme covered 2.6 million children as of May 2006 (Turkey, Republic of, Prime Ministry, 2006).

Examples from elsewhere in the world include:

- Bangladesh: *Primary Education Stipend Project (Cash-for-Education)*.
- Mozambique: *Bolsa Escola*.
- South Africa: *Child Support Grant (CSG)*. Start date: 1998.
- South Africa: *State Old Age Pension (OAP)*.
- Zambia: Social cash transfer, Kalomo District (GTZ, 2005).

For a variety of concise information on a large number of CCT programmes around the world, see Ayala Consulting (2006).

Table 2. Characteristics of *PETI* and *Progresa*

	***PETI* (Brazil)**	***Progresa*[21] (Mexico)**
Objectives	Eradicate the worst forms of child labour (i.e. those involving a health risk), while increasing educational attainment and reducing poverty	Improve the educational, health and nutritional status of poor families, particularly children and their mothers
Components		
A. Education	Income transfer After-school programme	• Education grants • Support for school materials • Strengthening the supply and quality of education services
B. Health and nutrition	--	• Cash grant for food consumption • Basic healthcare services package • Nutrition and health education • Improved supply of health services • Nutrition supplements
Target population		
A. Education	Children 7-14	Poor households with children 8-18 enrolled in primary (1st-3rd grades) and secondary (3rd grade and higher) school[22]
B. Health and nutrition	--	Cash grants are targeted to poor households while nutrition supplements are targeted specifically to pregnant and lactating women, children 4-24 months and malnourished children 2-5 years
Conditionality		
A. Education	At least 80 per cent school attendance and participation in the after-school programme *Jornada Ampliada*	School enrolment and minimum attendance rate of 85 per cent, both monthly and annually
B. Health and nutrition	--	Compliance by all household members with the required number of health centre visits and mother's attendance at health and nutrition lectures
Transfer size		
A. Education	Varies across states between R$ 25-39 (US$ 11-17) a child a month[23]	• Primary: varies by grade, US$ 8-17 a child a month plus US$ 11 a year a child for school materials; • Secondary: varies by grade and gender, US$ 25-32 a child a month plus US$ 20 a year a child for school materials
B. Health and nutrition	--	Mex$ 125 (US$ 13) a household a month (1999)[24]
Selection criteria		
A. Geographic	Municipalities with high incidence of child labour involving a health risk	Rural communities with a high marginality index, more than 50 and fewer than 2,500 inhabitants

[21] In March 2002, *Progresa* changed its name to *Oportunidades* and broadened its objectives. The renewed programme aims to create income-generating opportunities for poor households through preferential access to microcredit, housing improvements and adult education.

[22] Since 2001, students up to 20 years old enrolled in high school are also eligible for education grants.

[23] In Bahia and Sergipe, the income transfer is R$ 25 a month for each child. In Pernambuco, the transfer is R$ 50 for 1-2 participating children and R$ 150 for 5 or more children.

[24] The maximum monthly transfer per household is Mex$ 750 (approximately US$ 75).

		and access within a certain distance to primary and secondary schools and healthcare centre (since 2001, urban areas with a high marginality index have been incorporated into the programme)
B. Household level	Eligible households must have an income per capita below one-half the minimum wage (R$ 165 or approximately US$ 65 a month)	Within eligible localities, beneficiary households are identified using discriminant analysis of household income and other characteristics
Evaluation		
A. Evaluation design	Quasi-experimental with single cross-section: participating municipalities were matched with similar municipalities not part of the programme	Experimental with panel data: random assignment of localities into treatment and control group
B. Main indicators	School enrolment Highest grade attained Labour force participation Hours of work Sector of employment	• School enrolment and attendance • Utilization of health care services and health status • Child nutritional status • Household consumption and caloric availability • Poverty incidence • Changes in fertility • Women's status and intra-household relations • Time allocation • Private transfers
C. Data sources	Household survey	• Census of evaluation localities • Household surveys (baseline + 5 follow-up surveys collected approximately every 6 months) • School and clinic surveys • Community questionnaires • Test scores • School and clinic administrative data
D. Sample size	Control: 9 municipalities Treatment: 9 municipalities	Control: 186 localities (4,682 eligible households) Treatment: 320 localities (7,887 eligible households)

Sources: Rawlings (2005), Tables 1-3, for all information, except for the part on evaluation which is from Yap et al. (2002) for *PETI* and Rawlings and Rubio (2005) for *Progresa*.

Table 3. Education and child labour impact of selected CCTs (per cent)

	Mexico		Nicaragua		Honduras		Colombia		Brazil					
									Pernambuco		Sergipe		Bahia	
Impact area:	Cont.	Treat.	Cont.	Treat.	Cont.	Treat.	Cont.	Treat.	Cont.	Treat.	Cont.	Treat.	Cont.	Treat.
Primary enrollment	94	95	75	93	82	85	94	94						
Secondary enrollment	70	78					64	77						
Transition from primary to secondary school	58	67												
Attendance	97	97			94	99								
Grade repeat rate	37	33			18	13								
Dropout rate	13	9	7	2	9	5								
% of 14-year-olds completing primary school after 7 years in programme	82	93	44	73	39	51								
Child labour:														
Both sexes			13.0	6.0	12.0	10.6			17	10	17	4	38	12
Boys	22.4	19.3					7	5						
Girls	8.6	7.4					2	2						

Note: Cont.: Control; Treat.: Treatment
Source: Olinto, 2004, pp. 11-16 and 18 for schooling indicators, and SSN Course, 2005, for child labour indicators. There are some inconsistencies in child labour data between the two sources for the first four countries (*original sources to be checked).

Table 4. Primary school-age children out of school by region, 2001/02

	School age population (thousands)			Percentage of all children of primary school age						Absolute number of children			
				In school			Out of school			Out of school (thousands)			
Country or territory	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	%Female
Central and Eastern Europe / CIS	24'998	12'751	12'247	88.3	89.5	87.1	11.7	10.5	12.9	2'922	1'339	1'583	54.2
Middle East and North Africa	47'116	24'077	23'039	81.3	84.6	77.9	18.7	15.4	22.1	8'797	3'705	5'092	57.9
Eastern and Southern Africa	55'706	27'919	27'787	61.5	62.2	60.9	38.5	37.8	39.1	21'421	10'566	10'855	50.7
West and Central Africa	53'061	26'771	26'289	54.7	58.7	50.7	45.3	41.3	49.3	24'024	11'052	12'972	54.0
South Asia	162'720	84'025	78'694	74.0	77.7	70.1	26.0	22.3	29.9	42'294	18'742	23'552	55.7
East Asia and the Pacific	176'287	91'651	84'636	94.3	94.4	94.2	5.7	5.6	5.8	10'029	5'158	4'870	48.6
Latin America and the Caribbean	58'064	29'565	28'499	94.3	93.9	94.7	5.7	6.1	5.3	3'286	1'789	1'497	45.6
Industrialised countries	70'595	36'247	34'348	96.3	96.0	96.6	3.7	4.0	3.4	2'602	1'433	1'169	44.9
World	648'545	333'006	315'539	82.2	83.8	80.5	17.8	16.2	19.5	115'375	53'784	61'590	53.4

Source: UNICEF/UNESCO Institute for Statistics, Table 1.1, p. 18.