



POLICY NOTE 4

Income supplementation interventions in economically developing countries

WHAT'S THE ROLE OF INCOME SUPPLEMENTATION PROGRAMS IN EARLY CHILDHOOD EDUCATION AND CARE?

Income supplementation interventions provide cash transfers directly to the parents/families of young children, with the objective of improving learning and other outcomes.

Interventions of this type directly address poverty as the origin of many of the challenges to children's learning in economically developing contexts. Such programs seek to affect positively child wellbeing and readiness to learn as well as the home learning environments. These effects can be achieved by using the additional income, for example, to support centre-based childcare or school attendance, to buy more nutritious food or to enable parents to spend more time with their children.

The eight studies of income supplementation programs in Early Childhood Education and Care (ECEC) identified for this review (of a total of 109 studies; see further details under background) include high-quality research on major programs - especially in **Mexico** and **Ecuador** - as well as a smaller-scale study of a **Zambian** program, the latter being limited in terms of the conclusions which can be drawn.

KEY MESSAGES

- ▶ Larger amounts of cash transfer tend to have higher impact.
- ▶ Programs that stipulate conditions for cash transfers (e.g. ECEC attendance) are more effective regardless of whether or not conditions are enforced.
- ▶ Details of exactly how the cash transfers are used to affect children's learning outcomes, e.g. through parents having more time, subsidising childcare and school attendance or buying more nutritious food or more educational resources are still emerging.
- ▶ Further research is required about the populations and circumstances in which cash transfers are likely to be most effective for children's learning outcomes, and the potential for their integration with other, non-cash related, supports.

THE INTERVENTIONS

Oportunidades – Mexico

The program includes a monthly stipend paid to the household (approximately 20–30% of household income) to improve food quality - with a food supplement for infants and underweight children - and an education stipend for school-aged children. Strictly-enforced conditions include child health checks, and health information sessions for mothers.

Bono de Desarrollo Humano (BDH) – Ecuador

BDH provides a monthly cash stipend of \$15 (approximately 6–10% of household income) to low-income mothers. Although conditions such as taking children to health checks and school attendance are specified, no verification of compliance occurs.

Atención a Crisis – Nicaragua

Modelled on the Red de Protección Social program, through this intervention women in beneficiary households receive cash transfers every two months of about 15% of average household per capita expenditure. Conditions for ongoing eligibility include ensuring enrolment and regular school attendance of school-aged children and regular visits to health centres for preschool-aged children. The program includes a social marketing campaign and a vocational skills development component for parents.

Zambia Child Grant Program – Zambia

Any household with a child under the age of five - initially under the age of three - is eligible to receive US \$12 per month irrespective of household size and deemed sufficient to buy one meal a day for everyone in the household. No conditions apply.

What works and why?

Income Supplementation Programs in ECEC are often designed with a set of conditions. Fulfilment of these conditions may be regularly monitored for a household to continue receiving the benefits. Depending on whether or not a program has conditions, it is referred to as a conditional or an unconditional cash transfer program.

The factors influencing the level of impact of this type of intervention include the amount of money, the cognitive abilities of the children at baseline and whether conditions have been imposed and strictly monitored. Some studies also provide details about how the additional income was spent and families' contextual factors that influenced their ability to support children's learning. Also, the way the programs is promoted can influence how it alters parental behaviour.

KEY FACTORS AT WORK

Amount of money

In **Mexico's** Oportunidades program (while evidence has been mixed about the program's long-term effects on learning) an increase in the amount of cash provided was associated with an improvement in learning outcomes (Fernald, Gertler, & Neufeld, 2008, 2009).

Lower cognitive abilities

In Oportunidades lower cognitive abilities at baseline were found to be associated with improvements in cognitive development (Figueroa, 2014).

Conditions

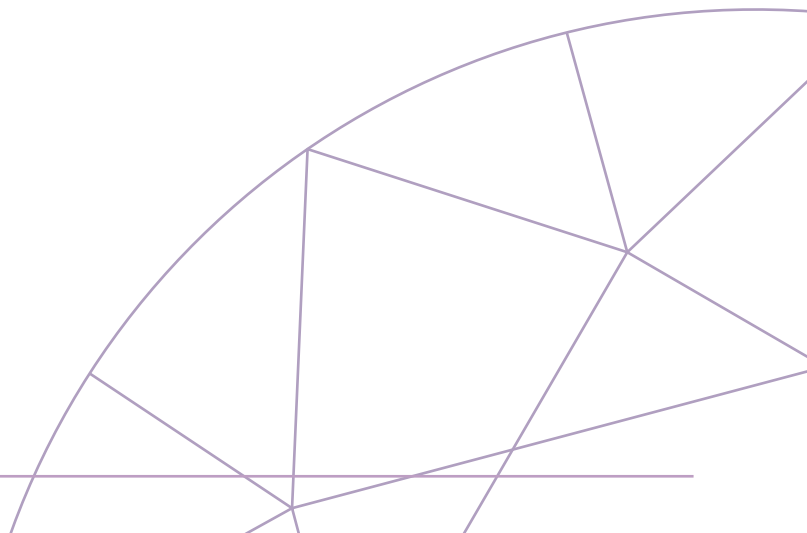
The absence of conditions related to educational support was identified as a reason for Oportunidades' lack of impact on learning (Gertler & Fernald, 2004).

Expenditure of cash transfer

One study on BDH found evidence that transfers were spent in a way that made mothers better off as nearly half the mothers reported that they spent all or most of the transfer amount on food, significantly more than those who reported they spent all or most of the transfer on clothing (11.4%), education (10.7%), or healthcare (7.9%) (Paxson & Schady, 2010). Overall the program improved haemoglobin levels for mothers and children which may indicate that the diets of the family members improved.

Promotion

The BDH in **Ecuador** was not explicitly a conditional cash transfer program but it was advertised as "a social program intended to benefit children". This influenced families to use the program money differently from other sources of income (Paxson & Schady, 2010).



Why implement such programs?

Generally, conditional cash transfers are used to address the low participation of poor families in optional, non-cash-related interventions. In a way, these programs become a mechanism to motivate the uptake of other interventions and supports. Another key reason for implementation is a desire to alleviate the known impact of poverty on child development.

Background

The global commitment to early learning has been expressed in the United Nations (UN) Sustainable Development Goals Agenda (SDG, United Nations, 2016) and access to support for early learning is considered a human right for all children, whether provided by the family, community or institutional programs (UNESCO, 2013). Inadequate cognitive stimulation has been identified as one of the key psychosocial risk factors associated with poor child development – a factor that is modifiable, with the right interventions (Walker et al., 2007). Thus, insights into how early learning supports may be delivered effectively in various contexts are essential.

To this end, a scoping review of ECEC interventions in economically developing countries between 1998 and 2017, aimed at improving children's learning in the years before school, was conducted (Jackson et al., 2019). To gauge their effectiveness and to be included in the review, interventions had to have measured children's learning outcomes which, in line with the SDGs, could comprise cognitive, socio-emotional, language and motor development.

The 109 studies included in the review were grouped into six categories which aligned with a recent meta-analysis of ECEC interventions in low and middle income countries (Rao et al., 2017). The number of studies in each intervention category was as follows:

- ▶ Parent-focused interventions **37 studies**
- ▶ Child-focused education and nurturing care **35 studies**
- ▶ Quality **20 studies**
- ▶ Income supplementation **8 studies**
- ▶ Comparative **5 studies**
- ▶ Integrated interventions **4 studies**

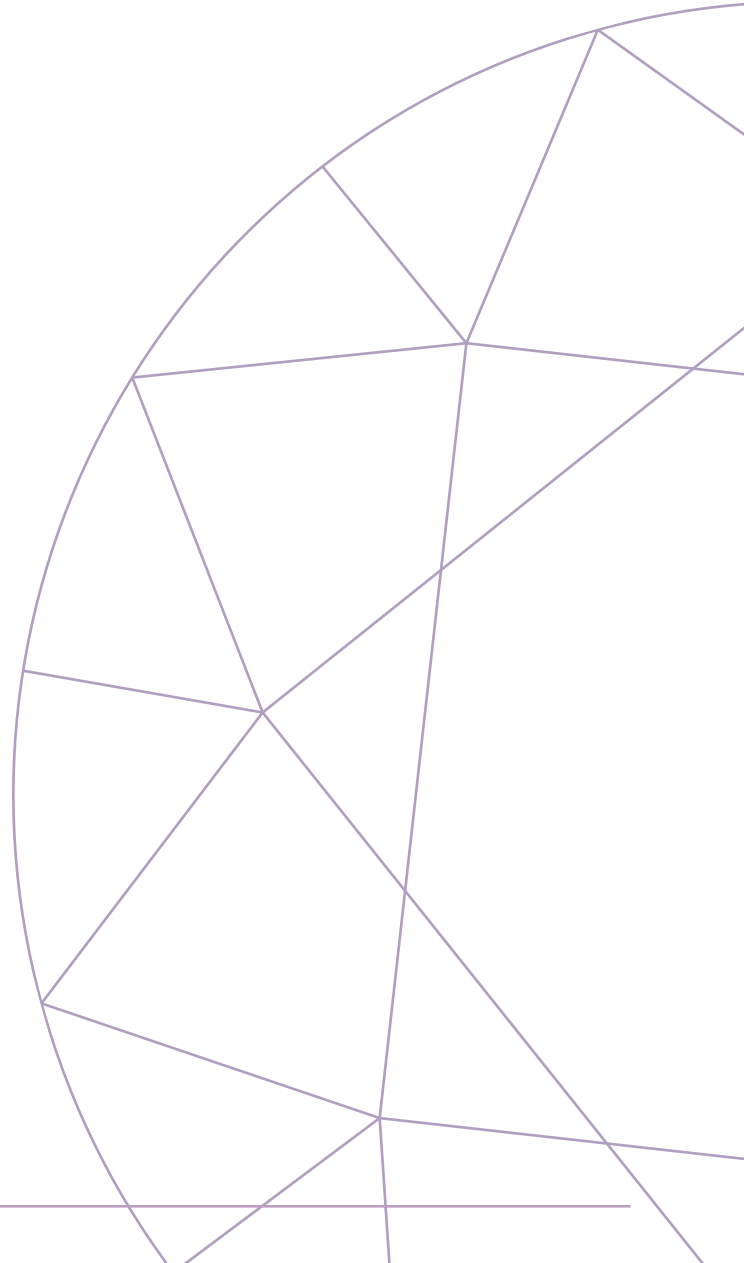
For a summary map of the evidence - using the Firefox browser - visit

<http://egmopenaccess.3ieimpact.org/evidence-maps/improving-young-childrens-learning-economically-developing-countries-scoping-review>

This policy note summarises the findings from the scoping review regarding income supplementation related ECEC interventions to distil their key success factors for policy- and decision makers.

Implications

Income supplementation is an area with a clear need for more research on effectiveness and outcomes. Ideally, this would include comparisons of conditional and unconditional cash transfer programs, investigations into the conditions which make such programs successful and further details regarding exactly how the additional money is used to help children's learning (e.g. parents working less to spend more time with children, subsidising centre-based care, buying educational resources for the home).



Still, the following questions provide guidance regarding key factors when considering the implementation of income supplementation programs to assist ECEC in a particular context.

- ▶ What is the reason for the intervention? Is the ECEC component made explicit as part of the suggested income supplementation program? For how long is the program expected to run?
- ▶ What is an appropriate amount? While, generally, more is better, the amount has to be tailored to local contexts and circumstances keeping in mind any costs related specifically to ECEC.
- ▶ Are income supplementation interventions common in this region? If so, what are the success factors?
- ▶ Interventions differ according to the characteristics of who receives transfers: Should the money be given to the mothers, the fathers or the household? What will be the consequences of this choice? Giving money to mothers, for example, could increase women's bargaining capacity within the household and shift expenditure towards goods that women consider important for the family.
- ▶ Is it beneficial to tie the cash transfers to conditions? Or, is it sufficient to educate parents/carers about using the money for children's development, maybe through promotional campaigns?
- ▶ For conditional programs, should the conditions be imposed only on the households or also on the local community, for example, to create or develop further goods and services to support children's learning? What is the capacity to monitor conditions?
- ▶ Would it be more cost effective to implement income supplementation programs alongside other ECEC interventions, for example, parent-focused ECEC programs?

FURTHER READING

Jackson, J., Ahmed, S. K., Carslake, T., & Lietz, P. (2019). *Improving children's learning in economically developing countries: A scoping review*. Camberwell, Vic.: Australian Council for Educational Research (ACER), Centre for Global Education Monitoring. https://research.acer.edu.au/monitoring_learning/38/

Rao, N., Sun, J., Chen, E. E., & Ip, P. (2017). Effectiveness of early childhood interventions in promoting cognitive development in developing countries: a systematic review and meta-analysis. *Hong Kong Journal of Paediatrics*, 22(1), 14-25.

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