

Institution: University College London
Unit of Assessment: 18 – Economics and Econometrics
Title of case study: Improving the evaluation and efficacy of conditional cash transfers in Latin America
<p>1. Summary of the impact (indicative maximum 100 words)</p> <p>Research conducted at UCL by Professor Orazio Attanasio and his direct engagement with policymakers has been instrumental in the implementation, design and evaluation of conditional cash transfer (CCT) programmes to stimulate the accumulation of human capital in Mexico and Colombia. The research underpinned the design of an innovative pilot, which he also evaluated, in two major cities, Puebla and Ecatepec, with a combined population of around 4 million. In Colombia, an evaluation led by Professor Attanasio led to improvements in and expansions of the CCT programme, with ongoing benefits to 3 million households. The research team also contributed to a child development programme that launched in Peru in March 2013.</p>
<p>2. Underpinning research (indicative maximum 500 words)</p> <p>The Mexican conditional cash transfer (CCT) PROGRESA, launched in 1997, was the first of a new generation of welfare programmes that have since become one of the most popular forms of policy intervention in Latin America and many other developing countries. CCT programmes transfer cash to poor households if they comply with a set of conditions that typically have to do with the accumulation of human capital, for instance sending children to school or bringing them to health centres for growth and development check-ups. The cash transfers are targeted at women.</p> <p>Professor Orazio Attanasio (UCL Professor of Economics since 1995) has conducted extensive research on both the Mexican and the Colombian versions of this programme. This has included analyses of the impacts of CCTs on a variety of outcomes in both countries, from school enrolment and consumption to women’s empowerment (see, for example, [d] and [e] in section 3). In 2001, in collaboration with colleagues at UCL and the Institute for Fiscal Studies (IFS), Attanasio began to evaluate the Colombian version of the CCT programme, Familias en Accion.</p> <p>From 2002 to 2008, Attanasio was part of an academic advisory group assisting the Mexican government with the evaluation and redesign of its CCT programme, PROGRESA, which they planned to expand to urban areas under the new title of Oportunidades (launched 2003). As well as making recommendations about the design of that urban expansion scheme, the group designed and implemented its evaluation. In addition to the general design of that evaluation, Attanasio was specifically responsible for evaluating the effect of the transfer on household consumption and expenditure [d].</p> <p>In [b], first circulated in 2001 and published in 2012 as an influential and heavily cited article, Attanasio, in collaboration with Costas Meghir (Professor at UCL until 2011) and Ana Santiago (a PhD student at UCL) analysed the impact of PROGRESA. They combined the evaluation analysis with the use of a structural model to address the issue of the programme’s optimal design.</p> <p>An important feature of PROGRESA was the inclusion of a rigorous process for evaluating its impacts, based on the allocation of its early implementation to randomly chosen localities. In [a] and [b], Attanasio used data collected from an evaluation survey to assess the programme’s impact. Moreover, they used that data to estimate a behavioural model of education choices, which could be used not only to assess the impact of the programme, but also to predict the effects of <i>different</i> designs on student enrolment. As such, it could be used to revise and refine existing programmes and devise new ones to maximise their beneficial effects.</p> <p>The research found that PROGRESA’s impact was substantial for attendance in high school, but close to zero for primary school, partly because primary school enrolment was already very high. At the same time, however, primary school grants constituted the most expensive component of the programme. Attanasio advised that the programme’s impact could be increased by changing the structure of its grants. More specifically, he recommended reducing (or abolishing) primary school grants to free up resources to increase the amount of secondary school grants.</p> <p>In 2001, with funding from the World Bank and the Inter-American Development Bank (IADB), and</p>

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in collaboration with a Colombian public policy institute and a data collection firm, Attanasio designed and directed an impact evaluation of the Colombian CCT programme, Familias en Acción. Results presented in 2004 and 2006 showed that the programme had impacts on children's nutritional status and secondary school enrolment mainly in rural areas, while the effects in urban centres were more limited. This led to the production of three reports for the Colombian government, the World Bank and the IADB that were widely circulated among policymakers. It also generated several academic papers on the impacts of the CCT programme (on school enrolment [e] and other outcomes), as well as other related programmes. These included a paper on community nurseries written with M. Vera (lecturer at UCL) and V. DiMaro (doctoral student at UCL) [c] which shows that the community nurseries had a positive impact on children from the poorest families.

3. References to the research (indicative maximum of six references)

[a] "Using randomized experiments and structural models for 'scaling up'. Evidence from the PROGRESA evaluation", (with C. Meghir and M. Székely), *Annual World Bank Conference on Development Economics*, 2003, The World Bank, Washington DC. 2003. Available upon request. First presented at the prestigious ABCDE World Bank conference.

[b] "Education choices in Mexico: Using a structural model and a randomized experiment to evaluate PROGRESA" (with C. Meghir and A. Santiago), *The Review of Economic Studies*, January 2012, 79 (1): 37–66. DOI: [10.1093/restud/rdr015](https://doi.org/10.1093/restud/rdr015). Top 5 economics journal; peer-reviewed; paper cited almost 200 times since 2012.

[c] "Community nurseries and the nutritional status of poor children. Evidence from Colombia" (with V. di Maro and M. Vera-Hernandez), *Economic Journal*, September 2013, 123(571): 1025–58. DOI: [10.1111/ecoj.12020](https://doi.org/10.1111/ecoj.12020). High-quality peer-reviewed journal; the working paper version alone was cited over 50 times.

[d] "The demand for food of poor urban Mexican households: Understanding policy impacts using structural models" (with M. Angelucci) *American Economic Journal: Economic Policy*, February 2013, 5(1): 146–78. DOI: [10.1257/pol.5.1.146](https://doi.org/10.1257/pol.5.1.146). Top field journal, peer reviewed.

[e] "Children's education and Work in the Presence of a Conditional Cash Transfer Program in Rural Colombia" (with E. Fitzsimons, A. Gomez, M. I. Rodriguez, C. Meghir and A. Mesnard), *Economic Development and Cultural Change*, January 2010, Vol. 58(2), 181–210. DOI: [10.1086/648188](https://doi.org/10.1086/648188). Top field journal, peer reviewed.

4. Details of the impact (indicative maximum 750 words)

Conditional cash transfer (CCT) programmes have been hailed as highly effective in Mexico and many other countries in Latin America and around the world, where they have been instrumental in reducing poverty and improving social indicators for many poor households. They have also been widely studied by academic researchers, in part because of the availability of rich data collected to evaluate them. Professor Attanasio has been a major contributor to both policy and academic debate about such programmes; as a result, he and his research have played an important role in the development and design of CCTs benefiting millions of people in Latin America.

Examples of the impacts of Attanasio's research on individual CCT programmes in Latin America are described below; the broader significance of his work, however, is suggested by its citation more than 50 times in the 2009 World Bank Policy Research report, *Conditional Cash Transfers: Reducing Present and Future Poverty*. This influential report shaped the World Bank's policy on providing US\$ 2.4 billion in lending to scale up and start CCT operations in 2009 alone [1, 2].

Reshaping Oportunidades (Mexico): PROGRESA, which was renamed Oportunidades in 2003 when it was expanded to urban areas, is one of the most successful cash transfer programmes in Latin America and a key instrument of Mexican social policy. The programme now has over 20 million beneficiaries and is widely seen as an effective method of reducing poverty (especially in rural Mexico), increasing enrolment in secondary school, improving the nutritional status of children and empowering women living in poor households.

Between 2002 and 2008, Attanasio's work as a member of the advisory board supporting the evaluation of Oportunidades by the Government of Mexico (see [a] [b] and [d]) allowed him to

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recommend a set of changes which, he argued, would maximise the benefits of conditional cash transfers. In 2009 the Mexican government followed this advice in its expansion of the programme to the cities of Puebla and Ecatepec. In particular, it drew on Attanasio's research to pilot a revised grant structure abolishing primary school grants and increasing those supporting secondary school attendance [4]. These changes were introduced in Puebla and Ecatepec, each of which has over 2 million inhabitants, many of whom live in poverty. Since the evaluation had revealed relatively small impacts of the existing programme on school enrolment in urban areas, it was particularly salient to redesign the programme in this way before it was rolled out in these cities.

Two versions of the programme, revised to reflect findings and recommendations in [a] and [b], were piloted in Puebla and Ecatepec between 2008 and 2011, alongside a traditional version of the programme. Both of the alternative versions eliminated primary school grants and increased secondary school grants; in one version, however, a further increase in school grants was triggered by academic performance meeting certain minimum standards. New families registered into the CCT in these cities were randomly allocated either to one of these two new versions, or to the traditional version of the programme. In January 2008, Professor Attanasio was invited by the Mexican government and the IADB to advise on the design of this experiment, and to direct its evaluation, which the IADB partly financed; he did so between 2008 and 2010.

In 2008, of the 35,000 households included in the programme in Puebla and Ecatepec, about 9,000 were included in the experiment. Of these, a control group of around 3,000 were assigned to the original programme and 6,000 to the two new versions. The evaluation found that the new grant structure – which added about 15% to the traditional secondary school grant – increased the attendance of girls in Ecatepec (but not Puebla) by about 8%. The results of the study were presented in a report delivered to the IADB and the Mexican government in 2011.

The results of the evaluation prompted a significant change in and benefit to the Mexican government's approach to Oportunidades [3], particularly in terms of enhancing understanding of those modifications to the programme that would improve secondary school attendance without significant extra cost [10]. Research was the main reason behind the Mexican government's decision in subsequent years to reshape school assistance programmes [10]. A change in government at the end of 2011 delayed the implementation of these modifications for political reasons, but by mid-2013 Attanasio's findings were again being studied and considered by the new Oportunidades administration to inform planned changes throughout Mexico. This is demonstrated by the fact that in July 2013 the IADB requested Attanasio's advice on forthcoming changes to the programme. He was invited to meet and advise the new administration on the design and evaluation of all changes to Oportunidades between 2014 and 2018 [5].

Expansion of Familias en Acciones (Colombia): Between 2004 and 2006 Attanasio presented the results of his evaluation of the Colombian CCT programme, Familias en Accion through a series of briefings for policymakers [c, d, e] and officers from the World Bank and IADB. At that time, the Colombian government was thinking of closing down Hogares Comunitarios (HC), a large community nursery programme reaching 1 million children, to finance the possible expansion of Familias en Accion. The evaluation conducted by Attanasio and his team had also considered the impacts of HC [d], finding that it had positive effects on the nutritional status of the poorest young children. Attanasio's research was key in ensuring that, during its expansion phase, the project's design followed evidence-based best practices and included a solid impact evaluation design [10].

In 2005, and again in 2007, the Colombian government drew explicitly on Attanasio's evaluation to inform its expansion of Familias en Accion [6]. These successive expansions made Familias en Accion the country's largest welfare programme throughout the impact census period. In 2008 the programme was piloted in Bogota, where the government experimented with different grant structures, some of which were inspired by the advice given in Attanasio and his co-authors' reports. Although these expansions took place before the start of the impact period, the benefits are both ongoing and substantial for the 3 million households affected by them [6].

In 2009 Professor Attanasio's close engagement with the Familias en Accion programme led to an important collaborative project (funded by the ESRC, the IADB, the World Bank and DfID to a total of about £1 million) piloting an 18-month stimulation and nutrition intervention to foster cognitive development in young children in Colombia. The intervention was tested in 96 small towns, each

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with 5,000–50,000 inhabitants, and targeted children aged 12–24 months. Part of its novelty lay in its delivery by community women who acted as representatives of Familias en Accion. The intervention, which was significantly underpinned by the collaboration with Attanasio, demonstrated a remarkable impact on children’s cognitive and language development. As well as benefiting the children involved in it (who showed cognition and language improvements of about 25% of a standard deviation of the score), the project increased awareness of the importance of child development, and of the pivotal role that mothers and the immediate family could play in promoting that, even when financial resources are limited [7]. The project was awarded a prize for outstanding international impact at the ESRC Celebrating Impact Awards 2013.

This pilot project also made significant **contributions to policy discussion, debate and formulation** both in Colombia and more widely, including through two large events organised by the research team to disseminate its findings among decision-makers around the world. The first, held in Bogota on 26 March 2012 and co-organised with the IADB, was attended by Colombian policymakers, practitioners and researchers who had the opportunity to discuss the lessons learned from the Familias en Accion example [8]. The second was a conference on ‘Early Childhood Development and Human Capital Accumulation’, held in London on 25–26 June 2012. Co-organised with the International Initiative for Impact Evaluation (3IE), this academic conference included a high level of participation by practitioners, donors, and government officials from all over the world, who discussed how this cutting-edge research could be applied to their own national contexts [9]. Professor Attanasio has also presented the project’s results in a number of other forums, e.g. a high-profile conference at the National Academy of Sciences (March 2013) and a webinar for the van Leer foundation (May 2013). Written summaries of the project and its preliminary findings were widely disseminated, generating considerable attention amongst policymakers within and beyond Colombia. This led, for example, in early 2013 to a technical assistance collaboration with the Peruvian Government, facilitated by the IADB. Drawing on their experience and the results of the research conducted in Colombia, the research team has since supported the Peruvian Government in the design of a comparable home visiting programme targeting children 0–3 years old, which is a fundamental component of their wider early childhood development strategy (Cuna Más) [7]. The programme was launched on 24 March 2013, and will eventually reach millions of poor children in Peru.

5. Sources to corroborate the impact (indicative maximum of 10 references)

- [1] Attanasio’s work is cited more than 50 times in the 2009 World Bank Policy Research report “Conditional cash transfers: Reducing present and future poverty”, available at <http://bit.ly/1dzXvNd>. Professor Attanasio is also cited in the report’s acknowledgements (p. xv).
- [2] World Bank funding for CCTs in 2009: <http://bit.ly/1fyruY>.
- [3] Confirmed in a statement provided by the then director of evaluation at Oportunidades (now at the World Bank), and available on request.
- [4] The IADB document about the grant provided to the Mexican government to finance this pilot is available on request.
- [5] A sample email from the Coordinator at Oportunidades soliciting Attanasio’s input is available on request.
- [6] Attanasio’s research is cited and his direction of the evaluation design of the *Familias en Accion* programme acknowledged in the Colombian National Department of Planning report *Impactos de largo plazo del programa Familias en Accion en municipios de menos de 100mil habitantes en los aspectos claves del desarrollo del capital humano* (June 2012): <http://bit.ly/15XYHm2> esp. p. 2.
- [7] Results and impacts of the intervention are described in the end of project report submitted to the ESRC: Fitzsimons et al. “Early Childhood Development: Identifying Successful Interventions and the Mechanisms Behind Them”, available at <http://bit.ly/1bEtH2f>.
- [8] Bogota conference programme: <http://bit.ly/18gCMx4>.
- [9] London conference programme: <http://bit.ly/1dsDXLK>.
- [10] Confirmed in a statement provided by the former task manager for Oportunidades and Familias en Accion of the IADB and available on request.