Assessing Conditional Cash Transfers as a Tool for Reducing the Gap in Educational Outcomes Between Roma and Non-Roma
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REF working paper

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EXECUTIVE SUMMARY

1. Introduction ........................................................................................................... 11
2. CCTs for education in global context ...................................................................... 15
3. CCTs for education in Central and Eastern Europe: case studies ............................ 19
   Case study: Romania ............................................................................................... 21
   Case study: Hungary ............................................................................................... 27
   Case study: Slovakia ............................................................................................... 34
4. Conclusions and recommendations ....................................................................... 41

Annex 1: Statistics from Hungary, Romania and Slovakia ........................................ 49
Annex 2: Projects involving conditional cash transfers supported by the Roma
   Education Fund ........................................................................................................ 53
Annex 3: General considerations for developing and implementing CCTs
   for education ............................................................................................................. 54
Annex 4: Thematic reading list .................................................................................. 56
Bibliography .............................................................................................................. 64
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EXECUTIVE SUMMARY

Purpose of the working paper

This working paper is intended to serve as a resource for governments in Central and Eastern Europe as they consider whether to introduce conditional cash transfers (CCTs) for education as a tool to reduce the gap in educational outcomes between Roma and non-Roma. Since the early 1990s, programmes linking social benefits to school enrolment and/or attendance have been introduced in over 30 countries on five continents. Among the countries which have implemented CCTs for education are three countries in Central and Eastern Europe with sizeable Romani populations: Hungary, Romania and Slovakia. More recently, the Roma Education Fund (REF) has supported scholarship programmes in upper-secondary education in Macedonia, Romania and Serbia which have made receipt of cash benefits depend on attendance and achievement.

While independent external evaluations have been conducted on two of the three relevant REF-funded programmes, to date there has been only one such evaluation of any of the broadly similar government-driven policies in the region. With this in mind, this document aims to assess of the extent to which the CCT programmes implemented by governments in Central and Eastern Europe have contributed to reducing the gap in educational outcomes between Roma and non-Roma.

Approach

Focusing on the Hungarian, Romanian and Slovak experiences in global context, the working paper draws a set of lessons on the potential of CCTs to help close the gap in educational outcomes between Roma and non-Roma in other countries of Central and Eastern Europe. To this end, the document begins with a theoretical overview of the types of policies to be examined. This introductory discussion lays the groundwork for a brief survey of relevant policies implemented outside Central and Eastern Europe, as well as for the case studies on Romania, Hungary and Slovakia (presented in chronological order) which constitute the main empirical foci of the assessment. The working paper’s fourth section synthesizes the findings of the country case studies into more general conclusions, which in turn provide the basis for a set of recommendations aimed at facilitating informed governmental decisions on whether to introduce CCTs, as well as at helping to ensure that conditional cash transfers introduced in future are designed and implemented in such a way as to promote increased access to quality education which leads to improved educational outcomes for Roma. Also included are four annexes
designed to assist policy makers in learning from other countries’ experiences in designing and implementing conditional cash transfers for education.

CCTs for education and their appeal

Understood as the provision of money to poor families which undertake specified verifiable actions, CCTs in general aim to exert an immediate effect on poverty by raising income while at the same time contributing to a longer-term reduction of poverty by improving beneficiaries’ future potential to earn a living, in so doing contributing to a drop in demand for such benefits. Part of the appeal of CCTs for education thus lies in their simultaneous action to address current poverty while improving household educational status and (thus) future earnings potential. Additionally, CCT schemes may be more politically feasible than unconditional transfers of comparable size because they introduce an element of responsibility on the part of service recipients that is arguably lacking in the absence of conditionalities.

Conditional cash transfer programmes for education can be divided into two broad types:

» The first type ("added-benefit CCTs") consists in conditioning targeted social support for education on school enrolment and/or attendance, in rarer cases also making benefits contingent on achievement. CCTs of this kind are designed to promote participation in education through an education-specific benefit.

» The second type of CCT for education ("added-condition CCTs") relies on the threat of removing universal benefits within the existing social safety net (or the entire social safety net) if children do not attend school. This type of CCT makes cash transfers for purposes other than education (or simply untargeted social support) conditional on school attendance.

CCTs for education in global context

Most education-related CCTs implemented to date are added-benefit CCTs, with the implementation of CCTs for education and the analysis of their effects concentrated primarily in Latin America. Generally, education-related CCTs of this type make the transfer of per-student cash grants contingent on school enrolment and attendance of 80-85 percent of school days. The amount of these grants is usually calculated in such a way as to cover not only the direct costs of school attendance (e.g., school fees, supplies, transportation), but also opportunity costs (e.g., income lost by not sending school-age children to work). Expert opinions on individual programmes vary, but the range of variation suggests that education-related CCTs of this type are effective means of increasing school attendance.

The only country outside Central and Eastern Europe to have introduced an added-condition CCT for education is the United States. Although such CCTs have been
implemented in 38 US states since 1988, the two relevant impact evaluations – both on Wisconsin’s Learnfare programme – suggest that CCTs of this type are not effective means of increasing school attendance or graduation rates.

**CCTs for education in Central and Eastern Europe**

As shown in the overview table at the end of this Executive Summary, Hungary, Romania and Slovakia have each adopted a policy making non-education-specific cash transfers conditional on school attendance. No less significant is that two of the three countries (Romania and Hungary) have since abandoned their education-related conditional cash transfers of this type, and that a different pair (Romania and Slovakia) have also adopted conditional cash transfers for education which make targeted social support for education contingent on participation in education.

From the standpoint of Roma’s educational outcomes, the experiences to date of Hungary, Romania and Slovakia with both added-condition and added-benefit conditional cash transfers have been on balance negative:

- Hungary’s first attempt at a CCT for education appears not to have affected attendance rates while contributing to ethnic segregation in education in the form of a disproportionate increase in the number of Romani study-at-home students.
- Hungary’s second CCT is an advance on relevant policies in Central and Eastern Europe because of its attention to the quality of education and to programme results more broadly, but its coverage has been uneven due to practical problems with targeting.
- Romania’s first CCT, which made receipt of a previously unconditional benefit contingent on school attendance, seems both to have discouraged teachers from reporting absences rather than improving attendance and to have reinforced poverty in Romani families with children not attending school.
- Romania’s second CCT risks decreasing the quality of upper-secondary education in rural areas by not attending to issues of supply.
- Neither of the two CCTs for education implemented in Slovakia has contributed to an improvement in attendance among Roma, and the Motivation Allowance introduced in 2004 seems to have promoted a particularly insidious form of segregation by creating a financial incentive for Roma to enrol their children in special education.

**Explaining CCTs’ lack of success in improving Roma’s educational outcomes**

Even in the absence of a body of comparative data from rigorous evaluations, the case studies demonstrate that the CCTs for education implemented to date in Hungary, Romania and Slovakia have not met with the well-documented successes of some of their counterparts from outside Central and Eastern Europe. This apparent aberration seems to be a function
of an important difference between Roma and CCTs’ other potential beneficiaries: Compared with members of the ethnic majority with similar levels of income, Roma living in poverty in the countries of Central and Eastern Europe are more likely to face various forms of discrimination in general, and segregation in particular. As a result of residential and school segregation, issues of supply constitute a greater constraint for Romani families than for impoverished majority families. Thus, in order for CCTs for education, which are usually focused only on demand-side issues, to succeed in reducing the gap in educational outcomes between Roma and non-Roma, a quantitatively and qualitatively adequate supply of education must be secured for Romani beneficiaries.

Recommendations

Presented in order of priority, the recommendations below are a preliminary set of considerations necessary for avoiding the major failures of CCTs implemented to date in Central and Eastern Europe while drawing on and applying more successful experiences with CCTs elsewhere. Given their exclusive focus on improving the educational outcomes of Roma in Central and Eastern Europe, these recommendations may not be applicable to other populations and/or regions.

1. **Prioritize supply-side interventions over CCTs for compulsory education.** Because much of the Romani child and youth population of Central and Eastern Europe currently receives compulsory education in low-quality, segregated schools, enrolment and attendance incentives be considered only once a quantitatively and qualitatively adequate supply of education has been secured.

2. **Focus CCTs for education on upper-secondary education.** The number of Roma attending vocational and university-preparatory schools in the countries of Central and Eastern Europe at present is generally so low that any increase, even in relatively low-quality schools, is valuable. Additionally, because students of upper-secondary school age are also of working age, demand-side constraints are more significant than at lower levels of education. The design of CCTs for upper-secondary education should take into account the recommendations below.

3. **Address supply-side issues.** Although segregation on the basis of ethnicity is not a major risk in upper-secondary education due to the low numbers of Roma in school at this level, attention to supply-side issues means that the schools to be attended by programme beneficiaries must be physically accessible, have infrastructure appropriate for the number of pupils attending the school and provide quality instruction and support for integrating Romani pupils into an ethnically mixed school environment.

4. **Set benefit levels to cover the total costs of school attendance.** Where non-education-specific cash transfers are made contingent on school attendance, the size of the transfers must be sufficient to cover the total costs (i.e., opportunity costs as well as direct costs)
of sending children to school in order to avoid forcing potential beneficiary families to choose between increased poverty as a result of the costs of sending children to school and increased poverty as a result of the benefits lost by not sending children to school.

5. *Avoid added-condition CCTs.* Available evidence from Hungary, Romania, Slovakia and the United States suggests that simply making the receipt of (otherwise unchanged) previously universal benefits contingent on school attendance is not an effective mechanism for increasing attendance or improving educational outcomes among Roma (or others).

6. *Condition payment of benefits primarily on attendance.* Taking into account that a large proportion of the relatively small numbers of Roma who reach upper-secondary education previously attended low-quality primary schools which provided them with inferior preparation for further study, CCT programmes aimed at reducing the gap in educational outcomes between Roma and non-Roma should emphasize attendance (which presupposes enrolment) over achievement.

7. *Avoid per-family benefit ceilings.* Because the magnitude of the effects (positive or negative) of per-family benefit ceilings has not been tested on Romani households, the safest policy option is to set a constant level of benefits for each child in a given recipient household.

8. *Channel payments to mothers.* Taking into account that increasing mothers’ input into spending decisions tends to bring larger investments in children’s education, CCTs for education should make mothers the direct recipients of benefits.

9. *Target benefits on the basis of socioeconomic status.* Bearing in mind the considerable resistance of many Roma and non-Roma in Central and Eastern Europe to government initiatives that target Roma explicitly as well as the high proportion of Roma throughout the region living in conditions of poverty which make regular school attendance economically infeasible, CCT programmes for education should define eligibility in terms of family income or related non-ethnic criteria. Insofar as no CCT programme in Central and Eastern Europe has defined its target population in ethnic terms, targeting is an area of good practice in the region.
### Summary table: CCTs for education in Central and Eastern Europe

<table>
<thead>
<tr>
<th>Country</th>
<th>Year Introduced</th>
<th>Type*</th>
<th>Name</th>
<th>Targeting</th>
<th>Conditionalities</th>
<th>Benefit Ceilings</th>
<th>Supply-Side Issues Addressed</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>1993</td>
<td>2</td>
<td>Children’s Allowance</td>
<td>Universal</td>
<td>Attendance</td>
<td>No</td>
<td>No</td>
<td>Discontinued (2007)</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2003</td>
<td>2</td>
<td>Child Benefits</td>
<td>Universal</td>
<td>Attendance</td>
<td>No</td>
<td>No</td>
<td>In operation</td>
</tr>
<tr>
<td>Romania</td>
<td>2004</td>
<td>1</td>
<td>Money for High School</td>
<td>Socioeconomic status (family)</td>
<td>Attendance</td>
<td>No</td>
<td>No</td>
<td>In operation</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2004</td>
<td>1</td>
<td>Motivation Allowance</td>
<td>Socioeconomic status (family and school population)</td>
<td>Attendance Behaviour (until 2008)</td>
<td>No</td>
<td>No</td>
<td>In operation</td>
</tr>
<tr>
<td>Hungary</td>
<td>2005</td>
<td>1</td>
<td>For the Road</td>
<td>Socioeconomic status (family)</td>
<td>Attendance</td>
<td>No</td>
<td>Yes</td>
<td>In operation</td>
</tr>
</tbody>
</table>

* Types of CCTs for education: 1 = added-benefit CCTs  
2 = added-condition CCTs
1. **Introduction**

1.1 Purpose and structure of the working paper

Since the early 1990s, government programmes linking social benefits to school enrolment and/or attendance have been introduced in over 30 countries on five continents. Among the countries which have implemented such policies are three countries in Central and Eastern Europe with sizeable Romani populations: Hungary, Romania and Slovakia. More recently, the Roma Education Fund (REF) has supported scholarship programmes in upper-secondary education in Macedonia, Romania and Serbia which have made receipt of cash benefits depend on attendance and achievement.¹

While independent external evaluations have been conducted on two of the three relevant REF-funded programmes, to date there have been no evaluations of the impact of the broadly similar government-driven policies in the region. With this in mind, this document aims to assess of the extent to which the programmes implemented by governments in Central and Eastern Europe have contributed to reducing the gap in educational outcomes between Roma and non-Roma. Focusing on the Hungarian, Romanian and Slovak experiences in global context, the assessment draws a set of lessons on the potential of such policies to help close this gap in other countries of Central and Eastern Europe.

This working paper is intended to serve as a resource for governments in Central and Eastern Europe as they consider whether to introduce conditional cash transfers (CCTs) for education with an eye to reducing the gap in educational outcomes between Roma and non-Roma. To this end, the remainder of this section consists in a theoretical overview of the types of policies to be examined. Beginning with brief definitions of the central concepts of cash transfers and conditional cash transfers, the analysis next offers a general and preliminary examination of the appeal of conditional cash transfer programmes for education in terms of their potential to reduce poverty and their political feasibility. This is in turn followed by a distinction between two general types of conditional cash transfer programmes for education which informs the analysis in the working paper’s second section.

¹ For a summary table presenting the conditional cash transfers supported by the Roma Education Fund in Macedonia, Romania, and Serbia, please see Annex 2.
The second and third sections of the working paper examine education-related conditional cash transfers in action. Whereas the second section consists of a brief global survey of relevant policies and their apparent impact on educational outcomes the focus of the third section is on the three countries in Central and Eastern Europe with sizeable Romani populations and which have implemented some form of CCT. The presentation of the case studies proceeds chronologically, with the case study of CCTs for education in Romania followed by case studies on relevant policies in Hungary and Slovakia (in that order).

Drawing on the preceding analysis, the working paper’s fourth section synthesizes the findings of the country case studies into more general conclusions. The conclusions in turn provide the basis for a set of recommendations aimed at facilitating informed governmental decisions on whether to introduce conditional cash transfers, as well as at helping to ensure that conditional cash transfers introduced in future are designed and implemented in such a way as to promote increased access to quality education which leads to improved educational outcomes for Roma. Given their exclusive focus on improving the educational outcomes of Roma in Central and Eastern Europe, it is important to bear in mind that the recommendations in this working paper may not be applicable to other populations and/or regions. The working paper also includes four annexes designed to assist policy makers in Central and Eastern Europe in learning from other countries’ experiences in designing and implementing conditional cash transfers for education.

1.2 Cash transfers and conditional cash transfers

Cash transfers consist in “the provision of assistance in the form of cash to the poor or to those who face a probable risk of falling into poverty in the absence of the transfer” (World Bank 2007b). Existing in various forms, cash transfers may be provided as a matter of course to all members of certain demographic categories. Alternatively, cash transfers may be paid depending on the behaviour of the potential beneficiaries. This second type of cash transfer constitutes the broad focus of this working paper.

At the most general level, conditional cash transfer (CCT) programmes can be understood as “any scheme requiring a specified course of action in order to receive a benefit” (Das, Do, and Özler 2004: 2). The current analysis takes as its point of departure a more narrow understanding of CCTs, as the provision of money to poor families which undertake specified verifiable actions (de la Brière and Rawlings 2006). Irrespective of the form of the benefit, CCTs generally aim to exert an immediate effect on poverty by raising income while at the same time contributing to a longer-term reduction of poverty by improving beneficiaries’ future potential to earn a living, in so doing contributing to a drop in demand for such benefits. As Fábio Veras Soares (2004) observes, whereas the magnitude of CCTs’

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2 For an extensive set of considerations on designing CCTs in general, see Fiszbein and Schady (2009, especially Chapter 6).
short-term effects depends on the level of the benefit and the efficiency of the mechanism to
determine who will receive the benefit, CCTs’ long-term effect depends on the effectiveness
of the conditionalities applied to the benefit.

Within the range of CCTs implemented to date, behaviour related to education, health and
nutrition constitute frequent foci, with education and health the most common combination;
“Their underlying principle is that human capital can be enhanced as a development
vehicle by providing money to families to persuade them to invest in themselves through
greater participation in education and health services” (Hall 2006). When designed and
implemented properly, CCTs’ various components can be complementary: An effective
CCT programme combining nutrition, health and education, for example, could help to
stabilize beneficiary health through improved nutrition and regular medical examinations,
school attendance through better health and ultimately make itself obsolete by improving
earnings on the one hand and awareness about nutrition and preventive healthcare practices
on the other. This working paper, however, focuses exclusively on conditional cash transfers
for education, as these are the most common type, including in Central and Eastern Europe.

1.3 The appeal of CCTs for education

As a general rule, poor households in a given country educate their children below the
national average (Coady and Morley 2003). Moreover, there is considerable evidence
that school enrolment rates within a family – whether poor or not – are a positive function
of the education of the mother (de la Brière and Rawlings 2006; Cigno, Camillo Rosati,
and Tzannatos 2001; Coady and Morley 2003). The appeal of CCTs for education thus
lies in their simultaneous action to address current poverty while improving household
educational status and (thus) future earnings potential. In other words, CCTs for education
offer the possibility of reducing the intergenerational transmission of poverty by encouraging
investment in human capital: “By placing conditions on transfers to poor households
related to human capital accumulation, these programs combine social assistance with
social development” (Coady and Morley 2003: 3).

Beyond their potential to reduce poverty, conditional cash transfer schemes may meet with
a higher degree of social acceptance than would unconditional transfers of comparable size
(Coady and Morley 2003; Fiszbein and Schady 2009). The main reason for this is
that CCTs introduce an element of responsibility on the part of service recipients that
is arguably lacking in the absence of conditionalities. As a result, CCTs may be seen
“as a way of helping the ‘deserving poor’ escape poverty, while also boosting long-term

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3 See Annex 1 for statistical data on the participation of Roma in education in Hungary, Romani-
a, and Slovakia.

4 Although this formulation may look at first glance like a theoretical construct without a clear
equivalent in real-world policy, in fact one of the world’s most recent CCT schemes, Opportu-
nity NYC, focuses explicitly on the “working poor” (Center for Economic Opportunity 2007).
economic growth” (Britto 2006: 16); to the extent that they reduce the opportunity costs of sending children to school, CCTs attach an immediate return to beneficiary families’ long-term investment in education (Machinea, Titelman, and Uthoff 2006). Viewed from the standpoint of the state, CCTs may be useful as a tool of social engineering, bringing desired cultural change through a carefully composed system of incentives (Soares 2004): “By forcing individuals to consume more of a good than they would like, conditional cash transfer schemes serve to reconcile societal preferences with individual choices” (Das, Do, and Özler 2004: 2-3). Alternatively, CCTs may be seen as providing families with an “opportunity to make necessary decisions” (Ayala Consulting 2003: 10).

1.4 Two types of CCTs for education

For the purposes of the current analysis, conditional cash transfer programmes for education can be divided into two broad types. The first type, hereinafter referred to as “added-benefit CCTs”, consists in conditioning targeted social support for education on school enrolment and/or attendance, in rarer cases also making benefits contingent on achievement. In countries where education-related CCTs of this type exist, the education transfer constitutes a discrete module of an overarching social safety net. CCTs of this kind are thus designed to promote participation in education through an education-specific benefit which increases income.

Whereas the first type of conditional cash transfer programme for education aims to provide resources which are necessary or useful for school attendance, the second type of education-related CCT, which we call “added-condition CCTs”, takes a fundamentally different approach. Although this type of CCT also aims to promote school attendance among its recipients, it relies on the threat of removing more general elements of the existing social safety net (or the entire social safety net). In other words, cash transfers for purposes other than education (or simply untargeted social support) are made conditional on school attendance: “Instead of funding new services […], a desired behavior is encouraged by manipulating participation requirements for existing programs” (Ethridge and Percy 1993: 345).
2. CCTs for Education in Global Context

2.1 Added-benefit CCTs: Tentative conclusions from Latin America

Generally, education-related CCTs of the first type presented in the introduction make the transfer of per-student cash grants contingent on school enrolment and attendance of 80-85 percent of school days. The amount of these grants is usually calculated in such a way as to cover not only the direct costs of school attendance (e.g., school fees, supplies, transportation), but also opportunity costs (e.g., income lost by not sending school-age children to work) (de la Brière and Rawlings 2006). Usually, the benefits are paid to mothers, with this arrangement serving to increase mothers’ input into spending decisions and thereby to increase the allocation of resources to children’s education (Fiszbein and Schady 2009).

To date, both the implementation of CCTs for education and the analysis of their effects have been concentrated primarily in Latin America, with Mexico’s CCT programmes yielding the largest volume of experimental evaluation data for analysis as well as the most positive findings (see, for example, Britto 2006; Kakwani, Soares, and Son 2005; Center for Economic Opportunity 2007). While expert opinions on individual programmes vary, the range of variation suggests that education-related CCTs of this type are effective means of increasing school attendance. Some expert analysts have reached the preliminary conclusion that CCTs are more effective than unconditional cash transfers at inducing higher demand for education among the poor (see, for example, de Janvry et al. 2006; Levy and Ohls 2007). For example, a study on CCTs in Colombia, Mexico and Nicaragua (Hall 2006) found that the programmes were more effective in increasing enrolment than

5 Also instructive in this regard is a recent development in New York City, where an added-condition CCT programme (discussed below) had been implemented as part of a statewide policy and subsequently abandoned during the second half of the 1990s. In fall 2007, city government piloted an added-benefit CCT programme with 5000 families from selected areas of Manhattan, Brooklyn, and the Bronx. According to a press release from the Office of the Mayor, “The Opportunity NYC program is based on the model of successful conditional cash transfer program models in operation around the world. To date, Mexico’s conditional cash transfer program has been the most comprehensive and most rigorously evaluated. Best practices from this program have been applied internationally to replicate new and country-specific models to reduce poverty” (NYC.gov 2007; see also Center for Economic Opportunity 2007).
attendance rates, while another study (Levy and Ohls 2007) observed on the basis of data gathered from eleven CCT programmes that such policies’ effects on enrolment and attendance are greatest in countries in which the corresponding rates are low prior to the introduction of the CCT. By way of contrast, at least one study (Machinea, Titelman, and Uthoff 2006) has refused to draw any conclusion in this regard on the grounds that there is not yet enough information to ground assertions concerning CCTs’ effectiveness relative to otherwise similar unconditional transfer programmes.

Conditional cash transfers for education have also been praised for their positive spillover effects. Findings from a study conducted in Ecuador suggest that households not receiving transfers may have increased their expenditures for education in anticipation of future transfers (Schady and Araujo 2006). Stronger evidence comes from Colombia, where increases in attendance among non-beneficiary children with at least one friend receiving the benefit were similar to those observed for beneficiary children (Barrera-Osorio et al. 2008).

Impact assessments to date generally indicate that CCTs are more successful in bringing about increased enrolment and attendance than at improving advancement rates or grades (see, for example, de la Brière and Rawlings 2006; Levy and Ohls 2007; Machinea, Titelman, and Uthoff 2006; Fiszbein and Schady 2009). Comparing CCT programmes in Brazil and Mexico (the two largest such programmes in the world), Soares, Ribas and Osório (2007) observe that while attendance has improved in both countries since the introduction of the respective policies, children benefiting from the CCT in Brazil are more likely to repeat a grade than are non-beneficiary children, whereas in Mexico achievement scores were negatively affected by the CCT even though grade advancement rates improved. Moreover, according to the same study, a decrease in dropout rates had the side-effect of more children falling behind in school, leading the authors to point to the need for policy makers to attend not only to increasing the demand for education, but also to ensuring a qualitatively and quantitatively adequate supply: “Such findings confirm that the programme, as a demand-side intervention, is not able, on its own, to have a positive impact on some education outcomes” (Soares, Ribas, and Osório 2007: 7; see also Fiszbein and Schady 2009).

2.2 Added-condition CCTs: Evidence from the US

Conditional cash transfers making non-education-specific benefits dependent on school attendance have thus far been introduced only in the United States and, as the case studies later in this section illustrate, in Hungary, Romania and Slovakia. Implemented in 38 US states since 1988, “learnfare” policies, as they are often called, most commonly focus on very young parents receiving Temporary Assistance to Needy Families, better known in the US simply as “welfare” (Colasanti 2007). Some learnfare policies, however, such as those implemented in Florida, Maryland, New York and Wisconsin, are aimed at the families of all school-age minors meeting the conditions for receiving public assistance grants.
The first of the (apparently) two published evaluations of the impact on educational outcomes of a learnfare policy not focused exclusively on very young parents was conducted on Wisconsin’s Learnfare programme by the University of Wisconsin-Milwaukee Employment and Training Institute (see Pawasarat, Quinn, and Stetzer 1992). Wisconsin’s Learnfare programme targets (among others) families with dependent teens with poor school attendance, sanctioning two or more unexcused absences in the course of a month following a semester with ten or more unexcused absences by subtracting the public assistance payment for the relevant child from the family’s total public assistance payment (Ethridge and Percy 1993). According to the evaluation report, there was no improvement in attendance of teens subject to the policy, with nearly half of youth in families receiving financial sanctions for poor attendance dropping out of school completely after a year of Learnfare. The report also noted that Learnfare failed to affect graduation rates.

Following conflict over the evaluation’s findings between the University of Wisconsin-Milwaukee Employment and Training Institute and the Wisconsin Department of Health and Social Services, which had commissioned the Institute to conduct the impact evaluation, the latter commissioned a second impact evaluation. Conducted by the Wisconsin Legislative Audit Bureau, the second evaluation produced findings on educational outcomes largely similar to the first impact evaluation (see Frye et al. 1997). Overall, then, what little evidence is available suggests that added-condition CCTs are not effective means of increasing school attendance or graduation rates. Moreover, the paucity of impact evaluation on learnfare policies despite their implementation in some form in most of the US seems to indicate that such policies exist not so much for the purpose of improving educational outcomes while reducing poverty as for rolling back the social safety net as a means of cutting public spending.
3. **CCTs for education in Central and Eastern Europe: Case studies**

To date, there has been only one external evaluation of a government-driven CCT programme in Central and Eastern Europe (in Hungary; see below). The country case studies which comprise this section are therefore intended to provide policymakers in Central and Eastern Europe with some empirical evidence of the effects of existing programmes as they consider introducing CCTs for the purpose of improving educational outcomes among Roma. While there appears to be considerable variation in the extent to which the intended outcomes of the respective CCTs can be ascertained from official documents, the case studies have been included in the working paper in the belief that they provide useful information on the CCTs’ actual effects on Roma’s educational outcomes in Hungary, Romania and Slovakia. Although none of the governmental CCT programmes implemented in Central and Eastern Europe target Roma explicitly, the focus on attendance of all three countries’ added-condition CCTs means that Roma constitute a major target of these policies. Moreover, the three added-benefit CCTs implemented in the region (each country’s second CCT) were aimed at the poorest segments of the respective societies and could therefore be expected to have a considerable impact on Roma.

The chronological ordering of the case studies serves to illustrate the apparent lack of learning from one country to the next, with the Slovak Republic in 2003 launching a policy similar to one abandoned the previous year in neighbouring Hungary. As the case studies explain in some detail, the CCTs for education initially adopted in all three countries are added-condition CCTs. Additionally, only one of the education-related CCTs implemented to date in Central and Eastern Europe has undergone formal evaluation, and the data needed for a rigorous evaluation of the other policies after the fact are not available. As a result, the analyses that follow rely on informed estimates and informal field observations. Finally, it should be noted that the case studies include only CCTs which began implementation before 2008.

With an eye to facilitating comparison among the policies presented in the remainder of this section, the case studies attend to a core set of five general parameters. These programme features are listed and defined briefly below.

1. **Targeting:** The way in which the CCT’s potential beneficiaries are defined (e.g., all families with school-age children, families with school-age children and income below a certain level).
2. *Conditionalities:* The action(s) required of potential beneficiaries in order to receive the cash transfer (e.g., enrolment, attendance, achievement).

3. *Benefit levels:* The amount of the transfer in relation to the direct costs of school attendance (e.g., school fees, supplies, transportation), as well as in relation to opportunity costs (e.g., income forfeited by not sending school-age children to work).

4. *Benefit ceilings:* The number of children per beneficiary family eligible to receive the transfer and/or the maximum transfer per beneficiary family.

5. *Supply-side measures:* Components of a policy that address issues of CCT beneficiaries’ access to a quantitatively and qualitatively adequate supply of education.
Case study: Romania

Overview

Of the three countries in Central and Eastern Europe whose CCT policies receive attention in this study, the first to implement such a policy was Romania. Introducing its first CCT related to education in 1993, Romania later abandoned this policy as unconstitutional in 2007. As explained in some detail below, not only is there little evidence to suggest that Romania’s first attempt at a CCT brought positive change in the educational outcomes of Roma, but the policy seems also to have negatively affected the economic well-being of some segments of the country’s Romani population. A CCT for secondary education introduced in 2004, on the other hand, appears to exhibit potential to exert a positive effect on Roma’s (and others’) educational outcomes, but only to the extent that its current shortcomings are addressed adequately from both demand and supply sides.

Basic demographics

According to the census conducted in Romania in 2002, Roma constitute 2.5 percent of the total population, which numbers 21,698,181 persons. As is the case elsewhere, the census figure is considerably lower than academic and NGO estimates. An academic study from 2002 estimates the number of Roma who identify themselves as belonging to this ethnic group at 962,423 persons, or 4.3 percent of Romania’s total population (Zamfir and Preda 2002). The same research estimates the number of Roma who are identified as such by others at 1,515,626 persons, or 6.7 percent of the general population. Nicolae Gheorghe and Jean-Pierre Liégeois (Liégeois and Gheorghe 1995), on the other hand, give a range for the size of Romania’s Romani population from 1,800,000 to 2,500,000 (8.3-11.5 percent of the total population).

CCT policies related to education

The CCTs introduced in Romania in 1993 and 2004 correspond to the second and first broad types of CCTs (in that order) presented in the introductory section of this study. Romania’s initial attempt at a CCT connected to education introduced conditionality for a form of social support already in existence. By way of contrast, its more recent CCT provides an example of targeted social support for education to the families of children who attend school regularly.

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6 Data provided by the National Institute of Statistics.
Making Children’s Allowance contingent on school attendance (1993-2007)

Previously universal and unconditional for children between the ages of seven and eighteen, the Children’s Allowance was first linked to school attendance through Law 61 of 1993, which states in Article 1.2 that “Children who are enrolled in a form of education recognized by law are entitled to benefit from the children’s school allowance until they reach the age of 18” (Monitorul Oficial 1993).\(^7\) Article 5.1 of the same law stipulates that “Children aged 7 years and over who are not enrolled […] in the system of compulsory education, do not benefit from the payment of the Children’s Allowance, except for those who are not enrolled because of health reasons which are proved by medical certificates.” While Law 61 applies to all children in Romania, regardless of ethnicity, because Roma are disproportionately represented among children never enrolled in school (accounting for 80 percent of this category\(^8\)) and the dropout rates in compulsory education are much higher for Roma than for non-Roma, it can be inferred that Roma constitute the Law’s primary target group.

Despite increasing in absolute terms, the relative size of the Children’s Allowance has decreased steadily as a result of inflation and attendant salary increases. As a result, whereas before 1989 the child allowance was about 10 percent of the average wage, it currently represents less than three percent of an average wage which is substantially lower in comparison with living costs. Thus, in 2007, the Children’s Allowance of 24 RON (approximately EUR 7) constituted around six percent of the minimum wage, and approximately 2.3 percent of the average wage.\(^9\) Even as its relative level has decreased, the Children’s Allowance remains an important source of income for Romani households, accounting for nearly two thirds (63.1 percent) of household income for the poorest ten percent and over a quarter (26.4 percent) for the fifth decile (CASPIS 2002).

Constitutional Court Decision 277 of 21 March 2006 declared Law 61/1993 unconstitutional (Monitorul Oficial 2006). The main argument used to ground the Decision was the fact that Article 49.2 of the Romanian Constitution makes the Children’s Allowance a right of all children irrespective of school attendance, such that granting the Children’s Allowance only to children attending school is a discriminatory measure (Chamber of Deputies 2003). In order to conform to the decision of the Constitutional Court, in 2007 the government adopted Emergency Ordinance 97, which grants the children’s school allowance to all children under the age of 18 without discrimination and regardless of school status (Monitorul Oficial 2007b). Emergency Ordinance 97/2007 took effect on 1 January 2008.

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\(^{7}\) Citations of Law 61/1993 are unofficial translations by Laura Surdu.

\(^{8}\) See Jigau and Surdu (2002).

\(^{9}\) According to the National Institute for Statistics, the minimum wage in January 2007 was 390 RON (approximately EUR 115), with the average wage in September 2007 1040 RON (approximately EUR 303).
Effects of Law 61

In the absence of formal evaluations of the impact of the legislation which made payment of the Children’s Allowance conditional on school attendance, the effects of Law 61 on Roma’s educational status over fourteen years cannot be measured directly. Still, because the Law arguably targeted Romani children, we can arrive at a rough estimate of some of its most relevant effects by examining Roma’s participation in compulsory education during the period in which the Law was in force.

Table 1. Proportion of Roma who drop out or do not enrol in school

<table>
<thead>
<tr>
<th>Age group (years)</th>
<th>Share of total school-age population (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dropped out</td>
</tr>
<tr>
<td>1992</td>
<td>10.1</td>
</tr>
<tr>
<td>1998</td>
<td>8.6</td>
</tr>
<tr>
<td>7–10</td>
<td></td>
</tr>
<tr>
<td>11–14</td>
<td></td>
</tr>
</tbody>
</table>

Source: Surdu (1998)

As shown in the above table, Roma’s participation in compulsory education increased between 1992 and 1998, with the two points of measurement taken from studies realized on comparable samples of Roma. While the data given in the table seem to provide evidence of a positive trend with regard to Roma’s participation in compulsory education in Romania, it should be kept in mind that this apparent trend parallels a better-established one observed within the general population during the same period: Net enrolment rates in primary education increased from 76.9 percent in 1992 to 96.0 percent in 1999.10 This being the case, there is no clear basis for a conclusion that making the Children’s Allowance conditional on school attendance contributed to reducing the gap in educational outcomes between Roma and non-Roma.

An apparent negative effect of making the children’s allowance conditional on school attendance was encouraging hidden dropout.11 When irregular school attendance became punishable by cutting off the Children’s Allowance, teachers concerned to ensure that

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10 Data on net enrolment rates in lower-secondary education for Romania’s general population are not available for this period. Data on net enrolment rates in all forms of secondary education, on the other hand, suggest a more modest increase: from 72.8 percent in 1993 to 75 percent in 1999. See UNESCO Institute for Statistics (2008c; 2008b).

11 Laura Surdu, field observation.
families would continue to receive the Children’s Allowance often did not report absences.\textsuperscript{12} Moreover, in some instances teachers were encouraged not to report hidden dropouts in order to keep their own salaries, which depend in part on the number of children enrolled. As a result, there were cases of children attending school only irregularly, while remaining formally enrolled in low-quality, segregated schools in order that the family receive the Children’s Allowance.\textsuperscript{13}

The addition of conditionality to the Children’s Allowance was problematic also because it imposed additional costs on families without increasing their income. While the conditionality did not affect families already sending their children to school, for families not sending their children to school for lack of funds, the new policy effectively reduced income. Because expenditures for books, school supplies, clothes and shoes could not be covered by the Children’s Allowance, the conditionality arguably could not have been expected to stimulate real and full participation in education.

Viewed in terms of the general programme features discussed earlier in this section, it is perhaps not surprising that Romania’s first CCT programme seems not to have contributed to reducing the gap in educational outcomes between Roma and non-Roma. As discussed above, this is the case because the level of benefits was insufficient to cover the direct costs of sending children to school, as well as because the programme did not include measures aimed at ensuring beneficiaries’ access to quality education. Arguably less problematic from the standpoint of Roma’s educational outcomes was the way in which the programme was targeted, with Law 61’s addition of conditionality to a previously unconditional, universal benefit meaning that the policy’s target population included all children, Romani and non-Romani. Also worth noting are the absence of per-family benefit ceilings and the designation of attendance as the conditionality to be fulfilled for receipt of the benefit.

\textit{Money for High School (2004)}

The policy measure “Money for High School” is a social national scholarship programme introduced for the first time in the 2004-2005 school year. Money for High School was introduced by Government Decision 1488 of 2004 and the subsequent regulations of the

\textsuperscript{12} A rough picture of the problem of low scholastic achievement among Roma five years after the introduction of Romania’s first CCT comes from a 1998 study on the functional literacy of Romani pupils, which showed that some enrolled in compulsory education did not have basic reading and writing skills, despite passing to higher grade levels (Surdu 2003). The same study noted a rate of functional illiteracy of 17.6 percent for Romani pupils enrolled in the fourth grade, 35.7 percent among Romani pupils who dropped out in the fourth grade, and 33.3 percent among Romani pupils who dropped out of school in sixth grade. By way of (approximate) comparison, the literacy rate among persons between the ages of fifteen and 24 in Romania was 99.2 percent in 1992 and 97.8 percent in 2002 (UNESCO Institute for Statistics 2008a).

\textsuperscript{13} Laura Surdu, field observation.
Ministry of Education which establish methodological norms for its application (Monitorul Oficial 2004). The scholarship grant covers upper-secondary education, both high school and vocational education, with family socioeconomic status the criterion for granting the scholarship. More specifically, scholarships are granted to pupils from families in which the gross monthly income per family member was under 150 RON (approximately EUR 42) in the last three months before applying for the scholarship.

The level of the scholarship is established every year at the central level by a commission of the Ministry of Education and Research. From the adoption of the law in 2004 through 2007, the amount of the grant (which is paid during the academic year, but not in the summer holidays) remained fixed at the value of 180 RON (approximately EUR 50). In 2007, this figure corresponded to 43.5 percent of the minimum wage and 16.5 percent of the average wage.

In order to qualify for the scholarship, a pupil must complete an application form and bring the required documents providing evidence of family income. Also eligible to apply for the scholarship are pupils who do not live with relatives but have a guardian or are placed in an institution for child protection and meet the income criterion above. A commission established in each vocational or high school unit reviews the applications for conformity with the eligibility criteria.

Once awarded, payment of the Money for High School scholarship is stopped if any of the following applies to the scholarship recipient:

- More than twenty unjustified absences during the school year.
- A grade for behaviour lower than 7 out of a possible 10.
- Suspension from school for a period of 3-5 days.
- Dropping out or expulsion from school.

Assessing Money for High School

The Money for High School programme constitutes an instance of providing additional, targeted social support for education to the families of children who attend school regularly. Among the positive design aspects of Money for High School are the programme’s focus on upper-secondary education, where the low numbers of Roma enrolled mean that segregation on the basis of ethnicity is not a major risk, and the programme’s potential to stimulate participation while reducing the dropout rate among secondary school students from poor families. Also potentially beneficial is that the grants encourage regular school attendance by stipulating as a condition of receiving the scholarship that recipients have no more than twenty unjustified absences in the school year. Finally, by giving priority to pupils from rural areas studying in other localities, the Money for High School programme targets families in parts of the country known to have a lower rate of participation in secondary education than do city-dwellers.
Notwithstanding the positive design aspects of Money for High School, lacking are data on the basis of which the programme’s effects on Roma’s educational outcomes could be measured. Additionally, the Money for High School programme suffers from some significant shortcomings at the level of design. Perhaps the most important of these is that the programme does not attend to supply-side issues. As a result, it risks increasing the number of students in upper-secondary education without increasing the quality of education delivered by the existing institutions. This risk is particularly relevant in rural areas, where the level of school infrastructure and teacher qualification tends to be lower than in cities. Finally, although the amount of the scholarship is relatively substantial (particularly in comparison with the Children’s Allowance), it is generally sufficient to cover only partial transportation and accommodation costs for pupils attending vocational or high school outside their home locality.  

Comparing the features of Money for High School to the general parameters discussed earlier in this section, we see that this CCT’s current potential to effect positive change in Roma’s educational outcomes is limited by benefit levels too low to cover the costs of school attendance and, more importantly, the absence of provisions to increase the quality of education, particularly in the rural areas which constitute the policy’s main focus. On the other hand, programme features which seem to merit further consideration for reducing the gap in educational outcomes between Roma and non-Roma include targeting of beneficiaries on economic grounds and the attendance conditionality, as well as the absence of per-family benefit ceilings. More difficult to assess is the appropriateness of the behaviour conditionality.

14 For comparative data on participation in education among Roma and non-Roma in Hungary, see Annex 1, Table A2.
Case study: Hungary

Overview

What little evidence is available suggests that Hungary’s first attempt at introducing a CCT policy related to compulsory education was a failure because it appears not have to increased school attendance and likely exacerbated segregation. Moreover, the apparent lack of attention to ensuring the policy’s implementation suggests that it was not taken seriously even by the government that introduced it. Further bolstering this view is that there seems to have been no attempt to link the CCT policy to any other social inclusion policy, with no additional funds or other resources provided to local authorities, child welfare services, schools, or professionals working with families and children affected by the change in policy. By way of contrast, Hungary’s second CCT for education stands out for its attention to supply-side issues as well as for the external programme evaluation conducted in 2007.

Basic demographics

The Hungarian census of 2001 gives a figure of 189,984 Roma, such that Roma account for 1.9 percent of Hungary’s total population. While even the official statistic makes Roma the largest minority in Hungary, credible estimates of the actual number of Roma in Hungary are significantly higher, in a range of 550,000 to 600,000, or 5.8 percent to 6.4 percent of the general population (Roma Education Fund 2007). Whereas this range is generally accepted by both government and non-government actors, the claims of some Romani leaders include figures as high as 800,000, which would make Roma account for 8.5 percent of the population of Hungary.

CCT policies related to education

Following the same general pattern as Romania, Hungary’s first CCT added conditions to an existing benefit, whereas its second CCT introduced an education-specific benefit with conditionalities. As formulated, neither policy was explicitly aimed at Roma. Nonetheless, insofar as the introduction of conditionality under Hungary’s first CCT targeted families in which children did not attend school regularly, we can surmise that the policy was designed with Roma in mind. Similarly, an external evaluation conducted in 2007 on Hungary’s second CCT found that self-identifying Roma account for 48 percent of pupils receiving support through the programme.

15 In 2000, for example, whereas three percent of Romani primary school students were educated at home, the corresponding figure for non-Romani children was 0.4 percent. See Havas, Kemény, and Liskó (2002); cited in Farkas 2007: 10 fn 10).
Hungary introduced its first attempt at a CCT for education in 1998 by replacing the previously universal and unconditional child-raising support payments to families with children aged sixteen and younger, with a scheme to encourage regular school attendance among children and youth up to the age of 24 who were enrolled in some form of formal education on a full-time basis (see Government of the Republic of Hungary 1998, Articles 15-18). By this scheme, promulgated in Act LXXXIV, sanctions were to be imposed following either ten hours of absence from school without parental authorization or 30 hours of absence with parental authorization but justification judged insufficient by school authorities. With the size of the benefit paid out depending on various characteristics of the recipient household (e.g., number of children with and without special needs; number of parents in household), the average amount paid in 2001 was HUF 8,617 (EUR 33), corresponding to approximately 21.5 percent of the minimum wage and 6.7 percent of the average monthly salary. In terms of real value, the benefit decreased throughout the period during which Act LXXXIV was in force, from 45.7 percent of their 1990 value in 1998 to 39.4 percent of that value in 2002 (Hungarian Central Statistical Office 2007). Following the parliamentary elections of 2002, the new government removed the conditionality from Family Support, returning it to its previous universal and unconditional status.

By Act LXXXIV, in cases of non-compliance with the school attendance requirement attached to Family Support payments, the child welfare service was tasked with taking action (usually in the form of counselling) to resolve within the affected families problems preventing children from attending school regularly (Article 15). Were this action to fail to bring about the children’s regular school attendance, the guardianship office was to be tasked in turn with monitoring the family’s use of the financial support by requiring the family in question to account for its expenditures, with the periodicity of reporting to be determined on a case-by-case basis (Article 16). If the guardianship office were to determine that the financial support had been spent improperly, it could then place the child on a protection register and/or appoint a temporary trustee (e.g., the case worker assigned to the family by the child welfare service) to manage the financial support for the child in such a way as to ensure its use for the purpose of the child’s schooling (Articles 17-18).

**Effects of Act LXXXIV**

Research conducted in four counties in Hungary indicated not only that implementation of Act LXXXIV was minimal, but also that the Act’s implementation had no positive effects on school attendance (Herczog 2003). First, at the level of the individual schools, absences were often not reported in time, with warnings issued only after numbers of hours of unexcused absences considerably higher than the thresholds contained in the Act. Thus, for the 12,514 cases reported in the four-county sample where absences were above the permitted limit, only 220 protection orders were issued. Moreover, despite the legal provisions of the 1997 Act on Children for case conferences and interagency cooperation
(see Official Gazette of the Republic of Hungary 1997), case conferences were called in only 1.75 percent of cases, and most were organized for the broad purposes of building local strategies for implementing Act LXXXIV and for developing tools to encourage school attendance. Finally, orders to monitor family expenditures of children’s support payments were issued in only twelve cases (less than one percent of the total number of reported cases of absences above the permitted limit).

Perhaps even more problematic than the extremely limited enforcement of Act LXXXIV was the rise in the number of “study-at-home students” that followed shortly on the law’s adoption (Herczog 2003). By the 1993 Act on Public Education, the compulsory education requirement may be fulfilled as a study-at-home student, with study-at-home student status exempting children from the physical requirement to attend school (Official Gazette of the Republic of Hungary 1993, Section 7.1). In other words, students may receive official permission from education authorities not to attend classes, fulfilling curriculum requirements by taking exams at the end of each semester (Roma Education Fund 2007). While parental consent is required in order for a child to be classified as a study-at-home student and education authorities are legally obligated to notify local authorities and the child welfare service if they suspect that a child will not successfully complete his/her studies as a study-at-home student, in practice this status has been used as a means of excluding Roma from mainstream education institutions (see, for example, Farkas 2007; Havas, Kemény, and Liskó 2002; European Roma Rights Center 2004; Roma Education Fund 2007). In addition to amounting in many cases to individual segregation on ethnic grounds, the use of study-at-home student status as an exclusionary mechanism poses a barrier to the ability of many Romani children to complete education insofar as the level of education of most Romani parents is not sufficient to allow them to provide the needed help and support in meeting academic requirements. This practice effectively deprives many Romani children of positive adult educational role models, as well of the opportunity to learn from their peers.

Problems of measurement

Act LXXXIV did not include provisions for monitoring its implementation or evaluating its outcomes. Moreover, the only research conducted on the Act focused on the preparation of schools as well as local, county and national authorities in the Act’s introductory phase (Herczog 2003). While modest increases in school attendance were observed at the national level between 1999 and 2002 (see UNICEF 2008), the fact that Act LXXXIV’s remedies were rarely applied seems to suggest that the rise in school attendance had some other cause. Given that the Act focused only on attendance, it can be inferred that the Act had little, if any, effect on educational outcomes.

16 Mária Herczog, field observation.
With regard to the effects of Act LXXXIV on Roma in particular, while there is much anecdotal evidence that non-enforcement of requirements to report absences and classification of Romani children as study-at-home students in many cases suited the interests of education institutions in reducing their workload while (in the case of not reporting absences) continuing to receive per-capita financing from the state, comprehensive quantitative data are again lacking. Since the Ministry of Education discontinued data collection by ethnicity during the 1993-1994 academic year, no national-level data on Roma’s school attendance, progression rates and educational outcomes are available. As a result, any assessments of Roma’s academic participation and performance can be based only on informed estimates.

Assessing Act LXXXIV

Even in the absence of hard data on the effects of Hungary’s short-lived attempt to make Family Support conditional on school attendance, it is fairly clear that Act LXXXIV of 1998 did not produce a positive impact on participation in education, let alone on educational outcomes, whether of Roma or of any other group. Implementation of Act LXXXIV was compromised by a set of factors relating to the actors responsible for putting its provisions into practice. Schools, local authorities and child welfare services were offered neither preparation nor resources for implementing the Act. As a result, the introduction of Act LXXXIV often created a conflict of interest within these institutions, which generally viewed the absence of ‘problematic’ Romani and other extremely disadvantaged children as a gain insofar as the presence of these children in school would create additional demands on all responsible organs, as well as on teachers, who had not been provided with tools for motivating additional pupils to pursue and attain favourable educational outcomes. Closely related to this, schools and child welfare services did not generally consider themselves responsible for establishing cooperation with the parents of extremely disadvantaged children, tending to act (or to remain inert) in line with the widespread preconception that Romani families do not value education.

Hungary’s first CCT programme was largely similar to Romania’s first such programme along the five parameters enumerated at the beginning of this section. Like Romania’s Law 61, Hungary’s Act LXXXIV targeted all children by adding conditionality to a universal benefit, not placing a limit on the number of children in a family for whom Family Support could be paid. As was the case in Romania, the conditionality added to the universal benefit was attendance. Also similar to the Romanian case was Hungarian policy makers’ lack of attention to supply-side issues likely to affect the quality of education received by Romani children. In fact, the only of the five dimensions on which the Romanian and Hungarian added-condition CCTs may differ is the level of benefits in relation to the costs of sending children to school: Whereas for Romania we have information that the funds provided were insufficient, for Hungary we simply lack evidence as to whether the relevant costs

17 Ibid.
18 Ibid.
could be covered by Family Support payments. All of this being the case, we cannot easily judge whether Act LXXXIV would have proven effective in reducing the gap in educational outcomes between Roma and non-Roma in Hungary if enforced consistently.

For the Road (2005)

Unlike any of the other government-driven CCTs for education which began implementation in Central and Eastern Europe before 2008, the programme “For the Road” combines scholarship support with mentoring.\(^\text{19}\) Launched in 2005 in accordance with Government Decree 152/2005 and consisting of three sub-programmes designed around different age-groups and educational goals, For the Road targets pupils in grade seven and higher on the basis of family socioeconomic status.\(^\text{20}\) The scholarships provided in the framework of the programme range in size from HUF 3,500 to HUF 4,500 (approximately EUR 13-16) per month, corresponding to approximately 2.1-2.7 percent of the average wage and 5.6-7.2 percent of the minimum wage in Hungary. Mentors participating in the programme receive similar amounts for their work with pupils.

In order to qualify for the scholarship, a pupil’s parent or guardian must furnish documentation of socioeconomic status to support an application form completed by the pupil’s school. Also eligible for the programme are pupils in state institutions and pupils living in foster families. Once accepted into the programme, a pupil must work together with a mentor in preparing an individual development plan, which is then signed by both pupil and mentor and filed with the Ministry of Education. Payments to scholars and mentors participating in the programme are distributed through schools, which receive funds earmarked for this purpose from the Ministry of Education.

Grounds for discontinuation of scholarship payments are any of the following situations:

\[
\begin{align*}
\text{» } & \text{The pupil misses more than 250 hours of classes in the course of the school year.} \\
\text{» } & \text{The pupil’s studies are interrupted for more than 60 days.} \\
\text{» } & \text{The pupil does not work together with the assigned mentor.}
\end{align*}
\]

Mentors, on the other hand, are entitled to an annual increase in the amount of the monthly payments they receive for work with scholarship recipients, unless the performance of the scholarship recipients fails to meet certain standards. Failures which rule out a pay raise include:

\[
\begin{align*}
\text{» } & \text{Termination of studies by the mentored pupil.} \\
\text{» } & \text{Repetition of a year for reason of poor scholastic achievement or insufficient attendance.}
\end{align*}
\]

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\(^\text{19}\) While For the Road is a national, government-driven programme, its design draws heavily on previous smaller-scale initiatives supported from the civic sector and local government.

\(^\text{20}\) The official terminology used in Hungary is ‘multiply disadvantaged’ or simply ‘disadvantaged’.
» Poor scholastic achievement resulting in an obligation to complete an additional examination in order to continue to the next year of study (regardless of results on the exam).
» A decrease in grade point average of more than half a point (on a five-point scale).
» Non-admission to a secondary school of a mentored pupil in grade eight.

Programme evaluation

In addition to distinguishing itself from other CCTs for education in Central and Eastern Europe by providing mentoring in addition to financial support, For the Road stands out among relevant programmes in the region in that it underwent a formal external evaluation. Carried out in 2007, the evaluation included a study of programme databases, a survey on a stratified random sample of 871 grantees and their parents, ten case studies on beneficiary families and their respective school and community environments, and interviews with 30 programme graduates attending higher education. Echoing the findings of evaluations of CCTs for education from Latin America, the evaluation of For the Road found that the programme was more effective in reducing drop-out rates than in improving scholastic achievement. On the other hand, a comparison of For the Road with a state programme offering only scholarship support suggested that the mentoring component had a positive effect on performance, making it useful in compensating for the effects of non-material deprivation (i.e., poorly-educated parents).

Also revealed by the external evaluation was inconsistent programme effectiveness due to inadequate application of targeting criteria. First, the programme is not available in some regions with relatively large Romani populations due to lack of interest on the part of the teachers who would serve as mentors. Second, independent of regional variations, de facto segregated primary and vocational training schools showed little interest in the programme. Third, although the programme was designed with the intention that pupils would select their mentors, the evaluation showed that in practice teachers select the pupils who receive mentoring, with most teachers choosing pupils whom they expect to be relatively easy to mentor rather than those with the greatest objective need for additional support. Moreover, there was apparently no attempt to avoid perverse incentives for teachers to deliver low-quality instruction during school hours in order to secure additional income for themselves as mentors for the same pupils after school hours.

Assessing For the Road

While the external evaluation of For the Road revealed significant shortcomings in the programme from the standpoint of closing the gap in educational outcomes between Roma and non-Roma, the very fact that the evaluation took place suggests an interest in programme results not clearly present for the other five CCTs for education implemented before 2008 in Hungary, Romania and Slovakia. Also both positive and unique relative to
its counterparts in the region is the programme’s attention to supply-side issues through its incorporation of mentoring. Other positive aspects of For the Road recall Romania’s Money for High School programme: Coverage of upper-secondary education largely avoids the risk of ethnic segregation due to the low numbers of Roma enrolled, targeting on the basis of disadvantage offers the possibility of compensating for material deprivation and attendance conditions encourage sustained participation in education. On the other hand, as described in the previous paragraph, For the Road encountered practical problems with targeting. Less clear is whether the cash benefit offered through the programme was set at a level sufficient to cover the costs of school attendance.

Viewed in terms of the general parameters presented at the beginning of this section, For the Road stands out for its attention to the quality of education received by pupils benefiting from the cash transfer, with participation in mentoring a condition for receiving the scholarship. The programme’s attendance conditionality should also be assessed positively, as should the absence of per-family benefit ceilings. While targeting on the basis of socioeconomic status constitutes another favourable design feature from the standpoint of improving the educational outcomes of Roma relative to non-Roma, problems in implementation have lead to uneven coverage in practice.
Case study: Slovakia

**Overview**

The last of the three countries examined here to implement CCT policies was the Slovak Republic, which introduced the first of its two CCT programmes in 2003. An apparent indication of the lack of serious analysis undertaken in the process of designing and implementing the first of Slovakia’s two CCT policies comes from the policy’s similarity to the one abandoned in Hungary the previous year. Whereas a second CCT policy, introduced in 2004 while leaving the previous CCT intact, differs significantly from Slovakia’s first such policy, to date poor targeting and administrative barriers have undermined its potential to exert a positive effect on Roma’s educational outcomes. Also problematic is that the effectiveness of the conditionalities associated with the two CCT programmes may be compromised by inconsistency between them: Whereas the second such programme aims to encourage families to take responsibility for the education of their children, the first passes responsibility away from families and to municipalities through the institution of “special recipient”.

**Basic demographics**

The Slovak census of 2001 indicates the size of Slovakia’s Romani population to be 89,920, or 1.7 per cent of the total population.\(^{21}\) Based on personal declaration, this figure is considerably lower than the 1989 official estimate of 253,943, which was based on ascription. Activist estimates of the size of the Romani population of Slovakia reach 800,000 (Druker 1997), while field studies and statistical projections yield a range of 320,000 to 400,000 (see Jurasková, Kriglerová, and Rybová 2004; Vaňo 2005).

**CCT policies related to education**

Slovakia’s first and second CCTs fall into the second and first broad types of CCTs discussed in the introductory section of this study (respectively). The background for adoption and implementation of CCTs for Romani families from socially disadvantaged environments can be found in the 2003 *Basic Theses of the Concept of the Government of the Slovak Republic’s Policy in the Integration of Romani Communities* (Úrad vlády Slovenskej republiky 2003). Among other measures, the Basic Theses propose financial support for Romani children from socially disadvantaged environments as a means of motivating improved school attendance and achievement.

\(^{21}\) Data provided by the Statistical Office of the Slovak Republic.
Although Roma constitute the explicit focus of the Basic Theses, subsequent policy documents adopted in the context of a broader reform of the social system largely neglect the particular position of the Roma, targeting people in material need without ethnic differentiation (see, for example Ministerstvo práce, sociálnych vecí a rodiny Slovenskej republiky 2003; 2004). Thus, insofar as CCTs are intended for families in material need, they are not directly aimed at Romani families as a specific target group. On the other hand, as a considerable proportion of the long-term unemployed and socially disadvantaged population in Slovakia, Roma are significantly affected by CCTs.\(^{22}\)

**Making Child Benefits dependent on school attendance (2003)**

While all dependent children in Slovakia irrespective of age and parents’ income are eligible for the Child Benefit, disbursement of this benefit has been directly tied to school attendance since 2003 (Zbierka zákonov Slovenskej republiky 2003). More specifically, if a child misses fifteen classes in one month without authorization, the school is required to notify the founder of the school (usually the municipal office), which may then suspend the payment of the Child Benefit to the parents. In this case, the sum of Child Benefit is paid to a “special recipient” (generally the local municipality), which is obliged to use the redirected finances for the benefit of the same child. Since 2004, the level of this benefit has been fixed at SKK 540 (EUR 16), corresponding to approximately seven percent of the minimum wage and 2.9 percent of the average monthly salary (Ministerstvo práce, sociálnych vecí a rodiny Slovenskej republiky 2007).\(^{23}\)

**Effects of adding conditionality to Child Benefits**

Formal monitoring of CCTs in Slovakia is limited to the Report on the Social Situation of the Population, which is released every six months by the Ministry of Labour, Social

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\(^{22}\) The last official data on the duration of unemployment among Roma in Slovakia date from 1999, and indicate that Roma account for 30.4 percent of persons unemployed for more than twelve months, 40.9 percent of persons unemployed for more than 24 months, and 52.3 percent of persons unemployed for more than 48 months (Loran 2002). A more recent household survey commissioned by the United Nations Development Programme found that approximately three quarters (75.9 percent) of unemployed Roma had been registered with the employment office for more than a year, with nearly half (48.8 percent) of unemployed Roma registered for more than three years (Filadelfiová, Gerbery, and Škobla 2007). Although there are no data on the overlap between the categories “socially disadvantaged” and “Romani”, the former is frequently used in Slovak official parlance as a proxy for the latter in the absence of data disaggregated by ethnicity (see, for example, Amnesty International 2008; Roma Education Fund 2009; Úrad vlády Slovenskej republiky 2008).

\(^{23}\) Since October 2006, the minimum wage in Slovakia has been fixed at SKK 7,600, equivalent to approximately EUR 230. The average monthly salary in 2006 was SKK 18,761 (approximately EUR 560) (see Ekonomické a právne informácie 2007; Úrad vlády Slovenskej republiky 2007).
Affairs and Family (see, for example, Ministerstvo práce, sociálnych vecí a rodiny Slovenskej republiky 2007). As demonstrated by the data in the table below, which are taken from one such report, the number of children for whom Child Benefits were paid to a “special recipient” rather than to parents increased from 2005 to 2006. From this, we may conclude that the addition of conditionality to Child Benefits in Slovakia did not bring about a significant improvement in school attendance.²⁴

**Table 2. Suspension of Child Benefits**

<table>
<thead>
<tr>
<th>Year</th>
<th>Decisions suspending payment of Child Benefits to parents</th>
<th>Average monthly number of children for whom Child Benefits are paid to municipality</th>
<th>Total sum paid out to special recipients (in SKK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>45,314</td>
<td>6,839</td>
<td>44,712,220 (EUR 1,334,693)</td>
</tr>
<tr>
<td>2006</td>
<td>47,209</td>
<td>7,185</td>
<td>46,785,600 (EUR 1,396,585)</td>
</tr>
</tbody>
</table>

*Source: Ministry of Labour, Social Affairs and Family (Ministerstvo práce, sociálnych vecí a rodiny Slovenskej republiky 2007)*

At a more general level, the addition of conditionality to Child Benefits in Slovakia is problematic for its lack of attention to supply-side issues likely to affect school attendance. Additionally, where absences occur for objective reasons such as poor clothing, long distance between school and place of residence and/or lack of access to transport, but these reasons are not accepted by the school, the redirection of Child Benefits from parents to municipality (as special recipient) may only increase the frustration of those affected without bringing about improved attendance or removal of the factors contributing to the unexcused absences.²⁵ In this regard, Slovakia’s first CCT seems to be part of...

²⁴ Salner (2005) further records cases of parents not sending their children to school in order that the municipality *qua* special recipient receive their Child Benefits as a means of protecting money against the usurers who operate in many Romani settlements (see, for example, Mušinka 2001; Radičová 2001).

²⁵ While the use of redirected Child Benefits by municipalities to provide children with clothing and/or transport needed for attending school has potential to contribute to improving educational outcomes, the actual contribution of the institution of special recipient in this regard depends on whether the family whose benefits are redirected can still afford food and housing (both of which are arguably necessary conditions for school attendance) in the absence of the cash benefit. Without evidence about whether this is the case or about how municipalities use the redirected benefits, it is not possible to assess the effects of this mechanism.
a broader complex of fundamentally punitive measures aimed largely at the country’s Romani population, including also major reductions in social benefits in 2001 and 2004 without measures to improve employment opportunities for Roma.

As an added-condition CCT programme, Slovakia’s first CCT exhibits important design similarities to the added-condition CCTs introduced and subsequently abolished in Romania and Hungary. In making the payment of previously unconditional Child Benefit dependent on school attendance without imposing per-family benefit ceilings, Slovak policy makers preserved the benefit’s universality in principle, if not also in practice. At the same time, however, Slovakia’s first CCT did not take measures to provide all recipients of Child Benefits with access to quality education, and seems not to have been designed in such a way as to ensure that the costs of schooling could be covered by the benefits.

Motivation Allowances for children from families in material need (2004)

One of the most important instruments aimed at improvement of school attendance and school results of children coming from families in material need, the “Motivation Allowance” is a scholarship for pupils, and depended until 2008 on their school achievement. According to a decree of the Ministry of Labour, Social Affairs and Family, a Motivation Allowance is provided during the school year to children attending school who meet one of the following eligibility criteria:

- Coming from a family that either receives the state material need allowance and Child Benefit or has an income below a threshold set in relevant legislation.
- Attending a school in which at least half of pupils come from families receiving the state material need allowance and Child Benefit (Ministerstvo práce, sociálnych vecí a rodiny Slovenskej republiky 2005b).

In either case, the pupil was required to have had a grade point average better than 2.5 on a five-point scale in the previous school year, or to have improved her/his grade point average by at least half a point relative to the previous school year.¹⁶

Until the relevant legislation was changed in 2008 to reward attendance rather than scholastic achievement, the size of the Motivation Allowance depended on the pupil’s grades: If the child received an average grade of 1.5 or better, she or he received 500 SKK per month (EUR 15); for an average of between 1.5 and 2.5, 300 SKK (EUR 9) per month; and for pupils who raised their grade point average by 0.5 with respect to

¹⁶ A five-point scale is used for grading in primary and secondary schools in Slovakia, with 1 the best grade and 5 the worst.
the previous year, the scholarship was 200 SKK (EUR 6) per month.\textsuperscript{27} The Motivation Allowance could not be provided for a child who did not attend school regularly,\textsuperscript{28} repeated a grade, or received a two-point drop in her/his grade for behaviour in comparison to the previous school year.\textsuperscript{29}

Along with the Motivation Allowance, the Ministry of Social Affairs also introduced subsidies for school meals and school supplies as components of a complex instrument designed to support the attendance and scholastic achievement of children from families in material need. Unlike the Motivation Allowance, these two measures are not directly intended for families and are not conditional insofar as all pupils in material need are potential beneficiaries of the subsidies.

\textit{Assessing Motivation Allowances}

Official treatment of subsidies for school meals and school supplies together with the Motivation Allowance rules out a focused examination of the impact of the latter on the basis of the \textit{Report on the Social Situation of the Population}. Nonetheless, some indication of the effectiveness of the Motivation Allowances can be gleaned from a 2007 study by the Institute for Labour and Family Research, which found that these funds were generally distributed to the families of pupils who had performed well at school even before the Motivation Allowance was introduced (Bodnárová 2007). Also significant is the study’s finding that children with poor attendance and achievement tend to come from families with more children and without habits of learning at home, a category which presumably includes many Romani children. Consistent with this view, a household survey conducted for the United Nations Development Programme in Romani settlements throughout Slovakia found that take-up on Motivation Allowances among families in material need was only 6.2 percent (Filadelfiová, Gerbery, and Škobla 2007). The conclusion that Motivation Allowances have been ineffective is further bolstered by the observation that the number of missed classes has increased since the introduction of the benefits.\textsuperscript{30}

\textsuperscript{27} Stated in terms of the minimum monthly wage, the Motivation Allowances amount to 6.6 percent, 3.9 percent, and 2.6 percent, respectively. The same sums correspond to 2.7 percent, 1.6 percent, and 1.1 percent of the average monthly salary in the Slovak Republic.

\textsuperscript{28} Although there is no numerical definition of regular attendance in the decree which mentions the attendance requirement, in practice schools generally apply the criterion used for the Child Benefit. In this case, Child Benefits are suspended if child has more than 15 unauthorized class absences in one month.

\textsuperscript{29} For the changes to the criteria for granting Motivation Allowance introduced in 2008, see Zbierka zákonov Slovenskej republiky (2008).

\textsuperscript{30} The average number of missed classes in 2004 was 70.6, increasing to 71.6 in 2005 and 81.0 in 2006. The share of unexcused absences in all missed classes has been rising continuously since 2004 as well (Bodnárová 2007).
Further evidence of the ineffectiveness of Motivation Allowances comes from Slovakia’s extensive system of special schools. Since the introduction of this instrument for such schools, not only has the number of missed classes increased, but the transfer of Romani children into special primary schools may also have accelerated (Kriglerová 2006). Because pupils tend to receive better grades in special schools than they would in standard primary schools, attending a special school effectively increases pupils’ chances of fulfilling the conditionalities of the Motivation Allowance, such that the Motivation Allowance provided a perverse incentive for parents to enrol their non-disabled children in special schools (Amnesty International 2008; EU Monitoring and Advocacy Program 2007; Roma Education Fund 2009; Vláda Slovenskej republiky 2008). Moreover, school financing in Slovakia depends on the number of children enrolled, and the directors of some special schools have been observed to use the Motivation Allowances as a “marketing instrument” to persuade Romani parents to enrol their children in such schools (Kriglerová 2008).

In addition to the problems related to their effectiveness in improving the school attendance and achievement of those who receive them, Motivation Allowances may not be accessible to some because of their municipality of residence. As founders of primary schools in most cases, municipalities play a central role in relation to the Motivation Allowance. Although the Motivation Allowance is bound to the material need benefit, which is transferred directly to heads of household, the funds for the Motivation Allowance are not transferred directly to parents, but rely on the initiative of the school and municipality, which must apply for the benefits in order to receive them (Ministerstvo práce, sociálnych vecí a rodiny Slovenskej republiky 2005b). Because school founders have no legal obligation to apply for the funds, a scenario is possible in which otherwise eligible children are deprived of a benefit because the school founders choose not to apply. Such a scenario is presumably more likely in light of the considerable administrative burden arising from the accounting and other procedural requirements associated with the Motivation Allowance, with transaction costs high enough to discourage application for the benefits where the number of eligible pupils is small. Moreover, even assuming that school founders choose to apply for the Motivation Allowance, the mechanism for subsequent redistribution of the benefits from schools to parents is not described in any legal document, making the Motivation Allowance vulnerable to manipulation.

Looking at the Motivation Allowance in terms of the five general programme features discussed above, we can identify an important difference between this programme and the other CCTs discussed in the country case studies: Whereas all the programmes examined make receipt of benefits conditional on attendance and one other programme (Romania’s Money for High School) includes a behaviour conditionality, Slovakia’s Motivation Allowance

31 While individual parents are not eligible to apply for the Motivation Allowance, the legal possibility exists for parents with children in a given school to form a civic association and then apply for the funds. As a result of the complexity of the procedures surrounding applying for and administering the funds, however, applicants are usually municipalities.
Allowance is the only programme to make benefits depend on scholastic achievement. As discussed above, the achievement conditionality is inimical to reducing the gap in educational outcomes between Roma and non-Roma insofar as it encourages the enrolment of non-disabled children in special schools, graduates of which have extremely limited options for continuing their education. The programme's other features are more familiar: targeting on the basis of economic need (with coverage extended to all children attending schools in which at least half of pupils come from families in economic need), low benefit levels (the lowest relative to minimum and average wage of the three CCT programmes currently being implemented in Central and Eastern Europe), no limits on the number of children per family for whom benefits can be issued and no attention to supply-side issues.
4. Conclusions and Recommendations

4.1 Review of the country case studies

The summary table on the next page illustrates in terms of the five general parameters discussed in the previous section the range of variation among the governmental conditional cash transfer programmes for education implemented to date in (and described in detail in the case studies on) Hungary, Romania and Slovakia. As the table shows, there are significant differences among the policies in general and even within a given type, with the size of benefits ranging from less than three percent to nearly half of the state-mandated minimum wage (and from approximately one percent to seventeen percent of the national average). Another dimension along which the relevant programmes differ from one another is the incorporation of behaviour and achievement conditionalities in addition to the attendance conditionality common to all. The programmes differ also in the ways in which they define their target populations, but the most relevant variations in this area seem to be a function of programme type: Whereas the three added-benefit CCT programmes target on the basis of socioeconomic status, the three added-condition CCTs are in principle available to all families with school-age children.

Notwithstanding differences among governmental CCTs in Central and Eastern Europe, the various programmes also have much in common. Here, the absence of per-family limits on the number of programme beneficiaries should be viewed in a positive light from the standpoint of reducing the gap in educational outcomes between Roma and non-Roma. On the other hand, the potential effects on Roma’s educational outcomes of this and any other positive programme features are diminished by the lack of measures in all but one of the CCT programmes to ensure that beneficiaries have access to a quantitatively and qualitatively adequate supply of education. Moreover, despite the wide range of variation among programmes in the size of the cash transfers, it is not clear that any CCT has set benefits at a level sufficient to cover the direct costs of school attendance, let alone opportunity costs.
Table 3. Governmental conditional cash transfer programmes for education in Central and Eastern Europe

<table>
<thead>
<tr>
<th>Years in Force</th>
<th>Country</th>
<th>Type*</th>
<th>Name</th>
<th>Targeting</th>
<th>Conditionalities</th>
<th>Size of benefit relative to:</th>
<th>Benefit ceilings</th>
<th>Supply-side issues addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993-2007</td>
<td>Romania</td>
<td>2</td>
<td>Children’s Allowance</td>
<td>Universal</td>
<td>Attendance</td>
<td>6%</td>
<td>2.3%</td>
<td>No</td>
</tr>
<tr>
<td>1998-2002</td>
<td>Hungary</td>
<td>2</td>
<td>Family Support</td>
<td>Universal</td>
<td>Attendance</td>
<td>21.5%</td>
<td>6.7%</td>
<td>No</td>
</tr>
<tr>
<td>2003-present</td>
<td>Slovakia</td>
<td>2</td>
<td>Child Benefits</td>
<td>Universal</td>
<td>Attendance</td>
<td>7%</td>
<td>2.9%</td>
<td>No</td>
</tr>
<tr>
<td>2004-present</td>
<td>Romania</td>
<td>1</td>
<td>Money for High School</td>
<td>Socioeconomic status (family)</td>
<td>Attendance Behaviour</td>
<td>43.5%</td>
<td>16.5%</td>
<td>No</td>
</tr>
<tr>
<td>2004-present</td>
<td>Slovakia</td>
<td>1</td>
<td>Motivation Allowance</td>
<td>Socioeconomic status: Family School population</td>
<td>Attendance Behaviour Achievement (until 2008)</td>
<td>2.6%-6.6%</td>
<td>1.1%-2.7%</td>
<td>No</td>
</tr>
<tr>
<td>2005-present</td>
<td>Hungary</td>
<td>1</td>
<td>For the Road</td>
<td>Socioeconomic status (family)</td>
<td>Attendance Participation in mentoring</td>
<td>5.6%-7.2%</td>
<td>2.1%-2.7%</td>
<td>No</td>
</tr>
</tbody>
</table>

* Types of CCTs for education: 1 = added-benefit CCTs, 2 = added-condition CCTs
Source: Country case studies
The information in Table 3 also suggests the presence of developmental trends in relation to the design and implementation of governmental CCTs for education in Central and Eastern Europe. Perhaps most striking is that all three of the countries examined have adopted a policy making non-education-specific cash transfers conditional on school attendance. No less significant, however, is that two of the three countries examined (Romania and Hungary) have since abandoned their added-condition CCTs, and that all three countries have also adopted added-benefit CCTs for education.

While a shift away from added-condition CCTs may be regarded as a positive development, the similarly apparent movement toward added-benefit CCTs should not be evaluated (or emulated) uncritically. Whatever the constructive potential of conditional cash transfers which condition targeted social support on school attendance, from the standpoint of Roma’s educational outcomes, the experiences to date of Hungary, Romania and Slovakia with conditional cash transfers of both added-condition and added-benefit CCTs have been on balance negative. Whereas Romania’s first CCT, which made receipt of a previously unconditional benefit contingent on school attendance, seems both to have encouraged a formalistic approach to participation in education and to have reinforced poverty in Romani families with children not attending school, its second CCT risks decreasing the quality of upper-secondary education in rural areas by not attending to issues of supply. Hungary’s first attempt at a CCT for education, on the other hand, appears to have encouraged a formalistic approach to participation in education while contributing to segregation in education in the form of a disproportionate increase in the number of Romani study-at-home students. The second CCT for education implemented in Hungary stands out among policies of its type in Central and Eastern Europe for its attention to the quality of education and to programme results more broadly, but suffers nonetheless from its uneven coverage resulting from practical problems with targeting. Finally, neither of the two CCTs for education implemented in Slovakia has contributed to an improvement in attendance among Roma, and the Motivation Allowance introduced in 2004 seems to have promoted a particularly insidious form of segregation by creating a financial incentive for Roma to enrol their children in special education.

### 4.2 Explaining the anomaly

Even in the absence of a body of comparative data from rigorous evaluations, the case studies in the previous section of this working paper demonstrate that the governmental CCTs for education implemented to date in Hungary, Romania and Slovakia have not met with the well-documented successes of some of their counterparts from outside Central and Eastern Europe. In light of the two aspects of the appeal of CCTs for education treated in the introduction, this is perhaps an unexpected finding: Low levels of educational attainment among Roma throughout Central and Eastern Europe seem to point to a need for incentives to encourage Romani families to invest in education, while the social and political climate in many countries of the region would appear more conducive to conditional cash transfers than to otherwise similar unconditional benefits.
Making sense of this apparent aberration requires that we take into account an important difference between Roma and CCTs’ other potential beneficiaries.

Compared with members of the ethnic majority with similar levels of income, Roma living in poverty in the countries of Central and Eastern Europe are more likely to face various forms of discrimination in general, and segregation in particular. As a result of residential and school segregation, issues of supply constitute a greater constraint for Romani families than for impoverished majority families. Thus, in order for CCTs for education, which are usually focused only on demand-side issues, to succeed in reducing the gap in educational outcomes between Roma and non-Roma, a quantitatively and qualitatively adequate supply of education must be secured for Romani beneficiaries. The implications of this need are treated in more detail in the recommendations presented in the remainder of this section.

4.3 Recommendations

Presented in ascending order of priority, the recommendations below have been formulated to aid policy makers in Central and Eastern Europe in making informed decisions about whether and how to introduce conditional cash transfers for education with an eye to closing the gap in educational outcomes between Roma and non-Roma. Based on the analysis in the preceding sections of this document, the recommendations extend the previous discussion of general programme features while taking into account the specific experiences of Hungary, Romania and Slovakia as countries with sizeable Romani populations which have implemented CCTs for education. Notwithstanding their incorporation of criticism of policies implemented to date, these recommendations are not intended as a condemnation of CCTs for education in general, but rather as an attempt to focus attention on the design features most useful for realizing CCTs’ potential to contribute to the improvement of Roma’s educational outcomes. By the same token, given their exclusive focus on improving the educational outcomes of Roma in Central and Eastern Europe, the recommendations may not be applicable to other populations and/or regions.

32 A set of more general considerations for developing and implementing CCTs for education is given in Annex 3.
1. Prioritize supply-side interventions over CCTs for compulsory education. When supply-side issues are neglected, CCTs may do more harm than good by bringing about deterioration in service quality as a result of increased demand for services in the absence of accompanying measures designed to ensure that the supply of services is adequate to meet the increased demand: “Without greater attention to the provision of quality services, CCT program conditionalities run the risk of mandating the poor’s use of low-quality services, tying them to ineffective service providers and undermining the potential impact of CCT programs on long-term welfare impacts” (Rawlings 2004: 11-12; see also Fiszbein and Schady 2009). This potential liability of CCTs is particularly relevant given that much of the Romani child and youth population of Central and Eastern Europe currently attends low-quality, segregated schools. Further contributing to the relevance of this risk are the absence of schools located in proximity to some areas inhabited by Roma on the one hand, and the refusal of some school authorities to enrol Roma on the other.

The case studies in the preceding section of this document suggest that CCT programmes have in fact contributed to reinforcing and increasing segregation in education in at least two of the three countries in Central and Eastern Europe which have implemented CCTs for education to date. Whereas in Hungary making Family Support conditional on school attendance was followed by an increase in the number of Romani study-at-home students, Slovakia’s Motivation Allowance provided an incentive for the segregation of Roma into special schools. Although the effects of Romania’s first CCT on segregation in education are less clear, the risk of CCTs promoting segregation throughout the region in the absence of prior attention to supply-side issues is such that the most pressing issue in primary and lower-secondary education for Roma is to ensure that they have legal and physical access to appropriately equipped, ethnically mixed schools which provide quality instruction and support to all pupils, as well as extra teaching support to Romani pupils integrating for the first time into an ethnically mixed school environment. Only once a quantitatively and qualitatively adequate supply of education exists should enrolment and attendance incentives be considered, and these must be designed and implemented in such a way as to promote both a uniform quality of instruction and ethnically mixed schools, classes and classroom settings.

2. Focus CCTs for education on upper-secondary education. The number of Roma attending vocational and university-preparatory schools in the countries of Central and Eastern Europe at present is generally so low that any increase, even in relatively low-quality schools, is valuable. Additionally, because students of upper-secondary school age are also of working age, demand-side constraints are more significant than at lower levels of education. Moreover, REF’s experience in supporting CCTs for Roma in upper-secondary education in Macedonia, Romania and Serbia suggests that such incentives have considerable potential to exert an immediate positive effect on the number of Roma attending vocational and university-preparatory schools, thus contributing to reducing the gap in educational outcomes between Roma and non-
Roma. The design of CCTs for upper-secondary education should take into account the recommendations below.

3. **Address supply-side issues.** Whereas Hungarian and Slovak experiences illustrate the risk of supporting segregation through CCTs covering primary education, the discussions of Romania’s Money for High School programme and Hungary’s For the Road programme demonstrate that CCTs’ impact on educational outcomes depends in large part on the availability of a sufficient supply of quality services at this level as well. Although segregation on the basis of ethnicity is not a major risk due to the low numbers of Roma in school at this level, attention to supply-side issues means that the schools to be attended by programme beneficiaries must:

» Be physically accessible, with transportation and accommodation provided as necessary.
» Have infrastructure appropriate for the number of pupils attending the school.
» Provide quality instruction and support for integrating Romani pupils into an ethnically mixed school environment.

4. **Set benefit levels to cover the total costs of school attendance.** Where non-education-specific cash transfers are made contingent on school attendance, the size of the transfers must be sufficient to cover the total costs (i.e., opportunity costs as well as direct costs) of sending children to school in order to avoid forcing potential beneficiary families to choose between increased poverty as a result of the costs of sending children to school and increased poverty as a result of the benefits lost by not sending children to school. Otherwise, the placement of enrolment conditionalities on Child Benefits may reinforce exclusion rather than encouraging school attendance and discouraging dropout among the extremely disadvantaged (Hodges et al. 2007).

5. **Avoid added-condition CCTs.** As discussed in the previous section of this document, experiences not only from Hungary, Romania and Slovakia, but also from the United States suggest that simply making the receipt of (otherwise unchanged) previously universal benefits contingent on school attendance is not an effective mechanism for increasing attendance or improving educational outcomes among Roma (or others). To the extent that such benefits are to be made conditional, it is crucial that the level of the benefits be set in such a way as to cover the total costs of school attendance.

6. **Condition payment of benefits primarily on attendance.** Taking into account that a large proportion of the relatively small numbers of Roma who reach upper-secondary education previously attended low-quality primary schools which provided them with inferior preparation for further study, CCT programmes aimed at reducing the gap in educational outcomes between Roma and non-Roma should emphasize attendance (which presupposes enrolment) over achievement. With an eye to avoiding possible subversion of programme conditionalities, teacher compliance with requirements to
report absences could be verified through occasional on-site inspection of attendance records by social welfare officers or school inspectors. Additional incentives for achievement may also be worth considering, but regular attendance should be sufficient to secure the minimum benefit (which should in any case cover the total costs of attending school).33

7. *Avoid per-family benefit ceilings.* Although the provision of unlimited per-Child Benefits at the same level may create incentives for families to have more children as compliance with programme conditionalities may be lucrative for the household as a whole,34 not only is access to education not an appropriate tool of population policy from a normative standpoint, but placing limits on the number of children in a family eligible to receive a CCT for education is also a risky strategy for closing the gap in educational outcomes between Roma and non-Roma. While evidence from Latin America suggests that the positive effects of CCTs for education may extend to non-recipient families, it also shows that distributing benefits to only some children in a recipient family can result in the reallocation of schooling opportunities within the family in such a way as to reduce the number of children attending school (Barrera-Osorio et al. 2008; Schady and Araujo 2006; see also Chaudhury and Parajule 2006). Insofar as the magnitude of the effects (positive or negative) of per-family benefit ceilings has not been tested on Romani households, the safest policy option is to set a constant level of benefits for each child in a given recipient household.35

8. *Channel payments to mothers.* A substantial body of evidence supports that view that increasing the mother’s input into spending decisions results in larger investments in a family’s children (see Fiszbein and Schady 2009: 59). The design of CCTs for education should take this into account by making mothers the direct recipients of benefits aimed at increasing attendance and/or improving educational outcomes among Roma.

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33 While this same recommendation applies in case CCT programmes are implemented for primary education, the rationale behind it is different. At this level of education, CCTs should serve primarily to encourage parents to send their children to school, where children can receive educational support generally not available from family members. Should achievement incentives be introduced for primary education, given the overrepresentation of Roma in primary schools for children with mental disability throughout the region, it is of crucial importance that such incentives not apply to pupils in special education.

34 According to Ariel Fiszbein and Norbert Schady (2009), evidence from Latin America suggests that CCTs’ effects on fertility have been small.

35 If limits are placed on the number of children in a family eligible to receive a CCT for education, then it is essential that the effects of the benefit ceiling be evaluated rigorously at the household level.
9. *Target benefits on the basis of socioeconomic status.* To date, only one CCT programme in the world has defined its target population in ethnic terms.\(^{36}\) In this regard, targeting is an area of good practice among the three states in Central and Eastern Europe that have implemented CCTs for education to date. Bearing in mind the considerable resistance of many Roma and non-Roma to government initiatives in the region that target Roma explicitly (not only since 1989, but also before) as well as the high proportion of Roma throughout the region living in conditions of poverty which make regular school attendance economically infeasible, CCT programmes for education in Central and Eastern Europe should continue to define eligibility in terms of family income or related non-ethnic criteria.

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\(^{36}\) The programme in question is the Japan Fund for Poverty Reduction in Cambodia (see Fiszbein and Schady 2009).
### Statistics from Hungary, Romania and Slovakia

#### Hungary

**Table A1. Population structure by ethnicity (2001 census)**

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Hungarian</th>
<th>Romani</th>
<th>German</th>
<th>Slovak</th>
<th>Croatian</th>
<th>Romanian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute size</td>
<td>9,416,045</td>
<td>189,984</td>
<td>62,105</td>
<td>17,693</td>
<td>15,597</td>
<td>7,995</td>
</tr>
<tr>
<td>Relative size</td>
<td>92.3%</td>
<td>1.9%</td>
<td>0.6%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

*Source: Hungarian Central Statistical Office*

**Table A2. Participation in education by ethnicity and grade level (1992-1993)**

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Grade level</th>
<th>Year 1</th>
<th>Year 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roma</td>
<td></td>
<td>8,432</td>
<td>12,748</td>
</tr>
<tr>
<td>Non-Roma</td>
<td></td>
<td>4,564</td>
<td>14,827</td>
</tr>
</tbody>
</table>

*Source: Ministry of Culture, cited in Kertesi (2005: 2008)*

*Note: The Hungarian Ministry of Education ceased collection of data on education by ethnicity in the 1993-1994 academic year, and the most recent official estimates concerning Roma in education date from 1999. At present, official data is collected on disadvantaged or multiply disadvantaged families and children, with disadvantage defined in terms of various reasons which do not include ethnicity.*
### Table A3. Population structure by ethnicity (2002 census)

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Romanian</th>
<th>Hungarian</th>
<th>Romani</th>
<th>German</th>
<th>Ukrainian-Ruthenian</th>
<th>Russian-Lipovenian</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Absolute size</strong></td>
<td>19,409,400</td>
<td>1,434,377</td>
<td>535,250</td>
<td>60,088</td>
<td>61,353</td>
<td>36,397</td>
</tr>
<tr>
<td><strong>Relative size</strong></td>
<td>89.5%</td>
<td>6.6%</td>
<td>2.5%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

*Source: National Institute of Statistics*

### Table A4. Educational attainment

<table>
<thead>
<tr>
<th>Level of Educational Attainment</th>
<th>Roma</th>
<th>General Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary or lower or unknown</td>
<td>69.7%</td>
<td>22.9%</td>
</tr>
<tr>
<td>Secondary</td>
<td>29.1%</td>
<td>64.2%</td>
</tr>
<tr>
<td>Higher</td>
<td>1.2%</td>
<td>12.9%</td>
</tr>
</tbody>
</table>

*Sources: National Institute of Statistics; Zamfir & Preda (2002)*

### Table A5. Social benefits and Children’s Allowance as sources of income for the Romani population (1998)

<table>
<thead>
<tr>
<th>Transfer type</th>
<th>Proportion of Total Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1&lt;sup&gt;st&lt;/sup&gt; decile</td>
</tr>
<tr>
<td>Social benefits</td>
<td>63.4%</td>
</tr>
<tr>
<td>Children’s Allowance</td>
<td>63.1%</td>
</tr>
</tbody>
</table>

*Source: CASPIS (2002)*
### Table A6. Applicants and beneficiaries for “Money for High School”

<table>
<thead>
<tr>
<th>Year</th>
<th>Applications</th>
<th>Beneficiaries</th>
<th>Acceptance Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>222,481</td>
<td>87,100</td>
<td>39.1%</td>
</tr>
<tr>
<td>2005</td>
<td>138,847</td>
<td>87,018</td>
<td>62.7%</td>
</tr>
<tr>
<td>2006</td>
<td>104,474</td>
<td>104,474</td>
<td>100%</td>
</tr>
<tr>
<td>2007</td>
<td>140,328</td>
<td>140,328</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source:* Ministry of Education and Research (Ministerul Educației, Cercetării și Tineretului 2007)
SLOVAKIA

Table A7. Population structure by ethnicity (2001 census)

<table>
<thead>
<tr>
<th>ETHNICITY</th>
<th>SLOVAK</th>
<th>HUNGARIAN</th>
<th>ROMANI</th>
<th>CZECH</th>
<th>RUSIN</th>
<th>UKRAINIAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSOLUTE SIZE</td>
<td>4,614,854</td>
<td>520,528</td>
<td>89,920</td>
<td>44,620</td>
<td>24,201</td>
<td>10,814</td>
</tr>
<tr>
<td>RELATIVE SIZE</td>
<td>85.8%</td>
<td>9.7%</td>
<td>1.7%</td>
<td>0.8%</td>
<td>0.4%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Source: Statistical Office of the Slovak Republic

Table A8. Educational attainment (2001 Census)

<table>
<thead>
<tr>
<th>LEVEL OF EDUCATIONAL ATTAINMENT</th>
<th>WOMEN</th>
<th>MEN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ROMA (%)</td>
<td>SLOVAKS (%)</td>
</tr>
<tr>
<td>PRIMARY</td>
<td>79.5</td>
<td>30</td>
</tr>
<tr>
<td>VOCATIONAL</td>
<td>8.2</td>
<td>18.3</td>
</tr>
<tr>
<td>SECONDARY VOCATIONAL</td>
<td>1.4</td>
<td>4.5</td>
</tr>
<tr>
<td>SECONDARY COMPREHENSIVE</td>
<td>1.9</td>
<td>36.4</td>
</tr>
<tr>
<td>HIGHER</td>
<td>0.2</td>
<td>9.2</td>
</tr>
<tr>
<td>WITHOUT SCHOOL EDUCATION</td>
<td>4.3</td>
<td>0.3</td>
</tr>
<tr>
<td>UNKNOWN</td>
<td>4.5</td>
<td>1.3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Statistical Office of the Slovak Republic

Table A9. Education-specific subsidies 2004-2006

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOTAL AMOUNT OF SUBSIDIES</th>
<th>SCHOOL MEALS</th>
<th>SCHOOL AIDS</th>
<th>MOTIVATION ALLOWANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>189.9 mil SKK (EUR 5.64 mil)</td>
<td>77,347</td>
<td>64,976</td>
<td>17,075</td>
</tr>
<tr>
<td>2005</td>
<td>427.3 mil SKK (EUR 12.64 mil)</td>
<td>80,900</td>
<td>73,207</td>
<td>20,058</td>
</tr>
<tr>
<td>2006</td>
<td>543.1 mil SKK (EUR 16.2 mil)</td>
<td>95,615</td>
<td>91,869</td>
<td>31,051</td>
</tr>
</tbody>
</table>

Source: Ministry of Labour, Social Affairs and Family (Ministerstvo práce, sociálnych vecí a rodiny Slovenskej republiky 2005a; 2006; 2007)
## Assessing Conditional Cash Transfers

### Proejcts INVOLVING CONDITIONAL CASH TRANSFERS SUPPORTED BY THE ROMA EDUCATION FUND

<table>
<thead>
<tr>
<th>YEARS IN FORCE</th>
<th>COUNTRY</th>
<th>TYPE*</th>
<th>NAME</th>
<th>TARGETING</th>
<th>CONDITIONALITIES</th>
<th>SIZE OF BENEFIT RELATIVE TO:</th>
<th>BENEFIT CEILINGS</th>
<th>SUPPLY-SIDE ISSUES ADDRESSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-present</td>
<td>Macedonia</td>
<td>1</td>
<td>Alliance for Inclusion of Roma in Education</td>
<td>Ethnicity</td>
<td>Attendance Achievement</td>
<td>22.5% 15.0%</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>2007-present</td>
<td>Romania</td>
<td>1</td>
<td>Support for Romani High School Students</td>
<td>Ethnicity</td>
<td>Attendance Achievement</td>
<td>43.5% 16.5%</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>2007-present</td>
<td>Serbia</td>
<td>1</td>
<td>Inclusion of Romani Students in Secondary Schools in the Autonomous Province of Vojvodina</td>
<td>Ethnicity</td>
<td>Attendance Achievement</td>
<td>27.6% 12.4%</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* Types of CCTs for education: 1 = added-benefit CCTs
2 = added-condition CCTs

Source: REF project documents
GENERAL CONSIDERATIONS FOR DEVELOPING AND IMPLEMENTING CCTs FOR EDUCATION

While not specific to improving the educational outcomes of Roma, the recommendations below take into account factors contributing to the poor performance of conditional cash transfers for education to date in Central and Eastern Europe, as well as more successful experiences with CCTs elsewhere.

1. **Conduct research on the problems to be addressed by policy.** The decision on whether to address problems of school enrolment and/or attendance with a cash transfer (conditional or unconditional) should be grounded in methodologically sound analysis of the factors accounting for the problem to be addressed. If the reasons for low enrolment and/or poor attendance are not financial, then a cash transfer may be of little use in addressing the problem; where the quality of education is low, this may be reflected in low attendance rates, such that an investment in schools may be more efficient than would be CCTs linked to school attendance (see Pauw and Mncube 2007). If finances are in fact at the root of the problem, then the additional considerations below apply.

2. **Analyze costs and benefits of conditionalities.** Placing conditions on benefits is both expensive and administratively complex. For this reason, in countries where universal benefits such as children’s allowances already exist, it may be cheaper as well as simpler to increase the amounts of the existing benefits in such a way as to cover the total costs of school attendance. In this situation, the introduction of conditionalities should be considered only to the extent that an increase in the amount of universal benefits does not bring the desired change in educational outcomes.

3. **Involve policy implementers in programme design.** Including in the design process relevant representatives of the government institutions which will be responsible for implementing the CCT is useful both for anticipating operational problems and for securing the active engagement of the institutions in implementation.

4. **Provide appropriate access to information.** Key to policy success is that stakeholders at all levels – Roma and non-Roma – understand the policy as it affects them. Whereas the necessary information may be provided to relevant government officials in the form of training and/or technical publications, beneficiaries of CCTs should be informed in comprehensible language via both print and broadcast media (the latter being of particular importance for Roma) of their rights and obligations in relation to the benefit.
5. *Start small and expand in phases.* While *ex ante* impact evaluations in the form of simulations cannot provide definitive answers to many of the questions which may arise in the course of CCT implementation, they are a relatively inexpensive way to anticipate some likely problems already at the design stage. Moreover, even once a CCT is ready for real-world implementation, the completion of regional pilots before scaling up to the national level tends to reduce operational problems.

6. *Build in appropriate monitoring and evaluation.* To the extent that CCTs are designed with an eye to improving educational outcomes, it is crucial that information on their implementation be gathered on a regular basis. Monitoring mechanisms should therefore form an integral part of policy, with a manageable number of qualitative and quantitative indicators selected in the design phase and data gathered accordingly throughout implementation. Periodic external evaluations should also be planned. Both monitoring and evaluation activities should generate data disaggregated by ethnicity, gender, region and other features of the policy’s target groups which can be expected to have an influence on policy success.

7. *Connect CCTs for education to other relevant areas.* If they are to be introduced at all, conditional cash transfers for education should be implemented as an integral part of broader social and economic programmes which take into account the complexity of poverty among Roma and others. Whereas the potential for mutual reinforcement among CCTs for education, health and nutrition receives attention in this document’s first section, employment constitutes an additional area to be considered.
The thematic reading list

CCTs in general


CCTs in Hungary


CCTs in Romania


________. 2006. Decizie nr. 277 din 21 martie 2006 referitoare la exceptia de neconstituionalitate a prevederilor art. 1 alin. (2) si art. 5 alin. (1) din Legea nr. 61/1993 privind alocatia de stat pentru copii [Decision no. 277 of 21 March 2006 in reference to the Unconstitutionality of Article 1, Paragraph 2 and Article 5, Paragraph 1 of Law no. 61/1993 on State Allowance for Children]. Monitorul Oficial, no. 277.


CCTs in Slovakia


Case studies on CCTs for education outside Central and Eastern Europe


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Cruz, Carlos, Rodolfo de la Torre, and César Velázquez. 2006. *Informe compilatorio: Evaluación externa de impacto del Programa Oportunidades 2001-2006 [Summary


_______ 2006. Decizie nr. 277 din 21 martie 2006 referitoare la exceptia de neconstituionalitate a prevederilor art. 1 alin. (2) si art. 5 alin. (1) din Legea nr. 61/1993 privind alocatia de stat pentru copii [Decision no. 277 of 21 March 2006 in reference to the Unconstitutionality of Article 1, Paragraph 2 and Article 5, Paragraph 1 of Law no. 61/1993 on State Allowance for Children]. Monitorul Oficial, no. 277.


Research Institute for Quality of Life. 2002. *Indicatori privind comunitatile de romi din Romania* [Indicators concerning Romani Communities in Romania]. Bucharest: Editura Expert.


2003 o prídavku na dieťa a o zmene a doplnení zákona č. 461/2003 Z.z. o sociálnom 
poistení [Law 600/2003 of 6 November 2003 on Child Benefit and on Modification 
and Amendment of Law 461/2003 on Social Insurance]. Bratislava: Zbierka zákonov 
Slovenskej republiky.

533/2003 Z.z. o pomoci v hmotnej núdzi a o zmene a doplnení niektorých zákonov v 
zneni neskorších predpisov a ktorým sa mení a doplňa zákon č. 5/2004 Z.z. o službách 
zamestnanosti a o zmene a doplnení niektorých zákonov v znení neskorších predpisov [Law 
on Social A+ssistance and on the Modification and Amendment of Certain Laws in the 
Wording of Subsequent Regulations]. Bratislava: Zbierka zákonov Slovenskej republiky.

http://www.communitycare.co.uk/Articles/2003/02/27/100154/fare-play.html.
Conditional Cash Transfer (CCT) programmes have recently become fashionable in education policy circles. This is in large part for a good reason: the documented success in several countries in Latin America in improving educational success of disadvantaged populations. The successes there should be relevant to helping improve the educational outcomes of Roma in Europe; after all, Roma are amongst the very poorest people in their countries, their levels of education are dismally low on average and they are significantly under-investing in education for their children given the high returns to education in these countries. The Roma Education Fund therefore initiated the first comprehensive look at programmes in Central and Eastern Europe.

Unfortunately, it appears that the CCT programmes in Hungary, Romania and Slovakia have not been successful at improving the educational outcomes of Roma. This study highlights several reasons why, which make this study important reading for policy makers. In fact, this study highlights one of the central features of the educational experience of Roma; they attend bad schools. So a CCT programme that encourages them to go to bad schools will simply not be effective at encouraging children to attend and stay in school, let alone enabling them to actually learn something. The study therefore makes a number of recommendations for design features which would need to be in place before a CCT programme is introduced where Roma are an important target group.

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Director
Roma Education Fund