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## Focus on Research

# The Unintended Consequences of Conditional Cash Transfers on Learning in Morocco

*Les conséquences inattendues des transferts monétaires conditionnels sur l'apprentissage au Maroc*

Publié le 10 janvier 2024. [Consulter l'article de blog.](#)

Empirical studies of conditional cash transfer (CCT) programs have repeatedly found positive impacts on enrollment but mixed effects on learning. This evidence is puzzling as positive impacts on enrollment point to the potential for clear learning gains, and CCT programs have generally been motivated by the ultimate objective of enhancing human capital and breaking the inter-generational transmission of poverty. Existing explanations for the lack of clear learning gains relate to the short-term nature of most evaluations, which may not provide enough time for the effects to materialize.

In a recent paper ([Gazeaud and Ricard, 2024](#)), we propose and evaluate an alternative explanation for the apparent puzzle of why we see large impacts of CCT programs on enrollment but not on learning. Motivated by reports that “schooling is not learning”, we focus on supply-side factors and suggest that when no accompanying measures are taken to manage the gains in enrollment, the introduction of a CCT program can deteriorate school quality and thus constrain learning for children who enroll in school regardless of the existence of the program.

*Les études empiriques sur les programmes de transferts monétaires conditionnels ont à plusieurs reprises révélé des effets positifs sur la scolarisation, mais des effets contrastés sur l'apprentissage. Ces résultats laissent perplexes, car les effets positifs sur la scolarisation laissent présager des gains d'apprentissage évidents, et les programmes de transferts monétaires conditionnels ont généralement été motivés par l'objectif ultime d'améliorer le capital humain et de rompre la transmission intergénérationnelle de la pauvreté. Les explications existantes concernant l'absence de gains d'apprentissage clairs sont liées au court-termisme de la plupart des évaluations, qui sont peut-être effectuées trop tôt pour que les effets se matérialisent.*

*Dans un article récent ([Gazeaud et Ricard, 2024](#)), nous proposons et évaluons une autre explication à l'énigme apparente de l'impact important des programmes de transferts monétaires sur la scolarisation mais pas sur l'apprentissage. Motivés par les rapports selon lesquels "schooling is not learning", nous nous concentrons sur les facteurs liés à l'offre éducative et suggérons que lorsqu'aucune mesure d'accompagnement n'est prise pour gérer le plus grand nombre d'élèves scolarisés, l'introduction d'un programme de transferts monétaires conditionnels peut détériorer la qualité de l'éducation et donc limiter l'apprentissage pour les enfants qui iraient à l'école en l'absence du programme.*

## Conditional cash transfers in Morocco

Morocco's CCT program began operating in 2008 and quickly became the flagship education policy of a government strongly committed to reducing dropout rates. This program provides parents of children aged 6-15 bimonthly cash transfers conditional on their children's enrollment in and regular attendance of school. The monthly transfer per child is based on their grade: parents receive US\$8 for children in grades 1 and 2, US\$10 for children in grades 3 and 4, US\$13 for children in grades 5 and 6, and US\$18 for children in grades 7 to 9.

We exploit the fact that program eligibility was determined based on the poverty rate of each municipality to conduct a fuzzy regression discontinuity analysis. Municipalities were eligible to receive the program if they had a poverty rate above 30% according to the poverty map of 2004. To study the impacts of the program, we use novel administrative data on the universe of primary school students in municipalities with poverty rates between 20% and 40% in 2004.

## Enrollment gains constrained learning by putting additional pressure on school resources

We identify a substantial decrease in dropout rates in treated municipalities, which increased both class size and heterogeneity in class composition. The grade-specific dropout rate decreased by 1.3 percentage points on average, equivalent to 41% of the sample mean. This decrease in grade-specific dropout rates translated into an increase in enrollment of about 9 percentage points by the end of grade 6. Our estimates also show that class size in targeted areas increased by 3.6 students by the end of primary school, equivalent to 12% of the sample mean. Additionally, heterogeneity in class composition increased by 0.13 SD by the end of primary school. Looking at effects by grade, we find greater increases in higher grades, suggesting that the reductions in dropout rates accumulated over time and progressively overburdened school resources.

To test whether effects on class size and composition constrained learning, we assess impacts on test scores at the primary school graduation exam. An important empirical challenge for this analysis is that we do not observe the scores of children who drop out before the exam. As a result, estimates using the sample of test-takers are prone to a downward bias. We rely on two imputation strategies to correct for this bias. In our preferred specification, we find that the program reduced test scores by 0.12 SD for the full sample, and by 0.18 SD for the sample of boys. We also look at impacts on test scores at various points in the distribution, and find suggestive evidence that negative effects are concentrated on the higher end of the distribution. Overall, these patterns indicate that the program constrained learning for children who enroll in school regardless of the existence of the program.

## Schooling is not learning

Increased education is a necessary first step to affect learning and has many benefits beyond learning, including delayed marriage and childbearing for adolescent girls. However, our results suggest that the gains in attendance from CCT programs are unlikely on their own to equip students with the foundational skills they need to thrive. In fact, our results show that CCT programs can have adverse effects on learning when schools are not provided with the necessary resources to absorb the associated extra influx of students. An interesting question for future research – and a promising avenue for policy makers aiming to address the learning crisis – is to explore the possible complementarities between supply-side interventions and CCT programs.



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**Reference:** Gazeaud, J. & Ricard C. (2024) "[Learning effects of conditional cash transfers: The role of class size and composition.](#)" *Journal of Development Economics*, Vol.166, January, 103194.