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Turning a Shove into a Nudge?
A “Labeled Cash Transfer” for Education

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Conditional Cash Transfers (CCTs) have been shown to increase human capital investments, but their standard features make them expensive. We use a large randomized experiment in Morocco to estimate an alternative government-run program, a “labeled cash transfer” (LCT): a small cash transfer made to fathers of school-aged children in poor rural communities, not conditional on school attendance but explicitly labeled as an education support program. We document large gains in school participation. Adding conditionality and targeting mothers made almost no difference in our context. The program increased parents’ belief that education was a worthwhile investment, a likely pathway for the results. (JEL H23, I24, I28, I38, J24, O15, O18)

Public Disclosure Authorized

This paper evaluates the impact of a “labeled cash transfer” (LCT). The program we evaluate features small transfers, targeted to poor communities (with all households eligible in those communities), and paid out to fathers. The program is unconditional but retains an implicit endorsement of education through its school-based enrollment procedure. This program was designed and implemented on a (randomized) pilot basis by Morocco’s Ministry of Education. Within the same experiment, conducted over 600 communities, we compared it to three variants: (i) making the transfer explicitly conditional on regular attendance, (ii) making payments to mothers instead of fathers, and (iii) doing both at the same time.

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