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OPPORTUNITY NYC:

A PERFORMANCE-BASED CONDITIONAL
CASH TRANSFER PROGRAMME.

A QUALITATIVE ANALYSIS

Working Paper number 49 November, 2008

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OPPORTUNITY NYC: A PERFORMANCE-BASED CONDITIONAL CASH TRANSFER PROGRAMME. A QUALITATIVE ANALYSIS *

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ABSTRACT

As one of the first pieces of published research on New York's conditional cash transfer (CCT) programme, this paper presents the nuts-and-bolts of Opportunity New York City. It details the programme's performance-based conditionalities, contrasts its different subcomponents, and compares its design and conception to that of its precursor CCT programmes in Latin America. Finally, the paper considers whether Opportunity NYC will be able to harness broad political support in the city and become an enduring solution to education reform in the largest public school system in the United States. Critics of its conception and practice certainly abound.

1 INTRODUCTION

"A new 'silver bullet' is whizzing across the desks of policymakers and officials in development organizations: the conditional cash transfer (CCT) in education." (Reimers, Silva and Trevino, 2006, p. 5).

Since early 2007, a new and purportedly innovative programme has been introduced in New York City: Opportunity NYC. It follows the international model of a conditional cash transfer (CCT) programme, in which families receive cash rewards contingent upon the fulfilment of pre-defined activities, many of which are related to education and health. In the case of Opportunity NYC, those activities include school attendance and the academic performance of students in elementary, middle and high school. The programme has been presented as the core of Mayor Bloomberg's poverty reduction strategy.

Opportunity NYC's approach to improving educational results is one that can ultimately lead to a change in the way educational reforms are conceived. It does not seek to alter the governance structure of the school system, and neither does it involve innovative pedagogies or new classroom teaching practices. It hopes that simply by giving students monetary incentives it will bring about the improvements in test scores that educational policymakers have wanted for so long.

In looking at the case of Opportunity NYC, this study considers the literature on urban politics and school reform that addresses the question of why repeated reforms have not

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yielded improved student performance (Hess, 1999; Henig et al., 1999; Stone et al., 2001). In particular, the programme offers an opportunity to examine the emphasis placed by policymakers on the technical aspects of educational reforms. It illuminates the question of whether policymakers consider or disregard politics as an important element in the success of their reform. Additionally, although Opportunity NYC seems to have mobilised support from different groups, particularly various government agencies and private institutions, it is unclear to what extent the initiative has mobilised all stakeholders that are important to building “civic capacity”¹ around the programme (Henig et al., 1999; Stone et al., 2001). Last but not least, the programme can be analysed in the framework of the various studies on CCTs being implemented in different countries.

This paper is the result of exploratory research that attempted to address the following questions:

1. Did the adoption of Opportunity NYC focus solely on the technical aspect of best practice and disregard the political resistance that could be mounted by particular groups? Or is the use of private funds a deliberate political strategy to bypass such resistance?
2. What groups are willing to oppose the scaling-up of the programme even if it is found to be successful during this pilot phase? Is there a lack of civic capacity to scale up Opportunity NYC?
3. If the programme is found to be successful, what implications will that have for educational reforms?

The paper is based on qualitative research carried out by means of semi-structured interviews and one focus group. A video featuring speeches by New York City’s Deputy Mayor, Linda Gibbs, and by Veronica White, Executive Director of the Center for Economic Opportunity in the Mayor’s Office, was also used as a source. Additional sources of information, such as the printed media, institutional websites and blogs, were used to determine the perspective of a wide array of actors.

The following section presents a selective description of the programme, focusing on the components of most importance for the present analysis. It is complemented by Section 3, in which two of the sub-programmes are contrasted in detail. Section 4 seeks to clarify the link between two fields that are not always related in the existing research: education and CCTs. Section 5 reviews the literature on educational reform with a view to locating Opportunity NYC in the context of current academic debates. Section 6 considers the literature on comparative and international education, especially with studies on educational borrowing and lending. Section 7 presents the bulk of the qualitative data collected for the research and addresses the above questions, not solely in an attempt to answer them but also in an effort to outline possible future scenarios.

2 CONDITIONAL CASH TRANSFER PROGRAMMES AND THEIR ARRIVAL IN NEW YORK CITY

The first cash transfer programmes contingent on children's school attendance were designed and implemented in Brazil in 1995 (*Bolsa Escola*, now named *Bolsa Família*) and in Mexico in 1997. The Mexican programme, initially called *Progresa* (Programme of Education, Health and Nutrition), is now known as *Oportunidades*. Their basic mode of operation is that low-income families receive a monthly allowance if they send their children to school and perform other pre-defined activities, such as ensuring the children are immunised and receive health check-ups. The logic behind them is that there is a demand-side problem in which poor families do not fully use social services such as education and health because of the opportunity costs they face.

As *Bolsa Família* and *Progresa* began to be assessed positively, they sparked the interest of the World Bank and other international organisations, which extended loans to expand them in Brazil and Mexico, and to transfer the model to other countries. According to Britto (2004), "considerable funding has been given to the dissemination of programme experiences, expansion of existing initiatives and replication of similar programmes elsewhere" (p. 1).

Over time, the idea behind *Progresa* and *Bolsa Família* became a technical concept: conditional cash transfers. The countries in which CCTs have been implemented include: Brazil, Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Honduras, Jamaica, Kenya, Mexico, Nicaragua, Pakistan, Paraguay, Peru, South Africa and Turkey (World Bank, 2007).

Last year, taking the Mexican experience as the model to emulate, Mayor Bloomberg decided that New York City should have its own CCT programme, which he named after the Mexican "best practice": Opportunity NYC. Four of the interviewees for this study agreed that Opportunity NYC can be traced back to the Commission for Economic Opportunity and its final report. The Commission, which was also known as the Poverty Commission, was "a group of public and private sector leaders that was created to discuss an anti-poverty strategy for the city" (personal communication, 27 November 2007). It consisted mostly of business and religious leaders, the chief executive officers (CEOs) of private foundations and the CEOs of well-established social organisations operating in New York City. The Commission's deliberations did not include grassroots consultations or discussions, and its membership did not include elected officials.

The Commission's final report recommended that the city's anti-poverty strategy focus on three target groups: children, youth (16 to 24 year-olds) and the working poor. When strategies to follow-up on the Commission's recommendations were being sought, the idea of a CCT programme seemed to be a best practice that could be implemented in the city. Deputy Mayor Linda Gibbs recalls that:

The Mayor called a commission to study and better understand the situation of poverty in the city. We looked at programmes here in the city, across the state and in the United States. It was really by good fortune that the CCT came to our attention. The way that that happened is that we had in the Commission several people who brought that knowledge to our attention. One was Judith Rodin, from the Rockefeller Foundation, who has a great interest in this programme and where it is being implemented. And also her colleague Darren Walker, who has the poverty initiative for the Foundation. Also Larry Aber, from NYU has done some work in South Africa, where this initiative is being evaluated for possible implementation. And the third was our colleague, the Commissioner for Health and Mental

Hygiene, who has someone working in his department who had some international experience and also knew about the programme. So they conspired to bring to the conversation of the commission the topic of conditional cash transfers ... As all the investment in evaluation and research that the World Bank has made around this initiative was brought to our table, it really started to become quite compelling (UN Webcast Archives, 2007).²

According to the deputy mayor, the leadership for the adoption of a CCT programme as a strategy to address the Commission's recommendations came mostly from the Rockefeller Foundation. When Mayor Bloomberg officially announced Opportunity NYC, he thanked the Foundation for having spearheaded the programme. According to a press release from the Mayor's Office, the Rockefeller Foundation was "the lead organization in this effort", having "provided the initial research and development capital" (Office of the Mayor, 2007a).

In April 2007, Mayor Bloomberg and Deputy Mayor Gibbs travelled to Mexico "with a small delegation sponsored by the Rockefeller Foundation to observe first-hand how Mexico's conditional cash transfer programme works" (Office of the Mayor, 2007a). Hence the decision-making on the adoption of a CCT in New York City seems to have been straightforward: the Mayor needed to respond to the Commission's recommendations and the Rockefeller Foundation had a best practice in hand to meet that need. To complete the process, the World Bank provided ample evidence of the programme's potential by means of previous evaluations of CCT programmes in various countries. In the words of Pamela Cox, the World Bank's Vice-President for Latin America and the Caribbean, "to achieve knowledge sharing, it's very important to build a community of practice around the globe ... The World Bank has a role to play as a knowledge broker" (UN Webcast Archives, 2007).

Opportunity NYC was then adopted on an experimental basis and its two-year pilot phase, to be funded entirely by private donors, has a total budget of more than US\$ 50 million (Seedco, 2007). Major sponsors include the Rockefeller Foundation, the Starr Foundation, the Robin Hood Foundation, the Open Society Institute, the American International Group (AIG) and Mayor Bloomberg (Office of the Mayor, 2007b). As a privately funded initiative, it was easier to secure political acquiescence and legislative approval for the programme. Even Deputy Mayor Gibbs recognised that this was a deliberate strategy because of the programme's controversial nature (UN Webcast Archives, 2007).

Within the Mayor's Office, Opportunity NYC is under the auspices of the Center for Economic Opportunity. It comprises three sub-programmes:

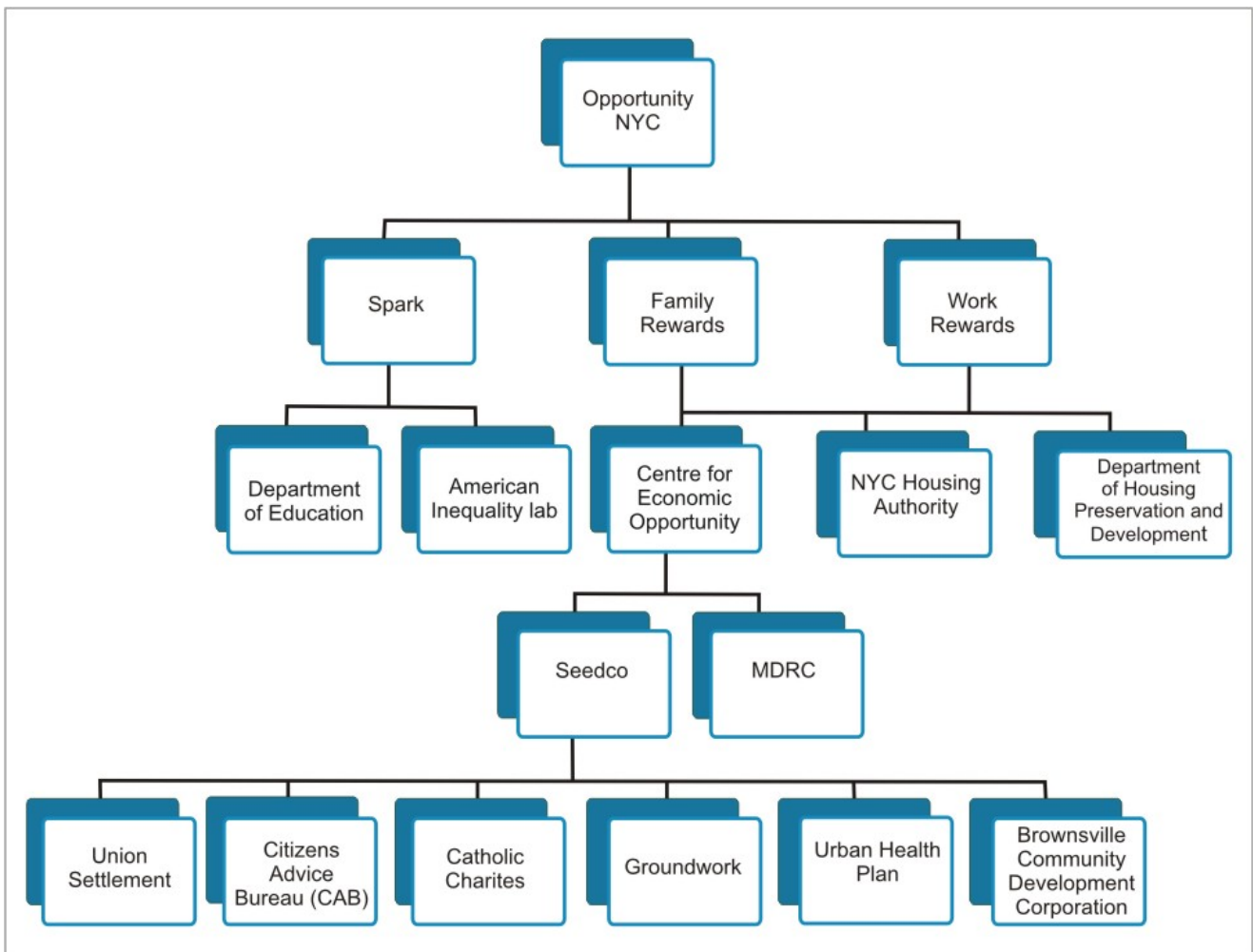
1. **Opportunity NYC Family Rewards** is the most comprehensive of the three, offering monetary incentives to families living in poverty for education, health, and workforce participation and job training activities.
2. **Opportunity NYC Work Rewards** offers monetary incentives to adults in subsidised housing for enhanced workforce participation and job training.
3. **Opportunity NYC Spark** provides small monetary incentives to fourth- and seventh-grade public school students for achievement in periodic assessments throughout the academic year (Centre for Economic Opportunity, 2008).

3 OPPORTUNITY NYC SPARK *VERSUS* OPPORTUNITY NYC FAMILY REWARDS

Spark is the main educational component of Opportunity NYC. As Figure 1 shows, it was separately designed and is being separately managed by the city's Department of Education and a team led by Roland Fryer, a Harvard professor of economics. It is targeted at all fourth and seventh graders in 60 selected schools throughout the city.

FIGURE 1

Opportunity NYC Sub-Programmes and Organisations in Charge of Their Implementation



Opportunity NYC Family Rewards also involves a number of cash incentives related to school attendance and academic performance. Its eligibility requirements are as follows: (i) families must have at least one child entering fourth, seventh or ninth grade in a New York City public school in September 2007; (ii) family income must be less than 130 per cent of the federal poverty level—see Table 1; (iii) at least one parent must be a US citizen or permanent legal resident; (iv) families must live in one of the designated community districts (Opportunity NYC, 2008).

TABLE 1

Threshold: Family Income at 130% of the Federal Poverty Level (\$US)

Family size	Annual income (\$)	Monthly income (\$)	Weekly income (\$)
1	13,273	1,106	255
2	17,797	1,483	342
3	22,321	1,860	429
4	26,845	2,237	516
5	31,369	2,614	603
6	35,893	2,991	690
7	40,417	3,368	777
8	44,941	3,745	864
For each additional person, add:	4,524	377	87

Source: Opportunity NYC (2008).

Table 2 compares Spark and Family Rewards, drawing attention to the different conditions and rewards attached by each of them to educational activities.

TABLE 2

Opportunity NYC Family Rewards and Opportunity NYC Spark

	Family Rewards		Spark
Development and management	Center for Economic Opportunity, Seedco,* MDRC** and selected community-based organisations		NYC Department of Education and the American Inequality Lab (Harvard University)
Beneficiaries	2,500 families living in Central and East Harlem in Manhattan, Brownsville and East New York in Brooklyn, and Morris Heights/Mount Hope and East Tremont/Belmont in the Bronx		8,000 children from 60 schools located throughout the city have been chosen to participate. They are either fourth or seventh graders
Activities and rewards	Condition	Reward	"Students in the fourth grade will receive up to \$25 for a perfect score on each of 10 interim assessment tests taken throughout the year, up to a total of \$250" (Seedco, 2007) "Seventh graders can earn up to \$50 per test for a maximum payment of \$500 per year" (Seedco, 2007)
	95 per cent school attendance per month	\$25 per month (elementary and middle school students) \$50 per month (high school students)	
	Attending parent-teacher conferences	\$25	
	Obtaining a library card	\$50	
	Improvement in scores or proficiency on standardised tests at the elementary and middle school levels	\$300 per test (elementary school) \$350 per test (middle school)	
	Passing grade on individual regents exams	\$600	
	Parental review of the test and discussion with teachers	\$25	

* Seedco = Structured Employment Economic Development Corporation.³

** MDRC = Manpower Demonstration Research Corporation.⁴

Apparently, this incentive structure was not defined on the basis of previous studies, and thus the amounts attached to the conditionalities appear to have been chosen without an evidence base. That is apparent from the fact that Family Rewards pays US\$ 300 per score improvement in yearly standardised tests, while Spark pays only US\$ 25 per test for fourth graders and US\$ 50 for seventh graders.

Additionally, while Spark only targets fourth and seventh graders, Family Rewards provides cash transfers to students at all levels of basic education (elementary, middle and high school) if their families have at least one child in fourth, seventh or ninth grade. That is a distinctive characteristic of Family Rewards compared to other CCT programmes, since many do not include high school students⁵ as cash transfer beneficiaries. In fact, under Family Rewards, high school students are eligible to receive US\$ 600 per passing grade on each of the five regents examinations, and thus can receive up to US\$ 3,000 in their graduation year.

Those two sub-components of Opportunity NYC also differ in their targeting and registration procedures. Spark's targeting was at the school and grade levels. Sixty low-performing schools were chosen and, within them, all students enrolled in fourth and seventh grades, which are key grades in elementary and middle school, respectively. Note that there was no targeting within the selected grades and schools, nor on the basis of socioeconomic status or school performance. That is a fundamental difference from other CCT programmes, which in general are targeted at the household level on the basis of family income. In the case of Spark, the implications are that the programme may have different effects on children whose families have different incomes. Only if the schools' pupils have similar family backgrounds will the absence of household-level targeting be unimportant.

In contrast, targeting for Family Rewards was initially at the community district level. The six poorest community districts in the five boroughs were chosen: two in Harlem (Manhattan), two in Brooklyn and two in the Bronx. Charities and community organisations operating in each of those districts were then contracted in order to locate and contact families that met the above-mentioned eligibility criteria. The family "search process" started with information from the Department of Education on children enrolled in the eligible grades (fourth, seventh and ninth) who received free or reduced-price lunch.⁶ With that information in hand, the contracted organisations began looking for eligible families in order to complete their application for admission to the programme. Each organisation was responsible for at least 850 family applications. From the total applicant pool, beneficiary families were selected through a lottery. A representative of one of the participating community organisations described the recruitment process as follows:

Union Settlement recruits families. They have "outreach specialists" who call families and knock on their doors. They ask families to come to Union Settlement and enrol in the program. Then the families' information is run by a program at MDRC, which selects families on a lottery basis (personal communication, 11 November 2007).

Understanding how Spark and Family Rewards differ in their operation but overlap in purpose is fundamental to an analysis of how likely they are to secure some strong civic capacity in order to allow the programme to be expanded. First, the success of an incentives-based programme such as Opportunity NYC depends on how well the beneficiaries understand how the programme operates, so that they can respond to incentives as expected.

In this case, however, the existence of two education-related schemes (Spark and Family Rewards) may cause confusion and have suboptimal results. Second, it can be argued that one important condition for harnessing public support is how well ordinary citizens understand the programme and accept its rationale.

4 OPPORTUNITY NYC: HOW IT RELATES TO EDUCATION

According to the Rockefeller Foundation (2007), Opportunity NYC's "education targets include children's superior school attendance, sustained high achievement or improved performance on standardized tests, and parental engagement in children's education". The programme thus intends to generate the very improvements that most educational reforms have sought. If, on the one hand, it adds to the existing "policy churn" highlighted by Hess (1999), on the other hand it does so within a broader poverty reduction policy.

There has been a link between education and poverty reduction since the very first CCT programmes. In Brazil, for several years the programme operated under the aegis of the Ministry of Education. Moreover, numerous countries include CCT expenditure as part of their total spending on education (Reimers, Silva and Trevino, 2006, p. 5). This link is emphasised in the report of the Commission for Economic Opportunity:

Poverty is clearly related to education. Almost a third of those who lack a high school diploma or GED⁷ live below the federal poverty line. However, additional education decreases the likelihood that a person will live in poverty. For example, among those who graduate high school or obtain a GED, the poverty rate drops to 17 percent (Commission for Economic Opportunity, 2006, p. 8).

Like most classic CCT programmes around the world,⁸ Opportunity NYC does not attempt to improve the supply side of education by altering what happens in the classroom, by increasing school funding or by changing schools' governance structure. But it does have some peculiar features compared to other CCT programmes. In Mexico's *Oportunidades* and Brazil's *Bolsa Família*, the logic behind cash transfers is to provide a minimum income for daily survival while simultaneously encouraging families to send their children to school as a way of breaking the intergenerational cycle of poverty. These programmes aim to improve food security and access to healthcare and education as a way of ensuring that people enjoy basic rights. Hence they require school attendance but are not conditional on children's school performance.

In contrast, Opportunity NYC goes beyond school attendance and includes improved test results as a condition for cash "rewards". As Britto (2004) notes, the "reward" language used in Opportunity NYC documents signals a merit-based rationale that distinguished the programme from the rights-based approach and human capital logic of most CCTs.

It is therefore clear, as a representative of the Department of Education stated, that "the educational component of Opportunity NYC was not modelled after *Oportunidades*" (personal communication, 4 January 2008).

Opportunity NYC's performance-based rationale defies longstanding theories of education as a potentially liberating process (Freire, 1994), as a fundamental element of enhancing human capabilities (Sen, 1999), or as a tool for the accumulation of human capital with both private and social returns (Schultz, 1971). All those theories conclude that people have reasons to value education and thus to pursue it. Opportunity NYC, however, questions

that by assuming that poor students have no reason to value education because they lack a close example of what education can do to improve their lives. That is supposedly why students need a material incentive to study hard today, rather than merely a belief in what education can do for them in the future or simple enjoyment of the learning and socialisation process in school for its own sake.

It is worth discussing the unintended consequences of the performance-based conditionalities within Spark and Family Rewards. Table 2 shows that Family Rewards and Spark make cash transfers conditional on “proficiency”, a “passing grade” or a “perfect score” on pre-defined exams. First, that may entail “leakage” of programme benefits to students who would achieve those grades regardless of the programme incentives. Second, in many cases the programme may come to reward not school effort but differences in family background and English-language proficiency, which is an important issue in a place like New York City with many immigrant families. That would ultimately mean that, if there is significant diversity of characteristics among the beneficiaries (which may be the case with Spark), the programme might actually be “rewarding the fittest”.

It is also interesting that only Spark operates under the auspices of the Department of Education and targets specific schools. The main component of Opportunity NYC (Family Rewards) operates wholly outside of the education system. According to another representative of one of the organisations contracted to recruit families, “[staff members] are not allowed to go into the schools to talk about the programme. The reason is that the Mayor’s Office wants to prevent crossing Opportunity NYC with other pilot programmes going on at schools” (personal communication, 13 December 2007). Hence, even though the programme involves numerous elements that can affect educational outcomes, it is still alien to the educational community (especially teachers) and does not alter the “core of educational practice”, which is defined by Elmore (1996) as the triangular relationship between teachers, students and knowledge.

5 OPPORTUNITY NYC AND THE LITERATURE ON EDUCATIONAL REFORM

As argued by Henig et al. (1999), “the contemporary school reform literature overly ... tends to de-emphasise the importance of politics and coalition building in determining the viability of reform endeavours” (p. 8). This observation seems to apply equally to education policymaking, Opportunity NYC being a good example. The programme rests on the assumption that what is needed, first and foremost, is a good technique, a social technology or, as some would call it, a best practice. However, as Henig et al. emphasise, “there is no route around politics” (p. 9). Educational issues are not exclusively a technical matter and can hardly be resolved only by means of the study and transfer of best practices. As Shipps (2003) points out, “without an examination of school reform from a political perspective, the value dilemmas inherent in efforts to improve schooling can be hidden under a narrative that describes a continuous, if stumbling, improvement process” (p. 842).

Similarly, studies such as Lowi (1967) and Plank and Boyd (1994) seem to agree that the reformist reaction to politicised decision-making is political in itself. Even though authoritative solutions presented by experts and judges are portrayed as more efficient and/or more

equitable, they always depart from a certain view of education's goal and are the result of the power invested in experts or judges.

Besides the irrefutable political nature of education policies, both Henig et al. (1999) and Stone et al. (2001) point to the centrality of systemic reforms. The former in particular argue against project-based reform initiatives, arguing that only a systemic reform—one that not only improves education in the classroom but alters the overall governance structure of the educational system—can bring about positive and sustainable change. In the case of Opportunity NYC, however, it seems that the solution is pursued on the basis of an individual initiative operating outside of the education system and supported by the existing mayoral control governance structure.

In order to achieve systemic reform, Henig et al. (1999) and Stone et al. (2001) have argued for the need to build civic capacity. Like Hess (1999), Stone et al. seem to have been puzzled about why, despite broad acknowledgement of the dismal performance of inner-city public schools and recurrent attempts to reform them, improvements have been rare, especially sustainable ones. However, whereas Hess maintains that the problem lies in the abundance of reforms and the institutional characteristics of the education system, Stone et al. locate the problem in the political dynamics inherent in education policymaking. They maintain that the answer may be found in building greater civic capacity, defined as “the involvement of various sectors of the community in a problem-solving effort” (p. 20).

Civic capacity scholars therefore recognise the importance of agents, and view the stakeholders in education as being not only educational professionals but all those in the community who can mobilise and build civic capacity for educational reform. This is particularly interesting in the case of Opportunity NYC, where some sectors were involved in identifying the problem and later implementing the programme, but they did not include teachers, principals and other education personnel.

The lack of teacher and local participation in the adoption and implementation of Opportunity NYC can be linked to the argument of Plank and Boyd (1994), who condemn the erosion of local democratic decision-making. They argue that local democratic decision-making is an important end in itself, irrespective of whether there is responsiveness to individual demands or if policies are effective and efficient. For them, debates about the best type of governance or the most efficient policies have left aside the central concern for the preservation of democracy.

If one accepts Plank and Boyd's argument, Opportunity NYC could certainly be criticised. First, within the mayoral control framework, local actors have had little say in significant decisions that affect their schools. Second, because the programme is being portrayed as a poverty reduction strategy and not as an educational reform, teachers and teachers' unions have been excluded from policymaking. In interviews, representatives of the Mayor's Office and of one of the programme's sponsors stressed the experimental nature of Opportunity NYC at the moment. If the programme is positively evaluated and succeeds in raising student performance, however, it is very unlikely that it will be subjected to local discussion and deliberation before it is submitted for approval at the City Council. Considering the centrality of “voice” in efforts to “bring about improvement in metropolitan neighbourhoods” (Orbell and Uno, 1972, p. 472), Opportunity NYC may fall short of expectations.

In fact, Henig et al. (1999) deconstruct some commonly held myths about the contribution of teachers, parents, the community and business to educational reform. They confirm that teachers *are* often resistant to reforms, but that they are even more so in cases that affect their employment base. Since education mobilises such an important share of local economies, providing employment to a significant number of urban citizens, it is no surprise that it is a field in which change is difficult. As already discussed, in the case of Opportunity NYC the mayor tried to work around the potential resistance of teachers and their unions. According to Henig et al., however, it is a mistake to avoid devising strategies that secure the support of teachers and unions.

As regards the complexity of parental and community participation, Henig et al. (1999) argue that in most cases, the participation of parents is reactive, individualistic and related to their own children's school. In this light, the authors recommend involving parents in a coalition to sustain broader reforms beyond single schools, and especially viewing parents as a group that offers a political counterweight to the resistance of teachers and unions.

In its current pilot stage, Opportunity NYC is entirely privately funded: more than US\$ 50 million dollars from various private sources, including the mayor himself. In this regard, Henig et al. look at what public-private partnerships in education entail, and point out that successful cases of business involvement have been mostly ephemeral and *ad hoc*. Hence they caution against the "celebratory and naively optimistic tone" (p. 244) of most of the literature on public-private partnerships in education. Their argument is consistent with a statement by one of the programme's sponsors: "it wouldn't be reasonable to ask private philanthropists to continue funding the program. Taxpayers would fund the expansion" (personal communication, 14 December 2007). Business involvement, therefore, could be predicted to be short-lived.

But using private funds to implement experimental reforms may have long-term consequences, especially because of the power of technical evidence to convince taxpayers and politicians. In fact, there seems to be a self-reinforcing process between business participation and mayoral control. First, "corporate elites have been primary instigators of the mayor-centric approach" (Henig and Rich, 2004). Then, mayors can raise funds from big corporations in order to try various experiments in education (*The Economist*, 2007a).

6 IMPORTED FROM MEXICO? EXPORTED TO THE WORLD?

Apart from the very political nature of purportedly "politics-free" policymaking, Opportunity NYC offers a clear example of the politics of "educational borrowing and lending"⁹ (Steiner-Khamsi, 2004) as developed by comparative education scholars. Although the programme has been portrayed as a result of policy borrowing from Mexico, its educational component (Spark) was designed by the American Inequality Lab and Professor Roland Fryer, who had already been involved with programmes that follow a similar, incentive-based and performance-oriented model. That is the case of Dallas's Earning-by-Learning programme, which provides monetary incentives for children to read books. The programme is run by a non-profit organisation and is being evaluated by Professor Fryer's own team. The evaluation results have not yet been made public. Additionally, as the Chief Equality Officer of New York City's Department of Education, Professor Fryer is also leading the pilot "Million" programme. At the beginning of 2008, 2,500 students in Brooklyn were given a cell phone and 130 talk minutes as a reward for their performance in school (Medina, 2008). Evidence of this

experiment's results are also unavailable. According to the American Inequality Lab's website, both programmes are "field experiments in progress".

Fryer's main argument is that poor students do not have any reason to perform well in school because they lack any close example of the returns to investment in education (personal communication, 4 January 2008). In his view, material incentives can provide the real motivation for poor children to do better in school.

Fryer has been pursuing these ideas for quite some time. In an article about him in the *New York Times* on 20 March 2005, Stephen Dubner reported that Fryer had already developed a first experiment in a Bronx public school, in which children were given prizes for achieving a certain score in school tests (Dubner, 2005).

In practice, therefore, the adoption of a CCT in New York City, supposedly following the Mexican model, was in fact a window of opportunity for the implementation of ideas that were being domestically promoted by Professor Fryer. Educational borrowing has served as a "certification strategy" (Steiner-Khamsi, 2004), giving some legitimacy to the implementation of those ideas.

Furthermore, the programme has also been a good example of what scholars have discussed in the area of policy lending. During his most recent visit to New York City, British Prime Minister Gordon Brown was invited to get to know the Opportunity NYC experience. There is already some indication that he may be interested in establishing a similar programme in the United Kingdom.

In March 2008, moreover, Mayor Bloomberg and the Rockefeller Foundation launched what is being called the "Conditional Cash Transfer Learning Network". The network is meant to share the Opportunity NYC experience with other US cities and even other countries. According to "educational borrowing and lending" scholars, policymakers in charge of a contested programme at home often take the initiative to export its model. Adoption of the same model abroad is taken as an indication that the programme is worthwhile, and is then indirectly used to counter opposition (Steiner-Khamsi, 2004). The interesting aspect in this case is that an attempt to export Opportunity NYC is being made before the programme is one year old, and long before any conclusive results about its performance are released.

7 WERE POLITICS DISREGARDED? IS THERE ENOUGH CIVIC CAPACITY TO SCALE UP OPPORTUNITY NYC?

The deliberate strategy to insulate Opportunity NYC from politics can be considered as political in itself. By choosing to fund the programme entirely with private donations, the Mayor's Office could bypass democratic decision-making institutions like the City Council, in which the programme could be contested and even rejected. Recent articles in *The Economist* express this rationale:

Mr. Bloomberg has provided an example of what a mayor with control of schools can do even without embracing such controversial ideas [vouchers]. He has avoided inflammatory political terms—"merit pay" and "vouchers" are red rags to teachers' unions. Instead, by using the carrot of pay rises to extract performance concessions from principals and teachers, and by persuading philanthropists such as Bill Gates to pay for innovations that might be hard to sell to the public if the public had to pay for them, he has put in place a system based on transparency, accountability and competition that he hopes will achieve much the same effect (*The Economist*, 2007a).

Mr. Klein says that this private source of funds was crucial in paying for experiments that might have involved huge political battles had they been paid for out of public funds. The hope is that in the future, such reforms might be more widely supported (*The Economist*, 2007b).

As regards the extent to which there will be enough civic capacity to scale up Opportunity NYC, the first relevant observation is that the programme is undoubtedly controversial. Even those who are deeply involved in its implementation acknowledge this, as the following statements demonstrate:

Criticism is equally strong from the far left and the far right of the political spectrum and support, interestingly enough, equally comes from the far left and the far right of the political spectrum (New York City Deputy Mayor Linda Gibbs in UN Webcast Archives, 2007).

I would say that 50 per cent of teachers think Opportunity NYC is a good idea. Fifty per cent are against giving money for things that families should be doing anyways (personal communication,¹⁰ 26 November 2007).

In the beginning, a lot of people were sceptical about the programme: why would the city be giving money away? (personal communication,¹¹ 13 December 2007).

Many others have commented on the programme's controversial nature or have manifested their own opposition:

The political spectrum united to oppose the whole idea. The Manhattan Institute's Sol Stern said paying for test performance undermined learning for its own sake. New York University historian Diane Ravitch called it "anti-democratic, anti-civic, anti-intellectual, and anti-social." Leo Casey of the United Federation of Teachers objected that "money can't buy you learning". On his show, Stephen Colbert teased city schools Chancellor Joel I. Klein: "As long as you're going to be paying kids and making it seem like a job, why not just bring back child labour?" (Kahlenberg, 2007).

While Opportunity NYC has its fans, some observers regard it as abhorrent. Heather MacDonald wrote that cash for behavior "will further shorten the poor's time horizon, rather than lengthen it." She regards the rewarded activities as things that parents and students should do on their own because they understand the value of behaving properly—not as a response to government intervention. Furthermore, she envisions that low-income families not enrolled in the programme will resent that they are not being paid and will be less motivated to do the right things (Liebling, 2007).

Teacher 2 pointed out that the programme is not addressing the qualifications of the school. She also questioned whether the programme is giving parents the tools to help their child in school. She said she would probably be against the programme if it were being implemented in her district.¹²

In September 2007, the NYC Student Union passed a resolution stating: "While the NYC Student Union acknowledges the good intentions and possible benefits of Opportunity NYC, the plan, as it stands now, is too problematic" (NYCSU, 2007). The Union's website reproduced some of the students' reactions to the programme. Students' statements revealed mixed feelings, as reproduced below:

"It insults hard-working, low-income students by conveying the message that they could not possibly value education in itself and must need some sort of incentive in order to perform better in school."

"A student that tries to earn the money but barely misses the cut-off score to earn the money will only become frustrated and give up."

"[Opportunity NYC] propagates the test prep culture and detracts from other important aspects of education."

"It's nice to know that the city is coming up with new and creative ways to help New York City public school students."

"The cash being used in this programme could better be used to solve citywide problems affecting all students, like class size and school resources" (NYCSU, 2007).

If blogs can be used as a legitimate source of opinions for academic research, the quotation below, taken from the blog of a third-grade middle-school teacher, is worth mentioning:

It then clicked for me; Merit Pay, Opportunity NYC—the higher-ups are attempting to manufacture their version of social equality by saying, "Poor people and working class people are lazy, let's give them incentives to have kids go to the library, have parents go to PTA meetings, and have teachers work harder for chump change."¹³

Moreover, Kelley (2007) reports that, "since the initial announcement in March, conservatives have denounced the program as a waste of money that should be given to teachers willing to work in tough schools, while liberals have called the idea insulting and patronising to the people it aims to help" (Kelley, 2007). She states that "one potential foe, Randi Weingarten, President of the United Federation of Teachers, says she generally opposes any pay for good behaviour" (Kelley, 2007).

Some individual heated opinions have also been expressed in the printed media. For instance, Nicole Gelinas of the Manhattan Institute for Policy Research argues that:

Bloomberg has misread the purpose of third-world conditional cash-transfer programs, and thus has misread their applicability to New York ... In New York, unlike in the third world, poor parents don't have to pay to send their children to school. Nor do they face the tough choice of educating the kids or having enough money to put food on the table every night. Even when older children drop out, it's not because they're going to work instead. As Bloomberg's poverty report states, one of the biggest problems with chronically poor teens and young adults is idleness (Gelinas, 2006).

At the moment, as Kelley (2007) recalls, "taxpayers aren't being asked to pay anything". However, if the programme receives a positive evaluation and Bloomberg decides to turn it into an official programme, will Opportunity NYC survive the existing opposition from various groups?

The one sector that is most likely to strongly support the continuation and expansion of the programme consists of beneficiary parents and students. Unfortunately, the research for this study was unable to cover them and capture their perspective, but it is expected that they

would hold on to their benefits. As a result, it is possible to imagine a divisive and conflictive line being established between parents and teachers. Although that could be somewhat disturbing, parents could pose a counterforce to teachers' resistance, which ultimately could have a positive effect, as argued by Henig et al. (1999).

Nonetheless, will middle class taxpayers be willing to pay for the programme in the future? In this regard, two scenarios can be foreseen. On the one hand, numerous taxpayers may find it is outrageous to pay as much as US\$ 600 to encourage low-income teenagers to graduate from high school. On the other hand, taxpayers may well prefer this "separate but equal" logic in which poor students receive cash rewards but are not integrated into middle class schools, as proposed by Kahlenberg (2001). They may also find that it is more efficient to deliver funds directly to students and have them perform better, rather than spend millions of dollars attempting systemic reforms that have never been shown to make a real difference.

It is important to point out that Opportunity NYC addresses educational problems as if they were exclusively about parental and student effort and the availability of the right incentives. It does not tackle the constraints on what students can achieve (no matter how committed and motivated they are) stemming from lack of teacher qualifications, violent school environments, and scarcity of educational resources in their schools. Similarly, Reimers, Silva and Trevino (2006) emphasise that "providing financial incentives to continue in school will create pressure for parents and teachers to retain students in school, but does not directly address the conditions that undergird school failure, dropout and poor educational quality." (p. 7).

Finally, is Opportunity NYC only a collection of fragmented and potentially ephemeral initiatives? According one of the programme's private sponsors (personal communication, 14 December, 2007), "Opportunity NYC is a collection of individual initiatives. It involves 200 to 300 individual provisions". But if MDRC and Professor Fryer's team are able to demonstrate that the programme has succeeded in raising test scores and graduation rates, will it not be a breakthrough, a major reform in itself? If so, there are reasons to believe that educational reforms will shift their focus towards the provision of incentives, leaving aside their traditional emphasis on teaching practices, integration, school finance and even educational governance. In that case, the programme could have an impact that goes well beyond its current status of an *ad hoc* initiative.

In order for the above to happen, it is crucial that the evaluation of this pilot phase be positive. Since the programme has been portrayed as an experiment, evidence of its impact on performance is central to putting it on the agenda. If the experiment fails, however, it is unlikely that even some strong civic capacity will be able to save it.

But what can go wrong? First, the programme has several aspects and its educational component seems to be managed by both the Center for Economic Opportunity and the Department of Education. Besides duplicating efforts, such multiplicity may make it hard for parents, the educational community and the public in general to understand what Opportunity NYC entails and whether it is worth supporting. Second, this complexity makes the programme more vulnerable to implementation problems. As emphasised by a private sponsor (personal communication, 14 December 2007), "one mistake that you don't want to make in a pilot project is that you don't want to have a weak intervention, because the failure in implementation will lead us to reject the concept. And this may happen to Opportunity NYC." According to a recent article in the *Financial Times*, "workers on the ground at Opportunity NYC express frustration that some participants won't post the coupons that would guarantee them a cash award"

(Grimes, 2008). Unfortunately, a representative of the Center for Economic Opportunity has acknowledged that “the programme’s greatest challenges have been related to operational issues” (personal communication, 27 November 2007).

8 CONCLUSIONS

This paper has attempted to explore the adoption, development and early implementation of Opportunity NYC, the first CCT programme in the United States. The fact that the programme is less than a year old and is very controversial posed some challenges to data collection. At the same time, however, those circumstances made it relevant to explain the programme’s origins and rationale. For that reason, this research was more of an exploratory endeavour than a true attempt to test a hypothesis.

Notably, it was possible to relate Opportunity NYC to theoretical concepts such as civic capacity and systemic reform, as well as to the adoption of best practices as a “politics-free” solution. It was found that even though the borrowing of an international best practice by means of private funds may simply look like a technical decision, in itself it can be a political move, entailing a strategy to bypass resistance and grant power to experts and sponsors.

As to the extent to which Opportunity NYC has sufficient civic capacity to be expanded in the future, that depends on its results and on whether its beneficiaries will constitute a counterforce to resistance. Opposition is very likely to emerge from various sectors and political leanings, especially from teachers.

Eventually, if evaluation results prove to be compelling and the programme gathers momentum, its effects could make it much more than an isolated collection of incentives. It may come to represent a serious possibility of major educational reform, tackling the system from outside. It is to be hoped that researchers will monitor the development of Opportunity NYC and the mobilisation of support and opposition to it. Perhaps in a couple of years scholars will no longer focus on discussing school choice or teacher training, but will be trying to identify the optimum amount of money poor students should receive in order to excel in school.

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NOTES

1. Stone et al. (2001) define civic capacity as “the involvement of various sectors of the community in a problem-solving effort” (p. 20).
2. Transcribed by the present author.
3. Seedco is currently known by its acronym alone. It is a national non-profit organization and its mission is to work on “innovations in economic opportunity”.
4. That is what ‘MDRC’ originally stands for. Since 2003, however, the organization has adopted the abbreviation as its only corporate identity. MDRC is a non-profit organization that has specialised in conducting studies and evaluations in the fields of education and social policy.
5. One of the exceptions in this case is Bogotá’s Subsidio Condicionado a la Asistencia Escolar.
6. Eligibility for free or reduced-price lunch is commonly used as a poverty proxy in the United States.
7. GED stands for General Educational Development and corresponds to a high school equivalency certificate.
8. One exception, for instance, was Nicaragua’s Red de Protección Social.
9. The concepts of educational borrowing and lending refer to the process in which governments import or export a policy model, idea or label from/to another country, especially when it has been considered to be a best-practice.
10. Project coordinator for Opportunity NYC at Union Settlement, one of the community-based organisations (CBOs) contracted by Seedco to reach out to beneficiary families.
11. Citizens Advice Bureau (CAB), a CBO operating in the Bronx.
12. Focus group (7 December 2007).
13. Retrieved on 28 November 2007, from <http://rounddeux.blogspot.com/>.



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