

Cash transfers

MDI/IGC/IPA workshop on programmes for poverty alleviation and
inclusive growth: international and Myanmar experience

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ODI

Cash transfers: outline

- Cash transfers: what do we mean?
- A review of the evidence
- Implications for policy design and implementation

Cash transfers: what do we mean?

- Cash component
- Contributory and non-contributory
- Targeted and universal
- Conditional and unconditional
- Also vary by:
 - ✓ transfer level
 - ✓ payment frequency
 - ✓ duration
 - ✓ modality of delivery
 - ✓ links to services

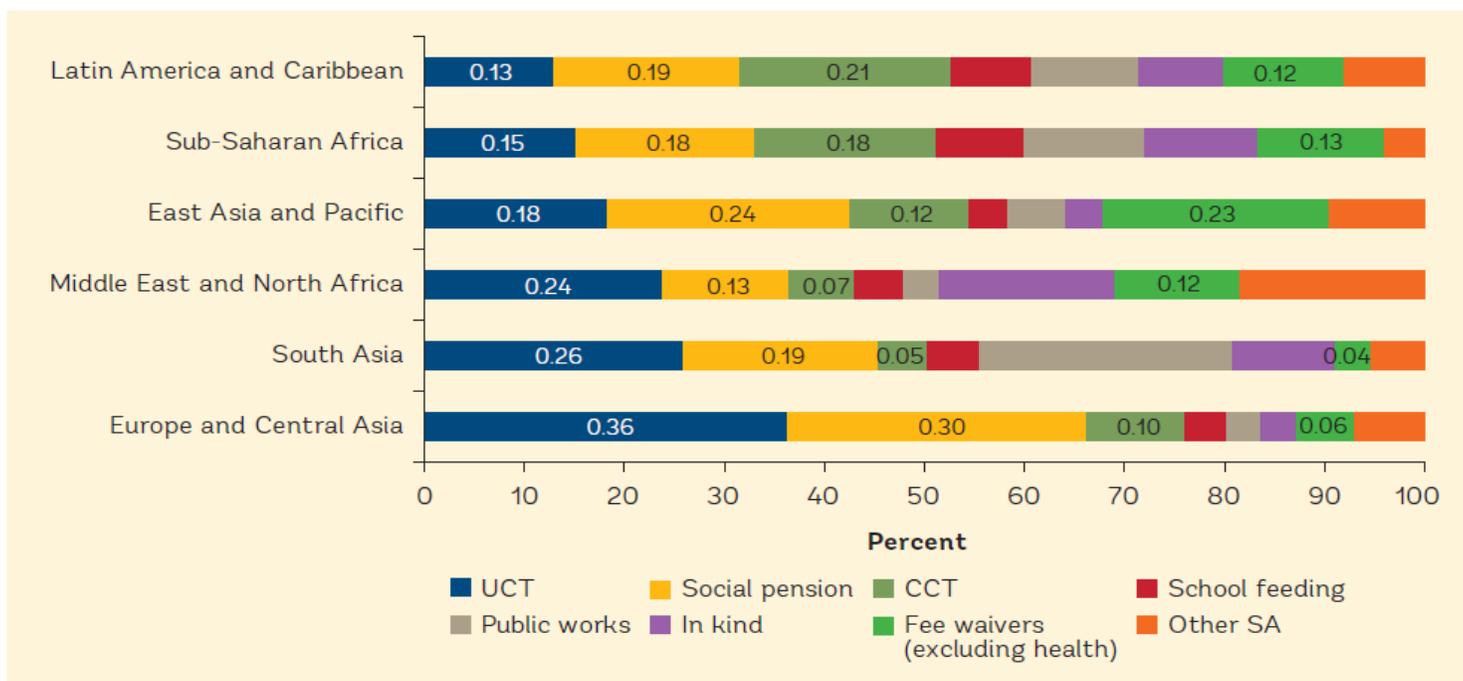


Cash transfers: what do we mean?

- Examples
 - ✓ Conditional Cash Transfers (CCTs)
 - ✓ Universal Cash Transfers (UCTs)
 - ✓ Social pensions
 - ✓ Enterprise grants

Cash transfers: what do we mean?

- Cash transfers, social protection and the ‘social safety net’
Social safety net spending across regions, by instrument



Source: ASPIRE database.

Note: This figure shows estimates based on a sample of 112 countries with program-level data disaggregation available, as presented in appendix D. For comparability, health fee waivers are dropped from total spending and from the fee waivers category, which comprises educational fee waivers and utility fee waivers only. ASPIRE = Atlas of Social Protection: Indicators of Resilience and Equity; CCT = conditional cash transfer; SA = social assistance; UCT = unconditional cash transfer.

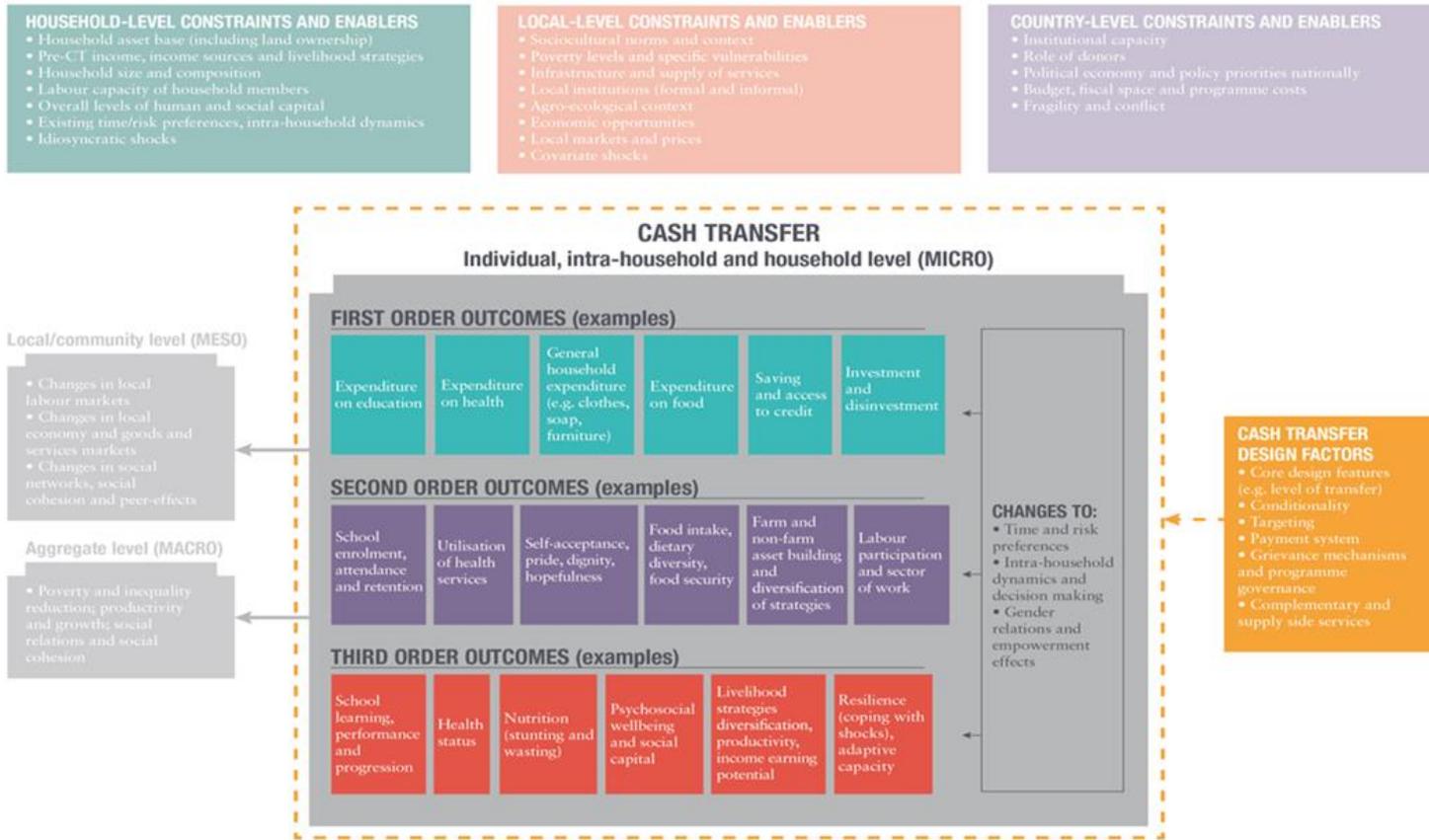
Source: World Bank, 2018

Cash transfers: a review of the evidence

- Systematic review of the evidence of the impact of non-contributory cash transfers covering low- and middle-income countries, 2000-2015



Cash transfers: a review of the evidence



Source: Bastagli et al (2016)

Cash transfers: a review of the evidence

- Outcomes and indicators under review

Monetary poverty	Education	Health and nutrition	Savings, investment and production	Employment	Empowerment
Total household expenditure	Attendance	Use of health services	Household savings	Adult labour force participation	Physical abuse by male partner
Food expenditure	Maths test scores	Dietary diversity	Borrowing	Child work	Non-physical abuse by male partner
Poverty headcount	Language test scores	Child stunting	Agricultural productive assets	Adult labour intensity	Women's decision-making power
Poverty gap	Composite test scores	Child wasting	Agricultural input expenditure	Child labour intensity	Marriage
Squared poverty gap	Cognitive development	Child underweight	Livestock ownership	Adult labour force participation and intensity by sector	Fertility
				Child work and intensity by sector	Use of contraception
				Migration	Multiple sexual partners

Cash transfers: a review of the evidence

- Brief note on methods:

- ✓ Searches

- ✓ Screening:

- Inclusion criteria 1 (type of intervention, Publication language and date, Geographic and population coverage, Type of study, Outcomes of interest; CT design and implementation features of interest)
- Inclusion criteria 2 (assessment of risk of bias and methodological rigour; only studies with no or low concerns in terms of risk of bias and methodological rigour included in final long list)

- ✓ Evidence extraction

- ✓ Synthesis: used a vote-counting and narrative approach

Cash transfers: a review of the evidence

- ***Monetary poverty***

- ✓ Strong evidence that cash transfers are associated with reductions in monetary poverty.
- ✓ Three quarters of studies for this outcome area report a statistically significant result.
- ✓ Vast majority of studies report increases in total expenditure (25/26), increases in food expenditure (23/25) and reductions in poverty indicators (6/7).



Cash transfers: a review of the evidence

- **Education**

- ✓ Strong evidence that cash transfers lead to an increase in school attendance, less evidence available on impacts on learning outcomes.
- ✓ Out of 20 studies on school attendance, 13 report statistically significant impact and they point to increases in attendance/ decreases in absence (12/13).
- ✓ Fewer studies with significant findings on test scores and evidence more mixed.



Cash transfers: a review of the evidence

- ***Health and nutrition***



- ✓ Strong evidence that cash transfers improve the use of health services and increasing dietary diversity, but less on child anthropometric measures.
- ✓ Evidence for this outcome area consistently shows improvement.
- ✓ Greater share of significant results for health service use (9/15) and dietary diversity (7/12) than for anthropometric measures (e.g. 1/8 for child underweight).

Cash transfers: a review of the evidence

- ***Savings, investment and production***

- ✓ Cash transfers can play a role in fostering beneficiaries' economic autonomy and self-sufficiency.
- ✓ Robust evidence that cash transfers increase beneficiaries' savings (5/5), investment in livestock (12/12) and, to a lesser extent, agricultural assets (3/4) ... although not for all programmes or for all types of livestock, assets and inputs.
- ✓ Impacts on borrowing and involvement in business/enterprise were less clear-cut, showing increases and decreases.



Cash transfers: a review of the evidence

- ***Employment – adult labour***



- ✓ The evidence does not support the concern that cash transfers lead to a reduction in work participation and n hrs worked.
- ✓ For more than half of the indicators measured in this outcome area, employment outcomes were not affected by receipt of the transfer (e.g. 9/14 studies for adults' work participation).
- ✓ Most of the studies reporting a significant effect on adults of working age found an increase in work participation/ intensity.
- ✓ Reductions in work mostly involved the elderly, carers or reductions in casual work.

Cash transfers: a review of the evidence

- ***Employment – child labour***

- ✓ There is strong evidence that cash transfers are associated with a decrease in child labour.
- ✓ All studies with stat significant findings show that cash transfers reduce the prevalence of child labour/hours worked by children.
- ✓ A greater proportion of significant (negative) effects are found for hours worked (5/5 studies) than for prevalence (8/19).
- ✓ Most of this evidence is drawn from Latin America.



Cash transfers: a review of the evidence

- ***Empowerment***

- ✓ Cash transfers increase women's decision-making power and choices, reduce physical abuse but do not always reduce emotional abuse.
- ✓ Some evidence that CTs delay marriage (5/6 studies with statistically significant results show delayed marriage in the treatment group, mostly girls and women ages 13-26 years).
- ✓ Overall, evidence finds female cash transfer beneficiaries reducing engagement in risky sexual behaviours, delaying marriage and pregnancy and increasing contraceptive use.
- ✓ Reduction in likelihood of having multiple sexual partners indicates that cash transfers may reduce the incidence of relationships that are transactional.



Cash transfers: a review of the evidence

- ***Core cash transfer design features***
 - ✓ The design of core transfer features – esp. the size of the transfer and the duration of its receipt – central to achieving impact.
 - ✓ For most outcomes, higher **transfer levels** are associated with achieving greater intended effects (e.g. on cognitive and verbal test scores; on probability of child having health check-up).
 - ✓ **Timing and frequency** of transfers also matters (e.g. tying to school year cycle)
 - ✓ Strong evidence showing improvements in outcomes arising from the longer **duration** of receipt of cash transfers (e.g. years of education; child anthropometric measures)

Cash transfers: a review of the evidence

- ***Conditionality***

- ✓ There is some evidence that making transfers conditional on certain actions can improve outcomes relating to those conditions (e.g. in health service use).
- ✓ Including an element of conditionality can, but does not necessarily, lead to greater impacts in these areas.
- ✓ ‘Labelling’ transfers associated with intended outcomes: clear communication about the importance of using services and related support is associated with greater service uptake.
- ✓ Issue of costs (incl. administrative, social) of conditionality.

Cash transfers: a review of the evidence

- ***Complimentary interventions and supply side services***
 - ✓ Complementary interventions and supply-side services can strengthen the impacts of cash transfers.
 - ✓ For example, in health, receipt of nutritional supplement in addition to the cash transfer can be more effective in reducing child malnutrition than cash alone.
 - ✓ Supply-side barriers such as low-quality schooling and inadequate health services were among the most widely cited reasons for low/no impact of CTs on the health and education indicators reviewed.

Cash transfers: a review of the evidence

- ***In sum:***

- ✓ The vast majority of studies with statistically significant findings show that cash transfers contribute to outcomes policy-makers intend to achieve.
- ✓ The review also uncovers studies finding no statistically significant effect on indicators reviewed and unintended effects.
- ✓ Clear and significant impacts are especially well documented for intended first and second order outcomes in ST/ MT.
- ✓ Cash transfers can impact on first-order indicators that are generally not the immediate focus of a programme, e.g. savings and productive investments.
- ✓ Evidence on third-order outcomes less strong.

Cash transfers: policy design and implementation implications

- ***Policy design and implementation:***

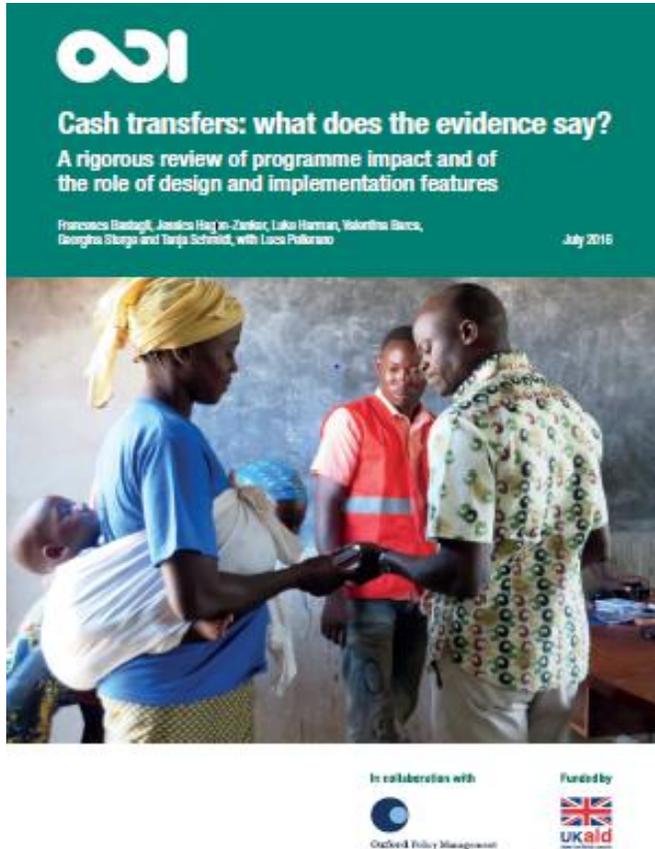
- ***Core design features***

- ✓ Transfer level
- ✓ Target group and targeting mechanism
- ✓ Conditionality
- ✓ Duration of payment
- ✓ Complementary and supply-side services

- ***Wider system***

- ✓ Cash transfers and wider social protection and social policy
- ✓ Financing

Cash transfers



Thank you.

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