

PROMISING PRACTICES

WHAT WORKS: LESSONS IN THE USE OF CASH TRANSFERS

WALK
FREE



Cash transfers are used as a tool to empower and protect vulnerable individuals, households, and other groups from shocks and to mitigate vulnerabilities, such as low and variable income. These transfers can also be used to encourage positive change and behaviours among these groups, including increasing school attendance and reducing the incidence of early marriage. Of the 179 evaluations catalogued in the Promising Practices Database, just under nine per cent contained some element of financial or in-kind relief (n = 16). This policy paper sets out our observations on which practices work, which look promising, and which are ineffective based on the initial dataset for conditional and non-conditional cash transfers, to better inform future program design.

How does it help?

Cash transfers and modern slavery

Poverty is a key factor which drives risk to modern slavery — particularly for children. For many vulnerable families, there is no real choice between sending a child to school or putting the child to work or marrying them early to help lessen the economic burden on the family. The majority of cash transfer programs within the initial *Promising Practices Database* combat this phenomenon by linking assistance to children's education or health outcomes.

Conditional cash transfers (CCT) make these conditions explicit, as they involve cash or in-kind assistance contingent on particular outcomes, for example, perfect school attendance rates in a household or delaying the first age of marriage for a child. However, *non-conditional cash transfers* (NCT) do not set strict conditions on receiving the assistance among the target population, but rather make assistance available based on the theory that removing the need to send children to work, or to an early marriage, will spark behavioural change itself.



New Delhi, India, March 29, 2020. A man sleeps in his rickshaw on a deserted road, as nationwide lockdown continues in India over the highly contagious coronavirus (COVID-19). India's lockdown on 24 March led to millions of migrant workers fleeing big cities and trekking back to their villages. Walking during the heat, with limited food and water, these workers faced hunger and fatigue. The Indian government announced a US\$22 billion relief package for those affected by the lockdown, including same day transfers to bank accounts. Photo credit: Yawar Nazir/Getty Images.

What is the Promising Practices Database?

The *Promising Practices Database* was created in 2015 to collate evaluations of anti-slavery and counter-trafficking programs in a searchable format, so that stakeholders can quickly identify what works — and what does not — through a simple search by country, target population, type or sector of slavery, or type of intervention. The theory is that we can learn from the evaluations already undertaken, even if the learning is 'there is a lot we don't know.' The *Database* is currently undergoing an update to include program evaluations published since 2015, due for release in mid-2020. The information in this policy brief is current as of December 31, 2015.

LESSON 1: CCTs VS NCTs – IMPROVE THE KNOWLEDGE POOL ON NCTs

Unsurprisingly, CCTs have been more popular among stakeholders than their unrestricted alternatives: the theory of change underpinning cash transfers relies on the ability of financial relief to prompt poor households to change negative coping mechanisms, such as taking children out of school to marry early or to work to support the wider family. The disproportionate use of CCTs (n = 14 cf n = 5) in the initial *Promising Practices Database*, suggests that stakeholders view this as a more effective method to achieve this goal. However, based on a synthesis of the evaluations within the *Database*, whether this is empirically true is not certain.

Some programs suggest NCTs may be better than the more popular CCT,¹ particularly when the target population are poor families, as NCTs may build assets, increase consumption, and reduce the likelihood of children going without food.² One study which compared NCT and CCT programs in Malawi found that while CCTs were more effective in improving schooling, NCTs were more effective in reducing child marriage and early pregnancy.³

While these results are interesting, more information is needed as the knowledge pool on NCTs is too small in the *Database* to draw definitive conclusions. As such, policy makers should not be too quick to disregard NCTs when completing program design; after all, NCTs could remove the possibility of participants falsifying compliance with the required conditions in order to receive the benefit, and result in genuine behavioural change. If the method is not tried — and tracked — we simply will not know.

LESSON 2: CASH TRANSFERS NOT EFFECTIVE IN ISOLATION

The success of cash transfer programs varied significantly depending on project design. CCTs which detail minimum requirements for child health and education outcomes (for example, 95 per cent school attendance, up-to-date immunisations, or regular attendance at a health clinic) were largely successful in the short term.⁴ For projects focussed on keeping children at school, results tend to vary between target populations which may make it difficult to transpose CCTs to alternative locations without considering the broader context. For example, a CCT program in Burkina Faso with the condition requiring children to be *enrolled* in school led to a decrease in school *attendance* among households with a relatively low child labour supply as these households would enrol children in school in order to access the financial benefit, but would not in turn send the children to school.⁵

Yet while CCTs based on school attendance tended to keep children in school, it is not a fail-safe; in the face of 'shocks' such as natural disasters, loss of crops, or heavy droughts, parents still withdrew children from school to put them to work.⁶ Further, increasing school attendance does not mean that school performance will be substantially improved, or that children will not go to potentially hazardous work outside of school hours.⁷

Given the variation in results across projects, interventions with a CCT or NCT element must go beyond providing financial incentives to effect real, and lasting change. This could include community-level awareness raising and behavioural change programs to shift cultural attitudes towards child marriage and the worst forms of child labour, skills-based training such as financial planning, and giving families the tools to send their children to school — such as uniforms, textbooks, and access to tutoring.



Ankilimanara, Madagascar, May 23, 2017. A man drives a zebu cart that is used for hauling passengers or goods. In this remote village, 94 women receive cash transfer aid - a monthly stipend for food and immediate necessities - because they have at least one child under 5 years of age who is 'moderately' malnourished. 92 percent of Madagascar's population live below the poverty line on less than US\$2 a day. Photo credit: Melanie Stetson Freeman/The Christian Science Monitor via Getty Images.



LESSON 3: LONGER AND EARLIER PROGRAMS

Extending participants' exposure to programs may also improve long-term results from cash transfer interventions. Among programs with similar designs, programs which ran for longer⁸ were considered more likely to have lasting effects on the rate of child marriage or child participation in the labour force.

Programs designed to intervene against child marriage or child labour should also take into account the characteristics of the ultimate beneficiary: the child. Given their greater willingness and ability to adopt new behaviours and ideas as compared to adults whose habits are generally more difficult to change, projects targeting children should be implemented earlier to have a tangible effect on reducing child marriage, delaying the first age of pregnancy, and decreasing school dropouts.⁹

LESSON 4: EMBED EVALUATIONS WITHIN PROGRAM DESIGN

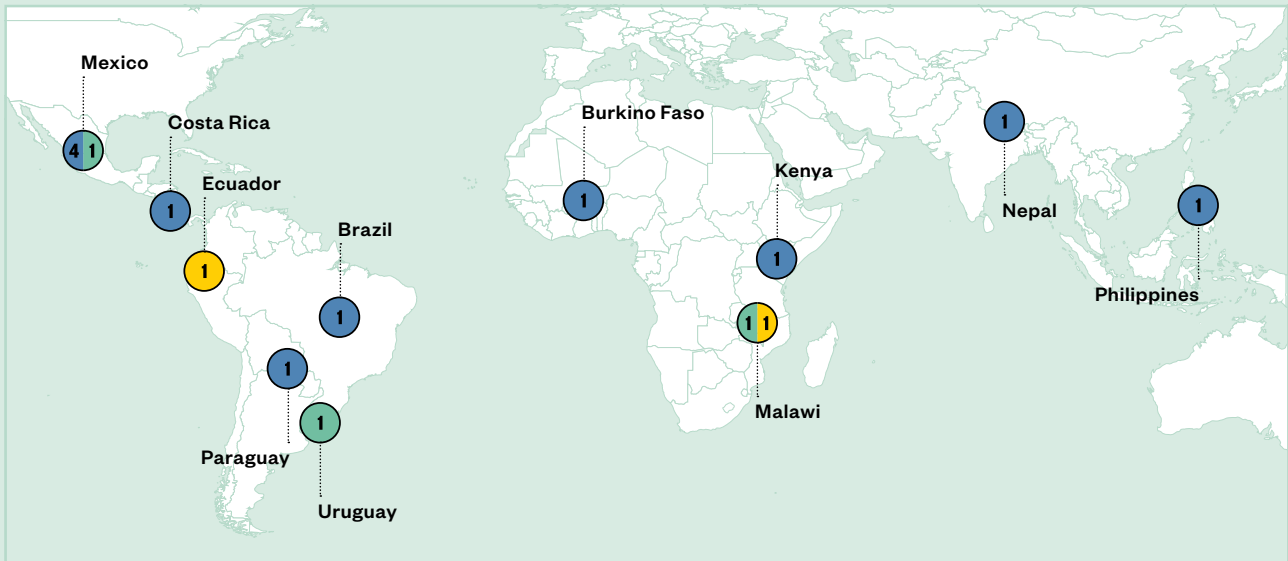
Regardless of where one falls on the debate of CCT or NCT, whether these programs are effective in the long-term remains an open question, as few programs across either cash transfer method conducted randomised control trials (RCTs). Although cash transfers were more likely to be subject to RCTs evaluations than other interventions in the initial *Database*, the numbers were relatively small, with eight and 12 unique evaluations respectively. To better the knowledge pool and efficacy of these interventions in causing long-term change and to facilitate their scale-up and replicability, those implementing CCT and NCT programming should prioritise collecting robust baseline data and conducting post-assessment and follow up many months and years later.



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Mogadishu, Somalia, March 7, 2017. Drought victims wait to enter a World Food Program aid centre, to be registered and made eligible for a cash aid program. The cash payment is delivered through a "SCOPE" credit card, which allows cardholders to purchase food from authorised local vendors. In 2017, in the face of famine and severe drought, communities were forced to sell their assets and incur debts in order to purchase food. 6.2 million people faced humanitarian crisis; and of these, three million could not meet their daily food and water requirements. Photo credit: Giles Clarke via Getty Images.

GEOGRAPHIC SPREAD OF NON-CONDITIONAL, CONDITIONAL, AND MIXED CASH TRANSFER PROGRAMS

Cash transfers have been a popular method of humanitarian assistance for decades, used by governments and NGOs alike to assist the most vulnerable. Historically, cash transfers have usually been subject to conditions so as to encourage behavioural change, however non-conditional and combined method cash transfers are steadily increasing in popularity.



2 Non-conditional cash transfer (NCT) program

3 Combined method cash transfer program

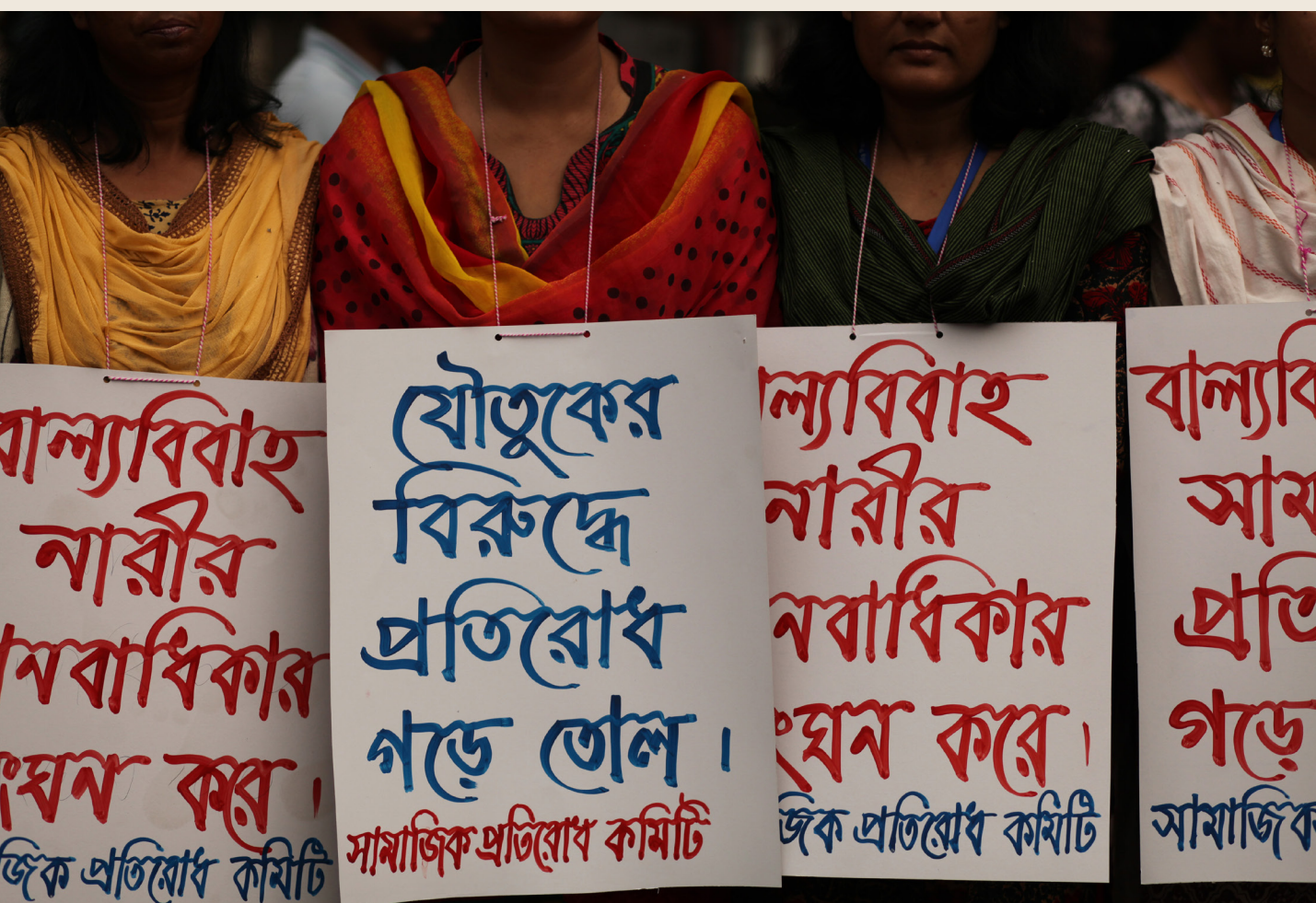
11 Conditional cash transfer (CCT) program



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Wasongiro, Kenya, December 22, 2006. Lesevio Kerempe, shows guests his cattle after a successful reconciliation with his daughter Teresa. Teresa had fled six months earlier to Tasaru Safehouse, which provides board, lodging and education for young Maasai girls who seek refuge from female circumcision and early marriage. Teresa was able to return to her family after they promised not to circumcise her or her sisters and to allow them to continue their schooling. Photo credit: Marvi Lacar/Getty Images.

THE FUTURE OF CASH TRANSFERS

Among available evaluations, there are signs that cash transfers are a promising practice to end modern slavery in the form of early marriage and the worst forms of child labour, particularly when implemented as part of a holistic program over a longer period. These signs include a reduction in child marriage rates, and some reduction in child labour. However, to move this practice from 'promising' to 'proven' will require more thoughtful program design, better attention to target populations and context, more research on NCTs, and higher quality evaluations.



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Dhaka, Bangladesh, December 3, 2014. Women's rights groups protest against child marriage in Dhaka. Child marriage is pervasive in Bangladesh, where 66 per cent of the population had married before the age of 15. Child marriage increases risk to significant health problems which particularly impact child brides, including HIV/AIDS, obstetric fistula, and other sexually transmitted diseases. Photo credit: Mohammad Asad/Pacific Press/LightRocket via Getty Images.

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ENDNOTES

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