

# Should we just give people cash?

Berk Özler

Development Research Group

World Bank

*Policy Research Talk given on September 29, 2015*

Email: [bozler@worldbank.org](mailto:bozler@worldbank.org)

Twitter: [berkozler12](https://twitter.com/berkozler12)



Women wait to change their ration cards in South Sudan.

Andreea Campeanu / Reuters

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## Give Poor People Cash

There's a simple way to reform welfare: Send money to those who need it, without conditions.

# Outline

- Background
- Workfare
- Conditional vs. unconditional cash transfers
- Other antipoverty programs
- Remaining questions and concluding remarks

# Background

- I will frame today's talk around social protection policy, which mainly targets households (sometimes individuals).
- Mainly due to time constraints, I will exclude some important strands of the literature.
  - Role of cash in humanitarian aid
  - Grants (in-kind and cash) and training to microenterprises.
  - Cash transfers and temptation goods

# Give people cash!



- “For fighting poverty, cash is surprisingly effective.” (*Kenny, [Bloomberg](#)*)
- “Does giving cash grants which don't have to be repaid improve food security in Kenya? (Yes, significantly).” (*Duflo, [Huffington Post](#)*)
- “Dear governments: Want to help the poor and transform your economy? Give people cash.” (*[chrisblattman.com](#)*)
- “... cash transfers: they can serve as the index funds of international development.” (*Blattman and Niehaus, [Foreign Policy](#)*)

# Give people cash for...

- Antipoverty policy is concerned with three kinds of aims:
  - ① Traditionally, social protection has been about providing a consumption floor for the poor.
  - ② More recently, the role of education (and health) has been recognized to break the cycle of intergenerational poverty
  - ③ Finally, very recently, a variety of interventions are trying to “promote” households out of poverty.

# Give people cash for...

- It's therefore useful to examine the role of cash transfers to poor people with respect to each of those goals:
  1. Current poverty reduction
  2. Human capital accumulation (for the next generation)
  3. Sustained exit from poverty

# Part I: Workfare



# Workfare

- Oldest form of social protection
- Provided a floor of consumption by imposing work conditions
- Self-targeting elegantly solves information problem but imposes costs on participants that are not necessarily productive
  - Can help promotion if assets/public goods produced
  - Foregone earnings can be significant
  - Rationing is widespread in SSA, even seen in India, particularly in poorer states (Dutta et al. 2012)

# Workfare

## Evidence (on current poverty)

- Positive early on, but the ground has shifted significantly recently...
  - Helped respond to, & prevent, famines including in SSA (Drèze 1990).
- *Jefes de Hogar* (Argentina), preceded by the highly-regarded *Trabajar*, set up in response to the severe economic crises in 2001, was successful in protecting HHs from falling into extreme poverty (Almeida and Galasso 2007; Grosh et al. 2008)
- A recent experiment in Malawi shows no effects on labor allocation, food security, or use of agricultural inputs (Beegle, Galasso, and Goldberg 2015)
  - (Mysterious) negative spillovers on the food security of untreated households – not due to price or labor supply effects, but potentially spillovers on fertilizer use...

# Workfare

- But, cash would have done better! (Ravallion and Datt 1995, Dutta et al. 2013)
  - Taking into account all of the costs involved, a universal cash transfer would have been more cost-effective in transferring incomes to the poor.
  - Only sufficient asset creation (benefitting poor people) would tilt the scales in favor of Bihar's Regular Employment Guarantee Scheme.
    - Alik-Lagrange and Ravallion (2015) further ups the ante...

# Workfare

## Evidence (on human capital accumulation)

- By increasing labor demand and increasing the opportunity cost of schooling, workfare programs could hurt schooling (Shah and Steinberg 2015):
  - Each additional year of exposure to NREGS decreases school enrollment by 2 percentage points and math scores by 0.02 SD among 13-16 year-old children
  - Boys substitute into market work while girls into unpaid domestic work...
  - But, the same exposure improves human capital accumulation and likelihood of being on track for school for children under 5.
    - Consistent with increased wages in rural India being positively associated with HC accumulation at young ages and switching for older ages (Shah and Steinberg 2013).

# Workfare vs. Cash Transfers

## Advantages

- ✓ Self-Targeting
- ✓ Counter-cyclical
- ✓ Benefits to the community as a whole
- ✓ Popular with public and politicians

## Disadvantages

- ✧ Much of the funds devoted to non-wage costs
- ✧ Administratively demanding
- ✧ Leakage
- ✧ Labor market implications (& knock-on effects on children)

# Workfare vs. Cash Transfers✓

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- ✧ Labor market implications (& knock-on effects on children)

# Workfare vs. Cash Transfers✓

- With the important caveat that the balance of evidence can shift quickly with ongoing studies that take into account:
  - Longer-term employment and promotion;
  - Indirect effect of assets created on poverty reduction;
  - LM spillovers, etc.
- This goes for much of the literature covered here, the bulk of which is comprised of recent/ongoing studies...

# Part II: Conditional Cash Transfers



# Schooling for the children of the poor

- Agitation for mass public schooling was the first example of “promotion” policies and it did not appear seriously until the 1850s (Ravallion 2013).
  - Schooling for children became compulsory in Europe, North America, Japan, and the UK, with East Asia following later
  - → impacts on relatively equitable and rapid growth in many parts of the world – attributable to broad-based education policies (Ravallion and Datt 2002; Goldin and Katz 2008)
  - Bursaries for poor families finally emerged in today’s developed countries in the second half of the 20<sup>th</sup> century (UK, Australia, USA’s EITC)

# Conditional Cash Transfers

- Targeted bursaries came to be known as Conditional Cash Transfers (CCTs) in development economics and burst into prominence with the influential randomized evaluation of Mexico's PROGRESA (later Oportunidades).
  - The benefits are targeted to poor families with children...
  - ...conditional on households keeping eligible children in school.
- *“The real test of these programs is whether eventually you will not need them. If you have a program like this that lasts 30 years, you're failing because you're not really changing the underlying conditions.”*

Santiago Levy (on the Kojo Nnamdi Show, 2011)

# Conditional Cash Transfers

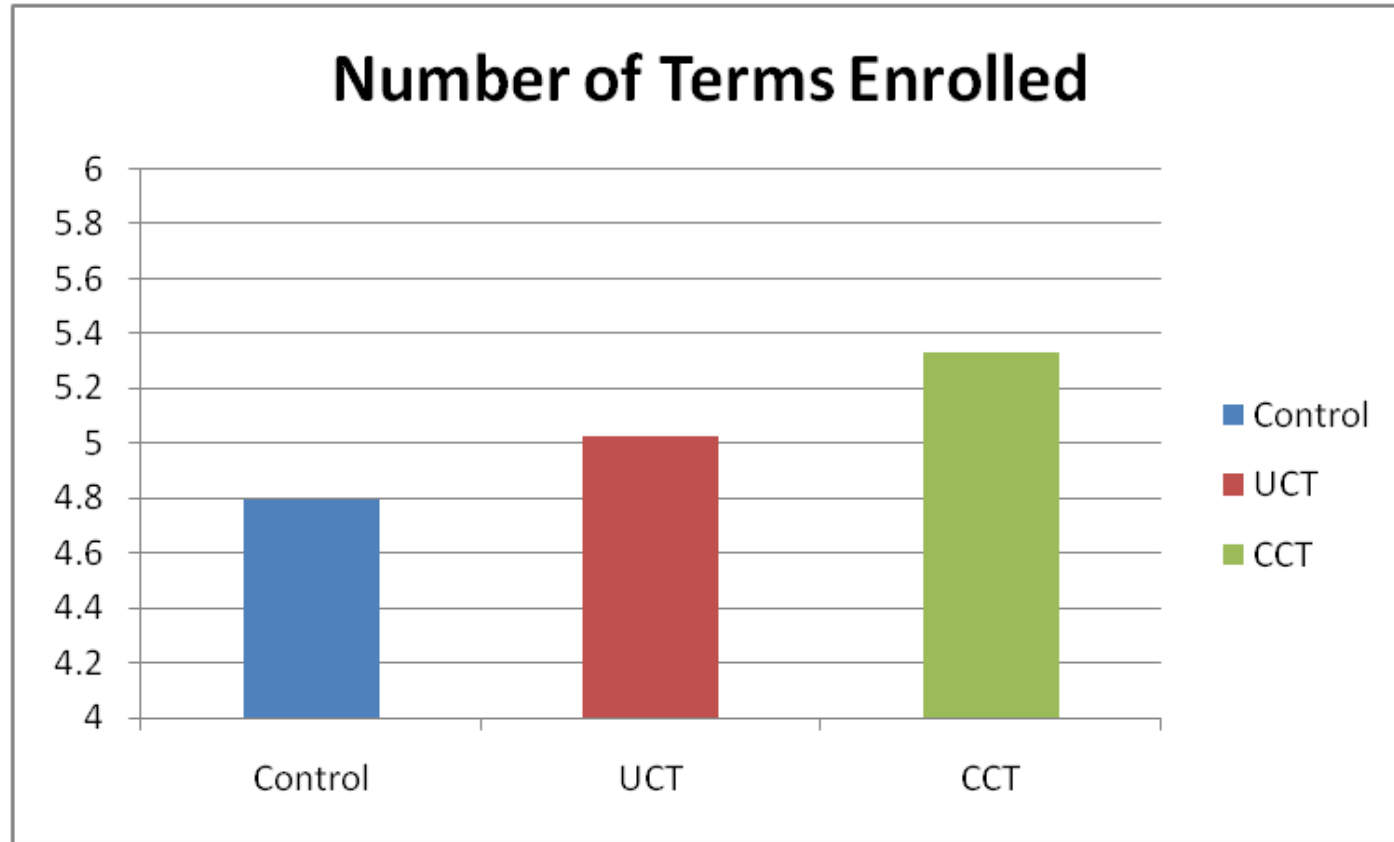
- Notice that CCTs combine a protection aim (primarily through geographic and means-tested targeting) and a promotion one – for the next generation.
- But, seeking to improve two goals using one policy tool presents challenges.
- While CCT programs may be more effective than UCTs in obtaining the desired behavior change, they can also undermine the social protection dimension of cash transfer programs.

# Conditional Cash Transfers

## *A cash transfer experiment for adolescent girls in Malawi*

- ✓ Two-year cash transfer experiment targeted at 13-22 year-old never-married females:
  - CCTs to all young females who had already dropped out of school at baseline (*baseline dropouts*).
  - CCTs or UCTs to a sample of young females who were in school at baseline (*baseline schoolgirls*).

## *Enrollment effects (baseline schoolgirls: 24-month follow-up)*



## *Summary of schooling effects (24-month follow-up):*

### ✓ Enrollment

- Modest improvement in UCT...
- ... but only 43% of the effect in the CCT

### ✓ Attendance

- Among those enrolled in school, some evidence of higher attendance in the **CCT**.

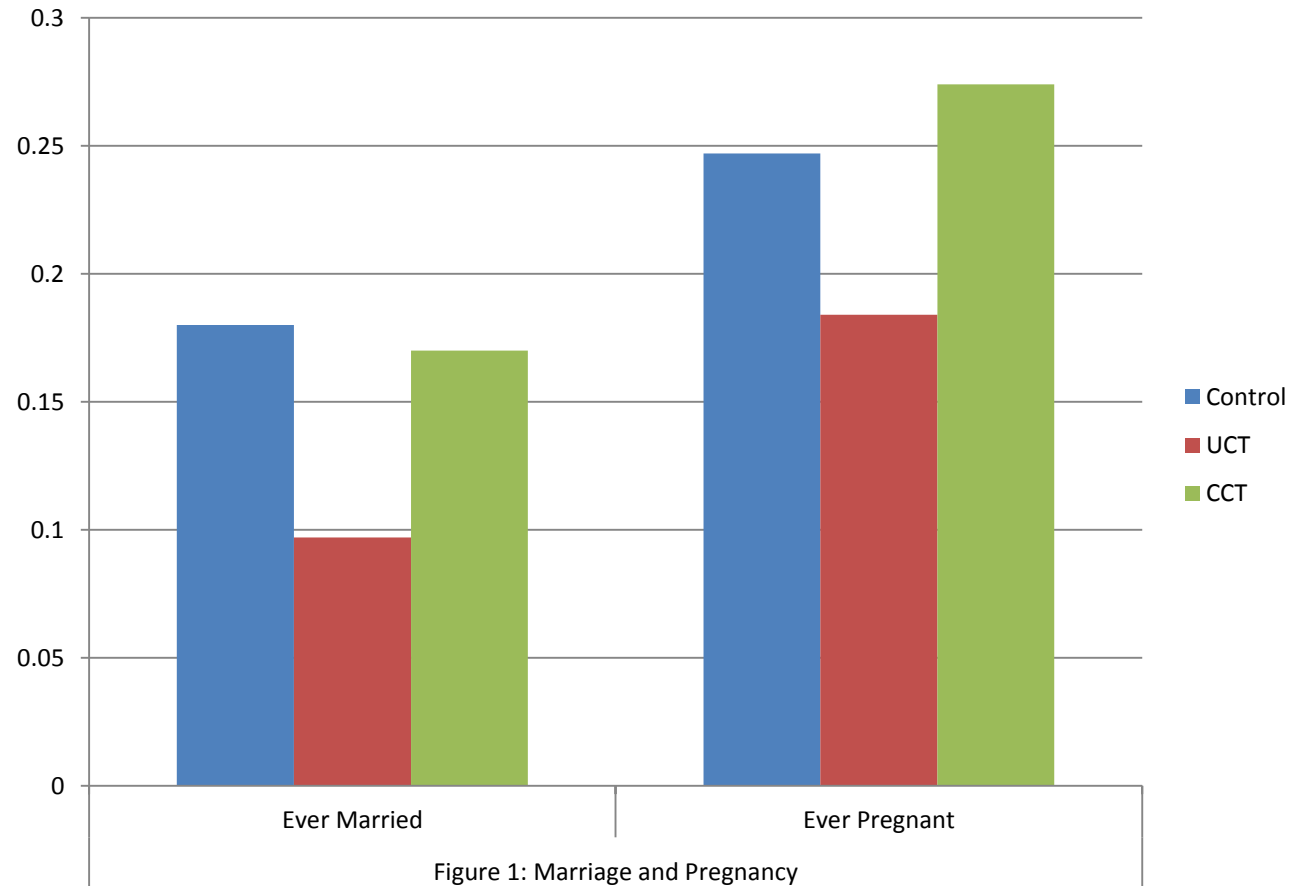
### ✓ Test scores

- Significant improvements in the **CCT** group in Math, English reading comprehension, and cognitive ability.

✓ → It is fair to conclude that CCTs outperformed UCTs in terms of improvements in schooling outcomes.

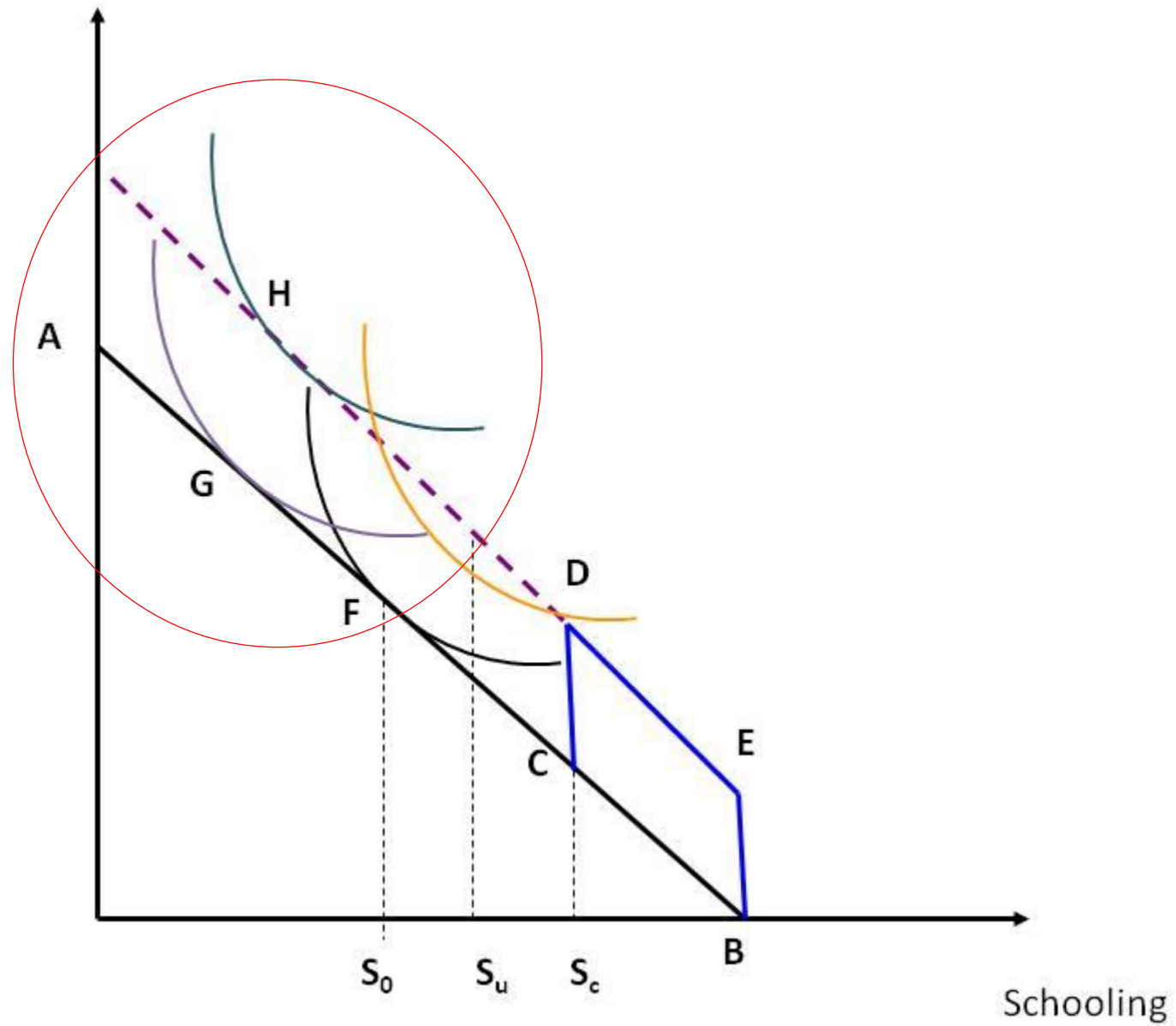
# Marriage and pregnancy effects (baseline schoolgirls: 24-month follow-up)

- ✓ However, substantial delays in **marriage and pregnancy** in the UCT group.
  - No such effect in CCT
  - Similar effects on **psychological wellbeing** during the program
- ✓ Schooling gains in CCT achieved at the cost of denying transfers to *non-compliers* who are shown to be particularly 'at risk' for early marriage and teenage pregnancy.



Other goods

Welfare loss to non-compliers is not just a theoretical construct...





**TABLE 1**  
**OVERALL AVERAGE EFFECT OF PROGRAM ON PROBABILITY OF REPEATING A GRADE, DROPPING OUT, AND REENTERING SCHOOL**

Age	Probability of Repeating among Those Enrolled in School			Probability of Dropping Out among Those Enrolled in School			Probability of Reentering among Those Dropped Out of School		
	T	C	Diff.	T	C	Diff.	T	C	Diff.
6	39.8	46	-6.2	.8	1.6	-.8	...	...	...
7	26.7	34	-7.1	1.0	1.0	.0	100.0	100.0	.0
8	26.9	32	-5.5	.3	.7	-.4	100.0	96.0	4.0
9	23.9	30	-6.5	1.0	1.4	-.4	97.2	94.7	2.5
10	24.2	25	-.8	1.6	2.9	-1.3	94.4	87.5	6.9
11	19.8	24.8	-5.0	6.3	12.2	-5.9	65.5	45.8	19.7
12	30.0	33.7	-3.7	10.4	16.8	-6.4	44.5	29.7	14.8
13	34.6	39.7	-5.1	12.2	22.7	-10.5	34.1	16.9	17.2
14	49.3	47.4	1.9	23.3	34.9	-11.6	16.9	15.5	1.4
15	57.8	61.9	-4.1	31.3	37.7	-6.4	14.2	10.8	3.4

Note. T = treatment, C = control, Diff. = difference.

# Conditional Cash Transfers

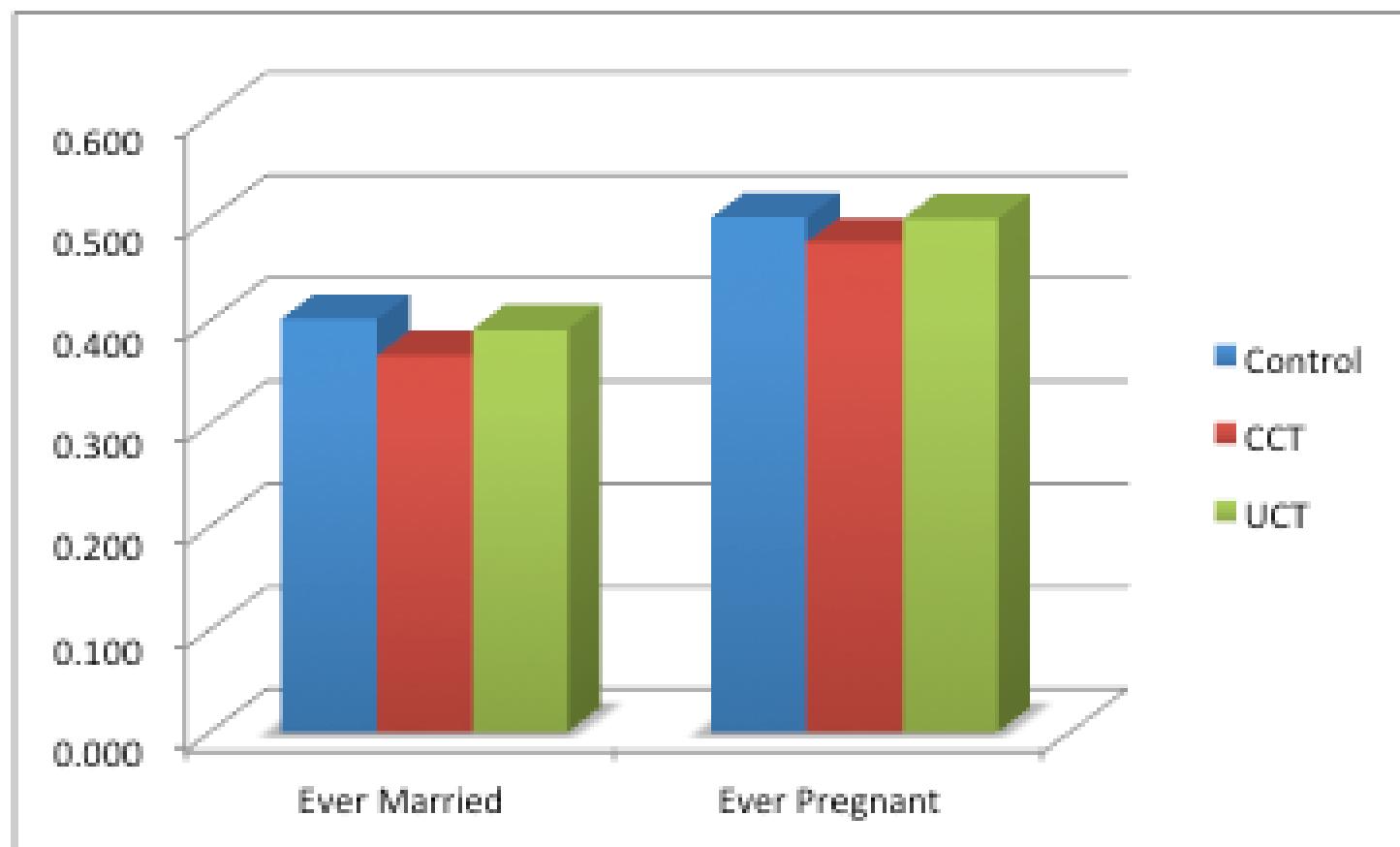
- How do we think about such tradeoffs caused by the conditions?
  - It's hard to justify denying poor households a basic safety net because they did not meet the behavioral conditions imposed.
  - Furthermore, current gains from UCTs could have longer-term effects on the recipients and their children in the future.
- I'll discuss some design options/ideas in a second, but let's look at some longer-term effects of the kind mentioned above...

## *Schooling, marriage and pregnancy effects (52-month follow-up)*

### **What happened two years after the end of transfers?**

- ✓ No lasting effects on **educational attainment or learning** among *baseline schoolgirls* in either group.
  - The positive effects on schooling among SG were too small to make a lasting impact...
- ✓ Also, complete catch-up of UCTs with the control group in being **ever married or pregnant**; total live births; age at first live birth.
  - Only **age of first marriage** increased by an average of 0.5 years (among the 40% who were married by 2012)

# Two years after the end of the program...



# Unconditional Cash Transfers

- **Importance** of cash...
  - With small, frequent, and reliable cash transfers, we are able to cause improvements in multiple domains:
    - Nutrition
    - Mental health
    - HIV/STDs
    - Reductions in teen pregnancies and child marriages
- ...even though such transfers do not necessarily cause substantial increases in capital accumulation (human or physical)

# Unconditional Cash Transfers

- **Limitations of cash...**
  - However, all of the effects observed during the program disappear soon after the cessation of support.
  - Worse, the desired trends reversed themselves (HIV, total fertility, etc.)
  - No lasting effects of any kind for a broad range of outcomes (empowerment, consumption, health, marriage markets)
- UCTs are great for social protection, but we should not expect promotion from them (for the next generation or the current one)
  - Possible exception: income is good for the development of young children ([Baird et al. 2015](#); Shah and Steinberg 2013, 2015; Barham, Macours, and Maluccio 2013a)

# Other Evidence

- “There is little support for the claim that untargeted income transfer policies to poor families significantly boost child outcomes.”
  - “Mentoring, parenting, and attachment are essential features of successful families and interventions to shape skills at all stages of childhood.”

Heckman and Mosso (Annual Review of Economics, 2014)
  - *Aizer et al. (2014) and Akee et al. (2015) provide a counterpoint*
- Very large lump-sum transfers by GiveDirectly had no effect on education eight months later (Haushofer and Shapiro, 2013)

# (back to) Conditional Cash Transfers

- CCTs for *baseline schoolgirls* did not fare a whole lot better in the longer-run (with a few exceptions favorable to CCTs over UCTs)
  - Low accumulation of human capital due to the infra-marginal nature of schooling (88% completed primary, >50% junior secondary in control group)
  - The infra-marginal transfers point to the importance of targeting not just poor households but those with at risk children (if we are to insist on CCTs...)



# Conditional Cash Transfers

## What happened to the *baseline dropouts* who were offered CCTs?

- ✓ Very large effects on school attainment at the end of the program (at 24 months) were still present – even increased – at 52 months.
- ✓ Large, meaningful, and lasting knock-on effects:
  - ✓ Reductions in being ever married/pregnant, total live births, desired fertility
  - ✓ Increases in age at first marriage/pregnancy.
  - ✓ More educated husbands among those married...

# Conditional vs. Unconditional Cash Transfers

- ✓ Human Capital accumulation: CCTs have the advantage
- ✓ Current Poverty Reduction: UCTs have the advantage
- ✓ Future Poverty Reduction: ???
  - ✓ Savings and investments in productive activities could increase future earnings and reduce poverty (Gertler et al. 2012; Bianchi and Bobba 2013)  
→ UCTs
  - ✓ Investments in human capital could reduce poverty in the next generation → CCTs

# Conditional vs. Unconditional Cash Transfers

- ✓ **For social protection, give unconditionally...** it protects households from many ills
  - ✓ with no increase in temptation or demerit good (Evans and Popova, 2014)
- ✓ **... and give cash rather than in-kind:**
  - ✓ Cunha (2014) is very similar to Baird et al. (2011): in-kind transfers provide more micro-nutrients (Vitamin C, iron, and zinc) to children and mothers than equal-valued UCTs but only translate to small gains in weight and height but not in self-reported sickness or anemia.
  - ✓ Muralidharan et al. (2011) advocate for cash transfers for the poor instead of subsidized commodities
  - ✓ Gentilini (2015) finds no clear evidence that food transfers dominate cash transfers but cannot pull the trigger to recommend “cash.”

# What about promotion via human capital accumulation?

- ✓ While UCTs will provide basic protection from poverty, their promise for promotion is limited – *given extant evidence*.
- ✓ We do know that CCTs do improve at least intermediate outcomes in schooling, health, early childhood development, and nutrition, and in some cases final outcomes (Gertler 2004; Barham, Macours, and Maluccio 2013b; Attanasio et al. 2015)
- ✓ **What are some design features we can consider in cash transfer design?**

# Cash Transfer Design Ideas

- ① Consider basic unconditional grants for all poor households topped up by carefully considered conditional transfers.
- ② The tradeoffs from imposing conditions will vary by setting and household demographics: → e.g., in Malawi, consider offering CCTs for young children that switch to UCTs upon adolescence.
- ③ Consider conditioning transfers on improvements on children's outcomes rather than utilization of services, tweak the timing and size of transfers

# Cash Transfer Design Ideas

- ④ Consider the fact that market failures in the education/health sectors or elsewhere could be the reason for low human capital investments for children:
  - Combine basic UCTs with fixes for those failures
  - For example, providing all girls bicycles conditional on secondary school enrollment was much more cost-effective than comparable CCTs (Muralidharan and Prakash 2014)
- ⑤ Remember that conditions can have perverse effects for the compliers if the supply-side is poor.
  - Also remember that the condition may be “symbolic” to make cash transfers to the poor politically feasible.

# Part III: Other Antipoverty Policies

# Just Give Cash?

- As we were talking about unconditional cash transfers let's start with large lump-sum cash transfers to households.
- *GiveDirectly* is a recently founded NGO that makes one-time large cash transfers to selected households using mobile money.
  - RCT contains random variation in individual recipient, frequency, and transfer size...
- As such, its model is quite different than the small and frequent transfers model that governments and aid organizations are used to.



# The *GiveDirectly* Model

## Targeting

- Use census data to select poor **regions**
  - Select **villages** based on population and proportion lacking metal roofs
  - Select **households** with thatch roofs (with the help of the village elder)
- 
- Targeting using roof materials is decent:
    - Assuming away [behavioral responses](#) and labeling issues
    - Targeting using a typical asset index could improve exclusion errors by 6-10%
    - But, these are improvements on the margins; adopting other criteria (proxy-means or else) not difficult; and *GiveDirectly* not married to this method.

# The *GiveDirectly* Model

## Transfers

- One-time, large, lump-sum transfers (about USD1,000 in PPP terms)
  - Experimentation with amounts and frequency...
- Recipients given a SIM card and asked to register with M-Pesa
- Organization estimates about 92% of your donations are transferred to the recipients M-Pesa account...

# The *GiveDirectly* Model

## Evidence

- Haushofer and Shapiro (2014) describe the short-term impacts of the *GiveDirectly* experiment.
- ✓ Significant improvements in asset holdings (58%), expenditures (23%), and happiness/life satisfaction (0.15-0.20 SD).
- ◆ Revenues are up, but so are expenses, implying no profit gains
- ◆ No effects on education, health, or female empowerment
  - ◆ *Sidebar: How does the popular press cover this evidence?*

# The *GiveDirectly* Model

## Evidence

- *Going back to our framework on SP, HC, and graduation:*
  - Good for current poverty reduction
    - But, it's only been eight months after very large lump-sum transfers
    - Will we have to provide similar transfers in a few years?
  - No evidence of human capital accumulation for children in beneficiary households
  - Graduation: ???
    - Not only too early to tell, but no sign of increases in profits (perhaps also because it is too early)

# The *GiveDirectly* Model

## Summary

- There are some technical issues with the study, but also some interesting findings...
- The timeline is too short
  - The findings of increased consumption, assets, and life satisfaction are not surprising
- It'd be good for *GiveDirectly* to run a cluster-RCT in a new setting, focused on sustained longer-term poverty reduction.
- The great news is that *GiveDirectly* is run by smart development economists, who want to be useful to development practitioners – and are willing to collaborate with us on important questions and designs.

# Grants for Income-Generating Activities (IGAs)

- The paper around which I will structure the discussion of grants for IGAs is Blattman, Fiala, and Martinez (2013), evaluating Northern Uganda Social Action Funds (Youth Opportunities Program).
- Endogenously formed groups of young adults asked to propose IGAs in skilled trades, which are screened both at the village and higher levels.
- Program aimed to boost non-agricultural (self-) employment and incomes among un(der)employed youth and promote social stability in a post-conflict setting.

# Grants for Income-Generating Activities

## Targeting

- Mean age: 25; 75% with a primary school education; two-thirds male
  - Compared to their peers, beneficiaries are more educated, and wealthier.
- Contrast this with TASAF's very similar program, but targeted to "vulnerable households":
- Mean age: 55; only 5% with a primary school education; 60% female
  - 47% widow(er); 56% illiterate
  - Eligibility criteria ensures pro-poor targeting (Baird, McIntosh, Özler 2013)
    - → equity vs. efficiency tension...

# Grants for Income-Generating Activities

## Transfers

- Average transfer per group member was USD382 (higher in PPP), transferred to the group's bank account.
  - Group size ~ 20
- Not an unconditional cash transfer:
  - Group-based,
  - Proposal to include training and capital investment components,
  - Endogenous screening,
  - No monitoring after transfers...



# Grants for Income-Generating Activities

## Evidence

- Follow-up: two-year and four-year
- At the four-year follow-up, large improvements in:
  - Practicing a skilled trade (carpentry, welding, hairstyling, tailoring...)
  - Business assets (57%),
  - Work hours (17%) and earnings (38%)
- Consistent with credit constrained households with productive opportunities

# Grants for Income-Generating Activities

## Evidence

- Going back to our framework on the multiple roles of programs as safety nets, human capital accumulation, and graduation:
- How do the impressive gains in the target population contribute to poverty reduction in Uganda?
- What happened to children's schooling and health?
- Spillovers within communities?
- Definitely promising for “graduation” from poverty!
  - with the caveat that we don't know their “official” poverty status at baseline...

# Grants for Income-Generating Activities

## Summary

- Did the NUSAF YOP find the sweet spot for supporting entrepreneurial activity?
  - Young, underemployed, selected adults with above median wealth and education in a credit constrained environment coming out of a long conflict...
- A similar program in Tanzania, targeted to “vulnerable households” did not have the same success:
  - Similarly non-transformative findings for cash grants to young people in Brudevold et al. (2015) and Blattman, Jamison, and Sheridan (2015).

# Grants for Income-Generating Activities

## Summary

- Bleakley & Ferrie (2013) assess the effect of a large land lottery in 1830s Georgia (USA) and find that the wealth of the lower tail is largely unaffected 18 years later:
  - [Only a shift from middle to upper tail](#)
  - Findings consistent with heterogeneity in characteristics that determine wealth accumulation, and inconsistent with credit-constrained poor...
- Consistent with the idea that targeting these programs to the poor(est) in developing countries may not be as successful...

# What about Microcredit?

- If the issue was a simple credit constraint, then microfinance could play the same role as grants.
  - Blattman et al. (2013) argue that even with the large earnings gains and relatively favorable interest rates and term lengths, it would take a long time (if not forever) to pay back a loan of the same average size.
- There is another reason why grants might be better than loans: poor households with high potential may get screened out by lenders (Beaman et al. 2015)
  - Can lenders improve their credit scoring systems based on new research?

# What about Microcredit?

- Non-subsidized microfinance institutions successfully exist in many countries and serve a section of the poor.
  - It's not clear that subsidizing these institutions or governments themselves providing subsidized credit makes sense...
- High potential poor screened out by lenders can benefit from cash grants (McKenzie 2008a, 2008b; Blattman et al. 2013)
  - Likely not the poorest of the poor...
- Others can benefit from targeting the ultra-poor graduation programs (TUP) to become future borrowers.
  - And the rest...

# The Multifaceted Graduation Approach (TUP)

- Originally designed and implemented by BRAC, a large Bangladeshi NGO, these programs provide beneficiaries with:
  - productive assets,
  - consumption support,
  - technical skills training,
  - frequent home visits, and access to savings (+ sometimes life skills/health)over a period of approximately two years.

- Two papers:
  - Bandiera et al. (2013): Bangladesh (two-year impacts)
  - Banerjee et al. (2015): Six countries (one-year impacts)

# The Multifaceted Graduation Approach (TUP)

## Targeting

- BRAC (Bangladesh):
  - “Women are selected on criteria such as not owning land, not having a male adult earner in the household, having to work outside the household, having school-aged children that work and having no productive assets. Eligible must also not be enrolled with MFIs or recipients of government anti-poverty programs.”
- Six-country study:
  - Geographic targeting of poor regions; village selection by NGO staff
  - Eligible (ultra-poor) HHs identified by a participatory wealth ranking (PWR)
  - 48% below \$1.25/day per capita consumption
  - However, various inclusion/exclusion criteria muddy the waters a bit...



# The Multifaceted Graduation Approach (TUP)

## Transfers

- Direct transfer costs ranging from USD700-2,000 (2014 PPP), with a mean around \$1,000.
  - Total direct costs are substantially higher (supervision, training, materials, salaries, etc.), with the transfers accounting for about a third of total direct costs, but with high variation (19% in Ghana to 63% in India).
  - So, while the transfer amounts are similar to GiveDirectly and higher than in NUSAF, these programs are more expensive (and more complex) to run.

# The Multifaceted Graduation Approach (TUP)

## **Evidence** (*Banerjee et al. 2015*)

- One year after the cessation of all support by the NGO, significant effects across the board (consumption, income, food security, asset accumulation, mental health, political involvement, etc.)
  - Effect sizes are modest (0.05 – 0.25 SD)
  - No effects on physical health or female empowerment; no schooling reported
  - Income and revenue gains slide down a bit from 0.38 SD at the end of the program to 0.27 SD one year later.

# The Multifaceted Graduation Approach (TUP)

## **Evidence** (*Bandiera et al. 2013*)

- Similar effects on asset accumulation, expenditures, earnings, and life satisfaction observed at the end of the intervention and sustained two years later.
- A significant shift from wage labor to self employment, with hours worked and hourly wages increasing.
- Comparison to a hypothetical equal-valued cash grant favorable to TUP...
  - ...but is somewhat unsatisfactory.

# Grants for Income-Generating Activities

## Evidence

- Going back to our framework on the multiple roles of programs as safety nets, human capital accumulation, and graduation:
- TUPs seem to serve the safety net and graduation purposes well.
  - Targeting is one issue that we need to think more about
  - Which elements of the package are needed, which can be cut? (Blattman et al. 2015; Argent et al. 2013)
- Again, as with many studies in this space, no effects on children's outcomes reported.

# Grants for Income-Generating Activities

## Summary

- Good example of an idea tested in multiple settings for multiple outcomes with at least one follow-up for measuring sustained effects.
- However, we still need more evidence of longer-term effects.
  - Recognizing that this is not easy...
- Also, effects are for relatively small scale operations by NGOs that vertically integrate the diverse set of services (Galasso 2015)

# For further experimentation...

- The graduation approach is promising, but brings up a number of important questions:
  - ① Fixing the objective function, can TUPs outperform UCTs or microcredit?
    - How do we compare credit programs to cash grant programs?
  - ② Or, if different programs serve different objectives, how does a government harmonize its approach to dealing with different target populations? How does it sequence programs & supply side?
    - ✓ *A safety net for everyone, TUP for the ultra-poor, grants, credit, and insurance for willing borrowers, other programs for the rest?*

# For further experimentation...

- ③ How would TUP operate at scale when markets respond to full GE effects?
- ④ Which components of the package are needed?
- ⑤ Lessons from multiple settings and for longer time horizons

# For further experimentation...

- The World Bank is uniquely placed to support client countries who want to experiment with program design to determine the most promising approaches towards sustainable reductions in poverty.
- We are currently reaching out to some country teams, the GPs, and outside donors to enable countries to experiment with social protection and promotion systems-design. This could:
  - Help systematically accumulate evidence from a range of countries to shore up a rich “operational” evidence base;
  - Lead to innovation through competition in the social protection space;
  - Be funded through our lending and grant products



# Part IV: Concluding Remarks

# Conclusions

## ① For social protection purposes, it's hard to argue against cash transfers:

- Not conditional
  - Not in-kind
- 
- Middle- and high-income countries could consider basic income grants **for everyone**, which could be too costly for poor countries.
    - Even then, there may be a lot of scope for cutting regressive subsidies and financing direct cash transfers for the poor (Kapur et al. 2008; Bardhan 2011; Ravallion 2013).

# Conclusions

**② For human capital accumulation, the promise of unconditional cash is not (yet) fulfilled.**

- Credit constraints are neither the only nor the most important problem in improving education (skills) and health.
  - These are two complex markets, plagued by multiple failures: information, service delivery, politics...
- The question is whether conditional cash transfers (preferably on top of UCTs) are better than trying to solve these other failures directly.

# Conclusions

**③ For a sustained exit from poverty, there is not sufficient evidence to suggest that unconditional cash grants are the answer.**

- Several studies have been helpful in identifying cases where the only (or main) binding constraint is access to credit.
  - However, this is unlikely to be the case for poor people in low-income countries.
  - A consistent finding from multiple studies is that the effects of interventions are higher towards the top of the distribution among the target populations.
- There is room for more exploration of more elaborate approaches (“cash plus” programs; TUP programs; credit for the entrepreneurial poor, etc.)

# Conclusions

④ **We need to harmonize the space of social protection, promotion, and productive inclusion programs.**

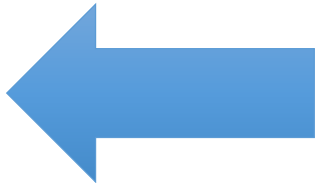
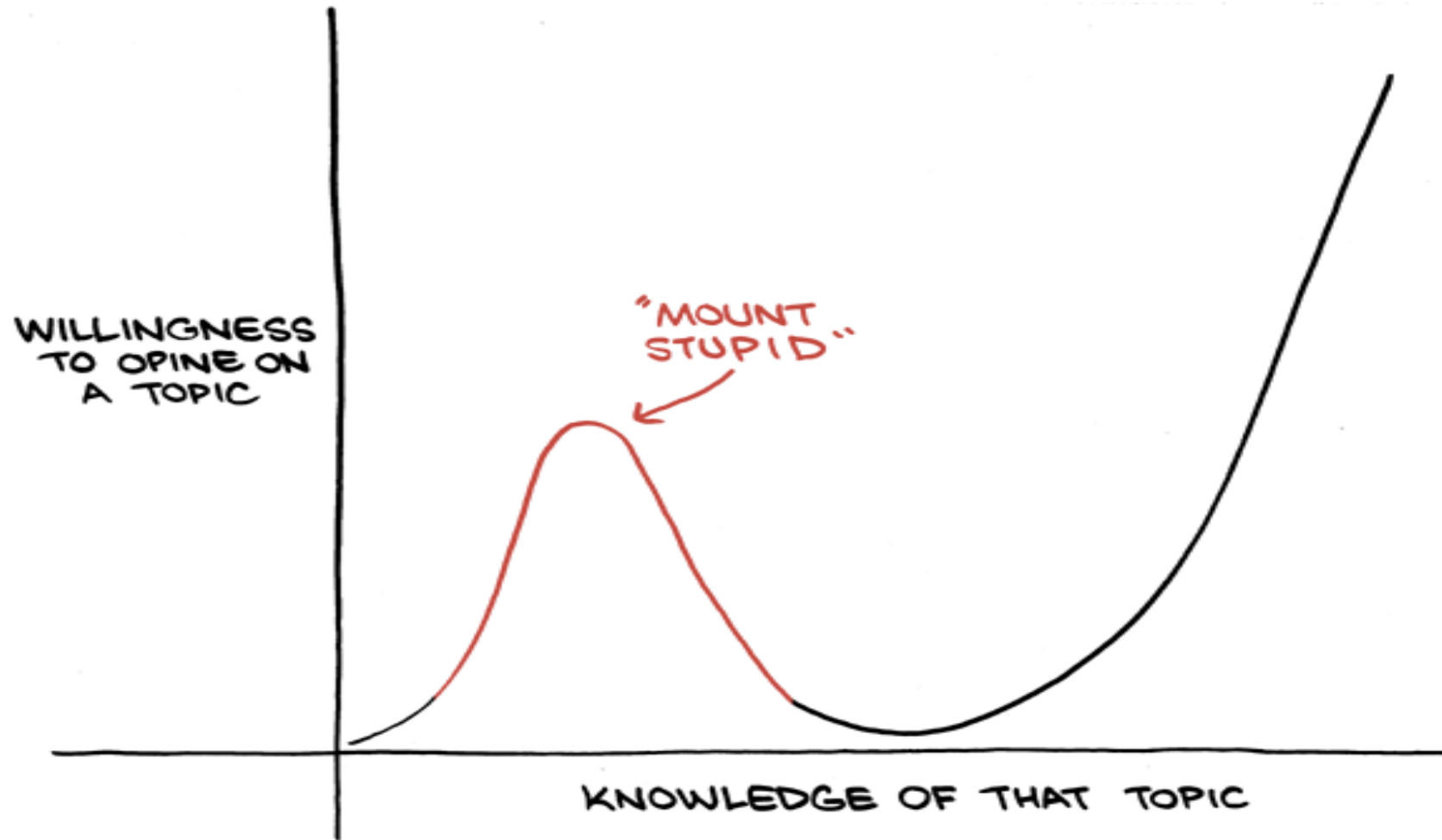
- Currently, in many countries, there are too many programs, where
  - contributions to these three goals are not well-defined,
  - **target populations overlap,**
  - supply-side is lagging,
  - The sequencing of services for the poor over stages of productivity growth is not clear

# Conclusions

## ⑤ The antipoverty policy space is ripe for experimentation

- To date, there are no apples-to-apples comparisons of many of these approaches
- Such experimentation requires careful thought on policy objectives, political constraints, and systems design.
- This puts organizations like the World Bank in a unique position to accumulate knowledge doing collaborative work with client countries, innovative new organizations.

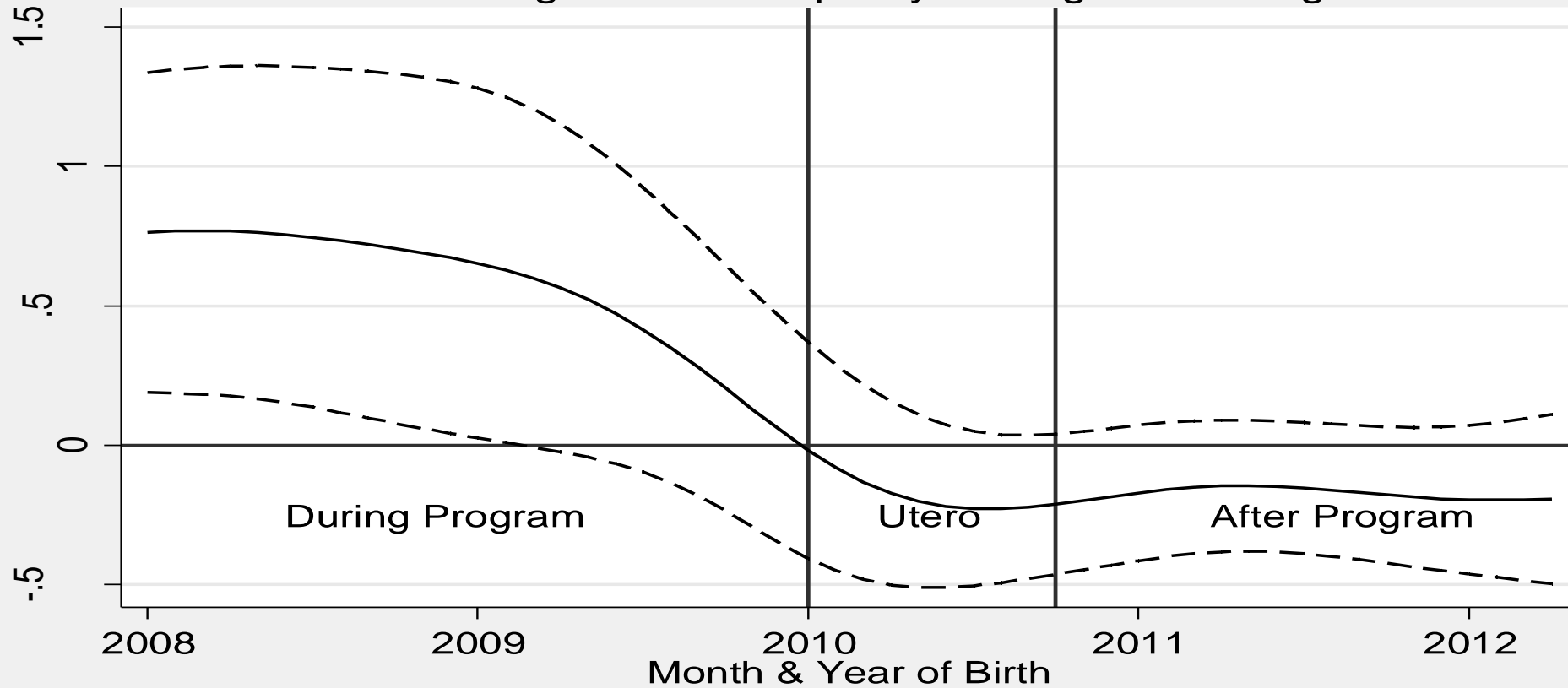
Thank you





## The UCT treatment effect on Child HAZ

Controlling for mother quality and age + child age



TE + 95% confidence Interval, locally weighted regressions over distribution of Child Age

# SISBEN: Poverty index score distribution

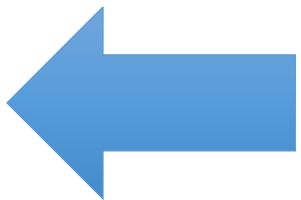
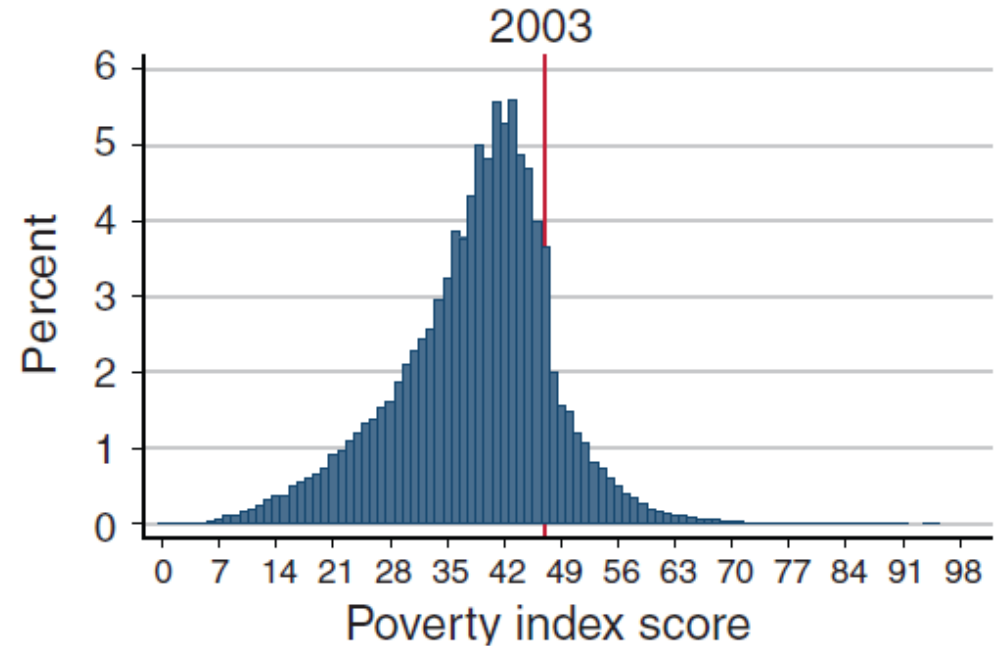
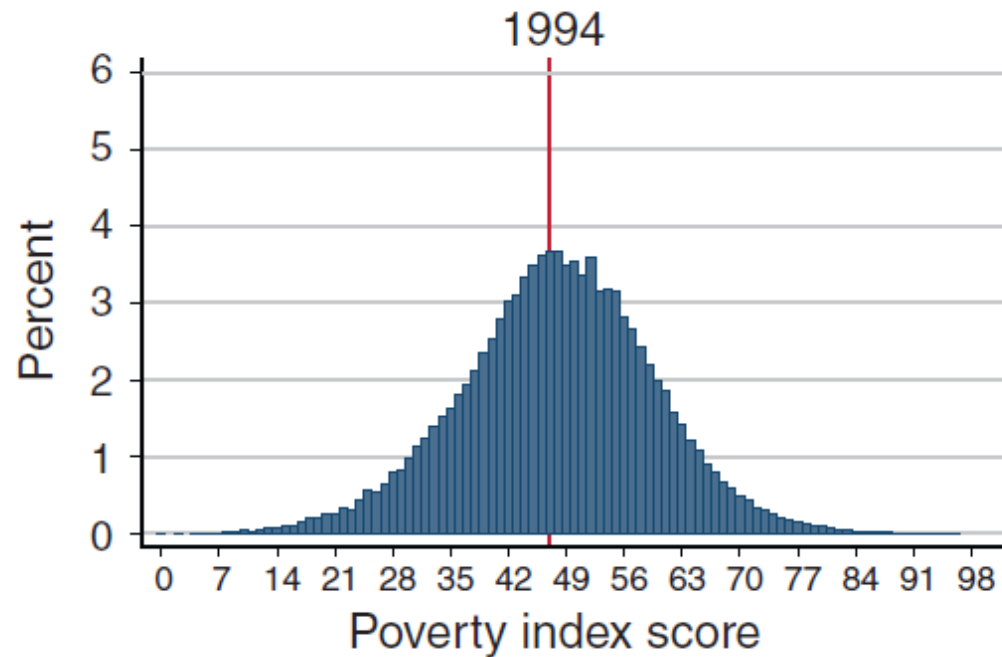


Figure 1: Business value (as a share of TASAF grant)

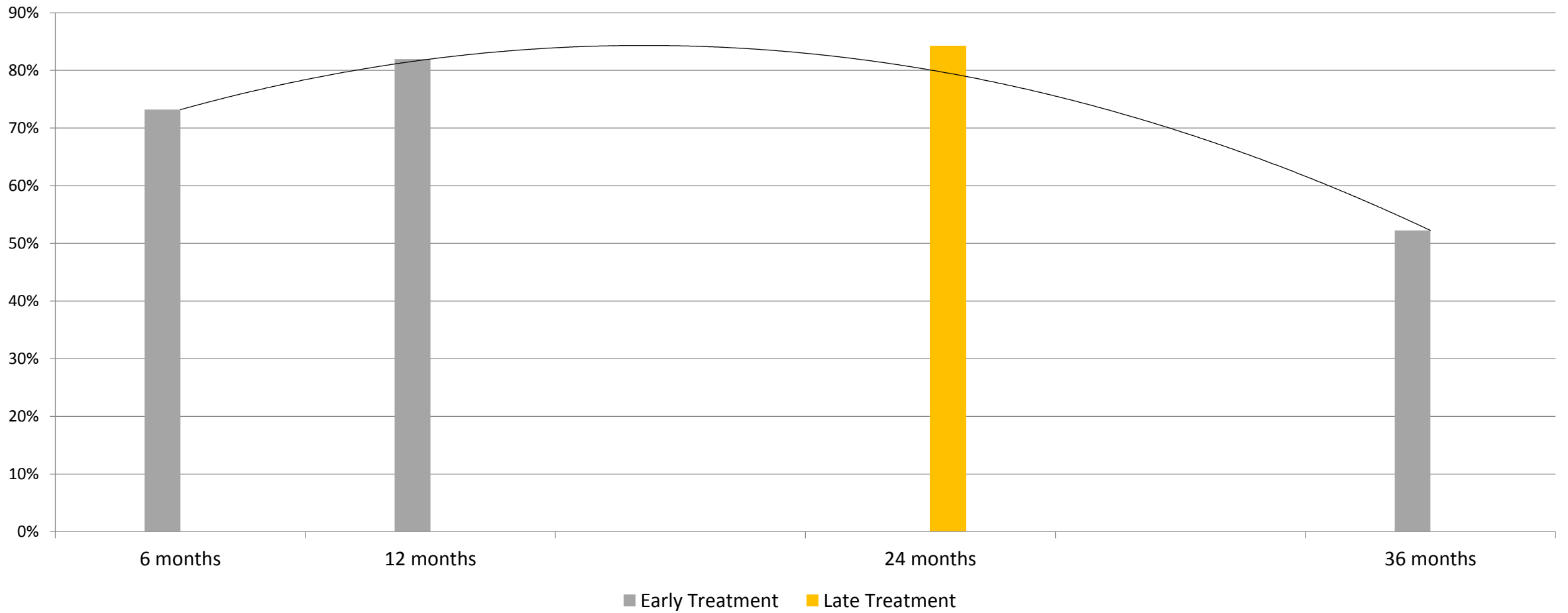


Figure 2: Individual earnings from TASAF business

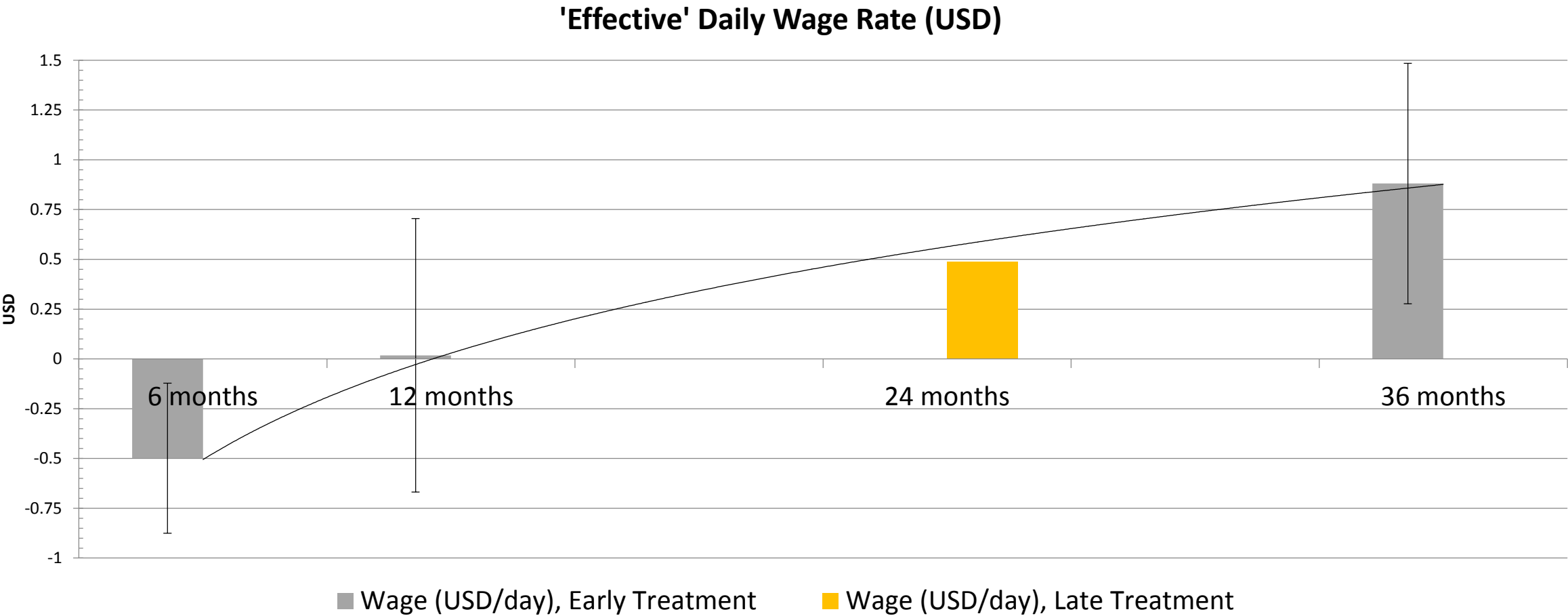


Figure 1: Quantile Regression Estimates on Total Wealth and Lottery Winning

