

Myth-busting? Confronting Six Common Perceptions about Unconditional Cash Transfers as a Poverty Reduction Strategy in Africa

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Office of Research - Innocenti Working Paper

WP-2017-11 | June 2017

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For readers wishing to cite this document, we suggest the following form:

Handa, S., Daidone, S., Peterman, A., Davis, B., Pereira, A., Palermo, T. and Yablonski, J., on behalf of the Transfer Project (2017). Myth-busting? Confronting Six Common Perceptions about Unconditional Cash Transfers as a Poverty Reduction Strategy in Africa, *Innocenti Working Paper 2017-11*, UNICEF Office of Research, Florence.

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eISSN: 2520-6796

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MYTH-BUSTING? CONFRONTING SIX COMMON PERCEPTIONS ABOUT UNCONDITIONAL CASH TRANSFERS AS A POVERTY REDUCTION STRATEGY IN AFRICA

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Abstract: In this paper we summarize evidence on six perceptions associated with cash transfer programming, using eight rigorous evaluations conducted on large-scale government unconditional cash transfers in sub-Saharan Africa, under the Transfer Project. Specifically, we investigate if transfers: 1) induce higher spending on alcohol or tobacco; 2) are fully consumed (rather than invested); 3) create dependency (reduce participation in productive activities); 4) increase fertility; 5) lead to negative community-level economic impacts (including price distortion and inflation), and 6) are fiscally unsustainable. We present evidence refuting each claim, leading to the conclusion that these perceptions – insofar as they are utilized in policy debates – undercut potential improvements in well-being and livelihood strengthening among the poor, which these programmes can bring about in sub-Saharan Africa, and globally. We conclude by underscoring outstanding research gaps and policy implications for the continued expansion of unconditional cash transfers in the region and beyond.

Keywords: Unconditional cash transfers, social safety nets, Africa

Acknowledgements:

The Transfer Project is a multi-organizational initiative of the United Nations Children’s Fund (UNICEF) the UN Food and Agriculture Organization (FAO), Save the Children UK and the University of North Carolina at Chapel Hill (UNC-CH), in collaboration with national governments, and other national and international researchers. Current core funding for the Transfer Project comes from the Swedish International Development Cooperation Agency (Sida), and in the form of time devoted by staff at UNICEF, FAO, Save the Children UK and the UNC-CH. Evaluation design, implementation and analysis are all funded in country by government and development partners. Top-up funds for extra survey rounds have been provided by: 3IE - International Initiative for Impact Evaluation (Ghana, Malawi, Zimbabwe); DFID - UK Department for International Development (Ghana, Lesotho, Ethiopia, Malawi, Kenya, Zambia, Zimbabwe); EU - European Union (Lesotho, Malawi, Zimbabwe); Irish Aid (Malawi, Zambia); KfW Development Bank (Malawi); NIH - The United States National Institute of Health (Kenya); Sida (Zimbabwe); and SDC - Swiss Development Cooperation (Zimbabwe); USAID – United States Agency for International Development (Ghana, Malawi); US Department of Labor (Malawi, Zambia). This body of research has benefited from the intellectual input of a large number of individuals. For full research teams by country, see: <https://transfer.cpc.unc.edu/>. We thank Jose Cuesta, Luca Pellerano and Fabio Veras for helpful comments and suggestions on earlier drafts and Luisa Natali for analysis assistance.

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1. INTRODUCTION

Arguments for providing unconditional cash transfers (UCTs) to poor households in low- and middle-income countries (LMICs) to utilize as they wish, are numerous: Cash transfers have been shown to reduce poverty and have widespread human capital development impacts – often larger than traditional forms of assistance. Cash also provides recipients dignity and autonomy over use (Gentilini, 2016; Blattman and Niehaus, 2014; UNICEF ESARO/Transfer Project 2015). Cash transfers have also been recognized as a promising response in humanitarian crises, as reflected in the high-level commitments at the World Humanitarian Summit, the Grand Bargain, and the High Level Panel on Humanitarian Cash Transfers (ODI and CGD 2015; WHS 2016).

Despite its popularity, cash assistance remains a smaller portion of social safety net programming than in-kind assistance (Honorati et al. 2015). While there are many reasons why this may be the case, misinformation may play a role in influencing policy debates and the political environment that enables or restricts the adoption of cash programmes. Policy makers and other stakeholders often cite anecdotal evidence that beneficiaries do not use cash ‘wisely’. They maintain that beneficiaries spend cash on alcohol or tobacco, or that cash transfers create dependency, thwarting attempts to improve financial standing, because this could undermine eligibility for transfers. Hence the cash transfer amounts to nothing more than a ‘hand-out.’ Similarly, doubts have been expressed regarding the cost of financing such programmes, along with fears that beneficiary households will decide to increase fertility in an effort to qualify for benefits (particularly in child-grant models).

These narratives influence public perception of cash transfers and can play an important role in the political and social acceptability of financing, piloting and scaling up such programmes. What does the evidence say about these and other perceptions and claims around cash transfers? Are these anecdotes actually representative of systematic behaviour by programme recipients within large-scale, representative surveys?

Taking eight experimental and quasi-experimental evaluations on large-scale government UCTs in sub-Saharan Africa (SSA), conducted in collaboration with the Transfer Project, we summarize evidence around six common perceptions associated with cash transfer programmes, in resource-poor settings. Specifically we investigate if transfers:

- 1) Induce higher spending on alcohol or tobacco;
- 2) Are fully consumed (rather than invested);
- 3) Create dependency (reduce participation in productive work);
- 4) Increase fertility;
- 5) Lead to negative community-level economic impacts (including price distortion and inflation); and
- 6) Are fiscally unsustainable.

We present evidence refuting each of these claims. We complement our evidence with summaries of other review papers and prominent literature, which has examined these questions, both in SSA, and globally. We conclude that these perceptions are myths, and that they present a distorted picture of the potential benefits of these programmes. Since such perceptions are utilized – or inform underlying assumptions – in policy debates, they constrain governments’ policy decisions in the area of poverty reduction. We conclude by suggesting avenues for future research on topics that are still under-studied,

and call for implementers, donors and other stakeholders to draw on the growing evidence base when informing programming and resource allocation, instead of relying on dated studies with little applicability to current programming, and on anecdotes, opinion or speculation. Efforts are required by all actors to sustain a discourse where ideology does not overcome evidence.

We note two caveats in the narrative and discussion around the findings presented here. First, although we attempt to frame the narrative by investigating the source of each myth – and in some case can trace this back to evidence (both rigorous and anecdotal) – in many cases, it is not entirely clear where the policy narratives originated. We therefore speculate that some myths, or their evolution, are the result of rhetoric and cannot be clearly traced to evidence-based origins. Second, since we examine only UCTs, we cannot clearly say findings would hold true for CCTs implemented in SSA or elsewhere. In other words, although in many cases evidence may equally support both conditional and unconditional transfers, the evidence in the Transfer Project cannot support this claim directly. We do, however, draw on the broader body of CCT literature to provide complementary evidence where available. Such literature often comes to the same conclusions as we do, albeit largely in a very different context (i.e. Latin America). Therefore, although we focus on UCTs, we recognize the linkages to broader cash transfer typologies and aim to make distinctions throughout the manuscript, whenever and wherever specific design components may matter.¹

2. CASH TRANSFER PROGRAMMES, DATA AND METHODOLOGY

We assess the evidence using data from the suite of evaluations on large-scale government UCTs in SSA conducted in collaboration with the Transfer Project. The Transfer Project is a multi-organizational research initiative of the United Nations Children’s Fund (UNICEF), the ‘From Protection to Production (PtoP)’ project of the UN Food and Agriculture Organization (FAO), Save the Children UK, and the University of North Carolina at Chapel Hill (UNC-CH), in collaboration with national governments and other national and international researchers.

The objectives of the Transfer Project are:

- 1) To provide evidence on the impacts of national cash transfer programmes in SSA;
- 2) To inform the development, design and implementation of national cash transfer policy and programmes based on evidence, through engagement with governments, donors and civil society; and
- 3) To promote learning across Africa on cash transfer implementation, research and evaluation.

¹ It should be noted that cash transfer typologies are often diverse and the distinction between CCTs and UCTs is not clear cut. For example, conditions can be implicit or indirect rather than impose formal behavioural rules, thus differences can be seen as a continuum, rather than distinct typologies (see Pellerano and Barca, 2014 for discussion of conditionality typologies and guidelines for their use).

Table 1 summarizes the key components of the suite of eight evaluations across seven countries, utilized in this paper:

- 1) Ethiopia Tigray Social Cash Transfer Pilot Programme (SCTPP);
- 2) Ghana Livelihood Empowerment Against Poverty (LEAP);
- 3) Kenya Cash Transfers for Orphans and Vulnerable Children (CT-OVC);
- 4) Lesotho Child Grants Programme (CGP);
- 5) Malawi Social Cash Transfer Programme (SCTP);
- 6) Zambia Child Grant Programme (CGP);
- 7) Zambia Multiple Categorical Targeting Grant (MCTG); and
- 8) Zimbabwe Harmonized Social Cash Transfer (HSCT).²

Table 1: Programme Components of Unconditional Cash Transfers included in Transfer Project

| Country | Programme | Year programme Began ¹ | Implementing Ministry | Target Group | Transfer Size (% of baseline consumption) | Transfer Type | Approximate Coverage at Time of Writing (2016) |
|----------|---|-----------------------------------|---|--|---|---|--|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Ethiopia | Tigray Social Cash Transfer Programme Pilot (SCTPP) | 2011 | Tigray Bureau of Labour and Social Affairs | Ultra-poor, labor constrained, female or child headed households with elderly, or disabled members | ~24.8% | Base flat transfer + additional variable transfer by number of eligible HH members | 3,800 households |
| Ghana | Livelihood Empowerment Against Poverty (LEAP) | 2008 | Ministry of Gender, Children and Social Protection | Extreme poor with elderly, disabled or OVC member | ~7% | Variable transfer by number of eligible HH members | 213,000 households |
| Kenya | Cash Transfers for Orphans and Vulnerable Children (CT-OVC) | 2004 | Ministry of Home Affairs, Department of Children's Services | Poor households with OVC | ~22% | Flat transfer | 365,000 households |
| Lesotho | Child Grant Programme (CGP) | 2009 | Ministry of Social Development | Poor households with a child under 18 years old | 16.7% ² | Flat transfer until April 2013; then variable transfer by number of eligible HH members | 26,600 households |
| Malawi | Social Cash Transfer Programme (SCTP) [Expansion] | 2009 | Ministry of Gender, Children and Social Welfare | Ultra-poor, labour constrained | 18% ³ | Variable transfer by number of eligible HH members | 170,000 households |

2 Additional Transfer Project evaluations are excluded for the following reasons: South African Child Support Grant was evaluated by partners and uses substantially different evaluation design and outcome indicators; Tanzania's Productive Social Safety Net (PSSN) and Ghana's Livelihood Empowerment Against Poverty (LEAP) 1000 Days are both ongoing, with only baselines completed at the time of writing. The Malawi Mchinji pilot is also excluded as we include results from the more recent evaluation of the scaled-up Malawi SCTP.

Table 1: Programme Components of Unconditional Cash Transfers included in Transfer Project (cont.)

| | | | | | | | |
|----------|--|------|--|--|------|---|----------------------------------|
| Zambia | Child Grant (CG) model of the Social Cash Transfer (SCT) programme | 2010 | Ministry of Community Development, Mother and Child Health | Household with a child under 5 years old | 27% | Flat transfer | 239,000 households (overall SCT) |
| | Multiple Categorical Targeting Grant (MCTG) model of the SCT programme | 2011 | same | Poor female- and elderly-headed households with OVC or disabled person | 21% | Flat transfer | |
| Zimbabwe | Harmonized Social Cash Transfer (HSCT) | 2011 | Ministry of Public Service, Labour and Social Welfare | Food poor and labour constrained | ~20% | Variable transfer byn number of eligible HH members | 62,000 households |

Source: Adapted from Davis et al. (2016). Additional sources: Ethiopia SCTPP (Berhane et al. 2015); Ghana LEAP (Handa et al., 2012; Handa et al., 2014); Kenya CT-OVC (Ward et al., 2010; Asfaw et al, 2011); Lesotho CGP (Pellerano et al. 2014); Malawi SCTP (UNC, 2016b); Zambia CGP (Seidenfeld and Handa, 2011; AIR, 2013); Zambia MCTG (Seidenfeld et al. 2012; AIR, 2014a); Zimbabwe HSCT (Dewbre et al., 2015; AIR, 2014b); HH = household, OVC = Orphans and vulnerable children.

¹ Year denotes when pilot or programme began, not necessarily year of programme expansion tied to evaluation

² Post April 2013 the transfer size was adjusted up to 23.4%

³ Post May 2015 the transfer size was adjusted up to 23%

Although specific programme objectives vary, all programmes were designed with poverty-related objectives, including the improvement of food security, health and education of children, and household resilience to negative shocks. Columns 3-8 indicate the year the programme started, the government implementing agency, the target group of beneficiaries, the transfer size and type, and the approximate coverage at the time of writing (Davis and Handa, 2015).

The majority of programmes started in the late-2000s (see Column 3), and are run by the national ministries overseeing the community development, gender, children or social welfare portfolios. In one case implementation is at the state level – Tigray state in Ethiopia (see Column 4). Although diverse, many of these national programmes share some common characteristics in their design and implementation. These include the use of vulnerability criteria in targeting, similar beneficiary demographic profiles, and unconditional transfers. A key characteristic of government programming in SSA in general, and among the programmes evaluated under the Transfer Project in particular, is the inclusion of vulnerability criteria, in addition to poverty-based targeting criteria (see Column 5). Targeting mechanisms vary by programme, and typically involve a combination of geographical, categorical, community-based and proxy means testing, with a varying weight for each of the components which identify poor eligible households. In general, UCTs in SSA have emphasized, or included, more community involvement in targeting, whereby local committees either identify and rank or verify eligibility status, based on programme guidelines. Among the targeted categories, nearly all countries include components that give priority to labour-constrained households, or households caring for orphans and vulnerable children (OVCs)³, driven, in part, by the HIV pandemic. This emphasis typically results in a demographic profile of beneficiary households with older household heads and more adolescent and youth-aged members. This is markedly different from the demographic profile in the Latin American conditional cash transfers (CCTs), which typically consists

³ The exception is the Zambian CGP, which targets households with children under the age of five.

of younger couples with young children.⁴ Transfer sizes ranged from seven per cent (Ghana) to 27 per cent (Zambia CGP model) of baseline household consumption (see Column 6) at the time of the study. Three programmes give flat transfers (Kenya, Zambia – both models), while the remaining countries give variable transfers based on household size (see column 7). At the time of writing, the approximate coverage of the programmes ranged from 3,800 households (Ethiopia) to 365,000 households (Kenya).⁵

One key component of all programmes reviewed here is the fact that they are unconditional; a characteristic shared by the majority of government programmes in SSA. This runs in contrast to the majority of programmes in Latin America. However, in some cases, the programmes were originally conceived as conditional (e.g. Ghana), but never enforced, or are implemented with ‘soft conditions’, or social messaging around transfers. For example, Kenya attempted but never enforced conditions and caregivers were told at the time of enrollment that the cash was for the care and development of the OVCs. A similar ‘light-touch’ soft-conditionality, in the form of messaging, was provided to recipients in the Lesotho programme. The Malawi SCTP provides a ‘top-up’ benefit for school-aged children, although enrollment status is not a condition nor is it verified. Currently, Tanzania is the only large-scale government-run cash transfer that we are aware of in SSA with effectively enforced, explicit conditions. It is not, however, included here, since the evaluation is on-going. Initial consultations with stakeholders at the beginning of the Transfer Project suggested interest in studying a wider range of outcomes than had explicitly been studied in Latin America, with a particular interest in the productive and economic effects of cash transfers, and adolescent transitions to adulthood. The set of research questions implied by the topic of adolescent transitions to adulthood was driven, in part, by the large number of OVCs reached by these programmes in Southern Africa.

The Transfer Project evaluations incorporate multiple methodologies to answer evaluation questions, including quantitative impact evaluations using experimental or quasi-experimental longitudinal designs, qualitative data, general equilibrium modeling, targeting, operations and costing studies (see Davis et al. 2016a for full description of methodologies utilized). The results in this paper come largely from the quantitative impact evaluations which follow households over time, among treatment and comparison groups, largely made possible by phased programme expansion. Table 2, Columns 3-6 describe the type of evaluation design, identification of counter-factual (control/comparison) group, years of survey data collection and baseline household sample sizes.

In the majority (five) of the evaluations summarized here, randomized controlled trials (RCTs) were implemented (Columns 3 and 4). In these cases, randomization of treatment (cash transfer) and comparison (similarly eligible control) groups was done at central forums in a transparent manner, by government personnel. This process increases the probability that treatment is statistically independent from, and uncorrelated with observed and unobserved background characteristics of individuals and households, which may influence outcomes.

4 Another explanation for markedly different demographic target groups as compared to the Latin American CCTs is that many of these countries, particularly those who are in the high-medium income countries (Brazil, Uruguay, Argentina and Chile, among others) already had some form of social pension and disability grant, whereas other have developed social pensions in parallel to CCTs (Mexico, Peru and El Salvador, among others).

5 It should be noted that the national flagship programme – the Ethiopian Productive Safety Net Programme (PSNP) – was estimated to have 5.16 million direct cash beneficiaries in 2015, in addition to a larger number of public works beneficiaries (DIFD 2015). The Tigray programme is a pilot effort to decentralize the direct beneficiary component of the PSNP.

In several cases, however, non-experimental approaches were utilized due to the inability to randomize treatment and comparison groups because of political, institutional/logistical, ethical or other reasons. For example, in Zimbabwe, operational plans call for immediate scale-up in any district entering the programme, ruling out the possibility of random assignment of clusters, or wards, within a district. A variety of quasi-experimental methods are implemented across countries including: longitudinal propensity score matching (PSM) in Ghana and Ethiopia, and district-matched case control in Zimbabwe. These methodologies are well represented in the literature and further information on the specific approach is detailed within country-specific impact evaluation reports. While preference is given to fully experimental designs, the objective was to implement rigorous and internally valid designs, within the parameters of government implementation plans, thus maximizing the external validity and policy applicability of findings (Davis and Handa, 2016).

Table 2: Quantitative methods for impact evaluation utilized by the Transfer Project

| Country | Programme | Design | Identification of counterfactual | Years of data collection ¹ | Baseline sample size | Household level attrition |
|----------|--|--------------------|--|---------------------------------------|----------------------|---------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| Ethiopia | Tigray Social Cash Transfer Programme Pilot (SCTPP) | Quasi-experimental | Longitudinal Propensity Score Matching | 2012, 2014 | 3,351 | 8.70% |
| Ghana | Livelihood Empowerment Against Poverty (LEAP) | Quasi-experimental | Longitudinal Propensity Score Matching | 2010, 2012 | 1,614 | 7.6% |
| Kenya | Cash Transfers for Orphans and Vulnerable Children (CT-OVC) | Experimental | Randomized controlled trial | 2007, 2011 | 1,913 | 17.4% |
| Lesotho | Child Grants Programme (CGP) | Experimental | Randomized controlled trial | 2011, 2013 | 1,486 | 6.0% |
| Malawi | Social Cash Transfer Programme (SCTP) | Experimental | Randomized controlled trial | 2013, 2015 | 3,531 | 6.5% |
| Zambia | Child Grant (CG) model of the Social Cash Transfer (SCT) programme | Experimental | Randomized controlled trial | 2011, 2013 | 3,078 | 9.0% |
| | Multiple Categorical Targeting Grant (MCTG) model of the SCT programme | Experimental | Randomized controlled trial | 2011, 2013 | 2,519 | 3.0% |
| Zimbabwe | Harmonized Social Cash Transfer (HSCT) | Quasi-experimental | District Matched Case Control | 2013, 2014 | 3,063 | 14.0% |

Sources: Ethiopia SCTPP (Berhane et al. 2015); Ghana LEAP (Handa et al., 2012; Handa et al., 2014); Kenya CT-OVC (Ward et al., 2010; Asfaw et al, 2011); Lesotho CGP (Pellerano et al., 2014); Malawi SCTP (UNC, 2016b); Zambia CGP (Seidenfeld and Handa, 2011; AIR, 2013); Zambia MCTG (Seidenfeld et al., 2012; AIR, 2014a); Zimbabwe HSCT (Dewbre et al., 2015; AIR, 2014b)

¹Additional rounds of data collection were undertaken in some countries, however because of comparability we report the rounds which make up the majority of estimates presented here.

All evaluations involve longitudinal data collection (Column 5), with at least one follow-up – ranging from a four-year panel in Kenya, to a 12-month panel in Zimbabwe. In many cases, multiple or on-going data collection is planned. However for the purpose of inclusion here, we utilize the most recent completed, publicly available impact evaluation results. Sample sizes at baseline range from 1,486 households in Lesotho, to 3,531 in the Malawi expansion. Across the research designs, we employ a simple difference-in-difference (DD) multi-variate approach, to account for baseline differences that occur due to attrition, sampling error or simply by chance (Wooldridge, 2002). In the non-experimental studies, more sophisticated modelling is used to strengthen internal validity, such as cluster or household fixed effects models. The pro-typical DD model used in the evaluations is as follows:

$$(1) Y_{it} = \beta_0 + \beta_1 T_{it} + \beta_2 W_t + \beta_3 (W_t * T_{it}) + \sum \beta_i Z_i + \mu_{it}$$

In equation 1, Y_{it} is the outcome indicator of interest; T_{it} is an indicator equal to 1 if household i received the treatment (cash transfer); W_t is a time dummy equal to 0 for the baseline and 1 for the follow-up round; $W_t * T_{it}$ is the interaction between the treatment and time indicators, and μ_{it} is an error term. A vector of characteristics of individuals, households and communities measured at baseline are included in Z_i to control for observable differences across households at the baseline which could affect the outcome Y_{it} . Although these vary by evaluation, they typically include: pre-treatment indicators, such as the age and sex of individuals (if individual level outcome); sex, age, education and marital status of household head or transfer recipient; household demographic composition and size; geographic fixed effects; and a vector of contemporaneous cluster level prices. Throughout the tables reported here, we are mainly interested in β_3 , – the double difference estimator, representing the treatment effect.

For some outcomes in select countries, information is not collected at baseline. In such cases, impacts are from cross-sectional differences between comparison and treatment groups at follow-up, as indicated in the tables. Standard errors are clustered according to level of randomization and account for complex survey design or sampling when appropriate. Further details of the exact models implemented by evaluation are available in the corresponding technical reports and publications.

3. SUMMARIZING THE EVIDENCE: THE MYTHS

3.1 Perception 1: Transfers induce higher spending on alcohol and tobacco

A common argument against use of cash transfers, particularly unconditional transfers, is the fear that beneficiaries will spend cash on temptation goods or luxury items. Although the list of possible goods is extensive, and depends largely on context, alcohol and tobacco are the most commonly singled out potential expenditure items that beneficiaries could abuse, as a result of increased purchasing power. The source of this perception is largely rooted in anecdotal evidence, and distrust from policymakers, donors, and stakeholders at large, who fear that poor populations will ‘waste’ funds inappropriately. The claim is most commonly associated with men or male partners of beneficiaries: *“If they give it to the man, he goes out and finds some friends and they drink...”* (Adato et al. 2000; pp 59 in reference to Mexico’s Progresa) and is often repeated by political figures who oppose the programmes: *“Husbands were waiting for wives to return in order to take the money and spend it on alcohol”* (Moore, 2009; pp. 35, senior government official in reference to Nicaragua’s Red de Protección Social). This debate leads to prioritization of in-kind transfers, or cash transfers which are highly conditioned or restricted in terms of spending behaviours, ultimately reducing the freedom of beneficiaries to utilize cash in the most welfare-improving way, on an individual basis.

The question of whether or not extra cash might increase expenditure and consumption of goods such as alcohol and tobacco, is also interesting from a theoretical perspective, since the direction of the relationship is ambiguous. In particular, we might expect the relationship to vary depending on whether or not alcohol and tobacco are normal goods, potential substitution effects, or intra-households bargaining effects of transfers, and on the degree of social marketing or messaging delivered alongside transfers (Evans and Popova, 2017). In addition, if use of alcohol or tobacco are partially a result of poverty-related poor mental health, stress and desperation, and cash transfers decrease poverty, there is potential for decreased consumption of temptation goods, by addressing upstream structural factors (Jones and Sumnall, 2016; Lorant et al. 2003; Lund et al. 2010).

Table 3 shows comparative baseline means (Panel A) and impacts (Panel B) on per-capita alcohol and tobacco expenditure across seven Transfer Project evaluations, in six countries (Ghana, Kenya, Lesotho, Malawi, Zambia and Zimbabwe). These estimates come from standardized consumption modules, which ask respondents to recall consumption and expenditure on specific categories of approximately 11 food groups across over 120 specific food items, including typologies of alcohol and tobacco, typically over the last seven days. Baseline per capita expenditures on alcohol and tobacco (in local currency) are low; representing 1-2 per cent of per capita food expenditure across countries (Row 4, Table 3).⁶ Panel B shows that there are no significant positive impact of transfers on alcohol or tobacco expenditure. In one country – Lesotho – transfers decrease expenditure on alcohol and tobacco. In contrast, five out of the seven evaluations show significant increases in food expenditure and total per capita expenditure (in addition to Ethiopia, where alcohol and tobacco expenditure was not reported as a disaggregated measure). Further, cross-country comparative analysis of Transfer

6 These figures are broadly in line with national statistics. For example expenditure on alcohol and tobacco as a percentage of overall per capita consumption is 2.4 percent in Malawi and 1.4 per cent among households in the lowest consumption quintile (NSO Malawi, 2012). Expenditure on alcohol, tobacco and narcotics as a percentage of overall per capita consumption is 0.8 per cent in Zimbabwe (ZimStat 2013). Expenditure on alcohol and tobacco as a percentage of overall per capital consumption is 1.0 in Ghana (GSS, 2014).

Project evaluations show that transfers have a variety of positive impacts on additional food security indicators, including household dietary diversity, consumption of nutritious foods, and hunger-related coping strategies (Hjelm 2016; Tiwari et al. 2016).

Table 3. Baseline means and impacts on monthly per capita expenditure on food, and alcohol/tobacco

| | Ethiopia SCTPP ¹ | Ghana LEAP ² | Kenya CT-OVC | Lesotho CGP | Malawi SCTP | Zambia CGP | Zambia MCTG | Zimbabwe HSCT |
|---|--------------------------------|----------------------------|---------------------|---------------------|------------------------|-------------------|---------------------|------------------|
| Panel A: Baseline Means (Local currency) | | | | | | | | |
| Total per capita expenditure | - | 63.29 | 1,441.89# | 163.718# | 45,840.45 | 46.56 | 51.36 | 32.11 |
| Per capita expenditure on food | 2,628 | 44.83 | 849.04 | 108.764# | 35,519.83 | 34.45 | 39.52 | 20.41 |
| Per capita expenditure on alcohol/tobacco | - | 0.51 | 7.07 | 1.747# | 87.18 | 0.41 | 0.63 | 0.51 |
| Expenditure on alcohol/tobacco as percentage of food expenditure | - | 0.01 | 0.01 | 0.02 | 0.00 | 0.01 | 0.02 | 0.02 |
| Panel B: Impacts (coefficients from multivariate regression models) | | | | | | | | |
| Total per capita expenditure | - (-) | -4.37 (0.88) | 259.98**# (2.67) | 18.155*# (1.68) | 10,292.66*** (4.16) | 15.18** (5.07) | 12.288** (3.492) | 2.74** (2.24) |
| Per capita expenditure on food | 150.5*** (47.0) | -1.84 (0.47) | 145.394** (2.79) | 13.981*# (1.67) | 8,475.40*** (4.29) | 11.6** (4.76) | 10.75** (3.911) | 1.56 (1.35) |
| Per capita expenditure on alcohol/tobacco | - (-) | -0.30 (1.53) | -3.72 (1.59) | -1.227**# (1.99) | -19.50 (-0.86) | 0.09 (0.68) | -0.17 (-0.522) | -0.01 (-0.08) |
| N | 1,598 | 2,979 | 3,724 | 2,696 | 9,766 | 4,594 | 6,086 | 5,245 |
| Currency | Birr | Cedis | Shilling | Loti | Kwacha | Kwacha | Kwacha | USD |

Note: * p<0.1 ** p<0.05; *** p<0.01. Robust t-statistics provided in parentheses when reported, except for Ethiopia SCTPP which provides standard errors. Zambia CGP and MCTG report indicate significance at the p<0.05 level or better.

Sources: # indicates estimate is author's additional calculation. In all other cases, estimates summarized from the following sources: Ethiopia (Berhane et al., 2015); Ghana LEAP (Handa et al., 2014); Kenya CT-OVC (The Kenya CT-OVC Evaluation Team, 2012a); Lesotho CGP (Pellerano et al., 2014); Malawi SCTP (UNC, 2016b); Zambia CGP (AIR, 2013); Zambia MCTG (AIR, 2014a); Zimbabwe HSCT (Dewbre et al., 2015; AIR, 2014b)

¹ Ethiopia impact is on calorie availability (adult equivalent), not on food expenditure

² Malawi SCTP provides per capita annual measures (in contrast to monthly measures)

One criticism of these findings could be that survey respondents may under-report expenditure on temptation items, due to social desirability bias. In our case, this bias would only be a problem if beneficiaries had more incentive to under-report, compared to control individuals. This could perhaps be the case if beneficiaries believed that their reporting of alcohol or tobacco could jeopardize their eligibility for the programme, particularly in programmes with a social messaging component (e.g. Lesotho). However, since consumption on alcohol and tobacco items were listed as one of many categories, and transfer income was never singled out in the interviewing process, we believe the likelihood of under-reporting due to social desirability bias, is low across studies.

In three countries we explored an alternative approach to understand if transfers increased alcohol consumption. In follow-up surveys in Malawi and Zimbabwe we asked the main respondent if alcohol consumption in the community over the past 12 months had increased, decreased or remained the

same. In addition, in the last follow-up surveys of the Zambia CGP and MCTG, we provided the main respondent with the statements “*Alcohol consumption in this community has increased over the past year*” and “*Alcohol consumption is a problem in this community*” and asked for a response on a Likert five-point scale, ranging from strongly agree to strongly disagree. These questions were asked in a section that also covered topics on expectations about risk, savings, household decision-making, time preference and intimate partner violence (IPV). Hence the questions on alcohol were unlikely to stand out as particularly noteworthy or sensitive. In addition, since respondents were not asked directly about their own alcohol consumption, these questions are not subject to the same critiques around social desirability bias.

Table 4 reports cross-sectional t-tests for differences in means across treatment and control groups since these questions were only asked at follow-up waves. The results are in line with those from the consumption module. We do not see any evidence that respondents in treatment communities report higher prevalence of alcohol consumption or larger increases over the past year. In fact the few differences that are statistically significant go the other way (Zambia (CGP) and Zimbabwe (HSCT)), showing significantly lower rates of perceived alcohol ‘problems’ and fewer increases in perceived alcohol consumption in treatment communities.

Table 4. Means and differences on impacts of alternative alcohol measures (community perceptions)

| | Malawi SCTP | Zambia CGP | Zambia MCTG | Zimbabwe HSCT |
|--|----------------|---------------|----------------|------------------|
| Panel A: Alcohol consumption has increased in this community in the past year (agree or strongly agree) ¹ | | | | |
| Treatment mean | 0.36 | 0.59 | 0.63 | 0.38 |
| Control mean | 0.38 | 0.63 | 0.63 | 0.44 |
| P-value (diff T and C) | 0.200 | 0.024 | 0.750 | 0.021 |
| Panel B: Alcohol consumption is a problem in the community (agree or strongly agree) | | | | |
| Treatment mean | - | 0.68 | 0.71 | - |
| Control mean | - | 0.73 | 0.69 | - |
| P-value (diff T and C) | - | 0.018 | 0.230 | - |
| N | 3,145 | 2,407 | 2,840 | 1,415 |

Sources: All estimates summarized from authors own calculations

¹For Malawi and Zimbabwe, response options include yes/no/stayed the same instead of agree or strongly agree

Our results and conclusions are in line with a systematic review and meta-analysis conducted by Evans and Popova in 2017, which examined 50 estimates from 19 experimental and quasi-experimental studies linking both conditional and unconditional cash transfers to temptation goods in LMICs. Across studies, none of which included the Transfer Project evaluations reviewed here, they found either no significant impacts, or significant negative impacts of transfers on temptation goods, with two exceptions: In Indonesia, results of a UCT showed mixed results (first disbursement negative and highly significant impact, second disbursement positive and weakly significant impact – almost identical to the coefficient on prepared food). In Peru mixed results are found from the *Juntos* programme based on modeling choice (matching models versus instrumental variables). Their results are robust to a number of different sensitivity analyses, including use of alternative outcome measures and sample exclusions (e.g. including only RCTs, excluding outliers).

Evidence clearly shows that on average, the misuse of transfers for temptation goods, specifically alcohol and tobacco, is not supported by data. This relationship does not imply that beneficiaries do not consume or spend any funds on tobacco and alcohol. Indeed, supplementary qualitative and anecdotal evidence (Evand and Popova, 2017) indicates that drinking and smoking is reported in communities receiving cash transfers (as is also the case in communities not receiving cash transfers). Therefore, as cash is fungible, it is likely some transfer funds are utilized by recipients to purchase 'temptation goods' including alcohol and tobacco. However, evidence invites an opposing hypotheses, whereby transfers encourage substitution into human capital-related investments and reduce poverty-related stress. In so doing, transfers have potential to reduce consumption of undesirables. While intriguing, more research is needed to test this hypothesis directly.

3.2 Perception 2: Transfers are fully consumed (rather than invested)

Particularly when cash transfers are unconditional, and not tied to specific human capital related co-responsibilities, a perception is often voiced that cash will be utilized for short-term consumption only and not invested (either in human capital or productive activities). In other words, there are concerns that cash is a 'hand out' or 'charity,' with opponents citing the age-old need to 'teach a man to fish' through training or investment, rather than giving an entitlement (Ferguson, 2015). The possibility of transfers being fully consumed is certainly valid, as the average beneficiary household in the Transfer Project evaluations is well below the poverty line and faces chronic food insecurity. For example, in the Zambia MCTG, 91 per cent of eligible households at baseline are below the national poverty line, compared to 62 per cent of households living in rural areas of the same districts (Seidenfeld et al. 2012). Thus, we might expect that the households would spend the bulk of the transfer on meeting immediate basic needs, including food and shelter, rather than making longer-term investments. The proposition that cash is allocated to direct expenditures is also supported by a synthesis review of cash transfers in LMICs involving 35 studies which measure impacts on household expenditure, 25 of which (or 71 per cent) find significant impacts on total household expenditure (Bastagli et al. 2016). Of course, the use of transfers for short-term basic needs may still be considered investments if they help maintain the human capital of children through better nutrition and increased capacity to learn. However, the basic perception that cash is used for short-term consumption needs, instead of invested in productive and human capital, has implications for both the sustainability of impacts as well as the overall objectives assigned to programmes.

In The Transfer Project evaluations, a defining characteristic of most beneficiary households, is that they are not wage workers, but rather depend on their own efforts in small holder agriculture or family-run businesses, to ensure that they have enough income and food for survival. Moreover, most beneficiary households live and work in a context of poorly functioning or non-existent input, output, labour, insurance and/or credit markets. This has profound implications for household decision-making on consumption and production activities. In practice, the decisions become inseparable (Singh et al. 1986). For example, the choice of crops to produce may be made on which is most profitable, or which lowers the risk of going hungry. Households may rely on casual agricultural wage employment (including for children) not because it is the highest return on labour but because they have an urgent need for liquidity, in order to buy food.

We first examine whether cash transfer programmes can help households overcome, at least partially, some of these constraints, particularly in credit and insurance markets, by investing in productive activities. We present means (Panel A) and impact estimates (Panel B) on a range of productive indicators for all eight evaluations (Table 5). These indicators are divided into three categories:

- 1) Livestock ownership (measured in both Tropical Livestock Units⁷ and any ownership);
- 2) Ownership of agricultural assets (axe, hoe, pick and others); and
- 3) Agricultural inputs/outputs (seed expenditure, fertilizer use, etc. and value of harvest).

Results show that in every evaluation with the exception of Kenya CT-OVC⁸ there are significant, positive impacts on at least one productive indicator, with the magnitude and type of investment varying across countries. Further, it should be noticed that while impacts were not always statistically significant overall, in all countries positive and significant results were observed for population subgroups or for selected items, such as by type of animal, for livestock indicators (Daidone et al. 2016).

The strongest impacts are found for Zambia CGP where significant positive effects of transfers across the majority of productive domains measured have been measured. It is useful to note that the Zambian CGP is the only programme which does not (explicitly or through other criteria) target labour-constrained, beneficiary households, discussed in more detail below. In the case of an unconditional transfer, since households choose how and what to invest in, even under a diversification strategy, we would not necessarily expect to find impacts across all productive domains, but rather those reflecting the productive activities in which the household engages. For example, households in Lesotho and Ethiopia are more reliant on livestock production than those in Zambia or Malawi, and thus we may expect impacts on livestock in the former, rather than the latter countries.

Table 5. Baseline means and impacts on productive indicators

| | Ethiopia SCTPP | Ghana LEAP | Kenya CT-OVC ¹ | Lesotho CGP | Malawi SCTP | Zambia CGP | Zambia MCTG | Zimbabwe HSCT ² |
|---|----------------------|---------------------|------------------------------|------------------|--------------------|---------------------|---------------------|-------------------------------|
| Panel A: Baseline Means | | | | | | | | |
| Tropical Livestock Units (TLU) ³ | 0.354 | 0.310# | 1.465# | 2.703# | 0.039 | 0.370 | 0.092# | 1.37 |
| Any livestock owned (share of HHs) | 0.276 | 0.463# | 0.810# | 0.594 | 0.288 | 0.47# | 0.513# | 0.779 |
| Any agricultural asset owned (share of HHs) | 0.473 | 0.784# | 0.879# | 0.539# | 0.882 | 0.96# | 0.941# | 0.955# |
| Expenditure on crop inputs, LCU | - | - | 971.165# | 61.271 | - | 21.78 | 53.9 | 4.387 |
| Value of harvest, LCU | 1,428.11 | 231# | - | 304.71# | 29,280 | 393.88 | 1,080.44 | - |
| Panel B: Impacts (coefficients from multivariate regression models) | | | | | | | | |
| Tropical Livestock Units (TLU) | 0.03 (0.084) | -0.118*# (-1.95) | 0.123# (0.84) | 0.067# (0.21) | 0.051*** (3.73) | 0.138 (1.27) | 0.056***# (2.77) | -0.022 (-0.18) |
| Any livestock owned (share of HHs) | -0.174* (-0.101) | -0.041# (-0.90) | -0.013# (-0.41) | 0.03 (0.8) | 0.220*** (5.15) | 0.146***# (3.06) | 0.262***# (6.46) | 0.047* (1.88) |
| Any agricultural asset owned (share of HHs) | 0.062***# (0.018) | -0.019# (-0.47) | 0.006# (0.18) | 0.006# (0.13) | 0.065*** (3.21) | -0.006# (-0.51) | 0.029*# (1.87) | -0.011# (-0.71) |

7 Tropical Livestock Units are livestock numbers converted to a common unit, reflecting weight and feed requirements. Estimates reported in Daidone et al. (2016) follow conversion factors for a unit equivalent to a tropical cow, with a weight equivalent of one unit of 250kg.

8 The household questionnaire did not go into sufficient detail to provide comparable indicators on agricultural production, although the impact evaluation did find a significant increase in household consumption of dairy/meat from own production.

Table 5. Baseline means and impacts on productive indicators (cont.)

| | | | | | | | | |
|---------------------------------|-----------|---------|-----------|----------|-----------|----------|------------|--------|
| Expenditure on crop inputs, LCU | - | - | -365.082# | 15.085 | - | 31.17*** | 48.301*** | 1.093 |
| | (-) | (-) | (-1.52) | (0.89) | (-) | (2.97) | (3.29) | (0.75) |
| Value of harvest, LCU | 256.68** | -46.4# | - | 425.23*# | 12,175*** | 145.88* | 349.427*** | - |
| | (129.551) | (-0.69) | (-) | (1.76) | (3.8) | (1.95) | (2.583) | (-) |
| N | 2,923 | 2,978 | 3,412 | 2,706 | 9,902 | 4,596 | 5,367 | 5,260 |
| Currency | Birr | Cedis | Shilling | Loti | Kwacha | Kwacha | Kwacha | USD |

Note: * p<0.1 ** p<0.05; *** p<0.01. Robust t-statistics provided in parentheses when reported, except for Ethiopia SCTPP which provides standard errors.

Sources: # indicates estimate is author's additional calculation. In all other cases, estimates summarized from the following sources: Ethiopia SCTPP (Afsaw et al., 2016); Ghana LEAP (Handa et al., 2014); Kenya CT-OVC (Ward et al., 2010; Afsaw et al., 2011); Lesotho CGP (FAO, 2014); Malawi SCTP (UNC, 2016a); Zambia CGP (AIR, 2013); Zambia MCTG (AIR, 2014a); Zimbabwe HSCT (Dewbre et al., 2015)

¹ Expenditure is per acre. Follow-up, and not baselines means are provided for agricultural assets

² Expenditure on crop inputs does not include seed expenditure.

³ Tropical Livestock Unit are livestock numbers converted to a common unit, equivalent to a tropical cow, weighting 250kg.

To complement these findings, we summarize the impacts on children's education, focusing on secondary school age enrollment, because the largest financial barrier to schooling occurs at the secondary level and drop-outs begin at exactly the transition from primary to secondary levels of education.⁹ Across the eight evaluations included in this report, the impacts on secondary schooling enrollment were significant in five evaluations, ranged from 6.5 percentage points (Lesotho CGP) to 15.7 percentage points (Malawi SCTP). These impacts are either equivalent to or greater than those found in the conditional programmes in Latin America (Baird et al. 2013; Saavedra and Garcia 2012). In cases where impacts were not significant in the full samples (Ethiopia SCTPP, Zambia CGP and Zimbabwe HSCT), there were clear operational reasons why this was expected, or significant impacts in sub-groups.¹⁰ Although enrollment is only one indicator of schooling investment, a systematic review of the relative effectiveness of conditional and unconditional cash transfers for schooling outcomes in developing countries showed significant impacts on a range of schooling outcomes in both types of programme (Baird et al. 2013). Combined with the productive impacts reported in Table 5, it is clear that households are not only utilizing transfers for immediate subsistence needs, but also using the transfer for investment in productive activities and human capital for their children.

9 The exception here is for Ethiopia SCTPP where we present results for the age range 6-16. According to the World Bank, primary net enrollment rates in 2014 were close to 90 percent in all countries except Lesotho where it was 80 percent (<http://wdi.worldbank.org/table/2.11>).

10 For example, there were significant impacts for children aged 11-14 in the Zambian CGP (Handa et al. 2016), in addition it was found that in Zimbabwe households which received the HSCT were subsequently excluded from an existing government basic education grant and this crowding out dynamic likely led to lack of impact. This was confirmed by social welfare officers during the presentation of evaluation results.

Table 6. Baseline means and impacts on secondary school age enrollment

| | Ethiopia SCTPP ¹ | Ghana LEAP | Kenya CT-OVC | Lesotho CGP | Malawi SCTP ² | Zambia CGP | Zambia MCTG | Zimbabwe HSCT |
|---|--------------------------------|---------------|-----------------|----------------|-----------------------------|---------------|----------------|------------------|
| Panel A: Baseline Means (age group) | 6-16 | 13-17 | 13-17 | 13-17 | 14-17 | 11-14 | 11-14 | 13-17 |
| School enrollment | 0.83 | 0.875 | 0.855 | 0.837 | 0.540 | 0.884 | 0.809 | 0.71 |
| Panel B: Impacts (coefficients from multivariate regression models) | | | | | | | | |
| School enrollment | 0.026 | 0.081** | 0.078** | 0.0648* | 0.157*** | 0.0688** | 0.074*** | 0.03 |
| | (0.02) | (2.44) | (3.38) | NR | (5.31) | (2.09) | (3.03) | (0.95) |
| N | 1,751 | 1,483 | 4,175 | 2,223 | 5,630 | 2,724 | 5,078 | 4,828 |

Note: * p<0.1 ** p<0.05; *** p<0.01. Robust t-statistics provided in parentheses when reported, except for Ethiopia SCTPP, which provides standard errors. Kenya CT-OVC and Zambia CGP indicate significance at the p<0.05 level or better.

Sources: Estimates summarized from the following sources: Ethiopia (Berhane et al., 2015); Ghana LEAP (de Groot et al., 2015); Kenya CT-OVC (Kenya CT-OVC Evaluation Team, 2012b); Lesotho CGP (Pellerano et al., 2014); Malawi SCTP (UNC, 2016b); Zambia CGP (Handa et al., 2016) and Zambia MCTG (AIR 2015); Zimbabwe HSCT (AIR, 2014b)

¹ Ethiopia SCTPP age includes both primary and secondary ranges

² Represents indicator for attending school regularly

3.3 Perception 3: Cash creates dependency (reduces participation in productive work)

A common perception among many policy makers, the media and stakeholders in general, is that cash transfers foster dependency: poor families who receive financial support will work less and become lazy, leading to dependency on the transfer for their wellbeing. In a recent paper on the political economy of CCTs, Lindert and Vincensini (2010) analyzed perceptions about these social policy instruments as portrayed and debated in free and independent press in Brazil. They find that the press played an important role in perpetuating allegations of welfare dependency. For instance, the newspaper *O Globo* published a special multi-page issue on the topics of welfare dependency and welfarism on August 12, 2006, including 27 articles with large headlines such as *Programme Generates Dependency and Disincentives to Work*, and with reference to cash transfers, *Bad With Them, Worse Without Them* and *The Promises to Teach How to Fish*. Similarly, as reported in an institutional analysis in Malawi, elites believe that strategies such as cash transfers lead to dependence amongst the poor and reduce the incentive to work hard. As a media leader said, “If you keep giving the poor programmes that involve giving cash, food, or subsidies, you end up breaking the hardworking nature of Malawians. At the end of the day we will achieve laziness. People will get used and become dependent on handouts” (Kalebe-Nyamongo and Marquette, 2014; pp. 16).

Further, ideas about the poor (that they are uneducated, passive, dependent, and have a fatalistic mentality), provided a sense of moral grounding for policies which target those that respondents consider productively active (rather than inactive) poor. These perceptions help explain the popularity of public works programmes in many countries, and the aversion to giving away money for ‘free’, “Public works programmes are good because they ensure ownership, especially because you are doing things that improve your own area, such as roads. The money earned can be used to buy food and farming inputs...With cash transfers someone can decide not to take a bath for three days, puts on torn clothes, comes and present themselves as poor to receive this money and do so the following month as long as the project is there. This is not sustainable and breeds laziness” (Church and Society Organization respondent cited in Kalebe-Nyamongo and Marquette, 2014; pp. 16).

In the previous section we found that cash transfer programmes have important impacts on different aspects of household livelihoods, particularly in terms of crop and livestock activities. In this context, it is very likely that cash transfers could affect household decision-making on labor allocation – either inducing a switch between income generating activities, or between labour, household domestic tasks, and leisure. Table 7 summarizes study results of adult labour force participation from all eight evaluations, aggregated to the household level, in:

- 1) Any wage occupation;
- 2) Agricultural (casual) wage labour;
- 3) Non-agricultural wage labour;
- 4) Own farm activities; and
- 5) Own non-farm enterprise participation.

The first three represent paid/wage labour indicators, which in the context of highly informal rural labour markets, where subsistence farming is the norm, is often the least desired form of work. Such work includes agricultural piecework, heavy labour on larger land-holder farms, or public works manual labour. The latter two represent household-driven activities, such as own farm, livestock and small business activities, and are more desirable in these study settings, as they reflect investment in the household economy, with individuals having control over working conditions.

Results from multivariate models (Panel B) show that for the majority of indicators there are no significant impact of transfers on labour supply. However, there are exceptions: Labour supply for wage labour decreases in four cases (in Ethiopia SCTPP, Lesotho CGP, Zambia CGP and MCTG), and these are largely driven by engagement in casual labour, the least desirable form of labour in this context. At the same time, labour supply for own farm and non-farm enterprises increases in three cases (Zambia CGP, MCTG and Zimbabwe HSCT). In Malawi, although there are no overall impacts, we find similar patterns where households are substituting out of agricultural casual wage labour and into other forms of non-agricultural wage labour. This switch from casual agricultural labour to on farm activities indicates that households are able to transfer from less to more preferred labour activities.

Table 7. Baseline means and impacts on livelihood work effort (last 12 months, unless specified)

| | Ethiopia SCTPP ¹ | Ghana LEAP ² | Kenya CT-OVC ³ | Lesotho CGP | Malawi SCTP ⁴ | Zambia CGP ⁵ | Zambia MCTG ⁶ | Zim- babwe HSCT ⁷ |
|--|--------------------------------|----------------------------|------------------------------|----------------|-----------------------------|----------------------------|-----------------------------|------------------------------------|
| Panel A: Baseline Means | | | | | | | | |
| At least one adult member in wage labour (all occupations, share of HHs) | 0.132 | 0.068# | 0.453# | 0.651# | - | 0.558# | 0.477# | 0.096 |
| Agricultural wage labour (casual) | - | 0.013# | 0.164# | - | 7.376 | 0.388# | 0.394# | 0.02 |
| Non-agricultural wage labour | - | 0.057# | 0.31# | - | 0.747 | 0.153# | 0.098# | 0.079 |
| At least one adult member in any farming activities (share of HHs) | - | 0.498# | 0.742# | 0.809# | 86.949 | 0.953# | 0.851# | 0.876 |
| Operating non-farm enterprise (share of HHs) | 0.132 | 0.305# | 0.302# | 0.21 | 0.238 | 0.385# | 0.114 | 0.116 |

Table 7. Baseline means and impacts on livelihood work effort (last 12 months, unless specified) (cont.)

| | Ethiopia SCTPP ¹ | Ghana LEAP ² | Kenya CT-OVC ³ | Lesotho CGP | Malawi SCTP ⁴ | Zambia CGP ⁵ | Zambia MCTG ⁶ | Zim- babwe HSCT ⁷ |
|--|--------------------------------|----------------------------|------------------------------|----------------|-----------------------------|----------------------------|-----------------------------|------------------------------------|
| Panel B: Impacts (coefficients from multivariate regression models) | | | | | | | | |
| At least one adult member in wage labour (all occupations, share of HHs) | -0.033** | -0.029# | -0.051# | -0.075*# | - | -0.0913*** | -0.0738***# | 0.005 |
| | (0.016) | (-1.10) | (1.300) | (-1.90) | (-) | (-2.79) | (-2.44) | (0.240) |
| Agricultural wage labour (casual) | - | -0.015# | -0.019# | - | -3.307** | -0.145*** | -0.0649***# | -0.002 |
| | (-) | (-0.90) | (-0.67) | (-) | (-2.75) | (-3.85) | (-2.26) | (-0.14) |
| Non-agricultural wage labour | - | -0.015# | -0.026# | - | 1.003** | 0.0371* | -0.00365# | 0.017 |
| | (-) | (-0.63) | (-0.77) | (-) | (2.07) | (1.67) | (-0.19) | (1.12) |
| At least one adult member in any farming activities (share of HHs) | - | -0.063*# | 0.007# | 0.058# | 6.995 | -0.0133 | 0.0449***# | -0.022 |
| | (-) | (-1.69) | (0.14) | (1.63) | (0.85) | (-0.61) | (2.06) | (-0.84) |
| Operating non-farm enterprise (share of HHs) | -0.003 | -0.002# | 0.016# | -0.038 | 0.01 | 0.166*** | 0.008 | 0.048** |
| | (0.019) | (-0.06) | (0.47) | (-1.04) | (0.28) | (4.42) | (0.348) | (2.3) |
| N | 2,922 | 2,978 | 1,706 | 2,706 | 9,906 | 2,296 | 3,076 | 5,260 |

Note: * p<0.1 ** p<0.05; *** p<0.01. Robust t-statistics provided in parentheses when reported, except for Ethiopia SCTPP which provides standard errors.

Sources: # indicates estimate is author's additional calculation. In all other cases, estimates summarized from the following sources: Ethiopia SCTPP (Asfaw et al., 2016); Ghana LEAP (Handa et al., 2014); Kenya CT-OVC (Ward et al., 2010; Asfaw et al, 2011); Lesotho CGP (FAO, 2014); Malawi SCTP (UNC, 2016a/b); Zambia CGP (AIR, 2013); Zambia MCTG (AIR, 2014a); Zimbabwe HSCT (Dewbre et al., 2015)

¹ HH wage participation refers to anytime during March, April or May

² HH wage participation refers to last seven days.

³ Follow-up, and not baselines means are provided.

⁴ Agricultural wage labor (casual) refers to "Number of total months any member worked in ganyu in the past 12 months", non-agricultural wage labor refers to "Total hours any member spent on work outside household (excluding ganyu) in the past seven days", and at least one adult member in any farming activities refers to "Total number of days any member spent in past season on own farm activities."

⁵ Follow-up control means and not baselines means are provided. Indicator is at least one adult member working on own farm activities.

⁶ Estimations use single-difference modelling at 36-months (based on pooled cross-section sample); baseline means are therefore not available.

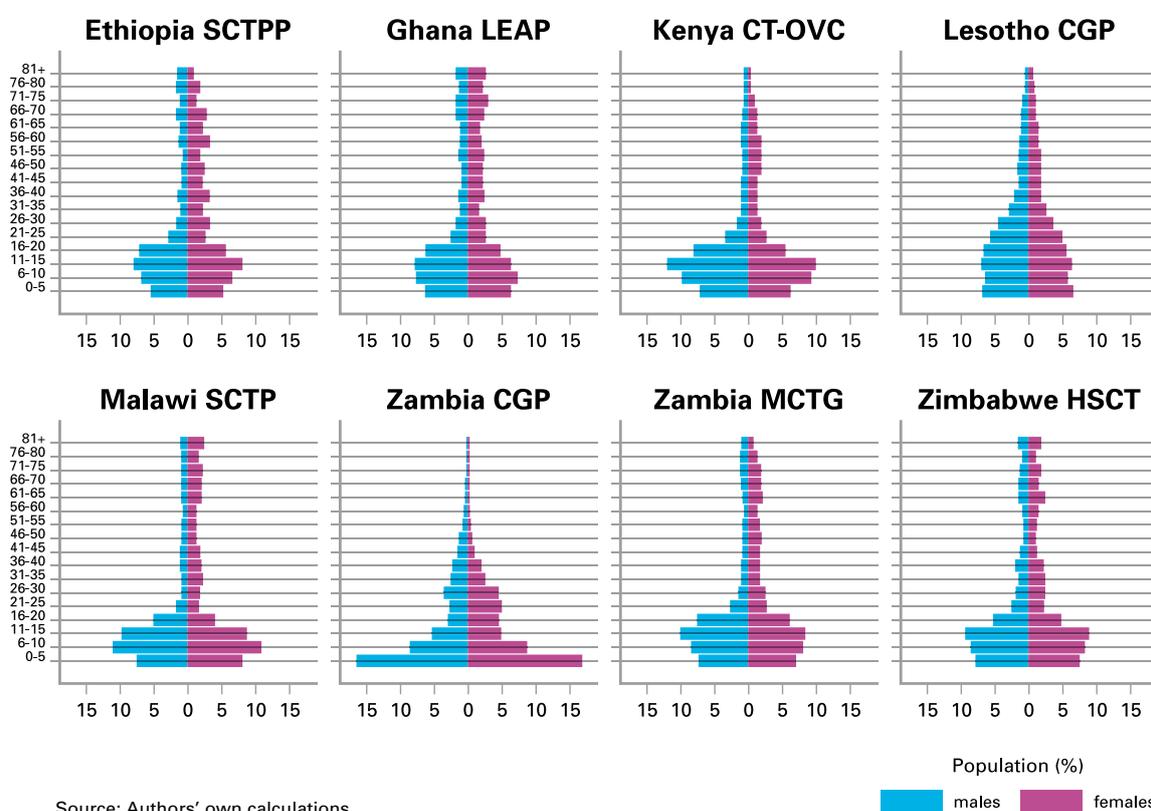
⁷ Estimates among HHs with at least one adult member in any farming activities, refers to the last rainy season only.

Moreover, disaggregating by gender and age reveals a more complex patterns of the switch from agricultural wage labour to on-farm activities in a number of countries (Daidone et al. 2016). For example, while the Malawi SCTP led to a large reduction in participation in casual labour (or 'ganyu'), overall there was not a corresponding positive impact on on-farm activities. However, when disaggregated by gender, adult males are more likely to work on farm compared to adult females. Both male and female elderly household members are also more likely to carry out on-farm labour. The gender of the household head was also relevant, with a lower likelihood of female participation among male-headed households. The pattern of switching from agricultural wage labour of last resort to on-farm activities also emerged from the qualitative work conducted by PtoP across five countries: Kenya, Ghana, Lesotho, Malawi and Zimbabwe (Daidone et al. 2016). For example, as recounted by an elderly beneficiary, "I used to be a slave to ganyu, but now I'm a bit free" (Barca et al. 2015). While casual labour remained a relevant coping strategy in all countries, beneficiaries reported more flexibility as to when to resort to agricultural wage labour. Overall, the results do not indicate a reduction in work participation; rather, they show that beneficiary households have increased their autonomy over productive activities and have more flexibility in how they allocate their time – often choosing to work in their own farms instead of agricultural wage labour. This is particularly notable as the majority of

beneficiary households within these programmes comprise adults who may have a good reason to work less – particularly the elderly, disabled and women responsible for caregiving.

A key point to remember related to age is the targeting demographic for these programmes. The typical beneficiary household is labour-constrained at the start of the programme, containing children and youth as well as elderly members and very few prime-age household members. Figure 1 shows the age distribution by sex of beneficiary households in the programmes reviewed in this paper (males in blue, females in red). In all but the Zambia CGP, we see an atypical age structure of beneficiary households with respect to nationally representative demographics, with comparatively large proportions of adolescents and elderly persons, and relatively low proportions of able-bodied household members. Thus we may expect the impacts on work participation and effort to differ in contrast to households with larger shares of able bodied members who, given capital may be more able to absorb rural labour activities.

Figure 1 – Age pyramids of household members at baseline, by programme



Our results add to a variety of other studies which have come to similar conclusions: cash transfers in resource poor settings have not been found to reduce labour supply of beneficiary households in a meaningful way. For example, Banerjee et al. (2015) examined large-scale (primarily conditional) cash transfers from six countries (Honduras, Indonesia, Morocco, Mexico, Nicaragua and the Philippines), evaluated through RCTs, and found no systematic evidence that cash transfers discourage work. Dependency and labour market engagement were also investigated among several types of grants in Mexico and South Africa using both quantitative and qualitative methods (Alzúa et al. 2013; Samson et al. 2013; Surender et al. 2010). Although results are likely to vary by the structure of labour markets in each setting, authors come to the same conclusion; namely that grants do not create dependency. Thus the idea of a ‘lazy welfare recipient,’ is simply not borne out by hard evidence in LMIC settings.

3.4 Perception 4: Transfers targeted to households with young children will increase fertility

Policymakers often fear that cash transfers targeted to households with young children will have the unintended consequence of increasing fertility, in an effort to obtain increased benefits, or to maintain eligibility. This concern is understandable in SSA – the last region globally to start experiencing demographic transition (the phenomenon whereby countries transition from high to low birth and death rates). Indeed, declines in fertility rates have occurred more slowly than other regions, and the transition has even stalled in some countries; with total fertility rates (TFRs) over five (Bongaarts and Casterline 2013). It is likely that these claims can be traced back to the first generation of Latin American CCTs, which were often heavily targeted to households with young children. In particular, an evaluation of three CCTs published in 2007 highlighted the potential for ‘unintended consequences’, finding increases in fertility between two and four percentage points in Honduras, yet no impacts in Mexico and Nicaragua (Stecklov et al. 2007). Authors hypothesize that the increases in Honduras could be due to an administrative loophole (subsequently closed), which allowed transfer size to be increased immediately after the birth of a child (Palermo et al. 2016). In fact, evidence from longer-term impacts in Honduras show no persistent fertility effects (Li, 2016). However, despite little concrete evidence from Latin American programming, the proposition is certainly not outside the realm of possibility, particularly since cash benefits – including childcare support, tax credits and paid leave – are some of the most population pro-natal policies in OECD countries (Kim 2014).

We summarize Transfer Project findings on fertility-related impacts from four countries (Kenya, Malawi, Zambia and Zimbabwe) in Table 8. Data for the main target group (adult women) come from household roster information on children aged zero to four years in Kenya, and from in-depth fertility modules requested for all women of reproductive age (15-49 years) in Malawi and Zambia (all reported by the main survey respondent). As methodology varies by country, we include model specifications at the bottom of Table 8.

First, we summarize household-level composition impacts. Stecklov and Winters (2011) examined households in the Kenya CT-OVC evaluation (2007-2009) and in the Malawi SCTP evaluation in Mchinji (2007-2008) and found no impacts on the probability of having a child aged 0-1 years or 2-5 years (pooled, or by gender) in the households studied using DD probit regression analyses. Further, the authors examined the total count of children aged 0-17 in households using DD Poisson (or negative binomial) and PSM models for count data, and found no programme impacts. The same methodology was replicated for the Zambia CGP, examining the total count of children aged 0-1 and 2-4 years (combined and by gender) using DD Poisson models, and again, no increases in fertility were found (Palermo et al. 2016).

Turning to individual woman-level outcomes, the Zambia CGP examined pregnancies, live births, stillbirths, and children born alive, currently living, or dead, for all women aged 15-49 in evaluation households, as reported by main respondents. The average number of total children ever born alive to women in the CGP evaluation was 3.24, and there were no overall positive impacts found on any of the afore-mentioned outcomes over a four-year period. The programme decreased the probability by 2-3 percentage points that women reported ever having a stillbirth, miscarriage, or abortion at 24 and 48 (but not 36) months. Additionally, after 36 months, there was a decrease in fertility among women aged 15-24 in treatment households ($p < 0.10$; results not shown). However, this impact disappeared after 48 months. Further, in Kenya, an analysis of females between the ages of 12 and 24 who lived in households receiving the CT-OVC were approximately five percentage points more likely to delay first pregnancy, compared to females in control households (Handa et al. 2015).

Table 8. Baseline means and impacts of cash transfer impacts on fertility among females

| | Kenya CT-OVC | Malawi SCTP | Zambia CGP (48 months) ¹ | Zambia MCTG (36 month) ² | Zimbabwe HSCT3 |
|---|--|-------------------------|---|--|-------------------|
| Panel A: Baseline Means | | | | | |
| <i>Woman-level indicators</i> | | | | | |
| Total fertility # children ever born alive | - | - | 3.24 | - | - |
| Ever pregnant (15-49 years) | - | - | 0.83 | - | - |
| Ever pregnant (<25 years) | 0.00§ | - | 0.59 | 0.00§ | 0.12 |
| Currently pregnant | - | - | 0.11 | - | - |
| Ever had miscarriage/stillbirth/abortion | - | - | 0.12 | - | - |
| <i>Household-level indicators</i> | | | | | |
| Total children aged 0-1 years in household | 0.161§§ | 0.11 | 0.77 | - | - |
| Total children aged 2-4 years in household | - | - | 0.91 | - | - |
| Panel B: Impacts (program coefficients from multivariate regression models) | | | | | |
| <i>Woman-level indicators</i> | | | | | |
| Total fertility # children ever born alive | - | - | 0.005 | - | - |
| t-statistic | | | (0,28) | | |
| Ever pregnant (15-49 years) | - | - | -0.002 | - | - |
| t-statistic | | | (0.16) | | |
| Ever pregnant (<25 years) | -0.049** | - | 0.011 | 0.016 | -0.01 |
| t-statistic/z-statistic | (2.42) | | (0,41) | (0.923) | (0.65) |
| Currently pregnant | - | - | 0.001 | - | - |
| t-statistic | | | (0.09) | | |
| Ever had miscarriage/stillbirth/abortion | - | - | -0.021** | - | - |
| t-statistic | | | (2.54) | | |
| <i>Household-level indicators</i> | | | | | |
| Total children in aged 0-1 years in household | -0.055 | 0.18 | 0.02 | - | - |
| Standard error | (0.113) | (0.155) | (0.06) | | |
| Total children in aged 2-4 years in household (Zambia CGP) / 2-5 years (Kenya/Malawi) | -0.031 | -0.151 | -0.01 | - | - |
| Standard error | (0.091) | (0.097) | (0.062) | | |
| Methodology (model) | Ind level: cross-sectional probit; HH-level: DD Poisson | DD negative binomial | Ind level: Poisson/LPM; HH-level: DD Poisson | Cross-sectional probit | DD probit |
| N | 1547 individuals (pregnancy analysis); 1906 HHs (1327 T HHs)§§ | 751 HHs (365 T HH)§§ | 3025 individuals; 2519 HHs | 2612 individuals | 1088 individuals |

Notes: * p<0.1 ** p<0.05; *** p<0.01. For Malawi SCTP, and Zimbabwe HSCT baseline means refer to Treatment Group only. LPM = linear probability model; DD = difference-in-differences; HH = household.

¹ Women-level fertility-related indicators for Zambia CGP are for 24 month follow-up and not at baseline, as they were not collected at baseline. Zambia CGP examines all women aged 12-49 years living in evaluation sample households. (Palermo et al. 2016)

² Zambia MCTG analysis among females aged 13-24 never pregnant at baseline (AIR 2016).

³ Means and impacts from Zimbabwe HSCT refer to sample of youth aged 12-20 years at baseline (AIR 2014).

§ Analyses for ever pregnant in Kenya CT-OVC and Zambia MCTG were conducted on the sample who had never been pregnant at baseline (Handa et al. 2015; AIR 2015).

§§ Household-level means for treatment group only (Stecklov and Winters 2011).

The published evidence to date on fertility impacts among adult women in government-run UCT programmes in SSA support our findings. The South Africa CSG was found to increase birth spacing among women receiving the grant: among women with a first birth, those receiving the CSG had a hazard ratio of 0.66 (CI: 0.58, 0.75) for a second pregnancy as compared to women not receiving the CSG (Rosenberg et al. 2015). Further, women whose children aged out of the grant at the age of 7-8 years in April 2002 to March 2003 (prior to expansion of eligible age) had similar second pregnancy rates compared to women with children aged 7-8 years old between April 2003 and March 2004

(i.e. those whose children remained eligible due to expansion), indicating no evidence that women increased fertility in an attempt to re-qualify for the programme (Rosenberg et al. 2015). Decreased childbearing was also found among younger women, namely those under 21 years. Females who received the CSG in adolescence were 10.5 percentage points less likely to have ever been pregnant, compared to adolescents who did not receive the CSG (Heinrich et al. 2017). These studies in South Africa used quasi-experimental matching methodologies, as the CSG was at scale nationally at the time of analysis and no RCT-design evaluation exists. In summary, in no instance is there evidence that a government UCT increased fertility in SSA. To the contrary, existing evidence indicates that programmes have increased birth spacing among women in South Africa and delayed pregnancies among youth in South Africa and Kenya, while Transfer Project data shows no fertility impacts in Zambia, Malawi and Zimbabwe. Together, these studies show that fears that cash transfers will incentivize increased fertility in Africa do not stand up to rigorous evaluation.

3.5 Perception 5: Transfers will lead to negative community-level economic impacts (including price distortion and inflation)

There is a fear that transfers injected into small, isolated communities may lead to negative community-level economic impacts, including inflation. These negative impacts could result if a concentrated cash injection raises demand without an associated increase in supply, or if markets are constrained or isolated. The resulting inflation may both devalue the transfer itself (attenuating the impacts of the cash) and also affect non-beneficiaries who may face higher local market prices. For example, cases of inflation attributed to cash transfers have been documented, particularly in humanitarian and post-conflict settings where markets are weak or constrained, and where transfers tend to be large and lumpy (Creti, 2010; IPC-IG, 2015). Aggregate local economic impacts have been less studied. However, they are increasingly important in understanding overall impacts and in making the investment case for cash transfers. In theory, if cash can be used to overcome market failures facing poor populations in rural economies (e.g. credit, insurance), there is good potential for cash transfers to not only stimulate pro-poor productivity, but also have net positive impacts on local economies (IPC-IG, 2015).

We start by investigating the possibility of inflationary impact by presenting information on changes in a vector of community-level prices in three countries across five evaluations (Lesotho, Malawi, Zambia CGP, and Zambia MCTG and Zimbabwe). Prices are collected from community-level surveys administered at local markets and shops (n=254 in Lesotho; n=85 in Malawi; n=180 in Zambia CGP; n=184 in Zambia MCTG, n=178 in Zimbabwe). Table 9 shows that across ten items that comprise a standard basket of goods, there are no significant impacts between treatment and control communities in these prices across countries, with one exception – a weakly significant impact on the community-level price of beef in Lesotho.¹¹ We hypothesize that the lack of evidence for inflationary effects of the programme, can be explained by three factors:

- 1) Coverage is never more than approximately 20 per cent of households in communities;
- 2) Beneficiaries are comparatively the poorest households in communities and therefore although the average transfer is substantial for the recipient, it represents overall a small injection to total community cash flows, and
- 3) Even in rural areas, there is enough market inter-connectivity such that supply is not completely rigid.

¹¹ As reported in table notes, similar analysis of additional prices are consistent with no impacts reported in Table 9 for the main basket of prices (wheat, sorghum, milk, candles, cassava, charcoal, foam mattresses, onions, plantains, tomatoes, yam, dry fish, chicken, laundry soap, and secondary school fees). However, not all were included in every country.

Table 9. Baseline means and impacts on community-level prices

| | Lesotho CGP# | Malawi SCTP | Zambia CGP | Zambia MCTG | Zimbabwe HSCT |
|--|--------------------|-------------------|--------------------|------------------|------------------|
| Panel A: Baseline Means | | | | | |
| Maize grain | 3.95 | 155.98 | 30.58 | 18.51 | 8.36 |
| Rice | 14.83 | 328.96 | 5.31 | 5.19 | 2.61 |
| Beans | 14.74 | 431.15 | 7.28 | 4.17 | 1.47 |
| Beef | 96.90 | 1160.93 | - | - | 4.95 |
| Salt | 8.02 | 22.77 | 8.12 | 3.34 | 1.00 |
| Sugar | 10.21 | 399.37 | 9.21 | 7.6 | 1.47 |
| Cooking/edible oil/fat | 20.57 | 44.74 | 13.12 | 10.92 | 2.41 |
| Bar soap | 43.21 | 71.91 | 6.92 | 4.49 | 2.19 |
| Panadol | - | 20.06 | 4.5 | 3.18 | - |
| Panel B: Impacts (coefficients from multivariate regression models) | | | | | |
| Maize grain | 0.22 (0.69) | 5.49 (0.11) | -4.30 (-1.44) | -1.51 (-1.02) | -0.32 (-0.46) |
| Rice | 2.50 (0.86) | 9.07 (0.34) | 0.17 (0.24) | 6.09 (1.27) | -0.07 (-0.51) |
| Beans | -1.57 (-1.49) | -25.65 (-0.33) | -2.48 (-1.73) | -0.25 (-0.55) | 0.14 (0.83) |
| Beef | 151.084* (1.92) | -99.50 (-0.85) | - (-) | - (-) | -0.29 (-0.71) |
| Salt | 0.20 (0.29) | 6.26 (0.74) | -1.00 (-0.58) | 0.16 (0.46) | -0.03 (-0.19) |
| Sugar | 0.28 (0.51) | -36.42 (-0.60) | -1.14 (-1.90) | -0.09 (-0.30) | -0.03 (-0.32) |
| Cooking/edible oil/fat | -0.73 (-0.52) | 13.14 (1.34) | -2.01** (-2.54) | -0.39 (-0.67) | -0.11 (-1.02) |
| Bar soap | -19.75 (-0.97) | -0.98 (-0.11) | 0.02 (0.03) | 0.42** (2.08) | 0.02 (0.12) |
| Panadol | - (-) | -5.16* (-1.67) | 1.02 (0.63) | -0.76 (-1.60) | - (-) |
| N (communities) | 254 | 85 | 180 | 184 | 178 |
| Currency | Loti | Kwacha | Kwacha | Kwacha | USD |

Notes: * p<0.1 ** p<0.05; *** p<0.01. Prices are reported in standardized units, which vary across items (majority representing kilos). Robust t-statistics provided in parentheses when reported. Zambia CGP and MCTG reports do not provide p-values and only indicate significance at the p<0.05 level or better. Data not provided for Ethiopia SCTPP, Ghana LEAP and Kenya CT-OVC. Additional indicators include wheat, sorghum, milk, candles, cassava, charcoal, foam mattress, onions, plantains, tomatoes, yam, dry fish, chicken, laundry soap, and secondary school fees, but all were not included in every country. No other reported indicators were significant across all countries with data.

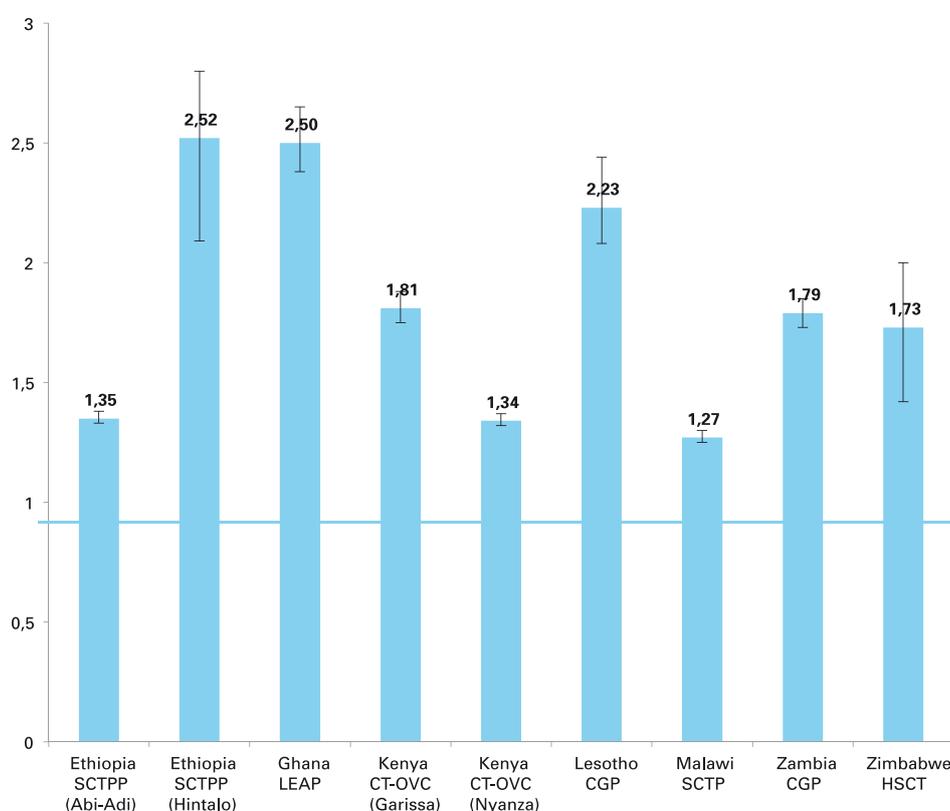
Sources: # indicates estimate is author's additional calculation. In all other cases, estimates summarized from the following sources: Malawi SCTP (UNC, 2016b); Zambia CGP (AIR, 2013); Zambia MCTG (AIR, 2014a); Zimbabwe HSCT (AIR, 2014b).

Indeed, the potential for a supply response to increased demand for goods and services, coupled with increased productive investment and output by beneficiary households, leads to the possibility of a local economy 'spillover' effect. Specifically, if beneficiaries spend transfers in the local economy, demand for goods and services may increase. Moreover, if local production increases to meet this demand, a local multiplier effect could generate positive impacts of the transfer for suppliers of goods and services, who are typically non-beneficiaries. In seven countries, specialized sampling and application of general equilibrium modeling was applied to study local economy-wide impact evaluation (LEWIE). This approach included administration of community-level price modules and business enterprise surveys to identify local spillover effects, through linking of agricultural household models to gender-equilibrium models of villages (clusters) (see Thome et al. 2016; Taylor and Filipksi, 2014; and Taylor et al. 2016, for detailed methodology).

Local economy simulations indicate that rather than having no effect at all – or making everyone worse off through inflation – the programmes generate substantial impacts for non-beneficiaries

(Figure 2). Nominal multiplier effects range from 1.27 in Malawi to 2.52 in Ethiopia (Hintalo area). This means that every dollar transferred in Hintalo, generated an additional 1.52 dollars of benefits for the local economy through the multiplier effect.¹² Moreover, these multiplier effects largely accrue to non-beneficiaries, who are local shopkeepers and service providers. In a detailed cross-country paper exploring LEWIE models, Thome et al. (2016) link the variation in these positive multiplier effects to differences in the size of the local economy, the size of the transfer, and features of the local economy. Consequently, evidence across the countries studied here, clearly shows that communities receiving cash transfers are not subject to price inflation or distortion, and that in fact transfers tend to generate important multiplier effects in the local economy, which primarily accrue to non-beneficiaries.

Figure 2 – Nominal income multipliers with 95 per cent confidence intervals, by programme



Source: Adapted from Thome et al. (2016)

3.6: Perception 6: Cash transfers at scale are not fiscally sustainable

As cash transfers are institutionalized and scaled up as part of government programming, there have been sustainability concerns that programmes are too costly to maintain over the medium or longer-term. Critiques of high administrative costs for cash transfer programmes have been voiced for decades, particularly for CCTs where additional programme components, including the monitoring of conditions,

¹² Since the programmes are not inflationary, nominal effects are appropriate in this case.

may increase costs. For example, with reference to social protection programmes in Latin America, Grosh (1994, pp. 46) writes that, “Concern over high administrative costs is perhaps the reason that is most commonly given for not adopting targeted programmes”. The collection of costing data is still relatively rare in large-scale evaluations. However, it will become increasingly important, as governments in SSA seek to understand the fiscal sustainability and national budgeting needed to institutionalize such programmes.

Cost analyses were implemented across Transfer Project evaluations in three countries (Kenya, Lesotho, and Zambia for both CGP and MCTG). The cost-transfer ratio (CTR) (i.e. the ratio of administrative costs to transfer costs), has been generally used to measure the cost-efficiency of the programmes.¹³ Hodges et al. (2011; 2013) show that cash transfer programmes with complex targeting approaches, such as those included in the Transfer Project, have high CTRs. However, this is largely explained by the fact that they tend to be quite recent, still have large fixed start-up costs, and have not yet achieved economies of scale. For instance Kardan and colleagues (2014) show that for the CGP in Lesotho, 100 per cent of the costs in the first fifteen months of the programme were devoted to its start-up. However, the CTR fell from 2.28 (January 2009 to December 2011) to 0.53 (January 2012 to December 2012).¹⁴ CTRs across programmes and countries vary enormously and are determined by the age of the programme, the value of the transfer, and costs related to design and roll-out of the programme. This means that a perfect comparison across countries is not always possible. However, a similar story emerges from the Kenya CT-OVC evaluation and for the two social cash transfer schemes in Zambia, for which Ward et al. (2010) and Jesse et al. (2015), respectively found large efficiency gains after three and four years of programme implementation. In Kenya, the CTR for the CT-OVC in the third year of programme implementation declined to 0.34, while in Zambia, in the fourth year of implementation of the two SCT models, the CTR was 0.45 and 0.63 for the CGP and the MCTG, respectively. The CTRs reported from the Transfer Project evaluations are relatively larger than the most cited example of Mexico’s *Prospera* programme (formerly *Progres*a and *Oportunidades*), but because of design differences, it is difficult to make strict comparisons (Caldés et al. 2005).

Costing studies carried out for Transfer Project evaluations also assessed fiscal sustainability of UCTs. Under a ‘no expansion scenario,’ Kardan et al. (2014) found that the cost of the CGP in Lesotho is 0.4 per cent of total government expenditure (0.2 per cent of GDP) in 2014/15. Further, the upper bound costs of the programme are reflected under the scenario of full national expansion by 2020/21. Under this scenario the cost of the programme increases to 1.7 per cent of total expenditure or 0.8 per cent of GDP in 2020/21. Jesse and colleagues (2014) report that the total expenditure in Zambia for the SCT programme overall was approximately only 0.06 per cent of GDP in 2013 – the last year of the study. More recent estimates, based on the labour-constrained model (similar to the MCTG reported on here) indicate a national expansion by 2021 of 1.8 per cent of Government expenditure and 0.4 per cent of

13 In addition to absolute costs, development actors may be interested in the relative costs of comparative transfer programming in non-cash modalities (e.g. in-kind and voucher transfers). Although there have been relatively few rigorous costing and cost-effectiveness studies of cash in comparison to in-kind transfers, several recent examples across 10 countries reviewed in Gentilini (2016) shed light on the relative cost of delivering cash. Gentilini concludes that cash is cheaper than food distribution across diverse settings. For example, in Yemen, food was twice as costly; in Niger, food was approximately three times more costly; and in Ecuador, food was four times more costly compared to cash, netting out common implementation costs (Hidrobo et al. 2014; Hoddinott et al. 2014; Schwab 2013). In these cases, the relatively higher food distribution costs were mainly due to transport, storage, including rental cost of disbursement centers and repackaging. These figures paired with impacts lead to the conclusion that, despite the heterogeneity in methodology, which hinders strict comparison, cash seems to be more efficient than food transfers in improving a set of food security and poverty outcomes.

14 The comparison between the CTRs for the two periods must be taken with care, since for January 2009-December 2011 Kardan et al. (2014) consider a cumulative ratio, while for January-December 2012 they look at a single financial year CTR.

GDP (Kumitz and Pellerano, 2016). Ward et al. (2010) estimate that if the CT-OVC in Kenya covered all households with OVCs, the total programme expenditures would represent 1.29 per cent of GDP.

Extending simulated scale-up costs for national programmes to other countries in SSA, Plavgo et al. (2013) utilize key programme parameters from Transfer Project countries for estimates. They assume a hypothetical programme would target the ultra-poor, scale up to 20 per cent of the national population, pay an amount equivalent to 20 per cent of households' pre-intervention monthly consumption, and incur administration costs of 12 per cent. They average government spending for 48 countries in SSA over the 2008-2012 period, to compare transfer and administrative costs to government expenditures. The results of this exercise show that the annual cost of a UCT in 2012 would range between 0.1 and 2 per cent of GDP for most countries, with an overall average of 1.1 per cent of GDP. As a percentage of general government expenditures, the price tag is higher: an average of 4.4 per cent across countries, with a cost of below 1 per cent for nine countries; between 1 and 5 per cent for 21 countries; between 5 and 10 per cent for 14 countries, and over 10 per cent for four countries (Democratic Republic of Congo, Zimbabwe, Central African Republic and Madagascar). In addition, since most cash transfer programmes target rural areas, if expansion were restricted to rural households (as is currently the case), costs could fall by approximately 37 per cent. Thus, with the exception of a few outliers – including those which have seen significant civil unrest in recent years – cash transfers at scale as a percentage of current spending and GDP are feasible and fully within the cost considerations of any national government.

To contextualize these costs in terms of national spending, it is useful to draw some comparisons to other government programmes. Jayne and Rashid (2013) synthesized recent literature on input subsidy programmes (ISPs) in SSA, which have both economic productivity and poverty alleviation objectives and tend to be important 'competitors' to cash transfer programmes in SSA. In 2011, the latest year for which data were available, 10 African countries spent roughly US\$1.05 billion on ISPs, amounting to 28.6 per cent of their public expenditures on agriculture. Despite this large investment, evidence indicates that the costs of these programmes generally outweigh their benefits. Another example of an input subsidy programme comes from the Malawi Farm Input Subsidy Programme (FISP), which distributes fertilizer and seed coupons to farmers that are redeemable for two 50 kg bags of subsidized fertilizer and 5-10 kg bags of seeds. The programme covers approximately two-fifths of the population and accounts for approximately 9 per cent of the national budget and between 3 and 6 per cent of GDP (Arndt et al. 2016). Evidence shows that while the FISP in Malawi contributed to raise national food production (Lunduka et al., 2013), its effects were highly asymmetric across the distributions of farm size and wealth, tending to be concentrated on better-off farm households.

Finally, overall spending on cash transfers or vouchers is low compared to other types of social safety nets in SSA. In a review of spending by programme type in 11 countries, only in two countries (Lesotho and Mauritius) did transfers make up a substantial percentage of total social safety net spending, at 47 and 87 per cent, respectively (Monchuk, 2014). In all other countries, cash makes up a small sliver of spending (ranging from 0 to 5 per cent), dwarfed by spending on school feeding, public works and other nutrition or in-kind spending. Overall, although there is competition for budget allocations in any public programme, cash transfers at scale appear to be fully within the fiscal envelope of national governments in SSA (Plavgo et al. 2013; Monchuk, 2014).

4. DISCUSSION AND CONCLUSION

Using rigorous evaluations conducted on large-scale government UCTs in SSA, we summarize evidence on six common perceptions which dominate the policy discourse around cash transfer programmes. Specifically we investigate if transfers:

- 1) Induce higher spending on alcohol or tobacco;
- 2) Are fully consumed (rather than invested);
- 3) Create dependency (reduce participation in productive work);
- 4) Increase fertility;
- 5) Lead to negative community-level economic impacts (including price distortion and inflation); and
- 6) Are fiscally unsustainable.

We find ample evidence to refute each claim, which leads us to the conclusion that these perceptions are actually ‘myths’, and insofar as they continue to be cited in policy debates, limit the range of feasible tools that governments can consider to reduce poverty and support inclusive growth. It is also worth highlighting that all the evidence reviewed here derives from large-scale national programmes owned and operated by African governments and therefore is directly applicable to national policy dialogues and debates.

There are also a number of outstanding perceptions or ‘possible myths’ that are debated in the literature, which the Transfer Project evaluations are not well positioned to answer. We mention only a small sub-set of the outstanding questions related to cash transfers. First, the role of conditionalities in delivering impacts, is a topic of extensive debate (Pellerano and Barca 2014), and one which we are not able to address using Transfer Project evaluations. There are long-standing perceptions around the sex of the transfer recipient, and related comparative impacts, particularly on children’s and household wellbeing outcomes, which remain largely un-tested across programme designs and settings (Yoong et al. 2012).

In addition, there is a long-standing debate as to whether and how cash transfers (both UCTs and CCTs) empower women, which remains unresolved largely due to the multitude of programme designs, which may have differentiated impacts as well as lack of consensus in how to best measure empowerment (Bonilla et al. 2017; Peterman et al. 2015). These debates have led to perceptions that transfers may, in fact, reinforce traditional gender norms, including investment of women in the care economy, as well as fears that cash transfers may increase conflict and exposure to IPV. The former is generally cited as a result of conditions in programming related to child health and nutrition (Chant 2008; Molyneux, 2006), which is not applicable within the UCTs examined as part of the Transfer Project.

Relatedly, there is more accumulating evidence that cash transfers can actually decrease women’s exposure to IPV, largely through decreases in the structural determinants of violence including reductions in poverty-related stress and overall increases in household wellbeing (Hidrobo et al. 2016; Buller et al. 2016). The Transfer Project is increasingly interested in this potential, and has case studies in ongoing evaluations of national programmes in Ghana and Tanzania to explore these dynamics (baselines conducted in 2015).

There are a number of limitations to the current summary which are worth mentioning. First, although the Transfer Project analyzes data from an impressive array of impact evaluations, the majority are from Eastern and Southern Africa, and only one is from West Africa (Ghana). In addition, the programme duration for these impact evaluations can be taken as medium-term, as the majority cover periods from 12 to 36 months. As we largely summarize existing results from peer-reviewed publications and country technical reports, we are often limited in the ability to make full comparisons across indicators, for lack of comparable indicators across countries. Despite the subtle differences across indicators or evaluations, we believe with full disclosure of these differences, this does not detract from the conclusions drawn.

Our collaborative work with national governments over the past decade through the Transfer Project has demonstrated the importance of the political environment in facilitating the financing, scale-up and public acceptance of programmes. A recently published Transfer Project book shows that government-run UCTs have been responsible for improvements across social and economic domains, and that differences across countries tend to be a factor of the size and regularity of transfers, the demographic profile of beneficiaries, effectiveness of targeting, and availability of supply-side services (Davis et al. 2016b). The evolution of the Transfer Project and the inclusion of rigorous impact evaluations as part of government programming highlight the role research can play in the design, scale up and political acceptability of UCTs as part of social protection in SSA. To this end, we have drawn on cross-country evaluation data to summarize evidence on six common perceptions, which we believe hold back political acceptance of such programmes. While the political context is such that these perceptions will need to be tested in each specific programme in order to be fully internalized, we hope that the growing body of evidence such as that presented in this paper, will permit more evidence-based rather than ideologically based debates around cash transfers in LMICs.

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