



**INTERNATIONAL LABOUR OFFICE (ILO)**

**INTERNATIONAL PROGRAMME ON THE ELIMINATION OF CHILD LABOUR (IPEC)**

**CONDITIONAL CASH TRANSFERS:  
AN ANNOTATED BIBLIOGRAPHY**

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- **ADEPRO. 2004. "Propuesta de proyecto nacional de subsidio directo a familias en extrema pobreza para integrar a niños y niñas al sistema educativo". Reporte final para el Programa IPEC/OIT. El Salvador.**
- **Ahmed, Shaikh S. 2005. Delivery mechanisms of cash transfer programs to the poor in Bangladesh. Washington DC: World Bank.**

► **Abstract:** This study carries out an analysis of the practical issues and the financial costs relative to the transfer of cash benefits from source to recipients and the cost effective way of transferring funds to the beneficiaries. The study analyzes and compares three alternative delivery mechanisms: The Income Generation Vulnerable Group Development (IGVGD), the Primary Education Stipend Program (PESP) and the Rural Maintenance Program (RMP). This study also looks into targeting and leakage issues that affect delivery mechanism. A field level survey has been conducted to assess beneficiaries view on the existing delivery mechanism and on the prospect of using technologically advanced alternative delivery mechanisms in the rural setup.

This study reveals that the potential of using rural bank branches to deliver cash benefits is not fully utilized. Introducing advanced technology to rural banks for improving the efficiency of delivery of benefits is viable, subject to cost and capacity constraints. At the same time, reducing targeting failure and leakages can further enhance delivery efficiency. This study also shows that there are too many unnecessary agents at various levels of delivery and points to the need for appropriate delivery supervision.

- **Alderman, Harold. 2003. Transferts conditionnels et exemption de frais. Présentation. Département développement humain. Banque mondiale.**
- **Anker, Richard; B. Melkas. 1996. Economic incentives for children and families to eliminate or reduce child labour. Geneva: ILO.**

► **Abstract:** The purpose of this report is to present the results of a survey of national and international NGOs and other organizations on the use of income replacement and substitution activities as a strategy in the battle against child labour. The survey was conducted in April-July 1995 and its primary objective has been to produce an overview of NGO experiences with income replacement and substitution activities being implemented around the world; and to provide practical information for those who plan, implement or evaluate projects or programmes with an income replacement or substitution component. It needs to be emphasized that the survey was exploratory, and was not based on a representative sample.

The report is divided into two parts. Part I provides a brief introduction to the child labour problem with discussions on definitions of child labour, reasons for child labour, the effects of child labour on labour markets, the importance of community participation and education, and the possible problem of child labour transferring from one occupation or workplace to another. Part II describes the survey; how it was done, what were its limitations, who responded, and what were our conclusions. This includes detailed discussions on different types of income replacement and substitution activities, as well as on practical aspects of these kinds of projects, such as targeting and the best form for grants and payments. The last section is reserved for concluding comments.

- **Attanasio, Orazio; E. Battistin; E. Fitzsimons; A. Mesnard; M. Vera-Hernández. 2005. "How effective are conditional cash transfers? Evidence from Colombia". Institute for Fiscal Studies (IFS), Briefing Note No. 54.**

- **Attanasio, Orazio; C. Meghir; A. Santiago. 2001. "Education choices in Mexico: Using a structural model and a randomized experiment to evaluate Progreso". Centre for the Evaluation of Development Policies (EDePo), Institute for Fiscal Studies (IFS), EWP 04.04.**

► **Abstract:** In this paper we evaluate the effect of a large welfare program in rural Mexico. For such a purpose we use an evaluation sample that includes a number of villages where the program was not implemented for evaluation purposes. We estimate a structural model of education choices and argue that without such a framework it is impossible to evaluate the effect of the program and, especially, possible changes to its structure. We also argue that the randomized component of the data allows us to identify a more flexible model that is better suited to evaluate the program. We find that the program has a positive effect on the enrollment of children, especially after primary school. We also find that an approximately revenue neutral change in the program that would increase the grant for secondary school children while eliminating for the primary school children would have a substantially larger effect on enrollment of the latter, while having minor effects on the former.

- **Ayala Consulting Co. 2003. Conditional cash transfer programs (CCTs): Operational experiences. Final report prepared for the World Bank. Quito, Ecuador.**

- **Ayala, Francisco V.; with the assistance of C. Endara. 2005. Lessons learnt from the design and implementation of a conditional cash transfer programme – Jamaican case: Programme for the advancement through health and education. Prepared for Inter-Regional Facility for Inclusive Development. Quito, Ecuador.**

► **Abstract:** Between 1999 and early 2000, several studies were ordered and financed by the World Bank and the Government of Jamaica, all of them oriented toward developing an integrated social safety net strategy. To date, one of its objectives, to rationalize and unify the three existing income transfer programmes (Food Stamps, Outdoor Poor Relief and Public Assistance) into one has not been achieved totally, notwithstanding the fact that the design implementation of the Conditional Cash Transfer Programme called Programme for Advancement through Health and Education (PATH) had been completed, proved successful, in replacement of the three that had been operating during a long time. The PATH was created to provide cash transfers to poor households who are subject to compliance with education and health conditions that promote the development of human capital of their members.

The closing of the three programmes proved to be a difficult process, no political will on the part of the Parliament and Government and particular interests by the institutions holding those programmes, slowed down the reform process, not having achieved the reform policies in a period of four years. On the other hand, the implementation of PATH was easier, in April 2001, the WB and the GOJ decided to first implement the programme in one parish and later expanded into the remaining parishes. This approach would help fine-tune the overall programme design and implementation strategy, and thereby reduce the risk of committing costly mistakes at a large scale.

- **Bando, Rosangela; L.F. Lopez-Calva, H.A. Patrinos. 2005. Child labor, school attendance, and indigenous households: Evidence from Mexico. World Bank Policy Research Working Paper 3487. Washington DC: World Bank.**

► **Abstract:** This paper uses panel data for Mexico for 1997 to 1999 in order to test several assumptions regarding the impact of a conditional cash transfer program on child labor, emphasizing the differential impact on indigenous households. Using data from the conditional cash transfer program, PROGRESA (OPORTUNIDADES), in Mexico, we investigate the interaction between child labor and indigenous households. While indigenous children had a greater probability of working in 1997, this probability is reserved after treatment in the program. Indigenous children also had lower school attainment compared with Spanish-speaking or bilingual children. After the program, school attainment among indigenous children increased, reducing the gap.

- **Barcena, Alicia. 2005. Bolsa Familia en el contexto de los programas de transferencias condicionadas en América Latina y el Caribe. Presentación para el seminario internacional: Bolsa Familia: Dos años combatiendo el hambre y el pobreza en Brasil. Comisión Económica para América Latina y el Caribe (CEPAL).**

- **Barham, Tania. 2005. Providing a healthier start to life: The impact of conditional cash transfers on infant mortality. Berkeley: University of California, Department of Agriculture and Resource Economics.**

► **Abstract:** In this paper, I evaluate the impact of Mexico's conditional cash transfer program, Progresa, on infant mortality. While studies on other aspects of Progresa make use of a randomized treatment and control evaluation database performed in 506 communities, this database lacks sufficient sample size to measure the effect on infant mortality. Instead, I use vital statistics data to determine municipality-level, rural infant mortality rates and create a panel dataset covering the period 1992-2001. I take advantage of the phasing-in of the program over time both between and within municipalities to identify the impact of the program. I find that Progresa led to an 11 percent decline in rural infant mortality among households treated in Progresa municipalities. Reductions are as high as 36 percent in those communities where, prior to program interventions, the population all spoke some Spanish and had better access to piped water.

- **Barrientos, Armando. 2004. Financing social protection. United Kingdom: University of Manchester, Institute for Development Policy and Management (IDPM).**

- **Barrientos, Armando. 2003. What is the impact of non-contributory pensions on poverty? Estimates from Brazil and South Africa. United Kingdom: University of Manchester, Institute for Development Policy and Management.**

► **Abstract:** This paper considers the impact of cash transfer programmes for the old in Brazil and South Africa on poverty among households with older people. Using datasets collected specifically for the purpose, the paper constructs conditional and unconditional estimates of the poverty reduction capacity of these programmes. The paper finds that non-contributory pensions have a measurable and significant impact upon poverty reduction and poverty prevention in the two countries studied.

- **Barrientos, Armando; J. DeJong. 2004. "Child poverty and cash transfers." London: Childhood Poverty Research and Policy Centre (CHIP) and Save the Children.**

- **Barrientos, Armando; R. Smith. 2005. Social assistance in low income countries database. United Kingdom: University of Manchester and Department for International Development (DFID).**

- **Bate, Peter. 2005. "The story behind oportunidades: How two social scientists forged a program that has changed the lives of millions of Mexicans", in *IDB América*, 14 November 2005. Washington DC: Inter-American Development Bank.**

- **Bate, Peter. 2004. "A different kind of opportunity: How Mexico's antipoverty program helps millions while avoiding corruption and keeping overhead costs to a minimum", in *IDB América*, Washington DC: Inter-American Development Bank.**

- **Becker, Gary S. 1999. "'Bribe' third world parents to keep their kids in school", in *Business Week*, 11.22, Issue 3656, p. 15.**

- **Behrman, Jere R.; J. Hoddinott. 2001. Program evaluation with unobserved heterogeneity, selective implementation and imperfectly targeted beneficiaries: The Mexican Progresa impact on child nutrition. Mimeo.**

► **Abstract:** Methods for assessing the impact of social programs are the subject of lively debate, with considerable interest displayed in the merits of randomization and econometric evaluation. A danger in this sometime heated debate is to see program evaluation as conducted *either* by comparing mean outcomes from a randomized intervention *or* by eschewing randomization in favour of appropriate econometric techniques. This paper provides a salutary example of this danger by examining the impact of *PROGRESA*, a Mexican anti-poverty and human resource program, on child nutritional status. *PROGRESA* was designed to be randomly assigned to localities; a randomization design that was confirmed in subsequent analysis. However, a shortage in the availability of one component of this intervention – a nutritional supplement provided to pre-school children – appears to have led local administrators to exercise discretion in the delivery of this

intervention, systematically favoring those children with poorer nutritional status. Consequently, comparisons of mean outcomes suggest that *PROGRESA* had *no* or a *negative* effect on nutritional status. However, estimates that control for this heterogeneity using child specific fixed effects find that *PROGRESA* had significant and substantial *positive* impacts in increasing stature. The long-term consequences of those improvements are non-trivial; the effects found for childhood supplements working through adult height alone may result in a 2.9% increase in lifetime earnings.

► **Behrman, Jere R.; J. Hoddinott. 2000. An evaluation of the impact of Progresa on pre-school child height. Washington DC: International Food Policy Research Institute (IFPRI).**

► The nutrition of preschool children is of considerable interest not only because of concern over their immediate welfare, but also because their nutrition in this formative stage of life is widely perceived to have substantial persistent impact on their physical and mental development and on their health status as adults. Their physical and mental development, in turn, shapes their life time options by affecting their schooling success and their post-schooling productivity. Improvements in the nutritional status of currently malnourished preschoolers, thus, potentially may have important payoffs over decades. Within rural Mexico stunting – short height relative to standards established for healthy populations – is the major form of protein-energy malnutrition (PEM). Low weight for height or “wasting” is much less of a problem. But stunting is symptomatic of longer-run effects of early childhood malnutrition.

One of the major components of the *PROGRESA* program has been directed towards improving the nutritional status of these children in poor rural communities in Mexico. Cross-sectional comparisons of height for children who received this *PROGRESA* treatment versus others who were in *PROGRESA* eligible households but who did not receive this treatment suggest no positive effect of *PROGRESA* either on average child height or on reducing the proportion of children who are stunted (i.e., more than two standard deviations below recognized norms). But these comparisons may be misleading because of the failure to control for unobserved child, parental and household, market and community characteristics that may be correlated with children receiving the *PROGRESA* treatment and because of the failure to control for systematic initial differences. For example, on average the children in the control sample tend to have better anthropometric status than children in the treatment sample.

Our preferred estimates control for these factors. *PROGRESA* treatment is represented by those who reportedly received nutritional supplements in the treatment group (less than 60% of those children in the treatment group) for children in the critical age range of 12 to 36 months. These estimates find significant impacts of receiving *PROGRESA* treatment in increasing child growth and in reducing the probability of child stunting. These estimates imply an increase of about a sixth in mean growth per year for these children, which may be somewhat larger for children from poorer households and poorer communities but who come from households with more educated household heads. This is a potentially important effect. Under the assumptions that (1) there is strong persistence of changes in small children’s anthropometric development so that the percentage changes for adults equal those (are half of those) that we estimate for children and (2) that adult anthropometric-earnings relations from elsewhere in Latin America apply to the labor markets in which these children will be working as adults, the impact from this effect alone would be a 2.9% (1.4%) increase in lifetime earnings. In addition there are likely to be other effects through increased cognitive development, increased schooling, and lowered age of completing given levels of schooling through starting when younger and passing successfully grades at a higher rate.

While these estimates remain fairly speculative, they suggest that *PROGRESA* may have substantial effects on life time productivities and earnings of preschool children in poor households.

► **Behrman, Jere R.; P. Sengupta; P. Todd. 2001. Progressing through Progresa: An impact assessment of a school subsidy experiment. University of Pennsylvania and International Food Policy Research Institute (IFPRI).**

► **Abstract:** A new anti-poverty program in Mexico, *PROGRESA*, provides monetary transfers to families that are contingent upon their children’s regular attendance at school. The benefit levels are intended to offset the opportunity costs of not sending children to school and vary with the grade

level and gender of the child. The initial phase of the program was implemented as a randomized social experiment.

This paper uses a Markov schooling transition model applied to the experimental data to assess the impact of the educational subsidy program along several dimensions, including effects on initial ages of school entry, dropout rates, grade repetition rates, and school re-entry rates. The findings show that the program effectively reduces drop-out rates and facilitates progression through the grades, particularly during the transition from primary to secondary school. Results based on a simulation evaluating the effects of longer terms of exposure to the program indicate that if children were to participate in the program between ages 6 to 14, they would experience an increase of 0.6 years in average educational attainment level years and an increase of 19% in the percentage of children attending junior secondary school.

- **Bergeron, Gilles; J. Miller del Rosso. 2001. "Food for education: Indicator guide." Washington DC: Food and Nutrition Technical Assistance Project, Academy for Educational Development (AED).**

- **BID (Banco Interamericano de Desarrollo). 2005. BID aprueba préstamo de 57 millones de dólares para programa de reducción de extrema pobreza en El Salvador. Banco Interamericano de Desarrollo (BID).**

- **Bourguignon, François; Francisco H.G. Ferreira; Phillippe G. Leite. 2003. "Conditional cash transfers, schooling, and child labor: Micro-simulating Brazil's Bolsa Escola program", in *World Bank Economic Review*, 17.2, pp. 229-54.**

► **Abstract:** A growing number of developing economies are providing cash transfers to poor people that require certain behaviors on their part, such as attending school or regularly visiting health care facilities. A simple ex ante methodology is proposed for evaluating such programs and used to assess the Bolsa Escola program in Brazil. The results suggest that about 60 percent of poor 10- to 15-year-olds not in school enroll in response to the program. The program reduces the incidence of poverty by only a little more than one percentage point, however, and the Gini coefficient falls just half a point. Results are better for measures more sensitive to the bottom of the distribution, but the effect is never large.

- **Britto, Tatiana. 2005. Recent trends in the development agenda of Latin America: An analysis of conditional cash transfers. Brazil: Ministry of Social Development.**

► **Abstract:** From the mid-90s onwards a fairly popular policy trend emerged in the development agenda of Latin America: the provision of cash transfers conditioned on certain behaviors of the recipients. These programs consisted in the provision of money subsidies to targeted households, provided they assured school attendance of their children and, in some cases, attended periodic health-related activities. Their alleged innovation was a capacity to address demand-side constraints for structural poverty reduction, through an incentive scheme which combined the short term objectives of safety nets with the long term goals of building human capital and breaking the vicious intergenerational circle of poverty traps. They have received substantial support from the international community and are highlighted as one of the 'best practices' of social protection in Latin America. Considerable funding has been given to the dissemination of program experiences, expansion of existing initiatives and replication of similar programs elsewhere in the region. On the one hand, the appeal of conditional cash transfers seems to have much to do with their potential to tackle key issues in the perpetuation of poverty in Latin America and their fit into the current mainstream discourse on poverty reduction. But, on the other hand, there might be high administrative requirements associated with the set up of conditional subsidies and significant issues that remain unresolved in their implementation experience. There can also be significant political economy issues and potential conflicts involved in these programs. In terms of impacts, conditional cash transfers are no panacea, but their potential seems undeniable. A contribution to understanding how and why these programs came about, what they can actually deliver and what are the issues they might arise are the primary objective of this paper. Based upon an analysis of the Mexican Program of Education, Health and Nutrition (Progresa) and the Brazilian Bolsa Escola, the paper discusses particular characteristics, selected implementation aspects and contextual factors that help explain the

reasons behind the popularity and visibility of conditional cash transfers as a policy option among governments and multilateral donors.

- Britto, Tatiana F. 2004. **Conditional cash transfers: Why have they become so prominent in recent poverty reduction strategies in Latin America.** Working Paper Series No. 390. The Hague: Institute of Social Studies (ISS).
- Buarque, Cristovam. 2005. “Bolsa Escola: A poverty recovery plan for Africa - bringing children first”. Text originally presented at the Eighth Conference of Ministers of Education of African Member States (MINEDAF VIII) – Tanzania, 2-6 December 2002. Mimeo.
- Buarque, Cristovam. 2005. “Bolsa Escola: A project for South Africa”. Paper presented in South Africa and Sri Lanka. Mimeo.
- Buarque, Cristovam. 2004. “Bolsa Escola: A good intention gone astray”. Mimeo.
- Buarque, Cristovam. 2004. “Bolsa Escola: Bringing children first”. Paper presented in China. Mimeo.
- Buddelmeyer, Hielke; E. Skoufias. 2004. **An evaluation of the performance of regression discontinuity design on PROGRESA.** World Bank Policy Research Paper 3386. Washington DC: World Bank.

► **Abstract:** While providing the most reliable method of evaluating social programs, randomized experiments in developing and developed countries alike are accompanied by political risks and ethical issues that jeopardize the chances of adopting them. In this paper we use a unique data set from rural Mexico collected for the purposes of evaluating the impact of the PROGRESA poverty alleviation program to examine performance of a quasi-experimental estimator, the Regression Discontinuity Design (RDD). Using as a benchmark the impact estimates based on the experimental nature of the sample, we examine how estimates differ when we use the RDD as the estimator for evaluating program impact on two key indicators: child school attendance and child work.

Overall the performance of the RDD was remarkably good. The RDD estimates of program impact agreed with the experimental estimates in 10 out of the 12 possible cases. The two cases in which the RDD method failed to reveal any significant program impact on the school attendance of boys and girls were in the first year of the program (round 3). RDD estimates comparable to the experimental estimates were obtained when we used as a comparison group children from non-eligible households in the control localities.

- Caldés, Natàlia; D. Coady; J.A. Maluccio. 2004. **The cost of poverty alleviation transfer programs: A comparative analysis of three programs in Latin America.** FCND Discussion Paper No. 174. Washington DC: International Food Policy Research Institute (IFPRI).

► **Abstract:** A common criticism of antipoverty programs is that the high share of administrative (nontransfer) costs substantially reduces their effectiveness in alleviating poverty. Yet there is surprisingly little hard empirical evidence on such programs’ costs. A recent international review of targeted poverty alleviation programs in less developed countries found cost information – which was rarely comparable between studies – for fewer than one-third of the programs examined. Improved information and a better understanding of the costs of such programs are crucial for effective policymaking. This study proposes and implements a methodology for a comparative analysis of the level and structure of costs of three similar poverty alleviation programs in Latin America, in order to assess their cost-efficiency. The findings underscore that any credible assessment of cost-efficiency requires a detailed analysis of program cost structures that goes well beyond simply providing aggregate cost information.

- Caldés, Natàlia; J.A. Maluccio. 2004. **The cost of conditional cash transfers.** Washington DC: Inter-American Development Bank (IADB).



- **Cardoso, Eliana; A.P. Souza. 2003. The impact of cash transfers on child labor and school attendance in Brazil. Brazil: University of São Paulo, Department of Economics.**

► **Abstract:** The paper estimates the impact on school attendance and child labor of conditional cash payments to poor families in Brazil. It describes Brazil's transfer programs and presents statistics on school attendance and child labor. In the second half of the 1990s, many municipalities had adopted the "Bolsa Escola" (a cash transfer conditional on school attendance) and/or the federal minimum income program (in place during 1999 and 2000 and replaced by the "Bolsa Escola Federal" in 2001). Although conditional cash transfer programs in Brazil have been in place since 1996, studies on their ex-post impact are very few. Micro household level data from the 2000 Census allows the use of propensity score methods to estimate the impact of income transfers on child labor and school attendance. The paper finds that income transfer programs had no significant effect on child labor but a positive and significant impact on school attendance. These preliminary results suggest that these programs have not been effective in fighting child labor in Brazil. They increase the chance of a poor child going to school but do not reduce her labor activity perhaps because she prefers to combine school and labor, considering that the transfers are too small to provide an incentive to forgo the labor income.

- **Castro, Álvaro. 2005. "Challenges and experiences in extending social protection", in *Journal Seguridad Social*.**

- **Coady, David P. 2004. Designing and evaluating social safety nets: Theory, evidence, and policy conclusions. FCND Discussion Paper No. 172. Washington DC: International Food Policy Research Institute (IFPRI).**

► **Abstract:** This paper reviews the literature on the performance of commonly found social safety net programs in developing countries. The evidence suggests that universal food subsidies have very limited potential for redistributing income. While targeted food subsidies have greater potential, this can only be realized when adequate attention is given to the design and implementation, as well as to the social and political factors influencing the adoption, of these programs. Although well-designed public works programs have impressive targeting performance, they have large non-wage costs; thus, to be cost-effective, they need to produce outputs that are especially beneficial to poor households. Social funds, which emphasize both community involvement and asset creation, have been cost-effective, but they are difficult to target to extremely poor households. Traditional public works programs are particularly attractive for addressing vulnerability, but they require flexibility regarding choice of output. Targeted human capital subsidies appear to have great potential for addressing extreme poverty; but again, their design needs to reflect the human capital profile of countries and the administrative capability of the government.

- **Coady, David P. 2004. Designing and evaluating social safety nets: Theory, evidence, and policy conclusions. FCND Discussion Paper No. 172, in *Discussion Paper Briefs*. Washington DC: International Food Policy Research Institute (IFPRI).**

- **Coady, David P. 2003. Alleviating structural poverty in developing countries: The approach of PROGRESA in Mexico. Washington DC: International Food Policy Research Institute (IFPRI).**

- **Coady, David P. 2001. An evaluation of the distributional power of Progresa's cash transfer in Mexico. Washington DC: International Food Policy Research Institute (IFPRI).**

► **Abstract:** Using both national-sample and program-level census survey data, we evaluate the distributional power of Mexico's PROGRESA transfers using the so-called distributional characteristic. These transfers are targeted both geographically at marginal localities and at poor households within these localities. Transfers are also conditioned on household members attending school and health clinics. We show that the program has a relatively high distributional power compared to a range of alternatives considered. Although geographic targeting has a relatively large effect on the distributional power of the program, the demographic structure of transfers is more important than household targeting. However, the gains from household targeting increase as the program expands into less marginal localities. Within the structure of transfers, the education component is distributionally more powerful than the food component, reflecting the fact that the

former is based on household demographics while the latter is uniform across households. Restructuring education grants towards secondary schooling in order to generate higher education impacts does not appear to affect the distributional power of the program. In any case, any adverse impact could be offset by increasing the cap on transfers, which is regressive. Take-up of the program is high but relatively higher among the poorest households, thus increasing distributional power. However, this effect is mitigated by the fact that, conditional on program take-up, the poorest households take-up a relatively lower proportion of potential transfers.

- **Coady, David P. 2001. Improving the efficiency of targeted food programs in Bangladesh: An investigation of the VGD and RD programs. Washington DC: International Food Policy Research Institute (IFPRI).**

► **Abstract:** In this article, we report the results of an investigation aimed at analyzing the efficiency of two large targeted food programs in Bangladesh, (the VGD and the RD programs, of the World Food Program) in increasing the income and the consumption of grain of the intended beneficiaries. We found that these programs are not efficient in delivering food transfers, since the difference between the amount of resources allocated (in cash and kind) and the amount of resources (in cash or kind) actually received, referred here as leakage, is positive and sizable. In the VGD program approximately 94 percent of the food is received by poor women, even though they are not all intended beneficiaries. In the RD program, instead, leakages are more sizable. They are between 16 and 26 percent and they are allocated among officials, administrators and local contractors. Possible measures to reduce leakages and increase the efficiency in these programs are outlined.

- **Coady, David P. 2000. The application of social cost-benefit analysis to the evaluation of Progresa: Final report. Washington DC: International Food Policy Research Institute (IFPRI).**

- **Coady, David P.; M. Grosh; J. Hoddinott. 2003. Targeted anti-poverty interventions: A selected annotated bibliography. Washington DC: World Bank.**

- **Coady, David P.; M. Grosh; J. Hoddinott. 2002. Targeting outcomes, redux. Washington DC: International Food Policy Research Institute (IFPRI) and World Bank.**

► **Abstract:** This paper addresses the contested issue of the efficacy of targeting interventions in developing countries using a newly constructed comprehensive database of 111 targeted anti-poverty interventions in 47 countries. While the median program transfers 25 percent more to the target group than would be the case with a universal allocation, more than a quarter of targeted programs are regressive. Countries with higher income or governance measures and countries with better measures for voice do better at directing benefits towards poorer members of the population. Interventions that use means testing, geographic targeting, and self-selection based on a work requirement are all associated with an increased share of benefits going to the bottom two quintiles. Self-selection based on consumption, demographic targeting to the elderly, and community bidding show limited potential for good targeting. Proxy means testing, community-based selection of individuals and demographic targeting to children show good results on average, but with considerable variation. Overall, there is considerable variation in targeting performance when we examine experiences with specific program types and specific targeting methods. Indeed a Theil decomposition of the variation in outcome shows that differences between targeting methods account for only 20 percent of overall variation, the remainder is due to differences found within categories. So while these general patterns are instructive, differences in implementation are also quite important determinants of outcomes.

- **Coady, David P.; M. Grosh; J. Hoddinott. 2002. "The targeting of transfers in developing countries: Review of experience and lessons". Mimeo.**

- **Coady, David P; R.L. Harris. 2004. Evaluating targeted cash transfer programs: A general equilibrium framework with an application to Mexico. Research Report No. 137. Washington DC: International Food Policy Research Institute (IFPRI).**

- **Coady, David P.; S.W. Parker. 2005. Program participation under means-testing and self-selection targeting methods. FCND Discussion Paper No. 191. Washington DC: International Food Policy Research Institute (IFPRI).**

► **Abstract:** Using data that enables us to distinguish between the different components of program participation (i.e., knowledge, application, and acceptance), we investigate the determinants of household behavior and program implementation in a social safety-net program that combines administrative and self-selection targeting methods. High undercoverage of eligible households primarily reflects lack of knowledge and binding budget constraints in poor areas. High leakage to ineligible households reflects the combination of their high levels of knowledge, application, and acceptance. Lowering undercoverage will require greater program awareness among the poor living in nonpoor areas and this is likely to come at the expense of substantial leakage to the nonpoor unless improvements are made to the verification process. Our results also suggest that in the presence of a budget constraint, the administrative selection process gives priority to the poorest households and those with children.

- **Coady, David P.; S.W. Parker. 2004. "Cost-effectiveness analysis of demand- and supply-side education interventions: The case of PROGRESA in Mexico", in *Review of Development Economics*, 8.3, pp. 440-51.**

► **Abstract:** The paper is concerned with the issue of the most cost-effective way of improving access to education for poor households in developing countries. The authors consider two alternatives: extensive expansion of the school system (i.e., bringing education to the poor), and subsidizing investment in education by the poor (i.e., bringing the poor to the education system). To this end, the authors evaluate PROGRESA, a large poverty-alleviation program recently introduced in Mexico, which subsidizes education. Using double-difference regression estimators on data collected before and after the program for randomly selected "control" and "treatment" households, the relative impacts of the demand- and supply-side program components are estimated. Combining these estimates with cost information, it is found that the demand-side subsidies are substantially more cost-effective than supply-side expansions.

- **Coady, David P.; R. Perez; H. Vera-Ilamas. 2005. Evaluating the cost of poverty alleviation transfer programs: An illustration based on PROGRESA in Mexico. FCND Discussion Paper No. 199. Washington DC: International Food Policy Research Institute (IFPRI).**

► **Abstract:** One of the common criticisms of poverty alleviation programs is that the high share of administrative (nontransfer) costs substantially reduces the programs' impact on poverty. But very little empirical evidence exists on program costs. For example, a recent extensive international review of targeted poverty alleviation programs in developing countries could find data on costs for only 32 out of the 111 program reviewed. Even then, the numbers available were not always comparable. In this paper, we present a detailed analysis of the cost structure of a program recently introduced in Mexico, called PROGRESA. Our analysis shows how cost data can be used as the basis for an evaluation of the cost efficiency of anti-poverty programs. It cautions, however, that one must be very careful when interpreting cost numbers or undertaking comparisons across programs in order to avoid misleading conclusions. Any credible analysis of a program's cost efficiency must involve a detailed analysis of cost structure and not simply provide aggregate cost information. We also highlight the importance of not neglecting private costs incurred by households in taking up transfers.

- **Das, Jishnu; Quy-Toan Do; B. Özler. 2005. "Reassessing conditional cash transfer programs", in *World Bank Research Observer*, 20.1, pp. 57-80.**

► **Abstract:** During the past decade, the use of conditional cash transfer programs to increase investment in human capital has generated considerable excitement in both research and policy forums. This article surveys the existing literature, which suggests that most conditional cash transfer programs are used for essentially one of two purposes: restoring efficiency when externalities exist or improving equity by targeting resources to poor households. The programs often meet their stated objectives, but in some instances there is tension between the efficiency and equity objectives. The overall impact of a program depends on the gains and losses associated with each objective.

- **Das, Jishnu; Quy-Toan Do; B. Özler. 2004. Conditional cash transfers and the equity-efficiency debate. Washington DC: World Bank.**

► **Abstract:** During the last decade, the use of conditional cash transfers to increase investment in human capital has generated considerable excitement in both research and policy forums. Such schemes are being increasingly adopted in a number of contexts and countries to improve outcomes in health, education, and child labor as they aim to balance the goals of current and future poverty reduction. In this paper, we define any scheme requiring a specified course of action in order to receive a benefit as a conditional cash transfer. This definition includes cash transfers based on human capital investments, but is sufficiently broad to encompass other schemes such as workforce programs or consumption transfers.

We examine the rationales behind, the problems with, and the trade-offs inherent to conditional cash transfer programs. We discuss two main concerns: low participation and fungibility. Low participation refers to the problem of program uptake. If individuals do not participate in the program, whether it was designed to increase human capital investment or to target resources, the program will not be successful. The problem of fungibility, however, depends on the rationale for the particular conditional cash transfer program. When used to increase efficiency, even when program uptake is high, program effects may be less than envisioned due to behavioral responses of households that lead to changes in the consumption of close substitutes. While researchers have typically addressed these issues separately, we emphasize the need for policy-makers to incorporate a number of different factors in a comprehensive framework to design optimal conditional cash transfer schemes.

- **de Janvry, Alain; F. Finan; E. Sadoulet; D. Nelson; B. de la Brière; P. Lanjouw. 2005. Evaluating Brazil's Bolsa Escola Program: Governance and Decentralized Implementation. University of California at Berkeley, University of Arizona and World Bank.**

- **de Janvry, Alain; F. Finan; E. Sadoulet; R. Vakis. "Can conditional cash transfer programs serve as safety nets in keeping children at school and from working when exposed to shocks?", in *Journal of Development Economics*. Forthcoming.**

► **Abstract:** Income shocks on poor households are known to induce parents to take their children out of school and send them to work when other risk-coping instruments are insufficient. State dependence in school attendance further implies that these responses to short-run shocks have long-term consequences on children's human capital development. Conditional cash transfer (CCT) programs, where the condition is on school attendance, have been shown to be effective in increasing educational achievements and reducing child work. We ask the question here of whether or not children who benefit from conditional transfers are protected from the impacts of shocks on school enrollment and work. We develop a model of a household's decision regarding child school and work under conditions of a school re-entry cost, conditional transfers, and exposure to shocks. We take model predictions to the data using a panel from Mexico's Progresa experience with randomized treatment. Results show that there is strong state dependence in school enrollment. We find that the conditional transfers helped protect enrollment, but did not refrain parents from increasing child work in response to shocks. These results reveal that CCT programs can provide an additional benefit to recipients in acting as safety nets for the schooling of the poor.

- **de Janvry, Alain; E. Sadoulet. 2005. Conditional cash transfer programs for child human capital development: Lessons derived from experience in Mexico and Brazil. University of California at Berkeley and World Bank Development Economics Research Group.**

► **Abstract:** This paper addresses three questions commonly raised about conditional cash transfer (CCT) programs for child human capital development: (1) When to use the CCT approach? (2) How to increase the efficiency of the approach? (3) How to learn more from implementation of the approach to improve its use in alternative contexts? We use lessons derived from the Oportunidades experience in Mexico and the Bolsa Escola program in Brazil to propose answers to these questions. Answers suggest that the approach is highly efficient in inducing a change in behavior among parents toward child human capital development when the objective is not extreme poverty reduction. They also show that considerable efficiency gains can be achieved through better targeting and calibration

of transfers toward children at risk of not going to school without a CCT, better understanding of heterogeneity of responses to design complementary supplyside interventions in particular according to parents' educational levels and distance to school, use of the approach as a safety net to reduce vulnerability of child human capital to shocks, and introduction of more effective social accountability mechanisms between providers and stakeholders. There exists, however, a huge deficit in learning from past experiences and in experimenting with alternative ways of implementing CCT programs while the approach is being extended to new country contexts quite different from the ones where experience has been derived.

- **de Janvry, Alain; E. Sadoulet. 2005. Making conditional cash transfer programs more efficient: Designing for maximum effect of the conditionality. University of California at Berkeley.**

► **Abstract:** Conditional Cash Transfer (CCT) programs are now extensively used to induce poor parents to increase investment in the human capital of their children. These programs can be large and expensive, motivating the quest for greater efficiency in increasing the impact of the imposed condition on human capital formation. This requires designing the programs' targeting and calibration rules specifically to achieve this result. Using data from the Progresa randomized experiment in Mexico, we show that large efficiency gains can be achieved by taking into account how the probability of enrollment of a child is affected by a cash transfer. Calibration of the transfers relies on heterogeneity in responses due to child, household, and community characteristics. Rules for targeting and calibration can be made easily implementable by selecting indicators that are simple, observable and verifiable, and that cannot be manipulated by beneficiaries. In the case under study, results show that these efficiency gains can be achieved without rising inequality among the poor.

- **de Janvry, Alain; E. Sadoulet. 2004. Conditional cash transfer programs: Are they really magic bullets? Giannini Foundation of Agricultural Economics. Mimeo.**

► Conditional cash transfer programs pay recipients in exchange for an action that brings private behavior closer to the social optimum. We analyze one such program in Mexico, Progresa, that pays four million poor mothers to send their children to school and health visits. We show that these programs are effective, but that they can be made more efficient by following simple rules in selecting beneficiaries and calibrating transfers for maximum response per unit of transfer.

- **del Ninno, Carlo; P.A. Dorosh. 2002. In-kind transfers and household food consumption: Implications for targeted food programs in Bangladesh. FCND Discussion Paper No. 134. Washington DC: International Food Policy Research Institute (IFPRI).**

► **Abstract:** This paper examines the impact of wheat transfers and cash incomes on wheat consumption and wheat markets. Using propensity score-matching techniques, the total marginal propensity to consume (MPC) for wheat is, on average, 0.33, ranging from essentially zero for Food For Work (a program with large transfers) to 0.51 for Food For Education. Econometric estimates indicate that the MPC for small wheat transfers to poor households is approximately 0.25, while the MPC for wheat out of cash income is near zero. This increase in demand for wheat reduces the potential price effect of three major targeted programs involving small rations (Food For Education, Vulnerable Group Development, and Vulnerable Group Feeding) by about one third.

- **Dercon, Stefan. 2005. "Vulnerability: A micro perspective". University of Oxford. Mimeo.**

► **Abstract:** High downside risk to income and livelihoods is part of life in developing countries. Climatic risks, economic fluctuations, and a large number of individual-specific shocks leave these households vulnerable to severe hardship. The paper explores the links between risks, vulnerability and poverty, taking a micro-level perspective. Risk does not just result in variability in living standards. There is increasing evidence that the lack of means to cope with risk and vulnerability is in itself a cause of persistent poverty and poverty traps. Risk results in strategies that avoid taking advantage of profitable but risky opportunities. Shocks destroy human, physical and social capital limiting opportunities further. The result is that risk is an important constraint on broad-based growth in living standards in many developing countries. It is a relatively ignored part when designing anti-poverty policies and efforts to attain the Millennium Development Goals. The paper discusses conceptual issues, the evidence and the policy implications.

- **Devereux, Stephen. 2005. "Can minimum wages contribute to poverty reduction in poor countries?", in *Journal of International Development*, 17, pp. 899-912.**

► **Abstract:** Minimum wage legislation aims to reduce poverty by raising the wages of the poorest workers towards or above the poverty line. Despite their intuitive appeal, minimum wages are controversial. The sceptics' argument that raising wages will create disemployment is compounded by the difficulties of enforcing compliance, particularly in poor countries with large informal sectors and weak public administrations. This paper draws on the 'new economics' of the minimum wage, and reviews evidence from several countries suggesting that positive impacts are achievable with negligible side-effects. The paper concludes by making a case for introducing selective minimum wages on Uganda's agricultural estates.

- **Devereux, Stephen. 2002. Social protection for the poor: Lessons from recent international experience. Working Paper 142. Brighton, Sussex: Institute of Development Studies (IDS).**

► **Abstract:** Governments and donor agencies increasingly recognise the need to provide protection for the poor against income fluctuations or livelihood shocks. In this context, 'social protection' is an umbrella term covering a range of interventions, from formal social security systems to *ad hoc* emergency interventions to project food aid (e.g. school feeding, public works). This paper synthesises current thinking and evidence on a number of issues around the design and impact of social protection programmes, including: the case for and against targeting resource transfers; alternative approaches to targeting; what form resource transfers should take (cash, food, agricultural inputs); the 'crowding out' debate; cost-efficiency of transfer programmes; whether these programmes meet the real and articulated needs of their 'beneficiaries'; impacts on poverty and vulnerability, and fiscal and political sustainability.

- **Devereux, Stephen; J. Marshall; J. MacAskill; L. Pelham. 2005. Making cash count: Lessons from cash transfer schemes in East and Southern Africa for supporting the most vulnerable children and households. Save the Children UK, HelpAge International and IDS.**

- **DFID (Department for International Development). 2005. Partnerships for poverty reduction: Rethinking conditionality – A UK Policy Paper. London.**

- **DFID (Department for International Development). 2005. Social transfers and chronic poverty: Emerging evidence and the challenge ahead – DFID Practice Paper. London.**

- **Drosdoff, Daniel. 2003. "Reinventing the social safety net: How Jamaica's social programs cut costs while increasing benefits", in *IDB América*, Washington DC: Inter-American Development Bank (IADB).**

- **Duryea, Suzanne; A. Morrison. 2004. The effect of conditional transfers on school performance and child labor: Evidence from an ex-post impact evaluation in Costa Rica. Washington DC: Inter-American Development Bank.**

► **Abstract:** Conditional transfer programs are becoming a common approach to influence household decisions. The evidence to date is that these programs are good at promoting certain outcomes such as school attendance, but that other outcomes such as reducing child labor are more difficult to achieve. This study examines the impact of Superémonos, a conditional transfer program in Costa Rica, which provides poor families with a subsidy for the purchase of food conditional upon children regularly attending school. Using three different empirical techniques – simple comparison of mean outcomes, regression analysis and propensity score matching – we examine the program's impact on school attendance, performance in school and child labor. We find strong evidence that the program achieves its goal of improving school attendance and much weaker evidence regarding school performance. The program does not reduce the likelihood that youth will work. These findings are discussed in the context of the results from impact evaluations of other conditional transfer programs.

- **Edmonds, Eric V. “Child labor and schooling responses to anticipated income in South Africa”, in *Journal of Development Economics*. Forthcoming.**

► **Abstract:** Forward looking, unconstrained households make child labor and schooling decisions considering their permanent income and weighing the relative returns to child time in various potential activities. The timing of anticipated changes in income should have no effect on child labor and schooling in a setting where households can borrow against permanent income. However, this study documents large increase in schooling attendance and declines in total hours worked when black South African families become eligible for fully anticipatable social pension income. As an explanation, the data are most consistent with liquidity constraints for black elder males forcing rural families into less schooling for boys than they would choose absent the constraint, perhaps because of schooling cost.

- **Espíndola Advis, Ernesto. 2005. Eficiencia y calidad del gasto público en programas sociales: Lecciones aprendidas. Presentación para la Conferencia Subregional Andina. Comisión Económica para América Latina y el Caribe (CEPAL).**

- **Espíndola Advis, Ernesto. 2005. Pobreza infantil y familia: Lecciones aprendidas en materia de políticas de superación de la pobreza. Presentación para la Conferencia Iberoamericana de Ministros, Ministras, y Altos Responsables de Infancia y Adolescencia. Comisión Económica para América Latina y el Caribe (CEPAL).**

- **Gahvari, Firouz; E. de Mattos. 2005. “Conditional cash transfers, public provision of private goods, and income redistribution”. University of Illinois at Urbana-Champaign: Department of Economics.**

► **Abstract:** This paper examines the role of cash transfers as a screening device when combined with in-kind transfers. Besley and Coate (1991) have shown that, under certain conditions, universal provision of goods can be redistributive even if financed by a head tax. Such a scheme entails a deadweight loss, however, associated with an “inefficient” quality (or level) of public provision. This paper shows that linking in-kind to cash transfers allows the redistribution to take place with no deadweight loss of this sort. The scheme requires no additional informational assumption on the part of the government. Second, the first-best redistribution will also be possible for an economy with many individual types if the good in question is provided in as many variants as there are poor groups with each variant being combined with a different level of cash transfers. Third, the maximal attainable welfare for the poor can be pushed beyond its first-best level by distorting downwards the quality of the indivisible good the poor receive (relative to the cash value of their net transfers). Fourth, the feasible utility frontier of the economy under the Besley and Coate scheme will have at most one point in common with the first-best frontier and one point with the second-best frontier.

- **Galasso, Emanuela; Martin Ravallion. 2004. “Social protection in a crisis: Argentina’s plan jefes y jefas”, in *World Bank Economic Review*, 18.3, pp. 367-99.**

► **Abstract:** The article assesses the impact of Argentina’s main social policy response to the severe economic crisis of 2002. The program was intended to provide direct income support for families with dependents and whose head had become unemployed because of the crisis. Counterfactual comparisons are based on a matched subset of applicants not yet receiving program assistance. Panel data spanning the crisis are also used. The program reduced aggregate unemployment, though it attracted as many people into the workforce from inactivity as it did people who otherwise would have been unemployed. Although there was substantial leakage to formally ineligible families and incomplete coverage of those who were eligible, the program did partially compensate many losers from the crisis and reduced extreme poverty.

- **Gertler, Paul. 2005. The impact of conditional cash transfers on human development outcomes: A review of evidence from PROGRESA in Mexico and some implications for policy debates in South and Southern Africa. Pretoria: Southern African Regional Poverty Network (SARPNet).**

- **Gertler, Paul. 2004. "Do conditional cash transfers improve child health? Evidence from Progresa's control randomized experiment", in *Health, Health Care, and Economic Development*, 94.2, pp. 336-41.**
- **Gertler, Paul. 2000. The impact of Progresa on health: Final report. Washington DC: International Food Policy Research Institute (IFPRI).**

► In this paper, we investigate the impact of a unique anti-poverty program in Mexico on health. The program, PROGRESA, combines a traditional cash transfer program with financial incentives for families to invest in the human capital (health, education and nutrition). Program benefits include cash transfers that are disbursed conditional on the household engaging in a set of behaviours designed to improve health and nutrition. The family only receives the cash transfer if: (i) every family member accepts preventive health services; (ii) children age 0-5 and lactating mothers attend nutrition monitoring clinics where their growth is measured, they obtain nutrition supplements, and the receive education on nutrition and hygiene; and (iii) pregnant women visit clinics to obtain prenatal care, nutrition supplements, and health education.

Our analysis takes advantage of a controlled randomized design. In 1998, 506 of the 50,000 PROGRESA villages were randomly assigned to control and treatment groups. Eligible households in treatment villages received benefits immediately, while benefits for eligible households in control villages were postponed until after the year 2000. A pre-intervention baseline survey of approximately 19,000 households with over 95,000 individuals and four follow-up surveys (at six month intervals) of the same households were conducted over the two-year experimental period.

We find that the program significantly increased utilization of public health clinics for preventive care including prenatal care, child nutrition monitoring, and adult checkups. The program also lowered the number of inpatient hospitalizations, which is consistent with the hypothesis that PROGRESA lowered the incidence of severe illness. Moreover, there was no reduction in the utilization of private providers, suggesting that the increase in utilization at public clinics was not substituting public care for private care.

More importantly we find a significant improvement in the health of both children and adults. Specifically, we find that PROGRESA children 0-5 have a 12 percent lower incidence of illness than non-PROGRESA children. We also found that PROGRESA adults were significantly healthier. Prime age PROGRESA adults (18-50) had a significant reduction in the number of days of difficulty with daily activities due to illness and a significant increase in the number of kilometers able to walk without getting tired. Specially, PROGRESA beneficiaries have 19 percent fewer days of difficulty due to illness than non-PROGRESA individuals, and are able to walk about 7.5 percent more without getting tired. For those over 50, PROGRESA beneficiaries have significantly fewer days of difficulty with daily activities, days incapacitated, and days in bed due to illness than do non-beneficiaries. Moreover, they are able to walk kilometers without getting tired. Specifically, PROGRESA beneficiaries have 19 percent fewer days of difficulty with daily activities, 17 percent fewer days incapacitated, 22 percent fewer days in bed, and are able to walk about 7 percent more than non-beneficiaries.

- **Gitter, Seth R. 2005. Conditional cash transfers, credit, remittances, shocks and education: An impact evaluation of Nicaragua's RPS. University of Wisconsin-Madison, Department of Agricultural and Applied Economics.**

► **Abstract:** This work estimates the impact on school enrollment of a Nicaraguan conditional cash transfer program, Red de Protección Social (RPS). RPS is one of a growing number of these programs (e.g. Progresa, Bolsa Escola, and PRAF) that pays households regular cash transfers on the condition that their children attend school and all household members visit health clinics and seminars. A household model highlighting the decision between child labor and education is presented to estimate the impact of cash transfers based upon key structural variables: wealth, credit access, remittances, and exposure to weather shocks (specifically droughts). The results of the model lead to the paper's central hypothesis: conditional cash transfers will have the greatest impact on credit constrained households hit by negative economic shocks. This work contributes to the literature by examining empirically the effect of credit constraints and negative economic shocks on



the impacts of a cash transfer program. A difference-in-difference estimator is used to calculate the impact of RPS depending on key structural variables within the household. Consistent with a previous study (Maluccio and Flores, 2004) the results show that RPS helped to substantially increase school enrolment. The results are also consistent with the central hypothesis: that credit constrained households experiencing a negative economic shock are the most impacted by RPS. Additionally, as part of the empirical analysis, propensity score matching is utilized to test the validity of the assumptions of randomization in the RPS data, that justify the use of difference-in-difference estimation; the use of difference-in-difference estimation is supported by the results of the matching estimator.

- **Gobierno del Ecuador: Ministerio de Educación, Cultura y Deportes. 1999. Perfil del programa “Beca Escolar”: Versión preliminar. Documento preparado con asistencia técnica del Consultor Marcelo Aguiar del Banco Interamericano de Desarrollo.**
- **Góchez, Rafael E.; M. Hernández. 2005. Programas nacionales y buenas practicas en el área de educación para combatir el trabajo infantil en América Latina y el Caribe. San José, Costa Rica: Oficina Internacional del Trabajo (OIT).**
- **Grinspun, Alejandro. 2005. “Three models of social protection”, *One Pager* 17.05. Brazil: United Nations Development Programme (UNDP), International Poverty Centre (IPC).**
- **GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit) GmbH. 2005. “Social cash transfer in development cooperation. Kalomo District, Zambia.” Division 4300 – Health, Education and Social Protection, Sector Project: Elaboration and Introduction of Social Health Insurance Systems in Developing Countries. Eschborn, Germany: GTZ.**
- **Handa, Sudhanshu; M.-C. Huerta; R. Perez; B. Straffon. 2001. Poverty, inequality and spillover in Mexico's education, health and nutrition program. Washington DC: International Food Policy Research Institute (IFPRI).**

► **Abstract:** This report provides an evaluation of the community-level effects of the Programa Nacional de Educación, Salud, y Alimentación (PROGRESA) using household-level data from various rounds of PROGRESA's evaluation sample (the Encuesta de Evaluación de los Hogares [ENCEL] surveys). These surveys, along with the Encuesta de Características Socioeconómicas de los Hogares (ENCASEH) 1997 survey, are a valuable source of information on household- and community-level characteristics before and after the implementation of the program.

Other reports in the evaluation series have focused on the direct effects of PROGRESA, using the control and treatment groups in the ENCELS. The objective of this report is slightly different, in that it explores the possible spillover effects of the program on the wider community. Hence, instead of focusing on program effects at the individual level, the study focuses on aggregate community-level indicators of well being such as poverty, inequality, and school and health care attendance rates, in order to assess the impact of PROGRESA at this level.

Using the data sets mentioned above, the authors developed five indicators with which to measure the potential impact of PROGRESA at the community level: (1) changes in rates of relative poverty; (2) changes in inequality; (3) school continuation rates; (4) changes in nutrition surveillance rates; and (5) changes in prices (inflation).

Exploiting the longitudinal aspect of the evaluation data, the authors constructed “difference in differences” estimators and used regression techniques to isolate community-level program effects. The main results from this analysis are as follows.

**Poverty.** Although relative poverty increased in the evaluation sample between March and October, the increase was significantly less in PROGRESA communities relative to control ones. For the relative poverty line set at the 25<sup>th</sup> percentile of consumption in March, the difference in changes in poverty rates was 4 percentage points between treatment and control localities. The same result is found for higher-order poverty measures (poverty gap and squared poverty gap). In all cases, the increase in poverty was significantly less in PROGRESA communities relative to non-PROGRESA localities.

**Inequality.** The two inequality indicators used in the evaluation were the coefficient of variation and the standard deviation of the log of consumption. For both measures, there was a decline in inequality in the survey between March and October, and for both indicators, the decline was greater in PROGRESA localities relative to controls. The results are even stronger when the richest 1 percent of households is excluded from the sample.

**School Continuation.** School continuation rates between the school years 1997/98 and 1998/99 were constructed for five age groups, and by sex and beneficiary category. Significant spillover effects appear to exist among children ages 11-12, especially girls. In other words, nonbeneficiary children in this age group living in PROGRESA communities have significantly higher continuation rates than non-beneficiary children in non-PROGRESA communities. This spillover effect is especially strong for girls, where continuation rates are almost 10 percentage points higher for non-eligible girls in PROGRESA communities relative to non-eligible girls in non-PROGRESA localities.

**Nutrition Surveillance Rates.** Community-level nutrition surveillance rates were constructed for preschool children by beneficiary status. These data indicate important spillover effects in terms of the health care behaviour of nonbeneficiary households. Estimates of mean changes in nutrition surveillance rates for preschool children show that six months after the program, there was no difference in mean changes in surveillance rates among nonprogram children in treatment and control localities. However, one year after program inception (in May 1999), the increase in mean rates of surveillance was nearly 7 percent points higher among nonbeneficiary children in PROGRESA localities, compared to this same group in treatment localities. These results indicate not only the strong presence of possible spillover effects of PROGRESA, but also that these effects take some time to manifest themselves.

**Inflation.** To assess whether PROGRESA is having an inflationary impact in the locality, we compare prices of 10 commodities from ENCASEH and ENCEL98O, and 33 products from the ENCEL 98M and ENCEL 98O surveys. There was only one significant price increase found between ENCASEH and ENCEL 98O (jitomate), and this occurred in both treatment and control localities. Seven significant prices increases were found in PROGRESA localities between the March and October ENCEL surveys, but five of these increases were also found in control localities. Multivariate analysis of difference in differences in prices also indicated no program-related inflationary pressure. On the contrary, between March and October 1998, there is evidence that mean increases in prices were actually *higher* in *control* localities relative to treatment, even after controlling for possible intervening factors such as availability of a *Diconsa* store, drought, and insect diseases.

- **Hanlon, Joseph. 2004. "Is it possible to just give money to the poor?," in *Development and Change*, 35.2, pp. 375-83. Oxford and Malden: Institute of Social Studies.**

► **Abstract:** Meghnad Desai of the London School of Economics recently suggested that, rather than 'giving fifty billion dollars of overseas aid', we should simply 'find the poor and give them one dollar a week...That would probably do more to relieve poverty than anything else'. Two experiences in Mozambique of simply handing out money show this is possible. Payments to demobilized soldiers over a two year period and single payments to flood victims were of the order of magnitude suggested by Desai. Rural people had no difficulty cashing cheques and used the money prudently. The money stimulated the rural economy and thus had a development impact. Administrative costs were between 5 and 10 percent, much less than in other aid projects. Using the Mozambique experience, this article concludes by suggesting that Desai's proposed one dollar per person per week could be paid as a family grant bi-monthly, which would keep administrative costs low.

- **Harvey, Paul; R. Slater; J. Farrington. 2005. "Cash transfers – mere 'Gadaffi Syndrome', or serious potential for rural rehabilitation and development?," in *Natural Resource Perspectives*, 97.05. London: Overseas Development Institute.**

► There has been a stark dichotomy between development approaches concerned with the productive sectors, usually focusing on enhancing the 'supply side', and those concerned with social protection, which have been widely regarded as a drain on public resources. This paper argues that the two are complementary and that social protection is less of a 'drain' than previously thought. Transfers to the poor under social protection have generally been in kind, often taking the form of

free or subsidised food. Nevertheless, recent experience in both development and rehabilitation contexts suggests a larger niche for cash transfers than many suppose, sometimes instead of 'in-kind' transfers, at other times, in parallel with them. This paper reviews the evidence, drawing out implications for agriculture and natural resources development.

- **Heinrich, Carolyn J. 2005. Demand and supply-side determinants of conditional cash transfer program effectiveness: Improving the first-generation programs. University of Wisconsin-Madison, LaFollette School of Public Affairs and Institute for Research on Poverty.**

► **Abstract:** The Programa Nacional de Becas Estudiantiles is a conditional cash transfer program designed to promote long-term human capital accumulation among Argentine youth and to reduce poverty. The Becas program began in the late 1990s and is currently one of the priority social programs receiving additional support and protection since the 2001 economic emergency in Argentina. This study follows a 1999 cohort of students from 24 schools for five years. Propensity score matching methods are used with a comparison group of students who were excluded due to quotas to estimate the average and marginal impacts of the Becas program on students' attendance and grade repetition, completion of their secondary education, and performance (average grades in school). Multilevel methods are also used to estimate the contributions of program management and school characteristics in explaining variation between schools in student outcomes. This study makes an important contribution to the literature. Conditional cash transfer programs are viewed as a demand-side intervention – i.e., reducing opportunity costs and increasing access and incentives for human capital investment – but research suggests that their success likely depends on program implementation and the quality of supply-side investments in schools. This study takes advantage of a relatively rare opportunity to consider both demand- and supply-side effects of a large-scale federal intervention for promoting human capital accumulation, with implications for similar interventions in both developed and developing countries.

- **Hoddinott, John; A. Quisumbing. 2003. Investing in children and youth for poverty reduction. Washington DC: International Food Policy Research Institute (IFPRI).**

- **Hoddinott, John; E. Skoufias. 2003. The impact of Progresa on food consumption. FCND Discussion Paper No. 150. Washington DC: International Food Policy Research Institute (IFPRI).**

► **Abstract:** As exemplified by the Millennium Declaration of the United Nations, the reduction of poverty and hunger are now seen as central objectives of international development. Yet the modalities for attaining these goals are contested. Further, while it might be assumed that interventions that alleviate poverty will automatically reduce hunger, a number of studies of the relationship between income and the acquisition of food suggest that this assumption may be incorrect.

This paper contributes to this debate through an analysis of a Mexican antipoverty program called PROGRESA (the Programa de Educación, Salud y Alimentación). PROGRESA provides cash transfers linked to children's enrollment and regular school attendance and to clinic attendance. By 2000, it reached approximately 2.6 million families, about 40 percent of all rural families and about one-ninth of all families in Mexico.

We use a longitudinal sample of approximately 24,000 households from 506 communities. A distinguishing characteristic of this sample was that communities were randomly selected for participation in PROGRESA, while the rest were introduced into the program at later phases. Exploiting this feature in our analysis, we find that households receiving PROGRESA benefits increased caloric acquisition compared to comparable households not receiving these benefits. By November 1999, beneficiary households in treatment localities obtained 7.1 percent more calories than did comparable households in control localities. Perhaps more significantly, we find that the impact is greatest on dietary quality as measured by the acquisition of calories from vegetable and animal products – a finding consistent with the view of respondents themselves that PROGRESA was enabling them to "eat better."

- **Hoddinott, John; E. Skoufias; R. Washburn. 2000. The impact of Progresa on consumption: A final report. Washington DC: International Food Policy Research Institute (IFPRI).**

- **IDPM (Institute of Development and Policy Management) and HelpAge International. 2003. Non-contributory pensions and poverty prevention: A comparative study of Brazil and South Africa. United Kingdom.**

► The debate on how best to organise old age support in developing countries is growing. Old age poverty is widespread in developing countries, and informal old age support is coming under increasing pressure from adverse economic conditions, migration, HIV/AIDS, and changes in household composition. In the absence of policy interventions, older people and their households will continue to expand the ranks of the poor.

Pensions play a key role in old age support systems, but research and debate on pension policy has so far focused on contributory pension programmes. Non-contributory pension programmes can be found in only a handful of developing countries although these are more likely to have an impact upon poverty and vulnerability and facilitate economic development.

This research project analyses non-contributory pension programmes in Brazil and South Africa, the two developing countries with the largest programmes. The research aims to provide evidence of the impact of these programmes upon the wellbeing, participation and security of older people and their households; and to identify lessons for other developing countries, and low income countries in particular.

The main findings emerging from the research are:

- In Brazil and South Africa, pension benefits are shared within households, and non-contributory pension benefits should be considered more appropriately as household cash transfers tagged on older people.
- Non-contributory pension programmes have a significant impact on poverty. In the absence of non-contributory pension programmes, the poverty headcount and the poverty gap would be appreciably higher for households with older people. The impact on the poverty gap is much larger for the poorer households. The programmes significantly reduce the probability that individuals in households with a pension recipient will be in poverty.
- Non-contributory pension programmes reduce household vulnerability. Households with a non-contributory pension recipient show greater financial stability and lower probability of experiencing a decline in living standards.
- Non-contributory pension programmes promote functionings in older people. Preliminary analysis of a range of deprivation indicators shows that pension recipients have a lower incidence of deprivations, especially in urban areas.
- In Brazil and South Africa, non-contributory pension programmes reach a large number of poor older people (5.3 million in Brazil and 1.9 million in South Africa) at relatively low cost (1 per cent of GDP in Brazil and 1.4 per cent in South Africa). The programmes are financially sustainable and attract a large measure of political support.

The evidence from this study suggests that extending non-contributory pension programmes to other developing countries could have a significant impact on reducing poverty and vulnerability among households with older people. In low income countries, with a limited tax base and a lack of an effective administrative structure, the introduction of non-contributory pension programmes will require international support.

- **IFPRI (International Food Policy Research Institute). 2000. Third report: Monitoring and evaluation system [Honduras]. Washington DC.**

- **ILO-UNCTAD Advisory Group. 2001. The minimum income for school attendance (MISA) initiative: Achieving international development goals in African least developed countries. Geneva: ILO and UNCTAD.**

- **Kakwani, Nanak; F. Soares; H.H. Son. 2005. Conditional cash transfers in African countries. Working Paper No. 9/2005. Brazil: United Nations Development Programme (UNDP), International Poverty Centre (IPC).**
- **Lafaurie, Maria Teresa; C.A. Velasquez Leiva. 2004. Transferring cash benefits through the banking sector in Colombia. Social Protection Discussion Paper No. 0409. Washington DC: World Bank.**
- **Lavinas, Lena. 2003. “Encouraging school attendance in Mozambique by granting a minimum income to parents”, in *International Social Security Review*, 56.3-4. (Also available in French and Spanish)**
  - **Abstract:** This article explains the reasons behind the introduction of Minimum Income for School Attendance (MISA) programmes in sub-Saharan Africa. Following a brief description of the ideas behind these programmes and their advantages over the traditional social security safety nets and guaranteed-income programmes, we describe the pilot scheme which the government of Mozambique is intending to introduce in 2003 and evaluate its prospects for success and the trade-offs which will have to be made. We then explore the contribution which such a plan can make to the creation of a social protection system, which still does not exist in Mozambique.
- **Lavinas, Lena; M.L. Barbosa; O. Tourinho. 2001. Assessing local minimum income programmes in Brazil. Geneva: ILO.**
- **Lindert, Kathy. 2005. Reducing poverty and inequality in Latin America: The promise of conditional cash transfers. Presentation, Guest Lecture at the American University, Paris.**
- **Maluccio, John A. 2005. Coping with the ‘Coffee Crisis’ in Central America: The role of the Nicaraguan *Red de Protección Social*. FCND Discussion Paper No. 188. Washington DC: International Food Policy Research Institute (IFPRI).**
  - **Abstract:** The international and local Nicaraguan media have widely reported on the “coffee crisis” in Latin America and there is substantial evidence that there has been a downturn and that this has been more severe in the coffee-growing regions. Using household panel data from a randomized community-based intervention carried out in both coffee- and noncoffee-growing areas, I examine the role of a conditional cash transfer program, the *Red de Protección Social* (RPS), during this downturn. While not designed as a traditional safety net program in the sense of reacting or adjusting to crises or shocks, RPS has performed like one, with larger estimated program effects for those who were more severely affected by the downturn. For example, it protected households against declines in per capita expenditures and, while not significantly depressing labor supply relative to before the program, muted additional labor supply for beneficiaries in coffee-growing areas, relative to their counterparts without the program. Beneficiaries who participated in the coffee industry as laborers before the program were more likely to have exited the coffee industry, whereas those who participated as producers were less likely to have exited. The findings are consistent with the existence of credit constraints inhibiting such transitions in the absence of the program. Overall, then, RPS appears to be playing an important part in the risk-coping strategies of households.
- **Maluccio, John A. 2003. Education and child labor: Experimental evidence from a Nicaraguan conditional cash transfer program. Washington DC: International Food Policy Research Institute (IFPRI).**
  - **Abstract:** The *Red de Protección Social* (RPS) is a conditional cash program, modeled after PROGRESA, to reduce both current and future poverty via cash transfers to households living in extreme poverty in rural Nicaragua. This chapter examines the education- and child labor-related effects of the program, presenting results from a randomized community-based trial. The evidence demonstrates that RPS had a significant and substantial effect on schooling matriculation and enrollment during its first year of operation. Moreover, it led to a substantial reduction in child labor for the school age population.
- **Maluccio, John A.; M. Adato; R. Flores; T. Roopnaraine. 2005. Nicaragua: Red de Protección Social – Mi Familia: Breaking the cycle of poverty. Washington DC: International Food Policy Research Institute (IFPRI).**

- **Maluccio, John A.; Rafael Flores. 2004. Impact evaluation of a conditional cash transfer program: The Nicaraguan *RED DE PROTECCIÓN SOCIAL*. FCND Paper 184. Washington DC: International Food Policy Research Institute (IFPRI).**

► **Abstract:** This paper presents the main findings of a quantitative evaluation of the *Red de Protección Social* (RPS), a conditional cash transfer program in Nicaragua, against its primary objectives. These included supplementing income to increase household expenditures on food, reducing primary school desertion, and improving the health care and nutritional status of children under age 5. The evaluation design is based on a randomized, community-based intervention with measurements before and after the intervention in both treatment and control communities. Where possible, we erred on the side of assessing effects in conservative manners, for example, in the calculation of standard errors and the treatment of possible control group contamination. Overall, we find that RPS had positive (or favourable) and significant double-difference estimated average effects on a broad range of indicators and outcomes. Where it did not, it was often due to similar, smaller improvements in the control group that appear to have been stimulated indirectly by the program. Most of the estimated effects were larger for the extreme poor. The findings presented here played an important role in the decision to continue this effective program.

- **Marcus, Rachel. 2004. The role of cash transfers in tackling childhood poverty. CHIP Policy Briefing 2. United Kingdom: Childhood Poverty Research Centre (CHIP).**
- **Marcus, Rachel; J. Wilkinson. 2002. Whose poverty matters? Vulnerability, social protection and PRSPs. Working Paper No. 1. United Kingdom: Childhood Poverty Research Centre (CHIP).**
- **Morley, Samuel A.; D. Coady. 2003. From social assistance to social development: Targeted education subsidies in developing countries. Washington DC: International Food Policy Research Institute (IFPRI).**
- **OIT/IPEC. 2003. Terminos de referencia para la realización de una consultoria para el diseño de un proyecto nacional de subsidios al la educación para familias de niños y niñas trabajadores. El Salvador.**
- **Ouerghi, Azedine. 2005. "The political economy of targeted safety nets", in *Social Safety Nets Primer Notes*, 20.05. Washington DC: World Bank.**
- **Pal, Karuna; C. Behrendt; F. Léger; M. Cichon; K. Hagemeyer. 2005. Can low income countries afford basic social protection? First results of a modelling exercise. Issues in Social Protection Discussion Paper 13. Geneva: ILO.**
- **Palma, Julieta; R. Urzúa. 2005. Anti-poverty policies and citizenry: The Chile Solidario experience. Policy Paper No. 12. Paris: UNESCO.**

► Regular surveys carried out under Chile's system of National Surveys on Socio-economic Characterization (CASEN) show a drastic fall in the rates of poverty and indigence throughout the 1990s. However the 1998 and 2000 surveys show the numbers of indigent stabilized at around 5.7% in those years, and this led to a review of the policies and programmes aimed at rooting out extreme poverty. The participants included the President of the Republic and his advisers, ministerial experts, NGOs and consultants. The first step towards a new strategy was the Programa Puente ("The Bridge Programme"), which offered psychosocial support to indigent families to help them acquire the social skills and training needed to escape their condition. At the same time, a broader programme was developed which included a social protection network for these families and offered an integrated approach combining immediate assistance with longer-term skills development.

This programme, Chile Solidario, requires the family to sign a contract to meet 53 specified minimum conditions seen as necessary to overcome extreme poverty. In exchange, they receive from the State: psychosocial support, protection bonds, guaranteed cash subsidies, and preferential access to skill development, work and social security programmes. In its three years in operation the scheme can show substantial progress in terms of coverage, and low levels of rejection and interruption. But its formulation confirms the trend of handing over policy-making largely to those with scientific and

technical training, providing very little citizen participation or consultation in either defining or seeking solutions to problems.

The programme's overall objective is to achieve the social integration of indigent families by bringing them into the public network of social services, by making them, in other words, real rather than purely formal citizens. The programme could achieve its overall aim more successfully, we suggest, if it were opened out beyond intra-family relations to encourage greater associativity and participation in the community.

► **Patrinos, Harry A. 2002. A review of demand-side financing initiatives in education. Mimeo.**

► **Abstract:** In the last few years, some very important demand-side financing initiatives in education have been implemented in a number of countries, including Progres a in Mexico and Bolsa Escola in Brazil, resulting in a number of evaluation reports. There has been considerable attention devoted to demand-side financing in the literature and the popular press. Approaches that allocate financial incentives to families in order for their families to attend school and programs that channel public funds for education through the beneficiary and their family are seen by many as more efficient uses of resources and far more effective at improving education outcomes than most supply-side interventions. The available evidence on the impact of – and/or experience implementing – demand-side financing interventions is reviewed. It is tentatively concluded that demand-side financing programs have improved educational indicators and outcomes. In most cases, they led to higher school attendance rates and lower school dropout rates. Evaluation results indicate that these programs have led to significant reduction in both school dropout and repetition rates.

► **Pianto, Donald M.; S. Soares. 2004. Use of survey design for the evaluation of social programs: The PNAD and PETI. Universidade Federal de Pernambuco (UFPE) and World Bank. (Also available in Portuguese)**

► **Abstract:** The structure of some household surveys allows the evaluation of social programs which are implemented gradually by municipality and whose objectives are measurable by survey variables. Such evaluations do not require over sampling of areas in which the program was implemented, nor the application of additional questionnaires, while providing baseline data and non-experimental comparison groups. We use the PNAD survey to evaluate the impact of the Program for the Eradication of Child Labor on child labor, schooling, and income for municipalities which entered the program from 1997-1999. We present results both from a reflexive comparison and from matching municipalities to form a comparison group and measuring the difference in differences (D in D). Only the reduction of child labor is robust to the D in D analysis, while the reflexive results also demonstrate a significant increase in school attendance. We find the program to be more effective in smaller municipalities as suggested by Rocha (1999).

► **Pritchett, Lant. 2005. The political economy of targeted safety nets. Social Protection Discussion Paper Series No. 0501. Washington DC: World Bank.**

► **Abstract:** This paper is the written version of a lecture that draws principally on my own research on safety nets and on my operational experience with the implementation of safety nets, drawing heavily on the crisis safety net programs in Indonesia from 1998 to 2000. As such it provides more *views* than *reviews of the literature* on the principal issues in the political economy of targeted safety net programs. Moreover, in keeping with the lecture format, the text is followed by a Q&A that clarifies (and perhaps tempers) views put perhaps too starkly in the text. Five major issues are reviewed. First, the implications of some simple models of electoral politics which make the budget allocated to programs endogenous to their targeting design highlight the dangers in ignoring political economy. Second, the political economy of “safety net” versus “safety rope” programs is reviewed. Third, some of the literature on the perception of fairness of the targeting criteria is reviewed. Fourth, the issue of local versus central targeting of programs is discussed. Fifth, the political economy of program implementation that considers the fit between program targeting and the organizational culture of the implementing organization is considered.

- **Ravallion, Martin. 2003. Targeted transfers in poor countries: Revisiting the trade-offs and policy options. Washington DC: World Bank.**

► **Abstract:** The conventional wisdom in mainstream development policy circles is that income transfers to the poor, and safety net policies more generally, are at best a short-term palliative and at worst a waste of money. They are not seen as a core element of an effective long-term poverty reduction strategy. These views are starting to be questioned. Firstly, evidence from careful evaluations has pointed to a number of success stories. Secondly, the presumption of an overall trade-off between redistribution or insurance and growth has come to be questioned.

This paper revisits the role of targeted transfers in poor countries in light of new theories on the social costs of uninsured risks and unmitigated inequalities. This body of theory and evidence offers a new perspective on social protection policies in poor countries, suggesting that there is scope for using these policies to compensate for the market failures that help perpetuate poverty, particularly in high-inequality settings. While acknowledging caveats to policy implementation, the paper suggests that it is time for a pragmatic and open-minded approach to this class of interventions, recognizing the potentially important role they can play, but using careful design and evaluation to assure that the potential is realized.

- **Ravallion, Martin. 2001. "The mystery of the vanishing benefits: An introduction to impact evaluation", in *World Bank Economic Review*, 15.1, pp. 115-40.**

► This article provides an introduction to the concepts and methods of impact evaluation. The author provides an intuitive explanation in the context of a concrete application. The article takes the form of a short story about a fictional character's on-the-job training in evaluation. Ms. Speedy Analyst is an economist in the Ministry of Finance in the fictional country of Labas. In the process of figuring out how to evaluate a human resource program targeted to the poor, Ms. Analyst learns the strengths and weaknesses of the main methods of ex post impact evaluation.

- **Ravallion, Martin; Quentin Wodon. 2000. "Does child labour displace schooling? Evidence on behavioural responses to an enrollment subsidy", in *Economic Journal*, 110.462, March, pp. C158-75.**

► **Abstract:** It is often argued that child labour comes at the expense of schooling and so perpetuates poverty for children from poor families. To test this claim we study the effects on children's labour force participation and school enrollments of the pure school-price change induced by a targeted enrollment subsidy in rural Bangladesh. Our theoretical model predicts that the subsidy increases schooling, but its effect on child labour is ambiguous. Our empirical model indicates that the subsidy increased schooling by far more than it reduced child labour. Substitution effects helped protect current incomes from the higher school attendance induced by the subsidy.

- **Rawlings, Laura B. 2005. "A new approach to social assistance: Latin America's experience with conditional cash transfer programmes", in *International Social Security Review*, 58.2-3, pp. 133-61.**

► **Abstract:** Conditional cash transfers are a departure from more traditional approaches to social assistance that represents an innovative and increasingly popular channel for the delivery of social services. Conditional cash transfers provide money to poor families contingent upon certain behaviour, usually investments in human capital such as sending children to school or bringing them to health centres on a regular basis. They seek both to address traditional short-term income support objectives and promote the longer-term accumulation of human capital by serving as a demand-side complement to the supply of health and education services. Evaluation results reveal that this innovative design has been quite successful in addressing many of the failures in delivering social assistance such as poor poverty targeting, disincentive effects and limited welfare impacts. There is clear evidence of success from the first generation of programmes in Brazil, Colombia, Mexico and Nicaragua in increasing enrolment rates, improving preventive healthcare and raising household consumption. Despite this promising evidence, many questions remain unanswered about conditional cash transfer programmes, including the replicability of their success under different conditions, their ability to address a broader range of challenges posed by poor and vulnerable populations, their role



within a broader social protection system, and their long-term effectiveness in preventing the intergenerational transmission of poverty.

- **Rawlings, Laura B.; Gloria M. Rubio. 2005. "Evaluating the impact of conditional cash transfer programs", in *World Bank Research Observer*, 20.1, pp. 29-55.**

► **Abstract:** Several developing economies have recently introduced conditional cash transfer programs, which provide money to poor families contingent on certain behavior, usually investments in human capital, such as sending children to school or bringing them to health centers. The approach is both an alternative to more traditional social assistance programs and a demand-side complement to the supply of health and education services. Unlike most development initiatives, conditional cash transfer programs have been subject to rigorous evaluations of their effectiveness using experimental or quasi-experimental methods. Evaluation results for programs launched in Colombia, Honduras, Jamaica, Mexico, Nicaragua, and Turkey reveal successes in addressing many of the failures in delivering social assistance, such as weak poverty targeting, disincentive effects, and limited welfare impacts. There is clear evidence of success from the first generation of programs in Colombia, Mexico, and Nicaragua in increasing enrollment rates, improving preventive health care, and raising household consumption. Many questions remain unanswered, however, including the potential of conditional cash transfer programs to function well under different conditions, to address a broader range of challenges among poor and vulnerable populations, and to prevent the intergenerational transmission of poverty.

- **Raynor, Janet. 2005. "Educating girls in Bangladesh: Watering a neighbour's tree?", in S. Aikman and E. Unterhalter (eds.), *Beyond Access: Developing Gender Equality in Education*, Oxfam, Oxford.**

► **Abstract:** The paper examines attitudes towards girls' education and educated girls and women in Bangladesh. It explores attitudes towards the Female Secondary Stipend (FSP), a large government programme in place since the early 1980s to support girls to stay on into secondary school and complete ten years of schooling. Drawing on documentary and case study research the paper considers attitudes to FSP of girls and boys, mothers and fathers, teachers, education officials and project personnel. It is specifically concerned to examine whether the programme has been associated with a strengthening of traditional gender roles or a form of empowerment, how the purpose of girls' education is perceived and how arguments about culture have been used in response to the programme.

- **Rocha, Sonia. 2001. *Applying minimum income programmes in Brazil: Two case studies*. Geneva: ILO.**

► **Abstract:** This paper examines the recent experiences of Belém and Belo Horizonte, two metropolitan nuclei where minimum income programmes have been implemented. The idea is to verify to which extent the financial conditions in each of these municipalities seem to be compatible with the implementation of the programme benefiting a significant share of the total number of the poor. Alternatives will be considered for defining the target population in terms of income and family characteristics, as well as for establishing the value of the monthly transfer. Besides the demographic and economic importance of Belo Horizonte and Belém, the choice of these municipalities has an empirical justification. In these municipalities, the National Household Survey (PNAD/IBGE) sample, which was dimensioned to be representative for each metropolitan area, is large enough to allow for the analysis of the programme's viability on the basis of different characteristics of the target population.

This paper has four chapters, besides the introduction. Section 2 focuses on Brasília's experience as the basis for adopting the same policy in Belém and Belo Horizonte, the two metropolitan nuclei where the program has been implemented by local administrations elected for the 1997/2000 term. Section 3 and 4 describe the characteristics of programme design and operation in Belém and Belo Horizonte. Despite the fact that the two municipalities present quite different characteristics, which, in their turn, are quite diverse from Brasília's, both programmes essentially adopted most operational parameters from the Federal District's programme. Data from the national household survey are used to evidence the operational limits which the programme faces in these two municipalities, given the

size of the target population and financial restrictions. Although specific recommendations are presented at the end of each section, the general ones are assembled in the last section.

- **Rosa, Solange; C. Mpokotho. 2004. Extension of the child support grant to children under 14 years. Monitoring report. Child Rights Programme, Children's Institute, University of Cape Town.**
- **Saavedra, Jaime; O.S. Arias. 2005. "¿Sin Salidad? Cómo combatir la pobreza y la desigualdad persistentes en América Latina", en *Finanzas y Desarrollo*, 12.05, pág. 18-22.**
- **Sadoulet, Elisabeth; F. Finan; A. de Janvry; R. Vakis. 2004. Can conditional cash transfer programs improve social risk management? Lessons for education and child labor outcomes. Social Protection Discussion Paper No. 0420. Washington DC: World Bank.**

► **Abstract:** The paper explores the role of Conditional Cash Transfer (CCT) programs in serving as a risk management instrument for the poor. Using various rounds of panel data from the successful CCT Progresa program in Mexico, the impact analysis indicates a number of interesting patterns. First, strong state dependence indicates that children taken out of school (partly due to shocks) are less likely to subsequently return, implying long-term consequences from short-term decisions. Nonetheless, the CCT program seems to mitigate this state dependence. Second, a number of shocks – such as unemployment or illness of the household head or younger children, droughts, natural disasters in the community and loss of land, harvest, or animals – have strong effects on children's schooling attainment, indicating that that children are used as risk coping instruments. While this creates short run consumption smoothing gains for the household, such coping strategy implies long-term losses in human capital for children that are accentuated by state dependence. Again, the impact evaluation analysis shows that the Progresa transfers compensate for these shocks, protecting child schooling from a range of shocks. Finally, while the shocks reported also seem to induce children to work – particularly girls and children of farm workers when their parents are affected by unemployment –, the impact evaluation suggest that Progresa transfers and the conditionality on school attendance serve to deter using child labor as a risk coping strategy. Despite the fact that CCT are not designed to deal directly with shocks or serve as "insurance" instruments per se, these results clearly indicate that they can provide an important safety net role by protecting child education from a range of idiosyncratic and covariate shocks. Such findings also imply that incorporating risk exposure and shock incidence criteria in the design of such programs' eligibility rules, or allowing additional flexibility in terms of scaling up or down such interventions to address large covariate or idiosyncratic shocks is a potentially worthwhile direction and use of such programs.

- **Santibáñez, Claudio. 'Chile Solidario' Project: Measuring and dealing with human poverty in Chile: From an 'income' to a 'capability' approach. Ministry of Planning of Chile, Social Division.**

► **Abstract:** Distributive and social policies planning need accurate measures of human well-being. Today there is an increasing interest in moving towards measures, indices and rankings that can assess a more complex situation of individuals' well-being than the one captured by typical income or one-dimensional measures. Sen's research in welfare economics has been very important in illuminating towards this direction. His capability approach does follow a more complex relation between individuals' actual situation and their opportunities than the one that can be registered through money or income metrics.

We will focus upon individual opportunities as the adequate standard for distributive policies. We will work with the relatively novel concept of 'opportunity sets' that has appeared in the literature during the last years and we will use it as a unity measure for human well-being. This unity includes a freedom aspect in the measurement that is typical of the capability approach.

This paper will analyse the informational base of the Chilean Government's newly created "Chile Solidario System" aimed to eliminate extreme poverty under the challenges imposed by this newly approach for the measurement of human well-being.

The idea of the Chile Solidario project is to be used as the entrance door and first experience to establish a universal system of social protection for Chile. "Chile Solidario" thus establishes a first

attempt of a social protection system for the 225.000 poorest households of Chile. This includes (a) Guarantee of Minimal Services to the 225.000 “poorest families of the country”, assuring its total coverage at 2005; (b) Integral Support to these families, considering the multiple dimensions of their conditions; (c) Integration of public services to these families, within a coherent and coordinated system; and (d) Personalised backing to these families taking account of the particular realities of each and everyone of its members.

For our purposes, we will work with the tool that selects the beneficiaries of the system, the “Social Assistance Card (ficha CAS)” which corresponds to family information which gives a weighted average of several dimensions of access (health, income, education, and housing) and a respective score. The lowest the score the “poorest” the family is and thus the better chances to access to social assistance. We will propose changes of this instrument under the paper’s objective of establishing a measurement of human well-being via measurement of “opportunity sets” of the units of analysis.

- **Schultz, T. Paul. 2004. School subsidies for the poor: Evaluating a Mexican strategy for reducing poverty. FCND Discussion Paper No. 102, in *Discussion Paper Briefs*. Washington DC: International Food Policy Research Institute (IFPRI).**

- **Schultz, T. Paul. 2001. School subsidies for the poor: Evaluating the Mexican Progresa poverty program. Center Discussion Paper No. 834. New Haven: Yale University, Economic Growth Center.**

► **Abstract:** This paper evaluates how the Progresa Program, which provides poor mothers in rural Mexico with education grants, has affected enrollment. Poor children who reside in communities randomly selected to participate in the initial phase of the Progresa are compared to those who reside in other (control) communities. Pre-program comparisons check the randomized design, and double-difference estimators of the program’s effect on the treated are calculated by grade and sex. Probit models are also estimated for the probability a child is enrolled, controlling for additional characteristics of the child, their parents, local schools, and community, and for sample attrition, to evaluate the sensitivity of the program estimates. These estimates of program short-run effects on enrollment are extrapolated to the lifetime schooling and the earnings of adults to approximate the internal rate of return on the public schooling subsidies as they increase expected private wages.

- **Schwartzman, Simon. 2005. Education-oriented social programs in Brazil: The impact of Bolsa Escola. Instituto de Estudos do Trabalho e Sociedade. Paper submitted to the Global Conference on Education Research in Developing Countries, Global Development Network, Prague, March 31-April 2, 2005.**

► **Abstract:** Education-oriented social programs, known as Bolsa Escola, aim to provide poor families with children with a monetary stipend, so as to enable and stimulate them to send their children to school. In Brazil, several programs of this type existed since the mid-1990s, and came together under a federal program in 2001. In 2004, the Brazilian government brought Bolsa Escola together with other minimum income programs to create a comprehensive family stipend program (Bolsa Família). This paper examines the education and equity impacts of education-oriented social programs with data provided by the Brazilian National Household Survey of 2003. The analysis shows that these programs are not well focused from an education point of view. They are better focused from a minimum income policy point of view, but with limitations. The paper concludes that these policies are not properly grounded in research, and are based on wrong assumptions.

- **Sedlacek, Guilherme; N. Ilahi; E. Gustafsson-Wright. 2000. Targeted conditional transfer programs in Latin America: An early survey. Washington DC: World Bank.**

- **Sedlacek, Guilherme; S. Tabor; C. de Neubourg. 2002. Protecting the vulnerable: The design and implementation of effective safety nets. Presentations on cash transfers. Washington DC: World Bank.**

- **Serrano, Claudia. 2005. La política social en la globalización. Programas de protección en América Latina. Unidad mujer y desarrollo. Serie 70. Santiago de Chile: Comisión Económica para América Latina y el Caribe (CEPAL).**

► **Resumen:** Los cambios a nivel de Estado y sociedad que la globalización, el modelo económico liberal y la apertura mundial han generado, están modificando el concepto y perspectiva de la política social, lo que trae consecuencias acerca de la forma en que el Estado interviene en materias de desarrollo social en América Latina. Este texto analiza la trayectoria de la política social y la conceptualización sobre la pobreza para, a partir de este bagaje, profundizar acerca del aporte que representan los programas de alivio a la pobreza basados en transferencias condicionadas que se han comenzado a implementar en la región desde fines de los años 90.

- **Skoufias, Emmanuel. 2005. PROGRESA and its impacts on the welfare of rural households in Mexico. Research Report No. 139, Washington DC: International Food Policy Research Institute (IFPRI).**

- **Skoufias, Emmanuel. 2002. Approche multidimensionnelle à la sécurité continentale: Sécurité économique, sécurité environnementale et réduction des catastrophes naturelles. Présentation. Banque Interaméricaine de Développement (BID). (also available in English)**

- **Skoufias, Emmanuel; B. Davis; J. R. Behrman. 1999. An evaluation of the selection of beneficiary households in the education, health and nutrition program (PROGRESA) of Mexico: Final report. Washington DC: International Food Policy Research Institute (IFPRI).**

- **Skoufias, Emmanuel; B. Davis; S. de la Vega 2001. "Targeting the poor in Mexico: An evaluation of the selection of households into Progresa", in *World Development*, 29.10, pp. 1769-84. Great Britain: Elsevier Science Ltd.**

► In this paper, we conduct an evaluation of the targeting method used by Health Education and Nutrition Program (PROGRESA) of Mexico to identify beneficiary households. We address two key questions: (a) How well does PROGRESA's targeting perform; and (b) How does the program perform in terms of its impact on poverty alleviation relative to other feasible methods and transfer schemes. The first question is accomplished by comparing PROGRESA's method to an alternative selection method based on household consumption, which is our preferred method of welfare. We employ the concepts of undercoverage and leakage and find that PROGRESA selection method is more effective in identifying the extremely poor localities or households in the middle of the scale. To address the second question, we compare the potential impact of PROGRESA on poverty alleviation against uniform transfers that involve no targeting at all, targeting based on consumption, and geographic targeting (i.e., targeting at the locality level rather than at the household level). We find that PROGRESA's method of targeting households outperforms uniform coverage and targeting at the locality level in terms of reducing the poverty gap and severity of poverty indices, even after taking into account the economic costs of targeting. But, the closeness of PROGRESA's performance to what could be achieved by geographic targeting alone raises some serious questions about the costs and benefits associated with the practice of household targeting within poor localities.

- **Skoufias, Emmanuel; B. McClafferty. 2001. Is Progresa working? Summary of the results of an evaluation by IFPRI. FCND Discussion Paper No. 118. Washington DC: International Food Policy Research Institute (IFPRI).**

► **Abstract:** Programa Nacional de Educacion, Salud y Alimentacion (PROGRESA) is one of the major programs of the Mexican government aimed at developing the human capital of poor households. Targeting its benefits directly to the population in extreme poverty in rural areas, it aims to alleviate current poverty through monetary and in-kind benefits, as well as reduce future levels of poverty by encouraging investments in education, health, and nutrition. This document summarizes 24 months of extensive research by the International Food Policy Research Institute designed to evaluate whether PROGRESA has been successful at achieving its goals. The evaluation analyzes what has been the impact of PROGRESA on education, health, and nutrition as well as in other areas, such as women's status and work incentives.

The evaluation is based on data collected from seven states that were among the first to receive PROGRESA: Guerrero, Hidalgo, Michoacán, Puebla, Querétaro, San Luis Potosí, and Veracruz. A total of 24,000 households from 506 localities in these states were interviewed periodically between November 1997 and November 1999. Focus groups and workshops with beneficiaries, local leaders, PROGRESA officials, health clinic workers, and schoolteachers were also carried out.

In the central impact areas of education, health, and nutrition, the results are encouraging. The initial analysis of PROGRESA's impact on education shows that the program has significantly increased the enrollment of boys and girls, particularly of girls and above all, at the secondary school level. The results imply that children will have, on average, about 0.7 years of extra schooling because of PROGRESA, although this effect may increase if children are more likely to go on to senior high school as a result of PROGRESA. Taking into account that higher schooling is associated with higher levels of income, the estimations imply that children will have lifetime earnings that are 8 percent higher due to the education benefits they have received through PROGRESA. As a result of PROGRESA, both children and adults are experiencing improvements in health. Specifically, children receiving PROGRESA's benefits have a 12 percent lower incidence of illness and adults report a decrease in 19 percent of sick or disability days. In the area of nutrition, PROGRESA has had a significant effect on reducing the probability of stunting for children aged 12 to 36 months. Finally, PROGRESA has also had important impacts on food consumption. PROGRESA beneficiaries report higher calorie consumption and a more diverse diet, including more fruits, vegetables, and meat.

In other areas of the evaluation, the design feature of PROGRESA that gives control of the monetary benefits to women has increased their household decision-making. Women report a greater level of empowerment, defined as increased self-confidence and control over their movements and household resources. Additionally, there is no evidence that adults are working less in response to the monetary benefits. This implies that PROGRESA does not create "dependence" on its benefits through reducing individual's self-sufficiency efforts.

- **Skoufias, Emmanuel; Susan W. Parker. 2001. Conditional cash transfers and their impact on child work and schooling: Evidence from the PROGRESA program in Mexico. Discussion Paper 123. Washington DC: International Food Policy Research Institute (IFPRI).**

- **Smith, William, J. 2001. Spending on safety nets for the poor: How much, for how many? The case of Malawi. African Region Working Paper Series No. 11. Washington DC: World Bank.**

► **Abstract:** The paper looks at the general question of affordability of safety net programs in low income countries such as Malawi where a large proportion of the population are very poor subsistence farmers. With a very tight budget, and significant numbers of absolute poor, any program large enough to have a substantial impact would be extremely costly. However narrow targeting is difficult, both because the data base does not allow the authorities to identify particular groups or households (for example even the most basic attributes like age, landholding, and income are generally not known with any accuracy); and because the administration capacity to target is very weak. The author examines what the objectives of public safety net programs should be under these conditions, and which groups of beneficiaries it makes most sense to support. The paper analyzes the cost-effectiveness of existing programs in depth, including public works, food distribution, and a free fertilizer distribution program. The paper concludes that programs must contribute to some wider development goal (to minimize the fiscal trade-off) and as far as possible be self-targeting (to overcome the information and administrative constraints). In conclusion a specific package of programs for the next 10 years is recommended.

- **Souza, André P. 2005. The impact of cash transfers on school attendance and school progression in Brazil. Brazil: University of São Paulo, Department of Economics.**

► Using the data from the 2000 Brazilian Census data this study evaluates *ex-post* the impact of the cash transfer programs such as the minimum income program and the *Bolsa Escola* on school attendance and school progression of Brazilian children and adolescents. It finds that these programs have a significant impact on increasing school attendance, and a significant impact on school progression among younger children. These results are stronger on children living in poor families.

Also, it shows that its impact is stronger in the first years of the primary education and tapers out along the education cycle. Finally, it estimates that the program is expected to increase the years of schooling accumulated among poor children by 0.24-0.26 years.

- **Székely, Michael. 2001. Where to go from here? Generating capabilities and creating opportunities for the poor. Research Network Working Paper No. R-431. Washington DC: Inter-American Development Bank (IADB).**

- **Tabor, Steven R. 2002. Assisting the poor with cash: Design and implementation of social transfer programs. Social Protection Discussion Paper Series No. 0223. Washington DC: World Bank.**

► **Abstract:** Cash transfers can be defined as the provision of assistance in the form of cash to the poor or to those who face a probable risk, in the absence of the transfer, of falling into poverty. There are few statutory cash assistance schemes in developing countries and those that do exist tend to convey a small entitlement. Statutory cash assistance and insurance schemes are more common in transition and middle-income states. In the Organisation for Economic Co-operation and Development nations, cash transfers are the main type of social safety net protection.

Cash transfer programs are less likely to distort prices than in-kind transfer programs, and they provide the recipient with much more choice. However, administering cash transfer programs typically requires much more information for targeting and management purposes than in-kind programs, but those that are targeted to easily identifiable groups of vulnerable individuals can avoid the difficulties involved in applying means or income tests to determine program eligibility.

Cash transfers do not have to be very large to offer effective protection. If low-income households already derive some of their earnings from informal sector activities or private transfers, then a cash transfer can be used to partly close the poverty gap rather than to provide a full replacement of income.

Experience in middle-income countries suggests that adverse labor market and incentive effects arising from statutory cash transfer programs can reduce aggregate program benefits, but these effects can be overcome by building in incentives for recipients to rejoin the labor force. Cash transfer programs can also be used to combat gender discrimination. Family allowances, social pensions, and cash transfers linked to school attendance all tend to have positive gender effects.

Sustaining political support for cash transfer programs is difficult. Ensuring that the aims of the programs are widely understood and generally felt to be sound and effective is central to maintaining voters' confidence and political support.

- **Teruel, Graciela; B. Davis. 2000. An evaluation of the impact of Progresa cash payments on private inter-household transfers. Washington DC: International Food Policy Research Institute (IFPRI).**

- **Thomas, Philippa. 2005. Ending child poverty and securing child rights: The role of social protection. United Kingdom: Plan International.**

► In a sense, for 50 years, donors, governments and development agencies have found more and more sophisticated ways not to give money to the poor. A new approach is needed as development efforts have not been very effective in reaching the very poorest and most vulnerable. There is growing evidence that cash transfers, as part of comprehensive social protection systems, grounded in human rights can play an effective role in reducing poverty and vulnerability and are disproportionately likely to benefit women and children. Modest social protection packages are affordable even in the poorest countries (Pal et al. 2005). However, questions of affordability and design are political not technical. The real question is whether there is the political will and commitment to realise social protection as a right for all people, not just those in the developed world.

This paper will examine the new understandings of social protection and how these relate to child rights. It will argue that social protection instruments, and in particular, cash transfers have enormous potential to reduce child poverty. However, in order to maximise the benefits for child wellbeing,

social protection systems need to be grounded within a rights based approach and linked to wider development in an holistic manner.

The paper also draws on presentations given at a series of four seminars on social protection organised by Plan UK and the Overseas Development Institute in June & July 2005 (<http://www.plan-uk.org/action/socialprotection/>).

- ▶ **Vawda, Ayesha. 1997. Brazil: Stipends to increase school enrollment and decrease child labor. A case of demand-side financing. Washington DC: World Bank.**
- ▶ **Vermehren, Andrea. 2002. "Nicaragua social investment funds: Conditional cash transfers - a new avenue for social funds?", in *Social Funds Innovation Update*, 2.2. Washington DC: World Bank.**
- ▶ **Villatoro, Pablo. 2005. "Conditional cash transfer programmes: Experiences from Latin America", in *CEPAL Review*, 86, pp. 83-96. August. [Also available in Spanish]**
  - ▶ This article analyses the experience of five conditional cash transfer programmes established in Latin America to reduce poverty and increase human capital in the form of education, health and nutrition. These innovative programmes should help towards the Millennium Development Goals, and some have become pillars of their countries' anti-poverty efforts. The article begins by presenting some of the concepts that underlie conditional transfer programmes. It then goes on to examine the following experiences: the Bolsa Escola programme and the Programme for the Eradication of Child Labour (Brazil), Families in Action (Colombia), the Social Protection Network (Nicaragua) and the Oportunidades programme (Mexico), analysing their goals, components, targeting mechanisms, impact and efficiency. The article concludes by offering some policy recommendations and identifying design components that might serve as good practice when programmes of this kind are implemented.
- ▶ **Villatoro, Pablo. 2004. Programas de reducción de la pobreza en América Latina. Un análisis de cinco experiencias. Serie 87. División de Desarrollo Social. Santiago de Chile: Comisión Económica para América Latina y el Caribe (CEPAL).**
  - ▶ **Resumen:** En este documento se desarrolla un análisis descriptivo-comparativo de las experiencias de cinco programas de reducción de la pobreza en América Latina, que operan en la modalidad de transferencias monetarias condicionadas para incrementar el capital humano y los niveles de bienestar en la salud y nutrición de los grupos más vulnerables. En la primera parte, se exponen los elementos teóricos que fundamentan la apuesta de implementación de los programas de transferencias condicionadas. Luego, se analizan las experiencias de cada uno de los programas, en lo referido a sus objetivos, componentes, mecanismos de focalización, procesos de implementación y se analiza la evidencia empírica en torno a sus impactos y costos-efectividad. Por último, se presenta un análisis comparativo, del cual se extraen recomendaciones y elementos que podrían constituirse en buenas prácticas al momento de diseñar e implementar este tipo de programas.
- ▶ **Whitehead, Tim. 2003. "Targeted transfers in poor countries: Revisiting trade-offs and policy options", in *Social Safety Nets Primer Notes*, 13.03. Washington DC: World Bank.**
- ▶ **Wodon, Quentin; B. de la Briere; C. Siaens; S. Yitzhaki. 2003. "Mexico's Progresas: Innovative targeting, gender focus and impact on social welfare", in *En Breve*, 17.1. Washington DC: World Bank.**
- ▶ **World Bank. 2005. Conditional cash transfers on trial: A debate on conditional cash transfer programs. Summary of evidence. Washington DC: World Bank.**
- ▶ **World Bank. 2005. Shocks and social protection: Lessons from the Central American coffee crisis. Vol. I: Synthesis of findings and implications for policy; Vol. II: Detailed country analyses. Report No. 31857-CA. Poverty Reduction and Economic Management and Human Development Sector Management Units.**
- ▶ **World Bank. 2003. *World Development Report: Making Services Work for Poor People*. Washington DC: World Bank.**

- ▶ **World Bank. 2001. Brazil: An assessment of the Bolsa Escola programs. Report No. 20208-BR. Human Development Sector Management Unit. Brazil Country Management Unit.**
- ▶ **World Bank. 2001. Brazil: Eradicating child labor in Brazil. Report No. 21858-BR. Human Development Department. Brazil Country Management Unit.**
- ▶ **Yap, Yoon-Tien; G. Sedlacek; P.F. Orazem. 2002. Limiting child labor through behavior-based income transfers: An experimental evaluation of the PETI program in rural Brazil.**

▶ **Abstract:** The *Programa de Erradicação do Trabalho Infantil* (PETI) was first implemented in rural states of Brazil in 1996. Its aim was to reduce child labor by creating an after-school program which doubled the length of the school day. PETI also provided an income subsidy to low-income households whose children participated. Comparison of child schooling, labor participation, hours worked, academic progress and dangerous work in PETI households versus control households indicate that the program increased academic performance and lowered child labor for participating households. Nonparticipating children worked longer hours after PETI implementation, but no other adverse spillover effects were observed.