



A policy-research and network building program

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Cash Transfers and Social Protection

Cash Transfers as Social Protection

Cash transfers to the poor have been viewed as an effective anti-poverty strategy. Cash transfers usually impose a conditionality on recipient households, in order to remain eligible for the transfer. By linking these transfers with, for instance, hospital visits and school attendance of children, impositions on human capital development are made, thus allowing for both short and long term poverty alleviation. However, areas needing attention in the implementation of cash transfer programmes include issues of targeting to identify 'deserving' beneficiaries, need for efficient administrative procedures, having a realistic assessment of institutional capacities and preparedness involved in the rolling out of such a mechanism (e.g strong monitoring, evaluation and accountability agencies) and also concerns of long term fiscal sustainability. The transfers have often been posited against employment centric public works programmes, boasting of the added advantage of being free from bureaucratic hurdles and mishandlings owing to the direct transfer of income to the recipients.

Conditional Cash Transfers and Employment Guarantee Programmes in Asia

Fabio Veras Soares – International Policy Centre for Inclusive Growth

Conditional Cash Transfers (CCTs) initiatives have been quite popular in most Latin American countries since the 1990s and now are spreading to some Asian countries such as Indonesia and the Philippines. These programmes consist of transfers in cash to poor families with children under the condition that they send their children to school and pay regular visits to health centres. The dissemination of these programmes in Asia is causing some uneasiness among large segments of civil society. One of the most common arguments used against CCTs are: 1) people do not want 'charity' hand outs, but decent work and 2) conditions are not applicable when education and health services lack either quantity and quality or both.

The recent introduction of the National Rural Employment Guarantee Act (NREGA) in India has brought the "right to work" to the front stage of the discussion on social protection. NREGA represents a significant innovation in relation to the short-term and emergency based public works tradition. Among its innovations one can highlight: 1) Its targeting does not rely in paying low wages to attract only the

poorest since it pays the minimum wage (it is the nature of the work – manual and unskilled – that functions as screening device); 2) any household can require up to 100 days of work that should be provided within 15 days under the penalty of the state having to pay unemployment benefit; 3) the inclusion of social audits and social accountability mechanisms to decrease fraud and enhance social participation.

CCT and Employment Guarantee Schemes should not be presented in an “either/ or” fashion. They are not silver bullets that will change on their own the face of poverty in Asia overnight. On the contrary, they can be complementary tools in addressing a variety of vulnerabilities faced by families and individuals in the region. The spread of CCTs in rural areas of Latin America – to think of the challenges in the same setting - did not mean that poor/rural workers did not need complementary programmes that would enable them to have access to water, credit, markets, etc. Their living conditions have improved with the transfers and with the monitoring of school and health co-responsibilities - that actually can signal to governments bottlenecks in both supply and demand and prompt them to solve these - but they still need support to increase their productivity and diversify their production.

In the Asian contexts, CCTs can be used to foster behaviour change related to specific problems such as the issue of missing girls in some regions and other forms of gender inequities. The LADLI schemes (conditional transfers for families with girl child) adopted in several Indian states are an example of how CCTs can be adapted to the Asian context. In addition, CCTs in the region can benefit immensely from some of the innovations brought about by NREGA, such as the social audits that together with the Right to Information Act can bring more transparency to the programmes, particularly, with regards to issues related to the supply of school and education services in terms of both quantity and quality.

See also,

Three Models of Social Protection - Alejandro Grinspun, International Poverty Centre, UNDP – Examines three possible modes through which social protection benefits may be delivered. See <http://www.ipc-undp.org/pub/IPCOnePager17.pdf>

Cash Transfers and their Role in Social Protection- John Farrington, Paul Harvey, Rebecca Holmes and Rachel Slater - <http://www.odi.org.uk/resources/download/4684.pdf>

Social Protection – The Role of Cash Transfers - <http://www.ipc-undp.org/pub/IPCPovertyInFocus8.pdf>

Conditional Cash Transfers– Reducing Present and Future Poverty - Ariel Fiszbein and Norbert Schady with Francisco H.G. Ferreira, Margaret Grosh, Nial Kelleher, Pedro Olinto, and Emmanuel Skoufias http://siteresources.worldbank.org/INTCCT/Resources/5757608-1234228266004/PRR-CCT_web_noembargo.pdf

Conditional Cash Transfer Programs: An Effective Tool for Poverty Alleviation? - Hyun H. Son, Asian Development Bank - http://www.adb.org/Documents/EDRC/Policy_Briefs/PB051.pdf

Cash Transfers as Social Protection – SPA Research

Researchers at the **SMERU Research Institute**, Indonesia (<http://www.smeru.or.id/>), – through a project titled **Assessing the Role of Women in Indonesia's New Conditional Cash Transfer Programme** have been evaluating the effectiveness of two Government of Indonesia piloted Conditional Cash Transfer (CCT) programs, to understand their gender impacts through an analysis of intra-household decision-making dynamics. Below is a gist of the findings of SMERU research team.

Ensuring Beneficiaries' Compliance with the CCT Conditionality in Indonesia: A Notable Challenge

Sirojuddin Arif and Widjajanti Isdijoso, The SMERU Research Institute, Indonesia

Since the success of the *Oportunidades* in Mexico and *Bolsa Familia* in Brazil in the late nineties, conditional cash transfer (CCT) has been increasingly seen as a new silver bullet for attacking poverty. The program has been replicated in many countries regardless of the differences in social and political contexts, as well as administrative capacity needed to run such a highly sophisticated mechanism. As the program's name explicitly indicates, conditionality compliance should be the key element of CCT. Without such compliance, the program might not be able to achieve its goals of investing in human capital of the children from poor households. Nevertheless, as the case of the Indonesian CCT program (*Program Keluarga Harapan* -PKH) shows, conditionality enforcement is not easy and developing institutional capacity to monitor the compliance of the program recipients can be challenging.

When Indonesia started the PKH pilot program in 2007, the Government created an executing unit (*Unit Pelaksana PKH*), under the Ministry for Social Affairs at the central level, to manage the nation wide program implementation. The program was initially implemented in 7 provinces (out of 33 provinces in Indonesia) and covered around 388,000 chronically poor households, which were selected from around 19.1 million poor households that received unconditional cash transfer during 2005. In 2009 PKH had been expanded to cover around 720,000 households in 13 provinces and 70 districts. To support its operation, by 2009, more than 3,000 field supervisors (called *pendamping*) had been recruited to assist and monitor program beneficiaries, in addition to around 400 computer operators that support the online information system. The executing unit has signed cooperation agreement with the post office to distribute the fund to the program recipient as well as to distribute and collect monitoring forms from schools and health service providers.

To support program implementation, a coordination team consisting of Ministry of

Social Affairs, Ministry of Education, Ministry of Health, and State Ministry for Information and Communication is formed at the central level. Since 2001, because Indonesia has adopted a decentralized form of government which made the provision of education and health services under the full responsibility of the district government, each district government participating in the program has to show their willingness to support the program and ensure the availability of health and education services in the PKH areas by signing agreement with the central PKH executing unit. A coordination team, similar to that at the central level, is formed in each participating district, and a district level executing unit is formed within the district level office for social affairs. The PKH field supervisors are stationed in the district level executing unit although they are recruited and paid by the central government. The field supervisors have to maintain close contact with program beneficiaries and ensure their compliance with program conditionality. In addition, the program requires schools and health centers to report the performance of the recipient household by filling in the monitoring form distributed through the post office and sending it back to the post office that will hand it over to the PKH executing unit.

Despite these complex program support arrangements, coordination remains challenging. Until mid-2009, many schools and community health centers still had no or limited understanding about PKH or which households received the program, and they did not fill in and lodge the monitoring form. Among the problems raised were the late and slow dissemination of information to the relevant service providers, and financial constraints that deter good coordination among different stakeholders involved in the program implementation. Indeed, some program recipients do meet most program conditions, but it is affected more by their own interest to provide better education to their children and to maintain the health condition of the pregnant women and babies. Their compliance is also affected by access to schools and health services. The direction from the field supervisor has also encouraged compliance with program conditionality, even in the absence of monitoring by schools and health service providers. Given that PKH coverage is smaller than other national social protection programs such as the health insurance program run by the Ministry of Health and School Operational Assistance Program run by the Ministry of Education, the health service providers and schools seems to pay less attention and see PKH monitoring as adding more to their already heavy burden. Thus, it seems that the external monitoring system needs to be simplified, made more manageable, and less burdensome for schools and health service providers, probably by focusing more on stronger internal monitoring.

Experiences of Cash Transfers in India

The Ministry of Women & Child Development, Government of India is implementing "Dhanalakshmi", a Scheme for conditional Cash Transfer for the Girl Child. The scheme provides for cash transfer to the family of a girl child on fulfilling certain conditionality relating to registration of birth, immunization, enrolment and retention in school till class VIII; and an insurance coverage if the girl remains unmarried till the age of 18. The aim of the scheme has been force the families to look upon the girl child as an asset rather than a liability, by allowing cash inflow to the family.

Janani Suraksha Yojana (JSY) is a safe motherhood intervention being implemented with the objective of reducing maternal and neo-natal mortality by promoting institutional delivery among the poor pregnant women. It integrates cash assistance with delivery and post-delivery care, with special dispensation given for states with low institutional delivery rates.

'Mukhyamantri Balika Cycle Yojna' is being implemented in Bihar wherein a schoolgirl, upon passing class VIII, gets a cheque of Rs 2,000 to buy a bicycle so that she can continue to go to school every day. This has helped check the dropout rate of schoolgirls to a great extent across the state. Also food coupons are being experimented with in Bihar, bearing the quantity, type and price of foodgrain which can be claimed either by the household at subsidized ration shops or by dealers, who encash these to transfer the grains from state go-downs. This has reduced leakages at various levels, stemming from ambiguities related to loss and siphoning off of foodgrains.

Also see

Education Vouchers – Is there a Model for India? - Eva Weidrich

Other Theme Related Resources

- **How Cash Transfers Boost Work and Economic Security** – Guy Standing - DESA Working Paper No. 58 - ST/ESA/2007/DWP/58 - http://www.un.org/esa/desa/papers/2007/wp58_2007.pdf
- **Conditional Cash Transfers – A Global Perspective** – Gaspar Fajth and Claudia Vinay - Exploring links and the relevance of CCTs to the MDGs - http://www.undg-policynet.org/ext/MDG_Insight/MDG_Insights_Feb_2010.pdf
- **Do CCT Programmes Have a Pro-Poor Spillover Effect?** - Christian Lehmann - <http://www.undp-povertycentre.org/pub/IPCOnePager98.pdf>
- **Do CCT Programmes Work in Low-Income Countries?** - Simone Cecchini - <http://www.ipc-undp.org/pub/IPCOnePager90.pdf>

- **Cash Transfers: Targeting** – ODI Project Briefing No. 27 – Discusses the constraints in the implementation of cash transfer programmes in the form of financial resources, institutional capacity and ideology and the difficulties of employing good targeting mechanisms- <http://www.odi.org.uk/resources/download/3505.pdf>
- **Conditional Cash Transfers: Why Targeting and Conditionalities Could Fail** – Guy Standing - <http://www.ipc-undp.org/pub/IPCOnePager47.pdf>
- **Cash Transfers – Lessons from Africa and Latin America** – For full report see <http://www.ipc-undp.org/pub/IPCpovertyInFocus15.pdf>
- **Comparing Food and Cash Transfers to the Ultra Poor in Bangladesh** - Akhter U. Ahmed, Agnes R. Quisumbing, Mahbuba Nasreen, John F. Hoddinott, and Elizabeth Bryan - IFPRI - <http://www.ifpri.org/sites/default/files/publications/rr163.pdf>
- **Female secondary school stipend programme in Bangladesh: A critical assessment** - Simeen Mahmud
- UNDP Discussion Paper – **Conditional Cash Transfer Schemes for Alleviating Human Poverty: Relevance for India** - http://data.undp.org.in/FinancialCrisis/CCT_DP.pdf
- **Introducing Conditional Cash Transfers in India: A Proposal for Five CCTs** - Santosh Mehrotra
- **Conditional Cash Transfers: Lessons from Indonesia's Program Keluarga Harapan** – Presentation of Karin Schelzig Bloom - <http://www.adb.org/documents/events/2009/high-level-social-assistance/Bloom-Conditional-Cash-Transfers.pdf>
- **Program Keluarga Harapan and PNPM-Generasi Baseline Survey –Preliminary Findings** – Presentation by Arie Damayanti, Jossy P. Moeis, Robert Sparrow and Yulia Herawati -http://siteresources.worldbank.org/INTINDONESIA/Resources/Projects/288973-1224059746389/CCT_Quantitative_English_Jan2408.pdf
- **Factsheet on Pantawid Pamilyang Pilipino Project (4Ps) CCT in Philippines**
- **Poverty Reduction Through Conditional Cash Transfers** - Jehan Arulpragasam

- **Cash for Work: A Contribution to the International Debate based on Lessons Learnt in Northern Afghanistan** - GTZ study - This report examines a GTZ supported Cash For Work programme in the Northern Afghanistan provinces of Takhar and Badakhshan and relates its experience to key issues emerging from the wider literature on cash based responses.

News and Events

- Dr Naila Kabeer, Director, Social Protection in Asia programme attended the 9th Women's Affairs Ministers Meeting on '**Gender Issues in the Economic Crisis, Recovery and Beyond: Women as Agents of Transformation**', in Barbados from 6-9 June 2010. For more details see <http://www.commonwealthfoundation.com/Howwedeliver/Advocacy/WomensAffairsMinistersMeeting>
- **Barriers to the Extension of Social Protection: Evidence from Asia** - a special edition of the IDS Bulletin, with contributions from SPA project researchers and directors, will be published on 1 July. To view online or to order a copy, see the website <http://www.ids.ac.uk/go/bookshop/ids-bulletin>
- '**Scoping study on Social Protection: Evidence on impacts and future research directions**' – DFID report by Naila Kabeer (Forthcoming on R4D <http://www.research4development.info/index.asp>)
- Naila Kabeer is working with Peroline Ainsworth on a study for DFID on the **Economic Impacts of Conditional Cash Transfers** (Forthcoming)
- **ADB's 43rd Annual Meeting in Tashkent and Social Protection Panel** - ADB's 43rd Annual Meeting of the Board of Governors was held in Tashkent, Uzbekistan from **May 1-4, 2010**, and brought together ministers of finance and development, central bankers, private sector representatives, civil society and media to discuss a broad range of issues linked to ADB's mission to reduce poverty. For more details see <http://www.adb.org/AnnualMeeting/2010/default.html>. A special seminar was held on "**Promoting Inclusive Growth through Social Protection**" - looking at how measures such as social assistance payments, guaranteed work programs, and contributory pensions can limit the social impacts of economic crises, serious illness, and natural disasters. Panelists included Sujana Royat, Deputy to Minister for Poverty Alleviation-Coordinating Minister for People's Welfare, Indonesia; Sarah Cook, Director of United Nations Research Institute for Social Development and Co-Director, Social Protection in Asia programme; Duncan Campbell, Director, Department of Policy, Employment Sector, International Labor Organization; and Ursula Schaefer-Preuss, Vice President for Knowledge Management and Sustainable Development, ADB. [For Dr. Sarah Cook's presentation](#)

- Asia's Recovery and Macroeconomic Policy Challenges - Release meeting for the Asian Development Outlook 2010 report** - Jong-Wha Lee, chief economist of the Asian Development Bank (ADB), presented the Asian Development Outlook 2010 report and discussed macroeconomic policy challenges in Asia in the post-crisis period held on **April 19, 2010**. For more details, please see http://www.piie.com/events/event_detail.cfm?EventID=149
- Live Online discussion - CCTs - Can they end the the cycle of poverty in developing Asia and the Pacific** - In a unique webchat, ADB social policy experts shed light on the considerations involved in the government adoption of CCT programs, including those relating to effective targeting of beneficiaries, long term impacts and fiscal sustainability. Karin Schelzig Bloom, social sector specialist and Clifford Burkley, social development specialist answered questions on CCTs in a live online chat on Wednesday, **28 April, 2010**. For more details, <http://www.adb.org/Documents/Events/2010/Conditional-Cash-Transfers/default.asp>
- Regional Conference on Enhancing Social Protection Strategy in Asia and the Pacific, Manila, Philippines: 21-22 April 2010** - The regional conference provided a forum for sharing ideas, experiences, and information on social protection in Asia and the Pacific. For more details, see <http://www.adb.org/documents/events/2010/enhancing-social-protection/default.asp>
- Just Give Money to the Poor - The Development Revolution from the Global South** – A new book by Joseph Hanlon, Armando Barrientos and David Hulme argues strongly for an overlooked approach to development by showing how the poor use money in ways that confound stereotypical notions of aid and handouts. Researchers have found again and again that cash transfers given to significant portions of the population transform the lives of recipients. For more details see <http://www.styluspub.com/clients/kum/books/BookDetail.aspx?productID=234740>
- UNESCO ICSSR Research Meeting on Social Protection Policies in South Asia - supported by SPA** - UNESCO and the Indian Council of Social Science Research, supported by the Social Protection in Asia network, Institute for Human Development, New Delhi and the Centre for the Study of Regional Development, Jawaharlal Nehru University, New Delhi held a **Research Meeting on Social Protection Policies in South Asia on 18-19 March 2010**, in New Delhi. The objective of the meeting was to provide support material and expertise in view of the next Forum of Ministers in charge of Social Development from South Asia on Social Protection and Safety Nets in South Asia, expected to take place in Sri Lanka in 2011. Presentations were made giving a background and overview of the status of social protection in the countries of South Asia – India, Pakistan, Bangladesh, Nepal and Bhutan. For the concept note, conference programme and presentations, see <http://www.socialprotectionasia.org/newsandevents.asp>

Useful Links

- **UNDP IPC-IG – Cash Transfer Programmes in Asia and the Pacific** - <http://www.undppovertycentre.org/PageNewSiteb.do?id=121&active=3>
Cash Transfers – To Condition or not to Condition - <http://www.eldis.org/go/topics/insights/2009/cash-transfers-to-condition-or-not-to-condition>
- **The World Bank – Safety Nets and Transfers – Conditional Cash Transfers** - <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALPROTECTION/EXTSAFETYNETSANDTRANSFERS/0,,contentMDK:20615138~menuPK:282766~pagePK:148956~piPK:216618~theSitePK:282761,00.html>
- **ODI Resources on Cash Transfers** - <http://www.odi.org.uk/projects/details.asp?id=498&title=cash-transfers>

Useful Resources (Miscellaneous)

- **Poverty and Sustainable Development in Asia - Impacts and Responses to the Global Economic Crisis** – The ADB Institute has produced a book featuring a subset of the papers presented at the 3rd China–ASEAN Forum on Social Development and Poverty Reduction and the 4th ASEAN+3 High-Level Seminar on Poverty Reduction in Hanoi on 28–30 September 2009. It details the social and environmental impact of the global economic crisis on the people in Asia and the Pacific, especially the poor and vulnerable.
See <http://www.adb.org/documents/books/poverty-sustainable-development/poverty-sustainable-development-asia.pdf>
- **Keeping the promise: a forward-looking review to promote an agreed action agenda to achieve the Millennium Development Goals by 2015 - Report of the Secretary-General** - For full report see http://www.un.org/ga/search/view_doc.asp?symbol=A/64/665
- **UNDP Asia Pacific Human Development Report on “Power, Voice and Rights: A Turning Point for Gender Equality in the Asia and the Pacific”**. For full report, see <http://hdr.undp.org/en/reports/regionalreports/featuredregionalreport/RHDR-2010-AsiaPacific.pdf>.

- **ILO report on International Labour Migration – A Rights Based Approach.** For full report see http://www.ilo.org/public/english/protection/migrant/download/rights_based_approach.pdf
- **UNESCAP Economic and Social Survey of Asia and the Pacific 2010.** For full report see <http://www.unescap.org/pdd/publications/survey2010/download/Survey2010.pdf>
- **Rights, Responsibilities and Social Protection: the Dynamics of Supply and Demand: an issues paper** - Julie Gaunt and Naila Kabeer
- **Launch of new edition of IPC-IG Poverty in Focus Magazine - South-South Cooperation: The Same Old Game or a New Paradigm?** Download the magazine at <http://www.ipc-undp.org/pub/IPCPovertyInFocus20.pdf>
- **Oxfam Studies on The Impact of the Global Economic Crisis on Women in Southeast Asia** - Oxfam GB has published six new country case studies on impacts of the global economic crisis on women in Southeast Asia. For more details see http://www.wunrn.com/news/2010/03_10/03_15_10/031510_global.htm
- **Outputs of the ODI Social Protection programme**
 - (i) Social Protection, Rural Development and Food Security: Issues paper on the role of social protection in rural development** - Rachel Slater and Anna McCord - <http://www.odi.org.uk/resources/download/4520.pdf>
 - (ii) Targeting of Social Transfers: A review for DFID** - Rachel Slater and John Farrington (with inputs from Marcella Vigneri, Mike Samson, and Shaheen Akter) <http://www.odi.org.uk/resources/download/4521.pdf>
 - (iii) Overview of Public Works Programmes in sub-Saharan Africa** - Report prepared by Anna McCord with Rachel Slater - <http://www.odi.org.uk/resources/download/4700.pdf>

About SPA:

Social Protection in Asia is a research, networking and advocacy programme that aims to create a regional voice and develop a research base for advocating innovative and informed policy on Social Protection issues.

We welcome your contributions

The SPA Network aims to keep people informed of required and requested information and to facilitate collaboration on social protection. To do this, the network needs you! If you would like to share your experiences, express your views or share information, for example, if there is an event you think network members would be interested in, please contact info@socialprotectionasia.org

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