Research Agenda on Conditional Cash Transfers – Lessons from a Systematic Review on the Effects of CCTs

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“Conditional cash transfer: a magic bullet for health?” The Lancet (2008) , 371 (9615)

Outline

1. Why were/are CCTs being promoted?

2. What is the evidence on the effectiveness of CCTs to improve health outcomes?

3. What critical questions remain unanswered?

What are CCT programmes?

- Cash transfers
  - Varying size (function of complex rules)
  - Varying justification (20-40% of poverty line vs. transport costs)

- Conditional on a set of requirements
  - "Classic" CCTs: health visits and attending school
  - More recently specific behaviours
  - Other requirements: obtaining IDs, birth certificates
- Usually targeted at particular groups
  - Targeting the poor based on rich information systems or proxy indicators
  - Targeting some areas (poor health indicators)
  - Targeting some groups (pregnant women)

Rationale

- Safety nets in the short run
  - Providing social transfers: *Progresa* replaced in-kind transfers
- A long term investment in human capital
  - Long run effects of investing in health and education justify social transfers
- Addressing demand-side barriers
  - Indirect and opportunity costs
  - Cultural barriers?

Systematic review methods

- Objective
  - to assess the effectiveness of CCTs to increase the use of health services and improve health outcomes
- Inclusion criteria
  - CCTs with health component
  - Low and Middle Income Countries
  - Experimental or quasi-experimental study designs: (C)-RCT, CBA, ITS
- Appraisal of studies
  - Quality of analysis
  - Risks of leakage, contamination
  - Similarity of control and intervention groups

6 included studies

- 5 large-scale programmes from Latin American countries
  - Programmes targeted at poorer areas/groups
  - Conditional on health and education requirements
  - Varying transfers size (10-30% of household consumption)

- 1 small-scale experiment in Malawi
  - CCT to incentivise collection of HIV testing results

Oportunidades

Synthesis of study findings

- CCTs increase uptake of preventive services
  - Health visits
  - ANC visits coverage
  - Immunisation rates
- CCTs linked to improved health outcomes
  - Nutritional status and growth of children
  - Unclear effect on anaemia
  - Recent studies show lower obesity and hypertension

Other study findings

- Other effects (out of the scope of the review)
  - Positive effects on education
  - Positive effects on food consumption
  - Increase in income-generating activities
- Adverse effects
  - Increase in fertility when only pregnant women were eligible
  - Misunderstanding of rules – Brazil: women kept children under-nourished to remain eligible?

Are CCTs pro-poor programmes?

- They can be when they are targeted at poorest populations
  - Very good for the programmes that have well functioning systems (Brazil, Mexico, Colombia)
  - Less effective and more difficult when Proxy means testing

- Are CCTs pro-poor when there is no targeting?
  - Richer people are more likely to use (social) services

Key messages from the systematic review

- Body of good quality evidence
  - Usefulness of staggered implementation or randomised large-scale pilots
- Robust findings showing that CCTs can
  - Increase uptake of services
  - Improve some health outcomes

UNANSWERED QUESTIONS

1. What is still UNKOWN about these well-evaluated programmes?

2. What aspects do we need to explore about these successful programmes to draw lessons FOR OTHER SETTINGS?

Are CCTs cost-effective interventions?

- Administrative costs are a first source of inefficiency
  - “Usual” costs of administration the programmes
  - Costs of monitoring/conditioning

- Marginal costs of new users
  - People formerly using the health services (without incentives) get paid to do so
  - Costs of the transfers themselves: could we have achieved similar effects with less money?

- Cost-effectiveness of CCTs?
  - Compared to classic supply-side interventions
  - More acute issue if there is no targeting

What happens in the long run?

- What is the Return on Investment in the long run?
  - Do CCTs actually change people's habits once the carrot is no longer there?
  - The answer might mitigate the perspective on costs

- Exit strategies
  - How to design programmes that remain a safety nets for the poorest without creating dependency/incentives to remain eligible?
  - When people stop being eligible, what happens to them?

Why did these programmes work?

- What is the relative impact of the various aspect(s) of CCT programmes?
  - e.g. Improvement of health status amongst children in Mexico
  - Could we have achieved similar results with some more simple intervention?

- To what problem(s) were they a solution to?
  - NOT direct financial barriers, NOT lack of infrastructure, NOT absenteeism, etc...
  - Demand-side barriers? Lack of awareness?

What were the key enabling factors?

- Strong political support?
  - Ensuring sustainable and prompt funding
  - Ensuring coordination across various sectors

- Strong institutional capacity?
  - Monitoring of conditionality, payment systems, targeting mechanisms

- Presence of good services/infrastructures ?
  - The necessity to ensure good quality services: the examples of Nepal and Jamaica
  - Supply-side supplementary interventions
  - Other broader infrastructures:
    banks, roads, etc.

What is the ethics of CCTs?

- "Internal governance" of the programmes
  - Misunderstandings of complex eligibility rules (Brazil)
  - Poor design (Bangladesh)
- Ethical implication of using powerful tools
  - Encouraging irreversible changes (contraception)
  - Encouraging dangerous behaviours (Brazil, SA)
- Research fad or policy-relevant interventions?
  - Interest of economist to understand effects of economic incentives on behavioural changes
  - Scaling-up?

Key messages

- Robust evidence of positive effects
  - CCTs have shown that large scale rigorous evaluations are possible
  - CCTs increase uptake of services
  - CCTs are not pro-poor by nature, they are if targeting is effective
- CCT are complex and plural interventions
- Need to understand how/why/under which conditions CCTs work
  - Need for more than just C-RCT (process, qualitative, etc.)

THANK YOU.