

# The impact of gender targeting in Conditional Cash Transfer programs



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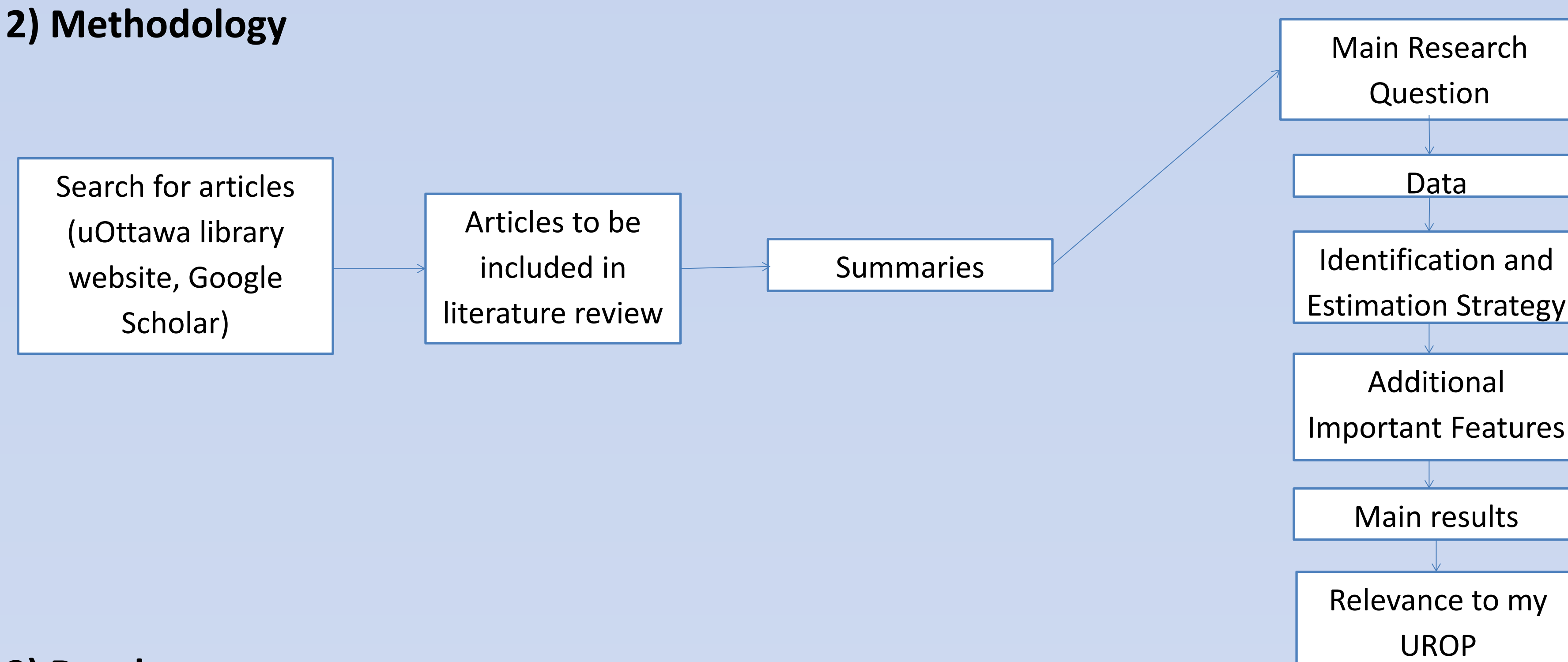
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## 1) Introduction

Conditional Cash Transfers (CCTs) are programs that aim to alleviate poverty by transferring cash to low-income households contingent on certain behavioural requirements. CCTs intend to relieve poverty in the short run by providing immediate income support and to build human capital in the long run through the conditionalities. These conditionalities may help break the intergenerational cycle of poverty. For instance, a commonly adopted conditionality is that the children must be sent to school or have health check-ups in order for the family to receive the transfer.

Typically, these transfers are targeted at the female head of the household under the assumption that the women are more likely than men to spend the money they receive to purchase goods for their children. This research was motivated by interest on the quantity and quality of empirical research that addresses the effect of gender targeting in CCT programs. The study consisted of a literature review on gender and social policies in order to answer the question: Does gender targeting in CCTs have an impact on the way that the resources are used? These results are important for the design of future programs: if the findings suggest that women are more likely to spend their cash transfer on their children, there is reason to support gender targeting in CCTs.

## 2) Methodology



## 3) Results

The literature review provided mixed results, many of the studies show that gender targeting in conditional cash transfer programs does have an impact on the way that money is spent—income spent by women is often spent on goods that benefit the children of the family, which is cause to support the targeting of women in CCTs. However, there are a number of limitations that come with each finding and many of these caveats weaken the validity of the evidence—these observations are discussed in the following paragraphs.

### Randomized Cash Transfer Programs

A number of studies included in the literature review were randomized cash transfer programs: these studies evaluated the effect of gender targeting by providing one group with a cash transfer and had another group as a control. Most of these studies were designed around two CCT programs based in Mexico called PROGRESA and PROCAMPO. PROGRESA provides conditional cash transfers to women while PROCAMPO provided transfers to males that are linked to agricultural production.

Two of these studies, Davis et al. (2002) and Gitter & Barham (2008), found that providing the economic resource transfer to the women had an impact on the way that the money was spent. For instance, PROGRESA increased expenditures on child education and clothing. However, the results of this study were largely attributed to the program effects and less accredited to targeting the transfer to women, which weakens the evidence in support of targeting women in CCT programs. Another study, Handa et al. (2002) that evaluated PROGRESA and PROCAMPO focused on food security; however the study could not separate income effects and substitution effects in their results.

Next, Rubalcava et al. (2009) evaluates the effect of PROGRESA by comparing a treatment and control group found in households with two parents, the share of expenditure on children's clothing increased and there was higher caloric intake and more income spent on livestock. This study suggests that PROGRESA increases the power of women who are better able to allocate their resources towards investment and their children.

Finally, a randomized controlled trial, Schady & Rosero (2008), found that income given to women was not spent the same as income given to men. The change in the food share was between 2.9 and 4.3 percentage points larger among those that received the transfer compared to those that didn't. Unfortunately, there was considerable contamination in this study in the participation randomization which limits the reliability of the evidence.

### Group Based Credit Programs and Women's Asset Holding

Doss (2005) found evidence to support that the share of assets owned by women in the household has an impact on expenditure decisions. For instance, the percentage of assets owned by rural women has a positive relationship with monthly food expenditures. Pitt & Khandker (1998) found that providing credit to women has a bigger influence on the outcomes such as assets and boy's and girl's education than providing the same credit to men.

### Natural Experiment

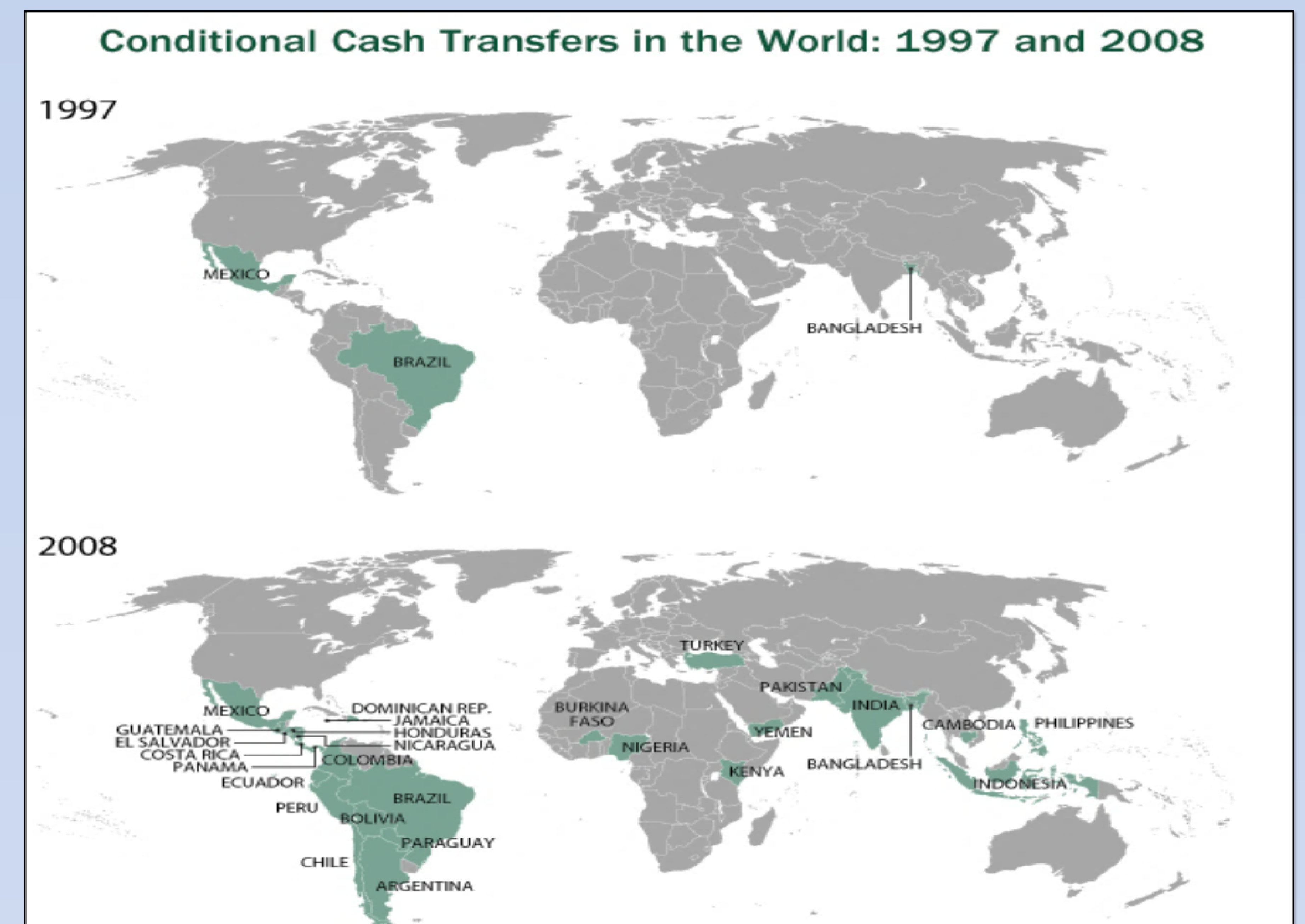
A natural experiment study by Duflo (2000) which observed the effect of an Old Age Pension transfer to women in South Africa, provided evidence to support that gender targeting in social welfare programs has significant effects on child health and nutrition. However, the limitations of the study include the omission of impacts from other potential programs which limits the validity of the results.

### Econometric Test on Correlations between Female Income and Child Outcomes

Hoddinott & Haddad (1995) demonstrated that the doubling proportion of income received by women would result in 1.9% increase in budget share for food within the household and 25% and 15.3% fall respectively for budget shares in alcohol and cigarettes.

### Systematic Review

Yoong et al. (2012) consisted of a Systematic Review that found that targeting transfers to women can improve children's well-being. The gender of the transfer recipient affects the outcomes of some programmes; in the context of CCTs targeting women appears to improve child nutrition and health. The limitations of this review include a number of methodological biases.



<http://siteresources.worldbank.org/INTCCT/Images/Conditional-Cash-Transfers-large.gif>

## 4) Conclusion

In conclusion, many of the results show that providing women the resource transfer will improve child well-being compared to men, but with a number of limitations and caveats. These results are important as CCTs have become a widespread tool for combatting poverty in developing countries. For instance, the graph depicted below shows the increase in CCT programs across the world between 1997 and 2008. By increasing the effectiveness of these programs, we are one step closer towards reaching the Millennium Development goal of eradicating extreme poverty by 2015. These results show that with a number of limitations, gender targeting in CCTs may help us reach that goal by supporting the development of children to break the cycle of poverty.

It is important to note that targeting CCTs towards women may be beneficial to the children, gender targeting will not be effective in all program designs and the type of transfer can have an important impact on the way that the money is spent. This means that CCT programs need to be designed carefully to be specific to the needs of each target population in order to achieve the programs' goals of fighting immediate poverty, and building human capital in the long run.

Finally, it is important to distinguish between causation and correlation in examining the impact of gender targeting in CCTs: the nature of this literature review was to look for correlations between transferring resources to women and household spending, but to get a deeper understanding of the issue one may want to consider why this could be the case: Are women more altruistic? Are they more future-oriented? These questions are items for further consideration.

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