

RESEARCH NEWSLETTER

Cash Transfer Programs | December 2019

FEATURE STORY



From left to right: Eeshani Kandpal, Aart Kraay, Roberta Gatti.

In Fighting Poverty, Cash Transfer Programs Should Be Wary of Negative Spillovers

Cash transfer programs can reduce poverty, increase school enrollment, and improve nutrition. However, these programs can also have spillover effects on non-beneficiary households. At a recent [Policy Research Talk](#), World Bank economist Eeshani Kandpal discussed the current evidence on cash transfers and illustrated how these programs can generate spillovers with an example from *Pantawid*, a conditional cash transfer program that benefits over four million Filipino households.

[Story](#) | [Video](#) | [Presentation](#) | [Working Paper](#)

RESEARCH HIGHLIGHTS

✓ [When the money runs out: Do cash transfers have sustained effects on human capital accumulation?](#)

Sarah Baird, Craig McIntosh, and Berk Özler, Journal of Development Economics 140: 169-185, 2019 | [Working Paper Version](#).

A two-year unconditional cash transfer program targeting adolescent girls and young women in Malawi reduced HIV prevalence, teen pregnancy, and early marriage during the program, but these gains evaporated two years after the transfers ended. At the five-year follow-up, children born to beneficiaries during the program had higher height-for-age z-scores, showing that income support can be important in the first 1,000 days to prevent stunting.

✓ [Cross-Region Transfers in a Monetary Union: Evidence from the US and Some Implications](#)

Steven Pennings, February 2019.

How do transfers to individuals in different regions affect local short-run economic growth? For the United States, estimates show significant positive local multipliers for federal transfers to individuals in different states. The persistence of the transfer is key, with larger transfer multipliers for permanent social security payments than for one-off fiscal stimulus payments.

✓ [Cash Transfers, Food Prices, and Nutrition Impacts on Nonbeneficiary Children](#)

[Deon Filmer](#), [Jed Friedman](#), [Eeshani Kandpal](#), and [Junko Onishi](#), *World Bank Policy Research Working Paper 8377*, March 2018.

A cash transfer program in remote villages in the Philippines increased the local price of foods relevant for child nutritional status, which lead to stunting in nonbeneficiary children. Both price and stunting effects increased with program saturation and persisted 2.5 years after program introduction. A hybrid of geographic targeting in remote areas and household targeting elsewhere may help avoid such long-lasting negative impacts at moderate additional cost..

✓ [Direct and Indirect Effects of Malawi's Public Works Program on Food Security](#)

[Kathleen Beegle](#), [Emanuela Galasso](#), and [Jessica Goldberg](#), *Journal of Development Economics* 128: 1-23, 2017 | [Working Paper Version](#).

This large-scale randomized control trial estimated the impact of a large-scale public works program in Malawi on food security and the use of fertilizer. There is no evidence that the program improves food security and suggestive evidence of negative spillovers to untreated households. The results hold even when varying the timing of the offer of work during the lean season or varying the frequency of payments.

✓ [A Conditional Cash Transfer Program in the Philippines Reduces Severe Stunting](#)

[Eeshani Kandpal](#), [Harold Alderman](#), [Jed Friedman](#), [Deon Filmer](#), [Junko Onishi](#), and [Jorge Avalos](#), *The Journal of Nutrition* 146 (9): 1793–1800, September 2016 | [Ungated Version](#).

An evaluation of the *Pantawid* program, a conditional cash transfer program started in 2008, shows that conditional cash transfers can significantly decrease severe stunting in children between 6 and 36 months of age, a particularly vulnerable time in child development. Increased egg and dairy consumption may have contributed to height for age gains, along with changes in parenting practices and care-seeking behavior.

✓ [Policy Research Talk: Should we just give people cash?](#)

[Berk Özler](#)

Social protection programs have been growing in number, type, and volume in developing countries over the last decade. At the same time, the expectations for social protection programs have grown from traditional concerns about protecting the poor from extreme deprivation to permanently promoting households out of poverty. The growing evidence on social protection programs points to potential improvements in their design and implementation.

[Story](#) | [Video](#) | [Presentation](#)

To access the latest Policy Research Working Papers, please click [here](#).

UPCOMING EVENTS

- **March 16–20, 2020:** [Land and Poverty Conference 2020 | Institutions for Equity and Resilience](#)

To see more events, please click [here](#).

ANNOUNCEMENTS

Launch of the Household Impacts of Tariffs (HIT) Simulation Tool

The Household Impacts of Tariffs (HIT) simulation tool enables users to simulate how changes in import tariffs impact the incomes of households across the income distribution. The website provides estimates of (i) price changes induced by tariff reforms and (ii) the resulting impact on the real income of households in different percentiles of the income distribution via their impact on (iii) the cost of consumption and (iv) their incomes using detailed data on households' income and consumption portfolios derived from representative household surveys harmonized with tariff data.

[Website](#) | [Working Paper](#) | [Basic Version of the Tool](#)

SOCIAL MEDIA

If it needs a power calculation, does it matter for poverty reduction?

[David McKenzie](#) on Twitter [@dmckenzie001](#)

My new short paper "If it needs a power calculation, does it matter for poverty reduction" is now up at World Development, free at this link <https://authors.elsevier.com/a/1aE3l6yxDAYR4>. It is part of the special issue discussing RCTs following the Nobel prize 1/13.

[Read the thread](#)

Holiday Reading 2019

[Pinelopi Goldberg](#) | *Let's Talk Development*, December 12, 2019.

Last year's suggested [Holiday Reading](#) was a great success, so here it goes again! The same qualifier applies: the selected readings reflect my own personal tastes rather than any specific external metric. The list is drawn from works published or accepted for publication in 2019. Happy holidays and happy reading!

[Read the blog](#)

How well are countries doing on universal health coverage? An assessment of 111 countries on UHC Day

[Adam Wagstaff](#) | *Let's Talk Development*, December 11, 2019.

December 12 each year is [Universal Health Coverage \(UHC\) Day](#). The tradition dates back to 2012 when the United Nations General Assembly unanimously endorsed a resolution urging countries to accelerate progress toward universal health coverage – the idea that everyone should get the health services they need, and that families who get needed services should not suffer undue financial hardship in the process. The theme of [this year's UHC Day](#) is "Keep the Promise". Which prompts the question: How well are countries doing in their efforts to achieve UHC? A paper by Sven Neelsen and me published in [Lancet Global Health \(LGH\)](#) today tries to answer exactly this question.

[Read the blog](#)

Market Discipline

[Deniz Anginer, Ata Can Bertay](#) | *All About Finance*, December 4, 2019.

This blog focuses the second chapter of The Global Financial Development Report 2019/2020. It has been more than ten years since the failure of Lehman Brothers in September 2008. The Global Financial Crisis (GFC), which followed, was one of the most damaging since the great depression. To avoid the collapse of the global financial system, governments worldwide have made

unprecedented interventions in the markets to rescue large financial institutions using public resources.

[Read the blog](#)

To read more of our blogs, see: [Let's Talk Development](#) | [Development Impact](#)

To read previous editions of the newsletter, see: [Research Newsletter Archive](#)

This newsletter is produced by the Development Research Group, part of the Development Economics Vice Presidency of the World Bank Group. To learn more about us, click [here](#).

Follow us on 
