

UNDP

*Novice
ECOSOC*



TOPICS: Economy of Cash Transfer Policies in Developing Countries

CHAIRS: Ryan James, Abigail Seo

LAIMUN XXVIII

December 3-4

LAIMUN XXVIII

Letter from the Secretariat

3

Introduction to the USG

4

Introduction to the Dais

5

Committee Description

7

Topic: Economy of Cash Transfer Policies in
Developing Countries

9

LAIMUN XXVIII

December 3-4

Letter from the Secretaries-General

Dear Delegates,

On behalf of our entire staff, it is our pleasure to welcome you to Session XXVIII of the Los Angeles Invitational Model United Nations (LAIMUN) conference. LAIMUN XXVIII will take place on Saturday, December 3 and Sunday, December 4 of 2022 at the Mira Costa High School (MCHS) campus.

Our staff, composed of over 100 MCHS students, has been working tirelessly to make your debate experience the best it can be. You will find your dais members to be knowledgeable about the issues being debated and MUN procedure. We pride ourselves in hosting a conference that is educational and engaging, and we hope you take advantage of that as you prepare and debate.

At LAIMUN, we value thorough research and preparation. We ask that delegates write position papers following [these directions](#). The deadline to submit position papers to be considered for Committee and Research Awards is Friday, November 25 at 11:59 PM PT. The deadline to submit to be considered for Committee Awards is Thursday, December 1 at 11:59 PM PT.

We also encourage all delegates to read the [LAIMUN Rules of Procedure](#) for conference-specific information and as a reminder of points and motions that can be made during committee.

Feel free to reach out to our staff with any questions or concerns you may have. Delegates can find their chairs' contact information next to their committee profile and the Secretariat's email addresses on the staff page. Any member of the LAIMUN staff will be happy to assist you.

We look forward to seeing you in December!

Sincerely,

Allyssa Lessinger and Brady Stephens
Secretaries-General, LAIMUN XXVIII
secretarygeneral@mchsmun.org



Introduction to the USG

Hello Delegates! My name is Ava Reyes and I am the Under-Secretary General of ECOSOC. This is my fourth year in the Mira Costa Model UN program and I am beyond thrilled to welcome you to LAIMUN XXVIII!

I'm so excited to see the various diplomatic strategies of debate and topical discussions concerning the very real and pressing issues we encounter on a global scale. Our chairs intend to hold the delegates to high standards of research, diplomacy, speeches, and solutions.

As you may know, we have a strict no pre-written resolutions policy—resolutions may only be worked on at your chair's discretion. Please verify that your work is authentic to ensure all delegates experience a fair and relatively accurate depiction of a United Nations conference.

The Mira Costa Model UN program has provided me with incredible opportunities and lasting memories; I hope that LAIMUN XXVIII will be a memorable experience for you as well! Mira Costa MUN strives to ensure that delegates gain knowledge, confidence, speaking skills, and most importantly, a new understanding of international relations and the current events around us that affect the way we live today. All LAIMUN XXVIII staff have been hard at work to provide the best experience for everyone in attendance and we wish you the best of luck throughout your preparation!

If you have any questions or concerns, please don't hesitate to reach out to ecosoc@mchsmun.org or any other secretariat member. Looking forward to seeing you in December!

Regards,

Allyssa Lessinger and Brady Stephens
Secretaries-General

Ava Reyes
Under-Secretary General

Introduction to the Dias

Hi Delegates,

My name is Ryan James and I will be one of your co-chairs for the UNDP Novice committee. I am currently a Sophomore and this is my second year being involved in Mira Costa MUN and this will be my second time chairing at the LAIMUN conference. I had a lot of fun chairing last year and I look forward to seeing what all of you are capable of doing in debate!

Outside of MUN, I run cross country for Mira Costa and I also enjoy playing soccer. Anyone who runs knows that it is a long process of needing to stay consistent and show up day in and day out to get better and I try to take those qualities into MUN. I am also a part of the Amigos Unidos volunteer group and my favorite organization to work with is the Friendship Foundation. Currently, I am involved in the Teen Advisory Board for the Friendship Foundation in an attempt to raise as much money as possible for the kids helped by Friendship Foundation. In my free time I like listening to music and hanging out with friends.

When making solutions make sure to branch out of the regular and think outside the box. You have prepared adequately for this debate, make sure to portray that in your voice. Bring lots of energy and have fun, we are not there to bring you down, we want you to have the best experience possible and get better at MUN along the way! If you have any concerns you can always reach out to us undp.nov.laimun.xxviii@gmail.com!

Best Regards,

Ryan James

Hello delegates! My name is Abigail Seo, and I am one of your chairs for UNDP Novice. I am a junior at Costa and have been in the MUN program since freshman year. I have debated in many local conferences, and last year, I had the opportunity to debate at NHSMUN. I really look forward to seeing everyone and which solutions you can collaborate on with this topic!

Outside of MUN, I am a part of mock trial and Odyssey of the Mind, and my team has gone to world championships every year, winning first place two years in a row! I also play the violin in Costa's Symphony and Chamber Orchestras. Additionally, I am a counselor for the California Youth Crisisline, a member of the California Youth Think Tank, as well as a student ambassador for our district's financial foundation. In my spare time, I love to read, listen to/play music, sing, and enjoy anything outdoorsy – running, hiking, etc. I like to hang out with my friends and go to amusement parks, and I absolutely love to travel.

In UNDP, we would like to see a diverse range of solutions and debate on subtopics, as we tried to pick on economically focused topics that connect with our world today. We thought delving into the complexities of cash transfer policies would be interesting, considering there are a lot of developing countries that are overly dependent on this method, as well as discussions on new ideas and collaboration towards creative solutions. If you have any questions, feel free to reach out to us undp.nov.laimun.xxviii@gmail.com.

Sincerely,

Abigail Seo

Committee Description

The United Nations Development Programme was formed in 1965, its main objectives being to provide assistance to countries battling poverty in order to eradicate it as well as enhance the quality of life for all people on a global scale through sustainable development.¹ The UNDP created something called the UNDP's Strategic Plan (2018-2021) which aims to be properly reactive to all 170 nations that they currently provide aid towards, taking into account the many diverse issues each country in particular faces. These many varying problems have been condensed into three broad categories: "eradicating poverty; structural transformations; and building resilience".² To properly combat these challenges, the UNDP has also created what are known as the Six Signature Solutions, shifting the focus primarily towards poverty reduction and preventative measures; governance to improve the exclusive and unjust societies; resilience that will help in avoiding problematic situations, such as a variety of crises; combating environmental struggles; providing access to energy that is both clean and affordable; and limiting gender inequality overall.

In 2015, all members of the United Nations accepted the 17 Sustainable Development Goals, in doing so agreeing to try and reach the best possible version of this planet through the furthest implementation of these goals possible by the year 2030. The UNDP is best fitted for providing help to countries struggling to meet the necessary quotas for these goals, implementing

¹ <https://www.britannica.com/topic/United-Nations-Development-Programme>.

² <https://www.undp.org/content/undp/en/home/our-focus.html>.

said goals through their work on a global scale through what are called integrated solutions as they work to integrate these SDGs into the struggling countries' societies. The UNDP plans on partnering- as they have proven they are able to do- with governments, citizens, private sectors, and any other necessary components in order to make these optimistic goals a reality.

Furthermore, the UNDP provides aid in the form of five-year country programs. In these programs, countries are funded in order to establish projects aimed at attracting investment capital, training skilled employees, and implementing modern technologies. In addition to funding, the UNDP also mobilizes experts to these countries in order to increase good governance- by building legal frameworks that are viable, responsive, and open to public opinion. Recent UNDP initiatives have focused on eradicating poverty, strategic development on hindering the spread of viruses such as Covid-19 and AIDS, and by promoting sustainable and environmentally positive economic policies- especially in developing nations. A byproduct of these goals include the expansion of communication and infrastructure development in a sustainable way.

Overall, the UNDP wishes to advance their global sustainable agenda. Through a combined effort from partners within the UN network, the UNDP will continue to conquer the economic gap and gross divide of inequality found in certain nations. Some of the programs the UNDP works with includes the UN Sustainable Development Group, DESA, FAO, UNHCR, UN Women, and a plethora of other organizations. Through this strong network of UN partners, the UNDP has been able to leave a noticeable impact in the over 120 countries they have worked with.

Topic: Economy of Cash Transfer Policies in Developing Countries

I. Background

Cash Transfer (CT) programs are meant to be social protection programs that provide vulnerable families with regular cash payments to mitigate poverty in less developed countries. CT policies began its popularity in Latin America during the 1990's, but CT programs are still arising in places today.³ CT programs have been proven to lower the prevalence of growth stunting and obesity in children, along with better performance on a scale of motor development, three scales of cognitive development, and receptive language. While CTs sound like a great idea to attempt to get rid of poverty, conditional cash transfers (CCT) are a form of CT where the person receiving the money has to meet certain requirements in order to receive the money. These CCTs are mainly targeted at families, which require parents to meet conditions like improving their children's health and sending their children to school in order to receive the money. The principle behind this thinking is that families should have to somewhat invest in society before any money is sent to them,⁴ but many families don't have the means to do this before they get the CTs, creating a vicious cycle of families living in poverty while not receiving the help they need. Because of the lack of awareness surrounding CTs, many families with limited resources won't participate because they don't realize the benefits CTs would provide.

³ *The Political Economy of Cash Transfers - Idos-Research.de.*
https://www.idos-research.de/uploads/media/DP_6.2016.pdf.

⁴ Fernald, Lia C H, et al. "Role of Cash in Conditional Cash Transfer Programmes for Child Health, Growth, and Development: An Analysis of Mexico's Oportunidades." *Lancet (London, England)*, U.S. National Library of Medicine, 8 Mar. 2008, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2779574/>.

Between 2000 and 2009, there were more than 120 CT programs implemented in sub-Saharan Africa with each having varying objectives, scale and conditions. Many of these CTs were made unconditional (UCT) in sub-Saharan Africa meaning that there aren't any particular requirements that beneficiaries must meet. While this is advantageous because it means a larger pool of people will be able to receive monetary assistance, these CTs tend to deliver short-term solutions rather than long term ones. These CT programs see the overwhelming amount of poverty in sub-Saharan Africa and realize that UCTs would be better suited to help the overall population. While UCTs may be the better option in extremely impoverished societies, CCTs are seen as good social protection strategies in many countries. This is because they combine the goal to reduce current poverty with a goal to invest in human capital accumulation, which will be beneficial down the line. Along with redistributing income to the poor, CCTs have had significant impacts on increasing school participation, reducing child labor, and improving the use of health and nutrition services amongst mothers and children.

Though most recent studies have seen the effects of CCTs as positive there is still a lot of skepticism around how much they really help in the long term. Prior evidence regarding the final impacts of CCTs on nutrition, learning, and female labor force participation has been mixed. Due to the fact that CCTs deny money to those who fail to satisfy the conditions, they can undermine the social protection value of the transfers by giving certain people an advantage over others. Many believe even the best CCT programs should be accompanied by social protection policies; many programs, however, lack the appropriate measures necessary to preserve social safety—further causing opportunity gaps to arise. On the other hand, currently UCTs are

becoming increasingly popular in especially low-income settings where conditions are harder to implement.⁵ UCT programs generally provide small, yet consistent cash payments to poor households which have been shown to cause improvements in areas such as per capita consumption, savings, nutrition, mental health, teen pregnancies, child marriages, and intimate partner violence. CCTs have been proven to increase schooling more effectively than UCTs but they are risky. If done wrong child labor may increase in order for families to support additional education costs.⁶ UCTs have been found to increase income, improve psychological wellbeing, and women empowerment for extremely low-income families better than CCTs because there are no strings attached.⁷ UCTs are a great social protection tool against shocks such as climate change and Covid-19 due to the fact that UCTs can be rapidly scaled to broaden coverage and/or increase the transfer amount to existing beneficiaries. Unfortunately, UCTs face many of the same problems as CCTs, being that there is little evidence showing that UCTs will be very beneficial in the long run. All CT programs—especially CCT programs—run the risk of increasing negative effects such as malnutrition among non-beneficiary people because of inflation. This inflation is a result of an influx of cash in a society caused by the cash transfers. A recent paper on the Give Directly CT program in Kenya found that CTs helped stimulate the local economy but research on Malawi’s Social Action Fund has found evidence of increased

⁵ “What Have We Learned about Cash Transfers?” *World Bank Blogs*, <https://blogs.worldbank.org/impactevaluations/what-have-we-learned-about-cash-transfers>.

⁶ Rosati, Furio C. “Can Cash Transfers Reduce Child Labor?” *IZA World of Labor*, Furio C. Rosati, 9 Feb. 2022, <https://wol.iza.org/articles/can-cash-transfers-reduce-child-labor/long>.

⁷ Egger, Dennis. “The Impact of Unconditional Cash Transfers on General Welfare in Kenya.” *Innovations for Poverty Action*, Dennis Egger, 29 Jan. 2020, <https://www.poverty-action.org/study/impact-unconditional-cash-transfers-general-welfare-kenya>.

food insecurity among non-beneficiaries.⁸ Researchers used a variety of survey measures to assess households' food security; according to all eight measures and a summary index that combine them, the program did not improve food security.⁹ This shows that CCTs are very place dependent, because these two programs were both doing very similar work, but it had completely different effects on non-beneficiaries.

Throughout most of history, UCTs and CCTs have been seen as separate programs, but more recent evidence has shown that the two can potentially be combined in one area. Using this logic, UCTs would serve as a safety net for everyone,, while CCTs are only given out to select people to achieve desired investments in human capital. Seeing as this is still a new idea the potential negative outcomes are still very unknown, making it risky to invest heavily in. Along with this new idea is yet another new approach where these CT programs target underprivileged and support them in a multitude of different ways. Some different methods of support are cash and asset transfers and complementary interventions addressing multiple market failures these people may face. A typical program would provide a one-off transfer of a productive asset, or give a lump-sum cash grant, small regular cash transfers, training to acquire skills in order to succeed in an income generating activity, and psychosocial support. Recent studies show that this plan can be sustained long term and perhaps even grow, which is better than current studies for

⁸ World Bank Group. "In Fighting Poverty, Cash Transfer Programs Should Be Wary of Negative Spillovers." *World Bank*, World Bank Group, 27 Dec. 2019, <https://www.worldbank.org/en/news/feature/2019/12/27/cash-transfer-programs-should-be-wary-of-negative-spillovers>.

⁹ "Direct and Indirect Effects of Malawi's Public Works Program on Food Security: The Abdul Latif Jameel Poverty Action Lab." *The Abdul Latif Jameel Poverty Action Lab (J-PAL)*, <https://www.povertyactionlab.org/evaluation/direct-and-indirect-effects-malawis-public-works-program-food-security?lang=es>.

CCT and UCT programs have been showing regarding longevity. Just like CCTs and UCTs this plan also has its drawbacks, being that it is much more expensive per capita than CCT and UCT programs, seeing as each person will be provided with the previously mentioned services for one-two years. It is clear that the perfect way of doing cash transfers has not been figured out but it is obvious that CT programs have good intentions at heart, simply trying to reduce world poverty.

In the meantime, Covid-19 has caused a major need for CT programs and many countries have answered the call. In 2020, worldwide CT benefits nearly doubled, with 214 countries and territories planning or implementing over 400 cash transfer programs in response to the pandemic.¹⁰ Back when Guinea was suffering from an Ebola outbreak similar to Covid, CTs increased school enrollment by more than 11 percent in which girls and boys equally benefited.¹¹ CTs have been successful in countering disease outbreaks in the past and are now being used to counter Covid-19. Another form of CT which is increasing in popularity due to Covid is a universal basic income (UBI). This is “a UCT which is large enough to meet individuals’ basic needs and is delivered to everyone within a community.” It is not a new idea but Covid-19 has caused UBI programs to gain traction in many countries including Finland, India, and the United States. UBI programs target individuals rather than households which makes them very complex

¹⁰ Matin, Imran, and Dr. Imran Matin is currently the executive director of BIGD (BRAC Institute of Governance and Development) which is a research and post-graduate education institute at BRAC University. BIGD focuses on generating high-quality evidence and insights based on. “What 'Cash plus' Programs Teach Us about Fighting Extreme Poverty (SSIR).” *Cash Transfers Aren't Enough: The Lessons of 'Cash Plus' Programs for Fighting Extreme Poverty*,

https://ssir.org/articles/entry/what_cash_plus_programs_teach_us_about_fighting_extreme_poverty.

¹¹ “Can Cash Transfers Mitigate the Effect of Pandemics? Lessons Learned from Ebola in Guinea.” *World Bank Blogs*, <https://blogs.worldbank.org/developmenttalk/can-cash-transfers-mitigate-effect-pandemics-lessons-learned-ebola-guinea>.

because poor individuals often live in non-poor households. A UBI can help individuals recover from the unexpected shocks caused by Covid-19. When Covid hit Kenya, they quickly established a UBI and it was found that the UBI improved households' food security and mental health during the pandemic.¹² It is clear that CTs have had a positive effect regarding the pandemic and the amount of CT programs has been rapidly increasing ever since the start of the pandemic.

II. United Nations Involvement

The UN has been using CTs in various committees including UNHCR, UNICEF, and the UN General Assembly to provide underdeveloped countries with monetary aid to stimulate economic growth.. The UNHCR recognizes that people are forced to leave their homes with the bare essentials. In an effort to protect these communities, the UNHCR implemented cash-based interventions. While utilizing CCT and UCT policies, the UNHCR has additionally performed cash-based interventions using vouchers and microcredit. These CTs make people less likely to resort to harmful coping strategies such as child labor, family separation or forced marriage.¹³ These types of programs can only be successful in places with a stable market and a way to provide vulnerable people with cash or vouchers.

Recently, UNICEF established a CT program in Yemen to reach nearly one third of the population and in 2018 this project benefited more than 1.4 million families, which is nearly 9

¹² Suri, Tavneet. "How a Universal Basic Income Helped Kenyans Fight COVID: By Tavneet Suri & Nidhi Parekh." *Project Syndicate*, 4 Aug. 2022, <https://www.project-syndicate.org/commentary/how-universal-basic-income-helped-kenyans-fight-covid-by-tavneet-suri-and-nidhi-parekh-1-2022-07>.

¹³ United Nations High Commissioner for Refugees. "Cash-Based Interventions." *UNHCR*, UNHCR, The UN Refugee Agency, <https://www.unhcr.org/en-us/cash-based-interventions.html>.

million Yemenis. UNICEF has mainly been prioritizing aid deliverance in Yemen, especially in terms of implementing CT programs.¹⁴ UNICEF operates more than 1,000 payment sites across Yemen in which they have found that families spend the cash quickly to address immediate needs. The issue with this is that since the citizens have to spend the money so fast very little money is going into helping their society long term. For example, one benefit organizations look for when analyzing CTs is an increase in education. In Central American countries CTs have had a much more substantial impact on education¹⁵ when compared to Yemen. This is because more of the money is going back into the economy rather than being spent immediately just to support life. The beneficiaries of the program are people who were previously served by the Yemen Social Welfare Fund; so the project is helping to preserve the country's social protection system and support families who were already identified as extremely vulnerable before the war. The problem is that many new people have become extremely vulnerable since the start of the war and this project doesn't do anything to help these people. Since 2015, less than half of health facilities are functioning within Yemen and many that are functioning lack basic equipment. Nearly 24 million people are in need of assistance¹⁶ and this CT program doesn't have the resources to help anywhere near this many people. UNICEF is hoping to help achieve the first sustainable development goal of no poverty by establishing this program but it is not reaching the majority of the population.

¹⁴ Elayah, Moosa, et al. "From Food to Cash Assistance: Rethinking Humanitarian Aid in Yemen - Journal of International Humanitarian Action." *SpringerOpen*, Springer International Publishing, 23 Apr. 2022, <https://jhumanitarianaction.springeropen.com/articles/10.1186/s41018-022-00119-w>.

¹⁵ "Long-Term Impacts of Cash Transfer Programs: What Does the Evidence Say?" *Evans School of Public Policy and Governance*, <https://epar.evans.uw.edu/blog/long-term-impacts-cash-transfer-programs-what-does-evidence-say>.

¹⁶ "Yemen Crisis." *UNICEF*, 2 Aug. 2022, <https://www.unicef.org/emergencies/yemen-crisis>.

The UN is working to facilitate remittances worldwide and over the past century IFAD has invested in over 40 countries, supporting more than 60 projects aimed at leveraging the development impact of remittances. In December 2018, the UN General Assembly adopted *The Global Compact for Migration* and through remittances and CT investments this has contributed to development regarding migrants.¹⁷ In 2014 the UNSDG passed the *Harmonized Approach to Cash Transfers Framework* which has helped establish common principles regarding CT programs across the world.¹⁸ The UN has not been able to solve the issue of CTs because not much of this money is being used for the long term by the people who receive it. CCT programs that are not associated with improvements in the supply side of education and health services will impose unfair conditions on beneficiaries. There are a lot of negative side effects associated with CT programs that can't be controlled such as the impact on non-beneficiaries, but the UN has been smart in using remittances to help in addition to CT programs. In conclusion, the UN has set up CT programs to help those in need, it is working to use remittances along with CT programs to help people, and the UN has set up the framework that has been used by CT programs around the world.

III. Topics to Consider

A. Conditionality in Cash Transfers

¹⁷ “Governments Adopt UN Global Migration Pact to Help 'Prevent Suffering and Chaos' || UN News.” *United Nations*, United Nations, <https://news.un.org/en/story/2018/12/1028041>.

¹⁸ “UNSDG | Harmonized Approach to Cash Transfers Framework.” *United Nations*, United Nations, <https://unsdg.un.org/resources/harmonized-approach-cash-transfers-framework>.

¹⁹Conditional cash transfers provide monetary transfers to families who are in need of money. Typically, the money is invested in the education and health of their children. On the other hand, unconditional cash transfers are those that are given to beneficiaries without any specific responsibilities or requirements beyond the fact that they are eligible to receive. The issue of conditionality has generated much debate in economic policies and the design of cash transfer programs. It is argued that conditionality helps overcome situations where families do not have a full grasp of the benefits of conditional cash transfers. An example of this are the returns of education, giving aid to those in charge of households who lack information regarding investments, and reinforcing positive behavior, such as overcoming existing gender norms. However, from a human rights perspective, it is argued that individuals have a right to social protection that is not conditional on their actions, causing further debate on how conditionality undermines principles of human equity. Additionally, conditionality can decrease poor families' abilities to choose the most appropriate investments, assuming they are not capable of wise decisions. Conditional cash transfer programs also differ in whether the conditionality is used as a source of enforcing policies or a strategy to point out where households need economic support.

B. Addressing Health Risks Concerning Cash Transfer

Cash transfer programs have grown increasingly well-known and used in many countries, serving as interventions to target a wide range of health issues in many diverse environments. Although cash transfer programs help reduce poverty and improve lifestyle, they do not

¹⁹ "In Fighting Poverty, Cash Transfer Programs Should Be Wary of Negative Spillovers", World Bank Group, 27 Dec. 2019

accommodate for improving mental health. A systematic review researching Pubmed, EBSCOhost, and multiple other sources assessed the effectiveness of cash transfers to improve the mental health of young adults in developing and less developed nations. A design that incorporated a control group was utilized, extracting ²⁰Cohen's effects-model for the meta-analysis on studies researching symptoms related to depression. The conclusion was that cash transfers may have positive effects on some mental health risks for children, with no negative effects identified. Although the promise of using cash transfers to incentivize health benefits and improve family life, other experiments have yielded varying results, highlighting gaps in our understanding on how cash transfers can sustain an individual's well-being.

Health is also viewed as one key area of UNDP and crucial to economic development of cash transfers in developing countries. Good health can make significant contributions to achieving gender equality and empowering women in nations that hold traditional customs. It also makes justice more accessible, strives to end poverty, and mitigates malnutrition. In countries where political turmoil resides, strong and sturdy health programs are used as an approach to ensure that the most vulnerable groups are reached. UNDP continues to work with governments to help focus on geo²¹graphic areas where epidemics are occurring and public health is a big concern.

C. Eradicating Poverty

²⁰ "How Should We Design Cash Transfer Programs?", World Bank Blogs, <https://blogs.worldbank.org/developmenttalk/how-should-we-design-cash-transfer-programs>.

²¹ "Conditionality in Cash Transfers", UNICEF Eastern Caribbean, 1 Apr. 2016, <https://www.unicef.org/easterncaribbean/reports/conditionality-cash-transfers>

During the designing stage of cash transfer programs, something that can help head them off before they go through is the anticipation of potential negative spillovers in economic policies. These programs can have a wide array of impacts not only on families who receive investments, but also on surrounding communities where these households reside. Eeshani Kandpal, an economist at the World Bank, says that the “research community has accumulated much evidence about CCTs benefits in fighting poverty and malnutrition.” Furthermore, a recent paper on the Give Directly cash transfer program based in Kenya found that cash transfers aid in stimulating local economic activity. Kandpal’s own research shows that if CCTs channel a significant amount of money into a small and isolated village economy, local commodity prices may increase. CCTs have also been shown to be influential in the redistribution of income to the poor. Impacts on eradicating poverty, increasing school participation, and improving the usage of health and nutrition services among mothers and their children have been seen well throughout the implementation of these programs. Moreover, economic inclusion programs can help build on cash transfers in order to achieve sustainability of the reduction of poverty. Just this decade, another approach has emerged: targeting the poor by supporting them with interventions that include asset transfers, along with a list of complementary ones, such as addressing the economic market failures that they face.

D. Covid-19

In previous responses to past crises, economic policy and social protection responses regarding cash transfers had wide-ranging negative socio-economic impacts on families and especially their children. Public policy responses were limited compared to policy responses to

previous economic crises that rose from pandemics and outbreaks. These past two years, protecting the vulnerable during the ²²Covid-19 crisis has been of crucial effect, and work arrangement flexibility has increased along with cash-transfer schemes. For instance, Ecuador took action to protect vulnerable parts of its population from the impacts of the pandemic by utilizing well-targeted social programs with the purpose of reaching up to one million households. The universal aspect of basic income policy distinguishes it from other cash transfer programs, especially prior to and during the pandemic. This policy has been viewed as the most equitable form of economic policy.

IV. Case Study

A key country that exemplifies the dilemma regarding cash transfers is the Philippines. A CCT program by the name of Pantawid was established in 2008. Its' sole purpose was to prevent poverty with the use of cash transfers. An evaluation carried out in 2013 showed an increase in school attendance as well as focusing on combating school attendance and healthcare. The topics focused on more specifically were maternal and child healthcare. Studies showed a decrease in child stunting cases by 40%. Furthermore, the negative spillover effect observed on non-participating family members with incomes greater than the limit needed for participation was evaluated. In the Philippines alone, child growth stunting increased by 34%.

Spillover effects were found to be more severe in rural and isolated towns with high rates of poverty. An inflow of cash made prices increase in necessary nutrients and proteins, making

²² “Cash Transfers and Covid-19”, The Transfer Project, <https://transfer.cpc.unc.edu/themes/cash-transfers-and-covid-19/>.

them too expensive for non-participant households. However, a case like this is rare, and is only observed in 4% of Philippine families.

In order to address the Covid-19 pandemic, the Social Amelioration Program (SAP) was created to reduce economic instability. SAP is a digital cash transfer program created by the Philippines department of social welfare and development (DSWD) during the pandemic. The program was assisted with two phases: part one included \$100-160 U.S. per household to 18 million families by using physical cash. On the other hand, part two included \$100-160 U.S. per household to 14 million families but using digital cash instead. On top of that, they used financial service providers (FSP) and targeted households still on lockdown by transferring money to mobile bank accounts. Additionally, the ²³Financial Management Service (FMS) and the Information and Communication Technology Management Service (ICTMS) used information technology to create a survey and found out that many people had a small amount of knowledge and awareness about cash transfers and where they came from.

An impact evaluation conducted in 2012 found Philippines conditional cash transfer program to hold three key objectives: keep children in school, keep children healthy, and invest in the future of children. Although they were based more towards the younger generation, through the young adults, their goal was to reach the kids' household as an entirety. It reflected the government's commitment to promoting inclusive growth in their society. This would be carried out by investing in human capital to improve education and health outcomes. The program was also founded on the fact that poverty is multidimensional, and there are many

²³ "Cash-Based Interventions", UNHCR, The UN Refugee Agency, <https://www.unhcr.org/en-us/cash-based-interventions.html>

outside factors that essentially lead to it. The major analytical strategies that Pantawid Pamilya used were randomized control trial (RCT) and regression discontinuity design. RCT compared randomly assigned trial areas and non-program locations to assess impacts that the Philippines program had had on other nations and geographic areas. On the other hand, regression discontinuity design compared the outcomes of poor households who received the program with other similar families just on the brink of destitution.

It was also noted that although 2 ½ years of program implementation was generally considered enough time to observe impacts on short-term outcomes. However, it was not long enough to evaluate and analyze impacts on long-term outcome measures.

V. Guiding Questions

1. How can cash transfers be used without negative spillover?
2. How can you prevent cash transfers from raising the prices of certain goods, such as food?
3. Where are you going to incorporate CCTs and UCTs? Why would you incorporate a certain type in that area?
4. What organization will be helping your country?
5. How will countries oversee distribution strategies and monitoring systems, as CTs often don't go to small businesses or families/people that need them?

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