

Gender Effects of Conditional Cash Programs: The Case of Mexico



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Introduction



- Conditional cash transfer (CCT) programs over the past 15 years have become a main strategy for poverty alleviation in developing countries.
 - Very prevalent across Latin America and have spread to other areas of the developing world including Africa and Asia.
 - Over 60 countries with CCTs around the world.
- Innovation of CCTs: introduced the notion of conditioning monetary transfers to the poor to their investment in human capital.
 - ✦ Schooling and health.

Why condition?



- Dual objectives:
 - ✦ Alleviating **current poverty**.
 - ✦ Alleviating **future poverty** through increasing human capital of next generation.
 - Reduce transmission of poverty across generations.

CCTs in 2008



Since 2008, another 34 countries have adapted CCT programs

Program description



- Principal anti-poverty program in Mexico.
- Began in 1997 in rural areas and extended to urban areas in 2001. 6 million beneficiary HH.
 - Still primarily a rural program.
- Transfers conditional to human capital investment:
 - Enrollment and 85% school attendance monthly.
 - Calendar of preventative health visits to local health facility varies by age and gender.
- Average transfer: 40US monthly
- One of the first large social programs in Mexico to survive changes in administration.

Major focus of program on gender



- Education transfers linked to enrollment higher for girls than boys at the junior high school and high school level.
- Transfers given directly to the **mom** of the household (motivated by literature showing money in hands of women benefits kids more than money in the hands of men).
- Pre-natal and post-natal care important components of health benefits.

Monthly benefits (\$US)



Grade	Boys	Girls
Primary		
3rd year	10	10
4th year	12	12
5th year	15	15
6th year	20	20
Secondary		
1st year	30	32
2nd year	31	35
3rd year	33	38
High School		
1st year	51	58
2nd year	55	62
3rd year	58	65

Fixed monthly nutrition grant per household=US16

Maximum monthly benefit per household w/o kids in HS=US\$100

Maximum monthly benefit per household w/ kids in HS=\$US170

Evaluation of Progresa/Oportunidades

- **Pioneer** in social policy evaluation in developing countries.
- Randomized trial carried out to evaluate the program (predates JPAL).
 - 1997: Random assignment of 506 rural communities in 7 Mexican states to treatment and control.
 - Follow up interviews.
 - Well-known academics and IFPRI hired to carry out evaluations.
 - Evaluations and data made public.
- ✦ Program scaled up based on the positive initial evaluation results.

Evaluation (cont)



- Initial randomized design and access to Program databases have led to large number of academic publications (over 100) on impacts.
 - Top academic journals (including economics, health, political science, public administration).
 - Progresa/Oportunidades one of most studied social programs around the world.

After more than 15 years, what do we know about its effects and in particular impacts related to gender?

Impact studies of Progres/Oportunidades



Poverty impacts:

Initial impact

Medium term impacts

In the next generation

- Education
- Health

Other impacts:

Demography and women's status

Negative effects

Initial income poverty?



- **Not obvious: poverty might not have changed if:**
 - Adults stop working.
 - Children stop working.
 - Families stop receiving income transfers from relatives in the US.

Skoufias and DiMaro (2006)

- ✦ No reductions in work effort of adults, both men and women.
- ✦ Proportion in income poverty falls 11% with the program and severity of poverty falls by almost 30%.

Are households better off permanently in terms of income?



Gertler, Martinez and Rubio-Codina, 2012

- ✦ Beneficiary household invest 25 cents of every peso received in agricultural investments.
- ✦ After 6 years of receiving benefits, income is 22% permanently higher than it would have been without the Program.
- ✦ “...these increases in standard of living should be sustained even if the households stop receiving Program transfers at some point”

And the next generation?



✦ Education impacts:

- Medium term effects: youth beneficiaries in rural areas achieved **an additional grade of schooling** compared with non-beneficiaries. (Behrman, Parker and Todd 2011).
 - Increase of about 15% in completed schooling.
 - Very similar impacts for boys as girls despite higher education grants for girls.

What about health?



- Infants born into the program have **higher birthweight** (125 grams) than control infants (Barber and Gertler, 2008).
- Positive effects of **1-2 cm on child height** (Riviera et al., 2004; Behrman and Hoddinott, 2005).
- Reduction of **3 to 5% in elderly mortality rates** for both men and women (Barham and Rowberry, 2013).

Gender and demography effects



Improvements in decision making power of women in HH (Lechene and Attanasio 2002).

More women report controlling household expenditures and more freedom in mobility.

Reductions in physical violence 5-7%, but possible increase in emotional violence (Bobonis et al. 2013).

Increases in marriage and divorce of adult women (Bobonis 2011)

No effects on fertility (Stecklov et al.; Todd and Wolpin 2006).

Negative effects?



- Effects on obesity? (already very high obesity rates in Mexico).
 - Fernald, Gertler and Xu (2008) suggest higher transfers promote higher BMI, higher blood pressure, and a higher probability of being overweight for adults.
 - Effects not disaggregated by gender
 - ✦ Overall obesity higher for women in Mexico

Conclusions



- **Progresas/Oportunidades pioneering program and evaluation.**
 - Evidence suggests an anti-poverty program that alleviates current poverty, may reduce future poverty and creates relatively few negative incentive effects along the way.
- **Gender: similar effects on work, education, health and income.**
 - Improvements on female decision making in the household, initial evidence on reductions in physical violence and increases in both marriage and divorce suggest the program may improve women's status overall by providing a stable source of own income.