



Lund University
Department of Sociology
BIDS

Choices for everyone?

- A Critical Analysis on Conditionality in Cash Transfers

Author: Tove Thunander

Bachelor Thesis: UTVK03, 15 hp

Spring Term 2012

Supervisor: Axel Fredholm

Abstract

Author: Tove Thunander

Title: Choices for everyone? A critical analysis on conditionality in cash transfers.

Bachelor Thesis: UTVK03, 15 hp

Supervisor: Axel Fredholm

Department of Sociology / BIDS ST 12

This thesis critically analyzes the aspects of conditionality in cash transfers. The analysis is based on a research overview that brings up important aspects that relate to the discussion on conditionality in cash transfer programs, and a theoretical framework consisting of two contrasting theories; paternalism and the capabilities approach which represents two ends in how poor people should be perceived and how development should be carried out. Part of the analysis places conditional cash transfers (CCTs) within the bigger picture of development thinking today.

The thesis concludes that there is a need to accurately examine whether unconditional cash transfers (UCTs) is an alternative to CCTs in order for us to go beyond political standpoints in this discussion and instead be able to lean against adequate research. There is also a great need to get a deeper understanding about the realities and priorities of the poor.

Keywords: Conditional cash transfers, Conditionality, the World Bank, Capabilities approach, Paternalism, Development thinking

Table of Contents

1 Introduction.....	1
1.1 Introduction to the area of research.....	1
1.2 Aim of the thesis.....	2
1.3 Limitations.....	3
1.4 Methods.....	3
1.5 Definition of conditionality.....	3
1.6 Disposition.....	4
2 Theoretical framework.....	4
3 Research Overview.....	7
3.1 Efficiency and equity.....	7
3.2 Political efficiency.....	7
3.3 Supply and demand-side of services.....	9
3.4 Shortcomings.....	10
3.5 “To condition or not condition”.....	13
3.6 Cash or condition.....	16
3.7 Outcomes.....	17
4 Analysis.....	18
4.1 Where are we today?.....	18
4.2 Realities and priorities.....	19
4.3 Different views.....	20
4.4 Responsibilities.....	21
5. Conclusion.....	23
References.....	26

1. Introduction

1.1 Introduction to the area of research

The use of conditional cash transfers (CCTs) as means of combating poverty has increased considerably the past decade (Das et al 2005:57). CCTs are safety net programs that transfer cash to targeted poor households, often to the mothers, on the condition that those households make pre-specified investments in the human capital of their children. In the case of CCTs this usually means investments in health and education for the children. Health and nutrition conditions generally require periodic check up, growth monitoring and vaccinations for children younger than 5 years of age. Education conditions generally include school enrolment, attendance on 80-85 per cent of school days and occasionally some measure of performance (Fiszbein & Schady 2009).

CCTs have come to dominate the social protection sector in Latin America and the Caribbean over the last ten years (Handa & Davis 2006:513), with at least 45 countries (Hanlon et al 2010) and covering million of households as in the case of Brazil and Mexico (Fiszbein & Schady 2009). At present, nearly all countries in Latin America and the Caribbean are either implementing CCT programs or are in various stages of the discussion of whether implementing it. CCTs are moreover being promoted as the best alternative in the social sector for developing countries in other parts of the world as well (Handa & Davis 2006:513).

Brazil pioneered the first CCT program in 1995, which had emerged from national policy debates as a response to increased discussions about how poverty reduction strategies needed to address structural causes of poverty (Lindert et al 2007). For similar reasons, Mexico implemented their CCT program in 1997 (Coady 2003). Although the programs were first initiated nationally, today the World Bank provides substantial financial support to the programs together with the Inter-American Development Bank (Handa & Davis 2006: 513).

There is an on-going debate on the aspects of conditionality in cash transfers. The conditions are often criticised because the conditions only applies to the targeted poor that receive the grants, unlike laws that applies to everyone. Conditions are imposed on the recipients even if there are, for example compulsory school

attendance laws. In this way it implies that recipients are irrational or incapable of acting in their own best interests (Hanlon et al 2010).

The conditionality in cash transfers is a highly important discussion, and not *only* in terms of discussing how the conditionality effects the outcomes specifically, but because it also belongs to a broader normative discussion about how poor people are being perceived and whether they should or could be trusted to make decisions in their own best interests, both from a moral point of view and from a effectiveness point of view.

1.2 Aim of the thesis

The aim of the thesis is to critically analyze the aspects of conditionality in cash transfers. This will be done through a research overview and a theoretical framework. In order to carry out the critical analysis, the empirical understandings of conditionality in cash transfers must be examined. The empirical findings will therefore be drawn from a research overview, which brings up the most important aspects of conditionality in cash transfers.

The theoretical framework in the analysis consists of two contrasting theories; Paternalism and capabilities approach, which represent two ends about whether poor people are capable of making decisions in their own best interests. The theoretical framework is applicable to the discussion because conditionality highly reflects whether decision-makers perceive that the recipients can be entrusted to take the right decisions for them selves to break out of poverty.

Based on the research overview, which presents the hard facts of different aspects of conditionality in cash transfer programs, and the theoretical framework, which presents different views of how we should perceive and treat poor people in need of assistance, the thesis will culminate in a critical discussion about the conditionality and the aspects around it. A part of the discussion will place CCTs and its conditions in a larger discussion about today's development thinking.

The research questions are:

- What are the critical features of conditionality in cash transfers?
- How can the critical features be framed within the theoretical framework of paternalism and capabilities approach?

1.3 Limitations

CCTs are related to many different subjects, but my focus in this thesis is explicitly on the aspect of conditionality in cash transfers. Therefore there are many other aspects that are not brought up in this thesis, aspects that are highly important to CCTs but that will not be given any focus here.

However, even when discussing only from the perspective of the conditionality aspect, other areas will inevitably be brought up. Such areas are impossible not to bring up in certain part of the thesis, but will not be given large space.

1.4 Methods

This research will be carried out by a research overview based on secondary data. The research is gathered from academic books and articles, as well as World Bank reports and discussion papers.

The research overview has a special focus on research done in Mexico and South Africa. This is because the research material done on CCT programs around the world are very extensive, and it is therefore necessary to somehow limit the material in order to maintain focus in all the research provided. With that said, it does not mean that important research in other countries than South Africa and Mexico are ignored, but it is impossible to present all the research done on CCTs in general. Mexico is chosen because their CCT program (*Oportunidades*, former *Progres*a) is among the best known and most intensively studied (Heinrich 2007) and can therefore provide comprehensive material. South Africa is chosen in order to provide material from an UCT program, which will be used as a contrast to CCTs.

The books, articles and reports presented are chosen in terms of relevance for the aim of this thesis. Some of the books and articles present research done on a specific case or to address specific research questions. If this is the case, it will be clearly explained in the research overview what it specifically aims to investigate. Some parts of the research material are more based on general understandings and discussions on CCTs. I have interpreted some of the material as being partly biased towards political standpoints. This is brought up and discussed as a part of the analysis.

1.5 Definition of conditionality

The World Bank uses the term conditionality as a specific set of conditions attached to the disbursement of policy-based lending or budget support. This can take many

different forms, which range from explicit agreements to implied understandings and from traditional *ex ante* conditions based on promises, to *ex post* conditions which is based on actual completed measures (Koeberle et al 2005).

In cash transfers, conditionality function as means to ensure that the recipients spend the money on the intended purposes, which is predetermined by politicians.

1.6 Disposition

The first part of this thesis is an introduction to the area of research, aim and methods. The next chapter will present the theoretical framework, which consists of two contrasting theories; Paternalism and the capabilities approach. These are two theories that stand in contrast to each other over the ideas of how poor people should be perceived and looked upon, and therefore in turn relates to how cash transfers should be given out.

The second part is the literature overview. The literature is divided in different themes which present the different aspects in the discussion about conditionality. The themes are chosen because they represent the most important and relevant aspects of CCTs and every theme has something to contribute to the understandings about conditionality in cash transfers. The issue of conditionality is related to a lot of topics, hence the many themes provided in the research overview. Ignoring one of the themes brought up in this thesis would severely hamper the understandings of the conditions. The third part is the analysis, which is based on the research overview and the theoretical framework. CCTs will be placed within a broader discussion about how the poor are being perceived within development thinking today, and whether they should or could be trusted as rational enough to take long-term decisions in their own best interests. The analysis will also highlight some of the gaps, which I believe exists, in the research about conditionality in cash transfers.

The thesis ends with a conclusion based on both the research overview as well as the analysis.

2. Theoretical framework

The theoretical framework consists of two contrasting theories, which explain how we should perceive people in general and poor people, in particular. This is necessary in

order to cover a broad range of ideas and thoughts around the discussion of whether it is necessary or not to put conditions on poor people's behavior.

Paternalist welfare policies emphasize the importance of conditionality in welfare support. It insists that certain behavioral requirements must be met in poor people's own interests if they are to receive support (Thomas & Buckmaster 2010:6).

Paternalism has three essential elements, which consists of; intrusion in a person's choice or opportunity to choose; be with the objective of advancing the person's perceived good or welfare; and be made without the consent of the person concerned (Ibid 2-3).

Historically, the justification for paternalism ascended from skepticism about the ability of certain categories of people to make decisions in their best interests, which still is the prevailing view today (Camerer et al 2003: 1213). Researchers have shown that people tend to demonstrate systematic miss-predictions about the cost-benefits of choices, and hence do not act in their long-term self-interests in certain predictable situations. Such findings can be used to justify the need for paternalistic policies in order to help people make better decisions and to change the behavior to match their own best interest (Ibid: 1213, 1217-1218).

The theory that strongly contrasts paternalistic ideas is the capabilities approach. The approach emerged from Amartya Sen's pioneering work in welfare economics and presents a paradigm within development economics as well as social science in general (Deneulin & Shahani 2009). The primary use of the notion of the capabilities approach is the focus of what people can be or do, instead of focusing on people's satisfactions or how much in terms of resources they are able to command (Nussbaum 2000: 12). The capability is meant to indicate a space where comparison of quality of life and standard of living are most productively made (Ibid).

Within the capabilities approach, Sen uses the concept of functionings, which reflects the various things a person may value doing or being (Sen 1999: 75). The valued functionings may vary in a broad sense, such as being adequately nourished and being free from diseases, to more complex activities or personal matters. The capabilities refer to the alternative combinations of functionings that a person is able to achieve. Hence, capability is a kind of freedom, the freedom of being able to achieve various lifestyles. The capabilities mean both what a person does and the things a person is substantively free to do (Ibid).

Sen strongly argues that it is within the space of capabilities that issues about social equality and inequality is best raised (Nussbaum 2000: 12). Analyzing social justice should be based on judging individual advantages in terms of the capabilities that a person has, that is, what freedom the person have to live the kind of life he or she has reason to value (Sen 1999: 87). Therefore, the capabilities approach means that poverty must be seen as the deprivation of basic capabilities, rather than the standard and static criterion of identifying poverty in terms of lowness of incomes (Ibid). With that said, however, the capabilities approach does not deny that low income is one of the major causes of poverty, but sees it in the perspective that lack of income can be a primary reason for a person's capability deprivation (Ibid).

Martha Nussbaum has developed her own version of the capabilities approach after a period of collaboration with Sen in 1986 (Nussbaum 2000: 11). However, Sen and Nussbaum closely agree on all the general principles in the approach, but Nussbaum points out that there are some differences. One of the differences is that Nussbaum wants to go beyond the merely comparative use of the capability space, and instead articulate how capabilities can provide a base for central constitutional principles that citizens have the right to demand from their government (Ibid: 12). Apart from minor differences they both strongly agree about the importance of political liberty and endorse the idea that economic needs should not be met by denying liberty. Nussbaum means that it is the capabilities of each person that should be considered when asking how a nation is doing (Ibid).

In conclusion, the capabilities approach means that citizens should be able to live with a full menu of opportunities, and be able to have lives that are worthy of human beings. The approach argues that this political goal should compel all economic choices to foster those principles (Ibid: 33).

It is clear that this approach contrasts the view of paternalism in all its fundamentals. The two theories represent two different perceptions of how to view human beings in general, and poor people in particular. I am not unaware of that these two theories represents two end views in terms of how to believe in and perceive human beings, but I want to use these two theories as my theoretical framework since I believe that they, because of their different perspectives, spurs the discussion about whether it is necessary to conditioning cash transfers or not.

3. Research overview

3.1 Efficiency and equity

Das et al presents three purposes for which conditional cash transfer programs mainly are being used for; firstly, is the change in behaviour. Conditionality in cash transfers is mainly used for the purpose to make households behave differently than they would have if the cash were given unconditionally (2005: 58). By establishing a contract with the recipients, program designers want to influence the behaviour and attitudes in a way that they consider conducive to long-term poverty reduction, and in that sense ensure that the money is spent on the right things in terms of reducing child poverty (Schubert & Slater 2006:537).

The advocates of conditional cash transfer programs use the programs ability to change behaviour as a measure of success (Das et al 2005: 58). When individual's actions do not match societal preferences, conditional cash transfer makes the individuals change their behaviour in ways that will lead to an increase in the combined welfare of all individuals (Ibid) Conditional cash transfers can increase welfare in the society in this way; by protecting people from their own irrationalities or by contributing incentives for the participants to gather more information on, for example, the value of education (Ibid: 60).

Secondly, it is used as an effective screening mechanism that target poor households and opt others out (Ibid: 58). Targeting and conditionality is used as ways of improving the cost-effectiveness of cash transfers. In principle, targeting is crucial to the efficiency of resource use since it focuses the resources where it is most needed, and conditionality ensures that the recipients are using the money for the intended purposes. But they also mean that if the implementation is poorly done it will result in an overall less cost-effective approach to poverty reduction (Farrington & Slater 2006: 508-509).

3.2 Political efficiency

The third rationale for conditionality is that of political efficiency (Das et al 2005: 73, De Brauw & Hoddinott 2011). This rationale is beyond the efficiency and equity aspects that represent the two first rationales, but can well be the most important aspect in terms of getting the conditional cash transfer programs carried out at all.

The reason is, that if a government are concerned with targeting resources to poor households they can not afford ignoring that the public tend to favour work requirements or school attendance as exchange for public assistance rather than giving out cash transfers with no strings attached (Das et al 2005: 74). Handa & Davis also argue that conditionality is necessary from a political-economy perspective. Public support for safety nets tends to depend on the characteristics of the poor. In countries where the citizens believes that poverty are due to individual lack of effort or responsibility, or when the poor are identified to be 'different', the support for safety-nets and particularly provision of cash will be hampered. The programs respond to this potential political constraint by requiring that the recipients take responsibility for their actions and giving them incentives to change behaviour (2006: 523). If the cash transfers are publicly accepted, they are also more politically accepted (Farrington & Slater 2006: 508-509).

But also external actors have influence over the interests of conditionality in cash transfers. Since aid agencies are accountable to donors, transparent and observable measures are favoured. Conditional cash transfers are therefore appropriate for aid agencies in order to realize the proclaimed objectives, even though the focus on measurable performances may come at the expense of more comprehensive and efficient development policies because their impacts may be more difficult to evaluate. In addition, school enrolment may increase aid flows from donors, which add up to yet more political gains of hiding behind clearly observable outcomes (Das et al 2005: 74). Politicians and policy makers are often evaluated by performance indicators such as improvements in school enrolment or use of health clinics, which spurs a great incentive to conditioning transfers so that politicians can demonstrate accomplishments long before the more important evidence of poverty reduction occurs. Thus conditionality might be seen as a useful tool to help them stay in office (De Brauw & Hiddonott 2011:359)

De Brauw & Hoddinott mean that there are good reasons for CCTs to be conditional from both a public and private perspective (2011: 359). The reasons from a public perspective is what is discussed in this thesis; governments may perceive that they are better equipped of knowing what action or behaviours that will benefit the poor, better than the poor would know themselves. Since informational problems such as the benefits with immunization and other health related issues, that have tried to be solved by public health campaigns have failed, it is seen as necessary to actively

change the behaviour through conditionality (Ibid). The benefits of conditionality from a private perspective are that it can strengthen the bargaining power of individuals who may otherwise lack bargaining power within the household. However, this is only true in cases where that person has the same priorities as the conditioned on transfers (Ibid).

3.3 Supply and demand-side of services

Farrington & Slater, among many other (see for example: Lund et al 2008; Barrientos & DeJong 2004; Hanlon et al 2010; Schubert & Slater 2006) strongly argue for the need of ensuring the supply of services in order to make cash transfers efficient. Not doing so would severely constraint the outcomes of cash transfers (2006: 506). The term supply-side of services is in this case used to explain the provision of services that the conditions require the recipients to use, for instance, schools and health clinics. The supply is what the recipients have to use and have access to in order to fulfil the conditions. Demand-side will in this case refer to the increasing demand by the recipients on using these services, due to the conditions.

The general problem when cash transfers are conditioned, is that too much emphasis is placed on enhancing demand by the poor on health and education services, and only very little focus on ensuring the supply side (Farrington & Slater 2006: 507). In order to make cash transfers function the right way, the government must ensure linkages with wider programs and making investments in markets, roads and the availability of services. Improvements in the supply-side of services and infrastructure are required in order to be able to respond to the increased demands that follow with the conditions (Das et al 2005: 63). These wider costs are rarely considered in analyses of the costs of cash transfers, but without the adequate investments to ensure the supply of services, especially in education and health, imposing conditions on the beneficiaries is highly unreasonable (Farrington & Slater 2006: 506).

Handa & Davis raise the question of whether the inequities in health and education are due to demand-side or supply-side limitations (2006: 516). They state that they find no analysis that are specifically directed to test whether inequities in schooling and health are mainly due to demand-side factors relative to supply-side ones. Hence, the observation that poor children do not attend school and health check-ups frequently enough, is not adequate evidence to show that demand-side intervention

would solve the problem. Since income is highly connected to access to good quality schools and health care, it is greatly believable that the inequities are due to unequal distribution of access and quality of services. Both supply- and demand-side factors are very important, but it is exceedingly relevant to start to question what would be the most cost-effective option for the government to pursue (Ibid).

Also the World Bank emphasize the importance of ensuring services for the recipients, and acknowledge that poor infrastructure, absenteeism and lack of adequate supplies are not unusual in schools and health clinics in many developing countries. In order to achieve the human capital goals of CCTs, the supply side of services needs to be taken into account and improved. Some reforms have been made by governments parallel or as an integral part of CCTs to improve the supply-side (Fiszbein & Schady 2009: 24-25). Today this notion is mentioned in terms of ‘co-responsibility’ (instead of conditions) and implies a social contract between the government and the recipients, and is prominent in most of the countries in Latin America. When conditions are seen as co-responsibilities, they appear to treat the recipient more as an adult capable of resolving his or hers problems and the state is seen as a partner in the process (Ibid: 10). Co-responsibility reflects a more nuanced understanding of the social contract, and puts the state in a more prominent role; children must go to school, but the state must provide schools. People need to go to health clinics, but the state needs to provide adequate health services, and so forth (Hanlon et al 2010: 137).

3.4 Shortcomings

Imposing conditions on a certain targeted group of people is a clear top-down approach and implies attitudes of ‘we know better’ and ‘the poor cannot be trusted’. The attempts to change their behaviour could damage their well-being. The threats of sanctions if the recipients do not comply with the imposed conditions are another reason why conditionality may damage people’s well-being. The recipients may have good reasons for noncompliance, which are beyond the understandings of program administrators (Schubert & Slater 2006: 576). Some households may find it too hard to meet the conditions, and if those households are among the very poorest eligible for the program, imposing conditions may reduce the effectiveness of the CCT targeting. Also, if the preferences of the poor are not the same as the conditions placed on their

behaviour, the welfare gains of those individuals will be reduced (Brauw & Hoddinott 2011: 360, Das et al: 63).

In many cases the conditionality in cash transfers creates problems not only for recipients, but also for the ones who are responsible for carrying out the program. There are great administrative costs, which can create a heavy burden because of the complexity of running a cash transfer program that is conditional. Many developing countries do not have the administrative prerequisites to be capable of handling the management that comes with the conditions (Brauw & Hoddinott 2011, Handa & Davis 2006, Hanlon et al 2010).

Handa & Davis (2006) point out that another very important aspect related to conditionality is the issue of monitoring compliance. They present figures compiled by Caldes et al (2004) who researched the cost structure of the program *Oportunidades* in Mexico, and found that monitoring conditionality represents approximately 20 per cent of the total program costs. Clearly, conditionality comes at a high cost (Handa & Davis 2006: 523), which contrasts the argument that conditionality is used for cost-effectiveness reasons, as pointed out by Farrington & Slater (2006).

The monitoring of compliance takes different forms in different countries, and can be both a complicated and complex procedure if there is a lack of functioning institutions. Two examples are Brazil's program *Bolsa Familia* that put the responsibility for the monitoring of compliance on the municipalities, which is managed in a very haphazard way. On the other hand, in Mexico and *Oportunidades*, the transfers were regularly delayed by several months due to the compliance verification of everyone; even though the program compliance was well over 90 per cent among the recipients (Ibid).

Conditionality can also open up for corruption, where the person who are responsible for certifying that conditions are being met, could demand payments for doing so (Brauw & Hoddinott 2011:360). In Africa corruption in CCT programs is a particular problem, where teachers force students to work for them by fetching wood and water, and some even demand money or sexual favours in exchange for passing grades. In situations where this occurs, asking teachers to sign forms for grants would make the process much worse. Corruption and political interference have also been reported in studies of programs in Argentina, Nicaragua and India (Hanlon et al 2010: 133).

In relation to corruption, the management of conditionality in cash transfer programs can create opportunities for the principal-agent problem to arise. The principle-agent relationship requires a contract where one or more persons (the principles) engage another person or persons (as agents) to perform service on their behalf. In this situation, the agent takes on some of the decision-making authority. Because of the reliance on the agent, it is likely that information asymmetry occurs (Smith et al 1997).

Farrington & Slater highlight that in some cases the development problems are not adequately specified or identified before the conditional cash transfer program is implemented, which could result in inappropriate programs (2006: 507). The article brings up Mexico's conditional cash transfer program *Oportunidades* as an example where conditionality steers the focus away from other important aspects of poverty reduction. The key focus in *Oportunidades* is on education and health outcomes, whilst impact on poverty and food security is secondary (Ibid).

The World Bank confronts the critical arguments of having cash transfers conditional in their policy research report *Conditional Cash Transfers: Reducing Present and Future Poverty* by Fiszbein & Schady (2009). They argue that there are three main conceptual arguments for conditioning a cash transfer. First, they refer to paternalistic arguments on the issue of rational agents and means that people often suffer from self-control problems and excessive procrastination, which results in that their day-to-day behaviour is inconsistent with their own long-term attitude toward the future, and refers to the research done by O'Donoghue & Rabin (1999)(Ibid: 50).

The second rationale is because of political economic reasons. The World Bank highlights the fact that the public may increase their support for the cash transfers if it is conditioned on 'good behaviour', hence making the program either more achievable or better endowed (Ibid). The World Bank refers the third rationale as 'social efficiency arguments', which means that investing in human capital will generate positive externalities in terms of spillovers from, for example, health. It is shown that health investments have important external benefits, which derives as an effect from, for example, immunization and deworming. Externalities from education can take the form of decreased crime rates, violence and other related social ills (Ibid: 64-65). In short, the report concludes that there may be good arguments against conditioning if the same results can be achieved at a lower cost through the social policy equivalent of 'moral suasion' (Ibid: 66).

3.5 “To condition or not condition”

Studies show that people would rather spend the money on other things than the conditioned-on goods. One example is Kenya, where families got insecticide-treated bednets, but if given the equivalent amount in cash they would have spent it on clothes and food instead (Nahlen et al 2003 in Das et al 2005).

Das et al states that unconditional cash transfers are, from a standard economic framework, many times a better alternative than conditional cash transfers. This conclusion is reached by dividing three types of households; type I, type II and type III, which all have very different behaviour. Household type I is not in the program, and is consuming less than what the condition requires. Type II consumes less than what the condition requires, but consumes the amount that is required when participating in the program. Type III consumes more than what the conditions require before the program is introduced, and continues to do so after (2005: 63) They find that for type I and II households, the conditional cash transfers are much worse than if they were given an equivalent amount in cash unconditional. For type III there was no difference if the cash was given with conditions or without conditions (Ibid).

Another reason why unconditional cash transfers are preferred is that it does not reduce the welfare within the households, which conditional cash transfers tends to do. The imposing conditions makes the households take actions they would not normally take on their own, for different reasons. When that action is different than what the household would have chosen on their own, CCTs reduces the welfare by distorting the consumption choices of the household. The only households where conditional and unconditional cash transfers produce the same outcomes are for the ones that do not experience any distortion in their consumption decisions (Ibid). However, Das et al (2005) do not specify how many of those households who receive conditional cash transfers experience distortion in their consumption decisions. Therefore, one cannot conclude the proportion of households who would benefit more from an unconditional cash grant than from conditional cash transfers, at least not generally speaking. This calculation of different household types, would however, potentially be useful when examining whether the cash transfers should be conditioned or not in a specific country, by investigating what kind of households participate in the program. In this sense, it would be clearer for the policymakers what would benefit the households the most.

Yet, when including societal factors to this discussion, it is clear that conditionality can provide better welfare in general, although the household welfare can be decreased (Das et al 2005: 63). According to Das et al, parents tend to favour short-run outcomes more than long-term returns (Ibid: 65), which could be an explanation to why households underinvest in education and health for their children. In those situations cash transfers conditioned on education can lead to a larger increase in social welfare than unconditional cash transfers (Ibid: 63).

In 1998 South Africa introduced a means-tested regular and unconditional cash transfer – the Child Support Grant (CSG) (Lund 2011). The CSG have proved to successfully reach children living in households in deep poverty (Case et al 2005) and have positive measurable impacts on, among other things, child nutrition and school attendance (Lund 2011:5).

Lund addresses some of the prejudices against social assistance benefits in general, and in this case, CSG in particular. Many people, South African politicians among them, believe that the unconditional benefits create dependency and encourage people to leave work, or the willingness to work at all. But participatory research with recipients shows that they would much rather work. For example, old age pension arriving at rural households is associated with younger women in the household leaving to seek work. In regards to CSG, it is also widely believed that the grant causes teenage pregnancies, but research shows that teenage pregnancies in South Africa peaked before the introduction of the CSG (2011: 9).

Lund et al (2008) mean that poverty is often structural rather than personal and states that there is no rationale for introducing conditionality in CSG. What are needed instead are improvements in the supply-side of services and particularly improvements in access to health clinics and better schooling quality.

Handa & Davis say that it is not likely that the recipients of a cash transfer without even an implied conditionality on school enrolment would send their children to school (2006: 522). But in South Africa, where the cash transfer is unconditional, the enrolment rates in school are very high in general; 97 per cent of 8-9 year olds are enrolled (Case et al 2005: 477), which contrasts the view of Handa & Davis (2006).

Barrientos & DeJong examine whether cash transfer programs targeted at children in general can be effective in reducing childhood poverty. They conclude that cash transfer are effective in reducing child poverty, and also finds that different models of arranging cash transfers to children can have similar effect on poverty reduction.

Hence, cash transfers in general targeted on children in poor households reduces poverty (2006: 548), however, the scope in which cash transfers reduce child poverty may vary. The article provides a minor comparison between targeted CCTs in Latin America, and the unconditional Child Support Grant in South Africa, where they find that the Child Support Grant is more likely to perform well on horizontal poverty reduction efficiency than CCTs. Child Support Grant also have a better coverage since they cover all children under a certain age, while CCTs only cover children of school age and means that the advantages of also targeting children in early childhood are evident. The CCT programs also have inbuilt restrictions on the geographical areas in which they operate, which is another factor restricting its effectiveness of horizontal poverty reduction, whilst the Child Support Grant are applied nationwide.

The fundamental differences between targeted CCT programs in Latin America and the Child Support Grant is that the Child Support Grant can be described as policies, since they are open-ended in regards to time and with an unrestricted entitlement base. CCT programs are precisely programs, with time frames and an entitlement base limited to specific regions (Ibid: 549).

However, if the CCT programs ensure to expand and scale-up it will lead to improved efficiency in horizontal poverty reduction (Ibid). De Brauw & Hoddinott say that evaluations about CCTs assess the combined effects of all the components without considering what the *specific* features are that makes them successful at improving child welfare. As a result, little is known about whether the imposed conditions on recipients improve the effectiveness of CCTs or not, or if it is the cash in itself (2011: 359). The aim of the article is to test the importance of conditionality one of the specific features in CCTs in Mexico, school enrolment (Ibid).

The research is based on a comparison with households who never got access to the information that the transfer was conditioned on school enrolment, hence they received unconditional cash transfers, and those who was fully informed about the conditionality on school enrolment. Households inducted into *Oportunidades* were supposed to receive a form called E1, which would inform the recipients about the school enrolment conditions attached to the cash transfers. It seems as when the program began, administrative failures allowed households who never received E1 receive the transfer anyway (Ibid: 360). They conclude that conditionality is only important when students move from primary to lower secondary school, and not

necessarily at other levels, since the largest difference in school enrolment was found for children who have finished primary school and should be entering lower secondary school. Children in households who had not received the E1 form are 17 – 20 per cent less likely to enrol in lower secondary school. (Ibid: 361).

Children among the households who did not receive the E1 form, a child with a literate head is 27 per cent more likely to enrol in school than a child with an illiterate head. Children with illiterate heads are 46 per cent less likely to enrol in lower secondary school. Evidently, conditionality is particularly important for those households (Ibid: 366).

There is also a difference in outcomes depending on whether the parents are agricultural labourers or not. When parents do not work in agriculture, the child is as much as 40 per cent less likely to enrol in lower secondary school. When parents work in agriculture, the child is 16 per cent less likely to enrol (Ibid: 367).

As De Brauw & Hoddinott (2011) points out, this research shows that the discussion over “to condition or not condition” are overly simplistic.

3.6 Cash or conditions

The World Bank addresses the question of whether the increase in the use of health and education services among those participating in CCT programs are purely a result of the income effect that comes with the transfer (Fiszbein & Schady 2009: 23). That is, is it the cash in itself or is it the conditions that made the change? They mean that answering that question is highly important since it will have implications for the extent to which conditions should be implemented and monitored, and will also influence to which degree noncomplying households should be penalized. Their conclusion is that the evidence suggests that the increased service use cannot be explained by the cash component alone, and thus concludes that conditioning behavior is important, at least in terms of increasing levels of school enrollment and the use of preventive health care (Ibid).

In direct contrast to those findings, Hanlon et al mean that research done on CCTs finds that people who lack money in fact want to attend health clinics and send their children to school, and that their biggest constraint is lack of funds for achieving this (2010: 125). Families with little money have refined their survival skills over generations and the little extra money is used wisely and creatively – without hordes of aid workers or policymakers telling the poor how to improve themselves (Ibid: 4).

Schubert & Slater mean that the question of whether the imposed conditions justify the additional administrative cost has not been empirically researched and therefore no data on the subject can be found. An analysis that compares the costs and benefits of impacts achieved in a comparable sample with and without CCT, cannot be found in either African or Latin American schemes. In result, the World Bank and the Inter American Development Bank that assist Latin American countries are spending millions of dollars on managing conditionality in cash transfers, without having analyzed how much the conditions actually contribute to the impact of the cash transfer programs (2006: 575). They mean that in many African countries, the additional costs of administrating the conditions may well outweigh the benefits (Ibid: 576).

3.7 Outcomes

It is hard to judge whether the achievements in terms of the long-term aspect of improving human-capital development and thus break the inter-generational cycle of poverty, since it cannot be measured in a short period of time. As Handa & Davis say, the evaluations on CCTs have focused on outcomes from the conditioned-on requirements such as school enrolment, health check-ups and vaccinations. It is evident that progress has been made in those areas, however, the results do not reinsure a long-lasting effect, especially not in regards to school enrolment. School enrolment is the indicator that has received most attention in Latin America, and shown significant increases in all programs. But, the results should merely reflect the scope of the program uptake, since enrolment is a condition for participation. Enrolment itself does not guarantee learning. One example of this is the evaluation of cognitive achievements in *Oportunidades*, which did not find any improvement in learning among recipients relative to non-recipients (2006: 528). Increased enrolment may not lead to future poverty reduction if there is no actual learning. Although conditional cash transfer programs cannot be held accountable for learning outcomes, the incentives for investing in the programs is severely hampered if learning is not achieved because of poor quality in schools (Ibid: 531)

The degree of later life impacts of the outcomes from the program depends on factors outside the programs themselves, such as access to and quality of supply-side services and employment opportunities. There must be continued development of social services and an environment that foster economic growth. For reasons just

discussed, conditional cash transfer programs cannot be expected to reduce inequalities and general poverty alone (Ibid: 528).

4. Analysis

4.1 Where are we today?

To decrease aid and introduce more conditions has become a common tendency after the 2008 economic crisis, when it was necessary for governments to cut spending while still maintaining the industry of helping the poor (Hanlon et al 2010: 8).

The tendency towards “soft paternalism”, and the behavioral economic framework that lay behind it, is a powerful trend in academic and policymaker circles worldwide (Boshara 2010).

All ready in the ending of 1800th century Europe experienced a change and went from a behavioral to a structural understanding of poverty (Reis & Moore 2005:197), but the United States still clung to the behavioral understanding of poverty (Hanlon et al 2010: 166), despite that we today possess an even broader understanding of that equity and social protection are essential preconditions to growth and development, and is a perspective that more accurately reflects the experience of developed countries (Ibid: 143 – 145). Today it is generally agreed upon that the goal of development is to put human development in the center (De Vylder 2002: 47). CCTs puts strong emphasis on the focus of the development of human capital as a way of breaking out of inter-generational poverty, but because of the conditionality, CCTs miss some vital aspects of human development. When conditioning cash transfer it is clear that the freedom of poor people is severely hampered, and thus goes against the ideas that the capabilities approach promote. However, by solely removing the conditions attached to the transfers, would mean that cash transfers would live up to exactly what capabilities approach promotes. Cash transfers, without the conditions would provide poor people with the extra funds needed to be able to realize those things that they cannot achieve because they have no money to do it. With accurately amounts of money, they would have a “menu of opportunities” as the capabilities approach mean that every human being should have. However, as pointed out many times before it is not only the money that would enable them to solve their problems, since there needs to be ‘co-responsibilities’ which ensures that the supply-side of services can meet the demands. The shift to the term ‘co-responsibility’ in many

programs provides hope that it will be improvements in terms of making the conditions more feasible and more realistic to comply with, but the outcomes of this new notion is yet to be determined.

Conditioning cash transfers is inline with the aid and development industry that have been built up for over half a century in the belief that development and the alleviation of poverty solely depends on what international agencies and consultants could do for the poor, without consider what the citizens in the developing countries could do for themselves (Hanlon et al 2010: 4).

4.2 Realities and priorities

It is surprising to see that the research is not more concerned about the priorities of the recipient families. In regard to their own contexts and life situation, do the families prioritize school and health care? Would they have lived up to the conditions even if they received cash transfers unconditional? Why do they prioritize school and health, and why not? Is it possible that the households potentially prioritize other things because that is a better solution for alleviating child poverty in their specific situation? *Are* poor people able to judge what is the best way for them to break out of poverty?

Since it is argued that conditionality exists in cash transfers partly because the public tends to support the cash transfers more if the recipients have to ‘work’ for their money, it is necessary to see whether these presumptions about the poor’s inability to take responsibility for their own good is due to personal reasons or because of structural reasons. As Handa & Davis (2006) argue, poverty mainly exists because of unequal distribution of access and quality of services, and not because of unwillingness.

Chambers is a strong voice in fortifying the importance of understanding the reality of the poor, and how their concerns should be at the forefront in development strategies. He means that if the reality of the poor should be counted for at all, we have to dare to get to know it (1997: 163). Participation, empowerment and mutual respect are central actions in enabling poor people to analyze and describe their individual and shared realities (Ibid: 162). The values and preferences of poor local people typically contrast the supposed views of the professionals. What local and poor people want and need is often not what they are thought by professionals to want and

need, and it might not even be what the professionals themselves want (Ibid: 162, 179).

4.3 Different views

The evidence provided by Hanlon et al (2010) that shows that a lot of the people who lack money in fact want to use health clinics and go to schools, but that their only or biggest constraint is the lack of extra funds that will make that possible, raises a lot of questions. Why are conditions imposed on only the poor who are eligible to the CCT programs? Why is it necessary to impose those conditions, even if there already are compulsory school attendance laws, and the only constraint seems to be lack of money or bad supply side of services? These questions are inevitably linked to issues of power. Who sets the conditions and who has the power to impede the rights of poor less powerful people? (Ibid).

In the question posed by the World Bank of whether it is the cash in itself or the condition that made the change, which is presented in the research overview in this thesis, they reach a conclusion that is hardly surprising. They mean that evidence suggests that the increased use in services cannot be explained by the cash component itself, and therefore mean that conditions is a important factor in order to make people make use of health services and schools. The conclusion they are drawing is clearly grounded in paternalistic ideas, and provides one of many examples of how CCT programs are guided by paternalism, where it is believed that poor people cannot be trusted to make decisions for their own good. The common paternalistic ideas amongst the public, who claims that the poor are at least partly responsible for their own poverty and are therefore unworthy of support from the public, and instead needs to be guided or even constrained to act in the best interest of their children, is used as one of the main arguments in favor of conditionality.

The evidence from the World Bank on CCT programs stand in direct contrast to the findings presented by Hanlon et al (2010) who means that poor people are fully capable of making long-term decisions and use extra money wisely. Hanlon et al consistently argue that the problem for the poor is not the lack of motivation; it is the lack of money. People with little money does not lack knowledge, they know what they need and manage their money very well, partly because they spend their days actively trying to find a way out of poverty (2010: 2). Chambers claims that the common belief that poor people are being unable to make long-term decisions are

proven wrong, since there is a lot of research saying that poor people are fully capable of thinking and understanding long-term perspectives (1997: 175). The notion that poor people get lazy and dependent if they receive money, are according to Hanlon et al, a huge myth. Nowhere is the evidence of this claim to be found, despite that it has been included in many research projects. The evidence that has been found points to the contrary; people tend to work harder because the cash enables them to get out of the poverty trap (2010: 73).

They further mean that there is a great difference in how poor people and those who are better off handle extra money. The ones who are better off is likely, as they say, to spend the money on an extra holiday or buy better wine, while poor people sees the money as an encouragement to work harder, because they can now see a way out of the poverty trap. They bring up this example to highlight that it is a severe danger that better-paid people in aid industries, the World Bank and universities assume that the poor will act as *they* would and hence work less if given extra money (Ibid).

When looking at the completely different evidence provided from these two studies, I mean that it clearly shows how the results are being *interpreted* according to what kind of political standpoint one has taken about how to view conditionality in cash transfers. Presenting such different evidence, without specifying exactly where the evidence was gathered, can only arise when we want the result to point in a certain direction. The World Bank openly promotes conditionality in cash transfers and means that the paternalistic approach to the programs are necessary (Fiszbein & Schady 2009), hence it is not surprising that their findings means that conditionality is important, while Hanlon et al (2010) persistently argues for unconditional cash transfers and presents evidence correspondingly thereafter.

The evidence presented here by Hanlon et al (2010) and the World Bank (2009) represents a discussion were the conclusions are drawn from political standpoints. It is a reflection of different ways of how we should look at human beings and how poor people should be treated.

4.4 Responsibilities

Chambers claims that much of what happens on a vast scale is neither accountable nor under any effective control (1997: 12). This issue is something that applies to CCT programs to a large extent. The program's only function is to transfer money to people who are under a certain poverty level and to penalize those households who,

for whatever reason, does not comply the conditions linked to the cash. It seems as there is taken no account as to why some households do not comply the conditions, and whether it could be because the conditions are simply too hard to be met. In some cases the conditions are too expensive to fulfill, the cash given out does not cover the cost of meeting the conditions (Das et al 2005), because the road to a health clinic is too far away and requires the family to be without a day's work, as an example.

Supply side of services is pointed out as something that needs immediate improvements. The World Bank state that some reforms have been taken to increase the access to services, either parallel or as an integral part of CCT programs, but presents no further research on to what extent those reforms have been made, if it have been successful and if it has been done in every country that implements CCTs. Neither do the research provided in this paper presents data on what has been done by the governments to improve the situations of services and infrastructure to ease the way for the recipients to fulfill the requirements.

The concerns about bad governance seem to be ignored as something that should be an integral part in the implementation of CCT programs. The research rarely highlights the concerns for corruption by those who give out the grants, or those who in different ways responsible for ensuring that the recipients gets their funds. It seems as it is nowhere articulated ways for dealing with this problem, or ways for reducing the likability for it to happen and it seems as there is no plans in place of how to manage that problem and how to handle and eradicate it when it occurs. It may seem a bit peculiar that bad governance is not addressed more since the World Bank since 1996 have seen good governance as a core element of its development strategy, and have in recent years become both a an objective and a condition for development assistance (Santiso 2011). The term governance refers to the manner in which power is exercised within the management of a country's economic and social resources for development (Ibid). Nowhere in the extensive World Bank report by Fiszbein & Schady in 2009, is corruption mentioned as something that the conditionality might cause.

The programs' responsibilities do not reach far enough to deal with or solve those problems that are likely to occur, hence the programs cannot be held accountable for the problems it creates. CCT programs cannot be held accountable for the outcomes of the recipients either. The supply side of services is not the program's issue to resolve, nor are they accountable for the quality of health clinics and schools. As,

Handa & Davis (2006) point out; school enrolment itself does not guarantee learning, and increased enrolment does not lead to future poverty reduction if there is no actual learning.

School enrolment is the indicator that has been given the most attention in Latin America (Handa & Davis 2006), and there is no coincidence to why that has been the case. School enrolment in itself is an indicator that can easily be measured, and provides researchers, policymakers, donors or whoever might be interested, easily understood figures which clearly indicates improvements or perhaps lack thereof. In terms of CCTs, there has been a clear increase in school enrolment among those who are in the programs (Fiszbein & Schady 2009, Handa & Davis 2006, among other), but studies shows that in some cases, the learning outcomes does not differ from those who are not in the program and that the increased enrollment should be seen as merely a reflection of the program uptake, since enrollment is a condition in the program (Handa & Davis 2006). The tendency of hiding behind numbers is not a new theme among development practitioners. Morse (2004) means that this simplification, or over-simplification of complex issues is something that occurs frequently in development. This oversimplification that occurs in the evaluation in the CCT programs clearly demonstrates how the responsibilities for the outcomes does not stretch longer than hiding behind numbers. Here again arises the problem that it seems as the priorities and wills of the recipients are being ignored and not accounted for in evaluations of the programs.

5. Conclusion

Paternalism and the capabilities approach are two theories that in many respects represent to ends in how to understand poverty and poor people, which in turn mirrors the views that circulates in development thinking today. Based on the research in this thesis, one may conclude that the whole picture of how development thinking looks today, as symbolized by CCTs, can be described by paternalism and the capabilities approach. Paternalism is the prevailing theme in how development strategies and assistance is carried out, and the capabilities approach is the one that persistently argues for more freedom for the one's being assisted. Capabilities approach is a strong voice that is acknowledged by the development community and have reached

consensus in development thinking, but still have no overall ruling in practice. The two views figures in tandem in the development community today, constantly battling over what perceptions is the one to take on. Placing CCTs in this theoretical considerations, one may ask: Are CCTs a good example of pragmatic solutions to poverty reduction strategy, or is it an attack to the principles that according to Sen, Chambers and others, are prerequisites for how development should be carried out?

The discussion on how the recipients should be given the cash transfer, conditional or unconditional, is a theme that is to a large extent primarily based on opinions and political standpoints. The general data on this topic is often open for interpretations; interpretations based on what standpoint we want to make. This has been evident in this thesis, and points to that more research is needed where UCT programs are accurately being examined as an alternative to CCTs, so that we can go beyond opinions and interpretations and instead lean against empirical findings that are correctly examined for that purpose.

Given the top-down approach the conditionality in cash transfers imposes, and in regard to the signals of “we know better” that it sends to the recipients, I would, from an ideological perspective, argue for the recipient’s rights of receiving the cash transfers reasonably unconditional. But it is impossible to ignore the question if that will actually work? Not primarily because of unwillingness from the recipients, for whatever reason that may be, to use the money on health and schools, but because the supply-side of services have not been improved in terms of access and quality. As long as the state does not take more responsibility for ensuring that the bigger picture in terms of infrastructure, equal distribution and opportunities are taken care of, neither UCTs *or* CCTs will have the desired effects. South Africa provides a good example with their UCT program which shows that children do go school, but that the main part of poverty reduction are not achieved because of deeper structural problems that needs to be addressed by the government and the public. But attaching conditions will only create even more sense of unfairness when the recipients are enforced to do certain actions to receive any money at all, when no one ensures it is actually possible for them to fulfil the conditions. Meanwhile it is easy to blame the poor for not taking the adequate actions for getting out of poverty. It is really the simplest rules of all; the supply side needs to meet the demands.

If we turn to the political efficiency arguments for having CCTs, the question is whether we stand in front of the alternative of either having the cash transfers

conditional, or not having cash transfers at all. The research in this thesis means that the public, in general, seems to be keen on knowing that the recipients have to work for their money. A politician that argues for UCTs is jeopardizing his or hers chances of staying in the office, it seems. Seeing from this rigid perspective; conditionality or no cash transfers at all, might be a bit harsh, but the issue remains; both the public and the financial institutions that provide assistance must approve of the idea in order for cash transfers to exist at all. That is a strong argument for the conditions.

It is clear that more research needs to be done in terms of understanding the specific impact of conditionality on, for example, health and school enrolment. It is important to know if the conditionality is needed in the form it is carried out at present, and if it is needed in all areas of human-capital investment. As Brauw & Hoddinott (2011) clearly shows, conditionality is not important at all levels in school enrolment, but depends instead on the ability to continuing to lower secondary school, or if the family is from rural or urban areas. The part “Condition or cash” in this thesis clearly shows that there is a lack of research on whether conditionality is as necessary as it is believed.

There is also a great need of conducting more research on the priorities of the poor, and in that sense gather a much better understanding of whether UCTs would actually work. What do the recipients want to spend their money on? And why? Investigating this is important in order to understand whether UCTs could potentially be a better alternative in terms of costs, equity and outcomes and hence replaces either part of, or the entire CCT program in different countries.

The research needs to go beyond general discussions about whether the recipients can be trusted or not, and instead aiming at really understand their will and realities. The aspects of conditionality in cash transfers are a complex issue that needs more investigation, research and improvements. We need to get a deeper and better understanding from the perspectives of the recipients about their needs and specific situations. Research that is not based on political standpoints or theoretical preferences, but research that thoroughly aims to understand what would be the best way for the recipients. Because after all, is it not them we are trying to help?

References:

- Barrientos, A & DeJong, J. 2006. Reducing Child Poverty with Cash Transfers: A Sure Thing? *Development Policy Review*, 24 (5): 537 – 552.’
- Barrientos, A & DeJong, J. 2004. Child Poverty and Cash Transfers. CHIP Report No. 4. [Online] Accessed: 20-01-2011. [Available at: <http://www.peeearlyyears.com/pdf/Child%20Poverty%20and%20Cash%20Transfers.pdf>]
- Caldes, N, Coady D & Maluccio, J. 2004. *The Cost of Poverty Alleviation Transfer Programmes: A Comparative Analysis of Three Programmes in Latin America*. FNCD Discussion Paper 174. Washington, DC: International Food Policy Research Institute.
- Camerer, C, Issacharoff, S, Loewenstein G, O’Donoghue, T & Rabin, M. 2003. Regulation for Conservatives: Behavioral Economics and the Case for “Asymmetric Paternalism. *University of Pennsylvania Law Review*: 151 (3): 1211 – 1254.
- Case, A, Hosegood, V & Lund, F. 2005. *Development Southern Africa*: 22 (4): 467 – 482.
- Coady, D. 2003. Alleviating Structural Poverty In Developing Countries: The Approach of Progresa In Mexico. *International Food Policy Research Institute*.
- Das, J; Do, Q-T; Özler, B. 2005. Reassessing Conditional Cash Transfer Programs. *World Bank Research Observer*, 20 (1): 57-80.
- De Brauw, A & Hoddinott, J. 2010. Must conditional cash transfer programs be conditioned to be effective? The impact of conditioning transfers on school enrollment in Mexico. *Journal of Development Economics*, 96; 359 – 370.
- Farrington, J & Slater, R. 2006. Introduction: Cash Transfers: Panacea for Poverty Reduction or Money Down the Drain? *Development Policy Review*, 24 (5): 499-511.
- Handa, S & Davis, B. 2006. The Experience of Conditional Cash Transfers in Latin America and the Caribbean. *Development Policy Review*, 24 (5): 513 – 536.
- Hart, H L A. 1973. Rawls on Liberty and its Priority. *The University of Chicago Law Review*: 40 (3): 534-555.
- Heinrich C J. 2007. Demand and Supply-side Determinants of Conditional Cash Transfer effectiveness. *World Development*, 35 (1): 121 – 143.

Lindert, K; Linder, A; Hobbs, J; de la Brière, B. 2007. The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context. *SP Discussion Paper*: No 0709. The World Bank.

Lund, F. 2011. A step in the wrong direction: linking the South Africa Child Support Grant to school attendance. *Journal of Poverty and Social Justice*: 1 (19): 5 - 14.

Lund, F; Noble, M; Barnes, H; Wright, G. 2008. *Is There A Rational for Conditional Cash Transfers for Children In South Africa?* Working Paper No 53. [Online] Accessed: 01-11-2011. [Available at: <http://sds.ukzn.ac.za/files/WP%2053%20web.pdf>].

O'Donoghue, T & Matthew, R. 1999. Doing It Now or Later. *American Economic Review*: 89 (1): 103–24.

Santosi, C. 2001. Promoting Good Governance with Social Funds and Decentralization. No: 181. World Bank.

Schubert, B & Slater, R. 2006. Social Cash Transfers in Low-Income African Countries: Conditional or Unconditional? *Development Policy Review*: 24 (5): 571-578.

Smith, P C; Stepan, A; Valdmanis, V; Verheyen, P. 1997. Principle-agent problem in health care systems: an international perspective. *Health Policy*: 41 (1): 37 – 60.

Thomas, M & Buckmaster, L. 2010. Paternalism in Social Policy – When is it Justifiable? *Research Paper no. 8*. Parliament of Australia, Department of Parliamentary Services.

Books:

Boshara, R in Hanlon J, Hulme, D & Barrientos, A (2010). *Just give money to the poor: the development revolution from the Global South*. Sterling, Va.: Kumarian Press

Chambers, R. (1997). *Whose reality counts?: putting the first last*. London: ITDG Publishing

Deneulin, S & Shahani, L. (red.) (2009). *An introduction to the human development and capability approach: freedom and agency*. London: Earthscan

de Vylder, S. (2002). *Utvecklingens drivkrafter: om fattigdom, rikedom och rättvisa i världen*. Stockholm: Forum Syds förl.

Fiszbein, A., Schady, Norbert, R & Ferreira, F. H. G. (2009). *Conditional cash transfers: reducing present and future poverty*. Washington D.C.: World Bank

Hanlon, J, Hulme, D & Barrientos, A. (2010). *Just give money to the poor: the development revolution from the Global South*. Sterling, Va.: Kumarian Press

Koeberle, S; Bedoya, H; Silarsky, P; Verheyen, G. 2005. *Conditionality Revisited – Concepts, Experiences, and Lessons*. Washington, DC: World Bank.

Morse, S (2004). *Indices and indicators in development: an unhealthy obsession with numbers?*. London ; Sterling, VA: Earthscan

Nussbaum, M. C. (2000). *Women and human development: the capabilities approach*. Cambridge: Cambridge University Press

Sen, A. (1999). *Development as freedom*. Oxford: Oxford University Press