



## › BRIEFING NOTE 1

2024

# Assessing the Effectiveness of Complementary Investments into Cash Benefits and Care Services, Including Health Protection Mechanisms

### *Key findings*

#### **Holistic Impact on Social Mobility and Well-being:**

- Integration of cash benefits and care services yields multifaceted effects on social mobility, family income, and educational outcomes.
- Recent research indicates enduring benefits, particularly in early childhood investments, resulting in sustained increases in family income and improved life trajectories.

#### **Global Effectiveness of Cash Transfer Programs:**

- Cash transfer programs in developing countries effectively reduce poverty and enhance well-being across dimensions like food security, healthcare, and education.
- Limitations of cash alone are evident, emphasizing the need for complementary interventions to overcome non-financial and structural obstacles.

#### **The Power of Integration for Maximum Impact:**

- 'Cash plus' programs, integrating cash transfers with other interventions, address multifaceted challenges and maximize transformative potential.
- Linking demand-side and supply-side approaches proves effective, demonstrating the significance of holistic strategies for impactful outcomes.

#### **Need for Supply-Side Investments:**

- Success of 'cash plus' interventions relies on careful consideration of policy, programmatic, and supply-side factors.
- Key success factors, including political champions, formal agreements, awareness, skilled workforce, and resource access, contribute to enhanced impacts.

#### **Lessons for Tailored and Inclusive Interventions:**

- Tailored interventions are crucial, recognizing variations in the impact of cash benefits on diverse outcomes.
- Inclusivity and high-quality service provision are critical, emphasizing ongoing research and evaluation to refine interventions and address multifaceted challenges faced by vulnerable populations.

## Introduction

This literature review aims to understand the connection between financial support and access to quality care by examining the evolving landscape of combined cash benefits and care services. Research suggests that when these components are integrated, they can generate comprehensive outcomes, addressing poverty and enhancing well-being. This approach not only meets immediate economic needs of individuals and families but also tackles underlying health issues, fostering societal development.

This brief shed light on the potential of combining cash benefits with healthcare and educational services, revealing lasting effects on social mobility, family income, and educational outcomes. Globally, cash transfer programmes in developing countries are recognized for their impact, yet the presented evidence emphasizes that, in isolation, cash may fall short of overcoming diverse obstacles to enhancing living standards.

The lessons for the effects of integrated cash and care benefits go beyond anti-poverty effects, to address both the demand and supply side of complementary human services for recipients. The additional complexity of integrated approaches is shown in the following research finds, case studies and lessons learned, and underlines the need for further research on the efficacy of joined-up services designed to address the multifaceted needs of vulnerable populations.

Recent research, epitomized by the insights of Barr et al. (2022), underscores that early childhood investments in both cash benefits and care services bear enduring effects on social mobility. This symbiotic influence translates into sustained increases in family income, better academic and behavioural outcomes for children, and ultimately, heightened earnings in adulthood (ibid). Studies, such as those conducted by Milligan & Stabile (2011), emphasize the need for tailored interventions, acknowledging variations in the impact of cash benefits on boys' educational outcomes compared to girls' mental health outcomes. As we delve into this multifaceted landscape, the imperative to customize interventions becomes apparent, reflecting a commitment to addressing the diverse needs inherent in our societal fabric.

## Global Perspectives: Effectiveness of Cash Transfer Programs in Developing Countries and Integration with Other Interventions and Services to Maximize Impact

In many developing countries, cash transfer programs have proven effective in reducing poverty and improving well-being across various aspects like food security, healthcare, and education (Baird et al., 2013; Bastagli et al., 2016; Davis et al., 2016; De Hoop & Rosati, 2014; Lagarde et al., 2007; Roelen et al., 2017). These programs are increasingly embraced by low- and middle-income nations as crucial strategies for lessening poverty and providing social protection (Barrientos, 2013; Hanlon et al., 2012; World Bank, 2015). Many households in these regions face financial challenges that hinder their ability to buy food, send children to school, and access healthcare, despite their strong desire to do so. Regular cash payments help ease these financial difficulties, allowing households to maintain consistent spending, especially during challenging times. Undoubtedly, cash transfer programs play a vital role in achieving positive outcomes in these contexts.

Despite the positive impacts observed, cash, in isolation, is insufficient to overcome non-financial and structural obstacles to enhancing living standards and well-being. Concerning education, while cash transfers are widely acknowledged to boost school attendance, their influence on learning outcomes appears to be limited (Bastagli et al. 2016). Regarding the health outcomes, the author also notes that the evidence concerning the impacts of cash transfers across these indicators—utilization of health services, dietary diversity, and anthropometric measures—consistently demonstrates improvements in these areas (ibid). Overall, this evidence underscores the significant role played by the reviewed cash transfers in enhancing the use of health services and promoting dietary diversity. However, achieving more substantial and consistent impacts on child anthropometric measures may necessitate adjustments in design or implementation features, such as incorporating complementary actions like nutritional supplements or behavioral change training. This is evident in the higher proportion of significant results observed for health service use and dietary diversity compared to anthropometric measures.

The potential for enhancing the impacts of cash transfer programmes lies in their integration with other interventions, investment, or services (widely known as 'cash plus' programmes), creating linkages between demand-side and supply-side approaches. Conversely, for individuals facing exclusion from quality services,

cash transfers may not yield the desired effects. Existing evidence highlights how the combination of cash transfers with access to services can significantly improve various aspects of people's lives. In Latin America, for instance Mexico's Oportunidades program is estimated to have increased family planning use among women aged 20 to 24 years, due to the required health/information sessions (Lamadrid-Figueroa et al., 2010).

In Niger, Langendorf et al. (2014) identified a more pronounced reduction in acute malnutrition among households that received cash along with access to nutritional supplements, compared to those receiving cash or supplementary food alone. In situations where sub-optimal outcomes result from a lack of knowledge, the provision of information or raising awareness may be essential. Zambia's Child Grant Programme (CGP) was found to enhance skilled birth attendance, specifically among women residing in communities with higher-quality health services (Handa et al., 2016). Similarly, the programme was associated with a reduction in stunting among households with access to a protected water source (Seidenfeld et al., 2014).

In Bangladesh, the 'Transfer Modality Research Initiative' (TMRI) pilot project tested various transfer options, including cash, food, cash plus food, food plus nutrition behavioral change communication (BCC), and cash plus nutrition BCC. Rigorous evaluation revealed that only the cash plus nutrition BCC option achieved a statistically significant reduction in child malnutrition rates (Ahmed et al., 2022), emphasizing the importance of incorporating messaging into cash transfer programs.

Evidence from Liberia underscores the role of intense counseling and support in sustaining impacts. An experiment targeting the reduction of violence and crime among individuals with a history of criminal activities found that the combination of cash transfers and cognitive-behavioral therapy significantly improved long-term reductions in crime and violence (Blattman et al., 2017). While reductions were observed for all groups receiving cash, therapy, or both, the sustained effect was notable only for those who received the combined support.

### **Lessons from 'Cash Plus' Implementation and Need for Supply-Side Investment**

The study by Roelen et al. (2017) aimed to identify key success factors for the implementation of the increasingly popular 'cash plus' programs. The approach involved (i) reviewing the emerging evidence base of 'cash plus' interventions and (ii) examining three case studies: Chile Solidario in Chile, IN-SCT in Ethiopia, and LEAP in Ghana.

Key lessons learned for effective 'cash plus' programme implementation emerged from these case studies. At the policy level, political champions advocating for social protection and 'cash plus' programs and formal agreements were identified as crucial. Program-level factors included the importance of awareness and engagement among all stakeholders, the availability of a skilled workforce, the use of case management, and access to greater resources. Supply-side factors emphasized greater investments in service availability and quality, potentially requiring service reorganization.

The evaluation of three case studies has also revealed that the successful incorporation of 'cash plus' components has significantly enhanced the impact of the respective programs. This implementation has effectively tackled certain non-financial and structural obstacles faced by individuals in poverty, reinforcing the positive outcomes of cash transfer programs. The analysis also underscores how 'cash plus' programming can make access to services more 'pro-poor' by deliberately including and prioritizing the poor and most marginalized, surpassing the mere alleviation of their financial constraints (ibid).

The research by Roelen et al. (2017) also specifically stressed that demand-side interventions in the form of cash transfers need to be matched with supply-side investments. The authors highlighted that each case study unequivocally emphasized that the success of 'cash plus' interventions is contingent upon the widespread availability and high quality of services. In Ghana, the suboptimal quality of healthcare was identified as a hindrance to realizing positive impacts through the LEAP-NHIS complementarity. Supply-side constraints emerged as a pivotal factor undermining the effectiveness of Chile Solidario. Meanwhile, in Ethiopia, the absence of clean drinking water due to drought severely impeded nutrition and hygiene practices for children.

Also Ulrichs & Roelen (2012) discussed the imperative for aligning the demand generated by 'cash plus' schemes with high-quality service provision to achieve impactful outcomes. Using the example of the Oportunidades CCT scheme in Mexico, they contend that the programme falls short of instigating positive change for indigenous populations, attributing this in part to the subpar quality of educational and other services. Similarly, regarding the PPPP in the Philippines, Chaudhury et al. (2013) identified supply-side constraints and the low quality of education and health services as barriers hampering the program's positive impacts, particularly in the realm of immunization. This underscores the essential role of supply-side investments in ensuring the effectiveness of 'cash plus' interventions, reinforcing the earlier highlighted need for the mobilization of political will and formal agreements, which serve as the groundwork for advocating such investments.

A systematic review by Little et al. (2021) looked specifically at how well different approaches improve the health and well-being of infants and children under 5. They compared interventions that combined cash assistance with other support ('cash-plus') to those that only provided cash assistance. The review included seventeen studies, with eleven analyzed more closely using a method called meta-analysis.

The interventions mainly targeted the first 1,000 days of a child's life and were carried out in communities dealing with high levels of poverty and food insecurity across 10 low- and middle-income countries. Most studies (14 out of 17) used randomized, longitudinal study designs. The interventions fell into five categories: cash with nutrition behavior change communication (BCC), food transfers, primary healthcare, psychosocial stimulation, and child protection.

The results of the meta-analysis showed that combining cash with food transfers had a positive impact on improving height-for-age, resulting in reduced odds of stunting. However, no additional positive effects were observed for other measures, such as weight-for-height, weight-for-age, nutrition behavior change communication, psychosocial stimulation, or child protection.

The synthesis of evidence suggested that combining cash with primary healthcare might have a more significant impact on reducing mortality. Additionally, combining cash with food transfers could be more effective in preventing acute malnutrition, especially in crisis situations. The study noted that only a limited number of cash-plus combinations were more effective than cash transfers alone, with combinations involving cash, food transfers, and primary healthcare showing the most pronounced signs of added effectiveness. Further research is needed to understand the specific conditions and mechanisms under which cash-plus combinations are more effective than cash alone. Efforts should also focus on making sure these interventions lead to better outcomes, especially for the most vulnerable children.

The collective evidence from Roelen et al. (2017), Ulrichs and Roelen (2012), Chaudhury et al. (2013), and Little et al. (2021) underscores the importance of a holistic approach in designing and implementing social protection interventions and highlights the pivotal role of supply-side investments, emphasizing the need for demand-side interventions, such as cash transfers, to align with high-quality service provision. The success of 'cash plus' programs hinges on careful consideration of policy, programmatic, and supply-side factors, with a focus on inclusivity and the quality of services. The existing research on cash transfers combined with complementary interventions is insufficient, highlighting

a need for additional studies to address this gap (De Hoop & Rosati, 2014). Ongoing research and critical evaluation remain crucial to refining interventions and ensuring their effectiveness, particularly in addressing the multifaceted challenges faced by vulnerable populations.

## Conclusion

The exploration of the combined impact of cash benefits and care services, including health protection mechanisms, unveils a complex yet promising terrain in the pursuit of individual and family well-being. As our understanding evolves, the evidence resoundingly suggests that the integration of these investments can yield comprehensive and sustainable outcomes, effectively combating poverty, enhancing well-being, and fostering societal development.

From cash transfers coupled with quality care services to the synergy of health protection mechanisms with cash benefits, the multidimensional impacts on human capital development, education, and health outcomes are evident. Notably, recent research underscores the lasting effects of early childhood investments on social mobility, demonstrating the potential for sustained increases in family income and improved life trajectories.

Examining the global landscape, cash transfer programs in developing countries have emerged as powerful tools in poverty reduction and social protection strategies. These programs address multifaceted challenges across dimensions such as food security, health, education, and productive endeavors. However, the evidence also emphasizes the limitations of cash alone, particularly in overcoming non-financial and structural obstacles.

Integration emerges as a key theme for maximizing impact. Whether linking demand-side and supply-side approaches, combining cash transfers with productive investments, or implementing 'cash plus' programs, the evidence consistently underscores the need for a holistic approach. The success of these interventions is contingent upon careful consideration of policy, programmatic, and supply-side factors, ensuring inclusivity and the provision of high-quality services.

The lessons from case studies and systematic reviews highlight the transformative potential of 'cash plus' interventions. Success factors, including political champions, formal agreements, awareness, skilled workforce, and resource access, contribute to the enhanced impacts of these programs. Aligning demand-side interventions with supply-side investments proves critical, as evidenced by the challenges faced in various regions due to suboptimal healthcare quality, clean water access, and education standards.

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