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# Can Conditional Cash Transfer Programs Reduce Intergenerational Poverty? A Comparative Analysis on Brazil's Bolsa Familia and Malawi's Zomba Cash Transfer Program

Lala Kumakura

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# **Can Conditional Cash Transfer Programs Reduce Intergenerational Poverty?**

*A Comparative Analysis on Brazil's Bolsa Família and  
Malawi's Zomba Cash Transfer Program*

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A thesis submitted for the degree of *Bachelor of Arts* in  
*International Studies (Global Affairs Track) & Humanitarian Studies*

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## **Abstract**

Conditional cash transfer programs have emerged all across Latin America, Africa, and Asia as an innovative approach to conventional forms of social assistance programs. This thesis explores the effectiveness of the program through case studies on Brazil's Bolsa Familia and Malawi's Zomba Cash Transfer Program to examine whether the two programs have long-term impacts to reduce intergenerational poverty. I conclude that, while CCT programs are effective in meeting short-term objectives, further study must be conducted to determine whether they affect the cycle of intergenerational poverty in the long run.

## **Introduction**

Social welfare programs have been constantly challenged and contested by scholars and field workers. One key question they ask: what are the goals behind interventions and can the efficacy be proved? Despite good will and good intentions, the motivations behind social policy and social work can be biased and problematic, especially in poverty alleviation programs. In fact, some programs have weak coverage, high administrative cost, and only address short-term solutions. Therefore, some programs can cause more problems than there once were. Additionally, administrators who imply that beneficiaries are not capable of choosing what is in their best interest and assumes that only they know what is “good for them” are harmful to the local community. Therefore, there is a paradox when stakeholders from governments and organizations have motivations and intentions that are not in alignment with the spirit and needs of the beneficiaries. The paradox is that governments and organizations are trying to alleviate suffering through humanitarian action but there are unintended negative consequences from the intervention that can cause the prolonging of suffering that was intended to be alleviated (Terry, 1998). Experts may have great knowledge and experience but the beneficiaries are the experts of their local communities.

Recognizing that there can be unintended negative consequences in social welfare programs, there are two factors that should be considered when stakeholders consider implementing social assistance programs: context and local capacity-building. The context is essential for design and implementation because the analysis of the context will provide a better understanding about the vulnerabilities and capacities of the recipients. Social, political, and economic factors should be taken into account in the analysis so that programs will be structured based on relevance and need. However, governments and organizations cannot design and implement programs on their own. Even though governments and organizations can study these factors, they lack local knowledge. If they work without

including local actors, they will isolate themselves as the ‘other’. The role of the ‘other’ is more vertical or a ‘top-down’ approach where governments and organizations with power lead the narrative and decision-making processes. By bringing local experts to the table, external stakeholders can support to create better outcomes and help build local capacity.

Conditional cash transfer (CCT) programs incorporate these notions of increasing local capacity-building in assistance programs. CCTs are a type of safety net program that transfer cash, typically to poor households, upon pre-defined requirements. The main objective of these programs is to increase poor and vulnerable households’ income and invest in the human capital of their children (“Cash Transfers”, 2016). Although there are many studies on CCT programs, the impact it has on preventing intergenerational poverty has been understudied. CCTs are popular because the programs are contextualized and recipient-oriented, unlike donor-driven aid programs. This type of program gives dignity back to the recipients because they can select how to use the money received, providing them with a sense of ownership. In this thesis, I will examine the effectiveness of CCT programs through a comparative analysis on Brazil’s Bolsa Família and Malawi’s Zomba Cash Transfer Program (ZCTP) to interrupt intergenerational poverty. The growing use of cash transfers is significantly driven by improvements in the design and implementation. The efficacy of CCTs can be determined by analyzing the impacts on household and individual behavior in relation to program aims (Das, Do, & Öz, 2005). Therefore, I will conduct a qualitative analysis on the structure and design of the two cash transfer programs to determine whether CCT programs are the most effective solution to ending intergenerational poverty in these cases.

### ***Context: Investing in Human Development***

The emphasis on human development has increased in the past few decades. In 1990, the United Nations introduced its first Human Development Report which offered a new approach for advancing human wellbeing. The human development approach is the idea that we need to expand human capabilities by increasing freedom through opportunities and widening choice (United Nations Development Programme, n.d.). This means that the focus was on developing people's abilities and giving them opportunities to use their skills. The approach also conceptualized the power of choice. Choice is not limited to economic growth—it encourages people to lead lives that they value and to improve human conditions so that they can lead full lives.

Scholars such as Amartya Sen and Paul Collier have contributed to the dialogue about the need for investing in human development through aid and assistance. One of the economists who helped form the modern concept of human development is Amartya Sen. Sen's *Development as Freedom* explains that *processes* allow freedom of actions and decisions, and *opportunities* are essential for leading the type of lives that people value. He considers poverty as a “deprivation of basic capabilities, rather than merely as low income” (Sen, 1999, p. 20). Thus, he calls for capacity building to give back their freedoms and suggests that a push of aid or assistance could lift the poor.

Collier also has similar views in needing to reach out to the needy, or as what Sen describes as people suffering from unfreedom. He argues in *The Bottom Billion* that, although aid has serious problems and limitations, aid and is “part of the solution rather than part of the problem” (Collier, 2007, p. 123). Collier is in support of aid and assistance because the intervention can speed up growth. He believes that countries of the bottom billion cumulatively would have been poorer than they are today without aid, so aid has been a “holding operation preventing things from falling apart” (Collier, 2007, p. 100). Still, he

warns that aid alone is unlikely to address the problems of the bottom billion and it has become too politicized to the point that the design has become dysfunctional.

### ***Relief to Development Continuum***

In this thesis, it is important to acknowledge the nexus between humanitarian and development phases of response. The humanitarian sector primarily focuses on saving lives and alleviating suffering. Therefore, humanitarian work has historically consisted of emergency relief and disaster assistance. Its objective is to quickly respond to incidents in disaster zones and other crises by providing short-term relief and addressing immediate needs. The development sector centers its work on responding to ongoing structural issues, such as systemic poverty, which hinder economic, institutional, and social development in any given society. Development work often takes the form of long-term projects focused on projects taking place in developing countries. Sustainability is essential to development because the objective of these programs is to sustain their progress.

In recent years, development has become more popular because it seems more glamorous than relief for some people. There are misconceptions that development work is equivalent to doing good or combating poverty, which to many is a moral imperative. Does this mean development will eventually replace humanitarian interventions? Is the development sector more dependent than temporary work? These questions create a rift between the sectors when, in reality, we need to bring these two together.

Today, there are efforts to bridge the gap between humanitarian and development in order to allow governments and agencies to “move from emergency response towards integrated disaster-preparation and sustainable development” (Brigaldino, 1996, p.367). Both the humanitarian and development sectors are necessary and should coexist with each other. The narrative of humanitarian versus development misses the point that there is a crucial link

between relief and development. The ‘relief to development continuum’ model suggests that relief should contribute to development. Brigaldino advises that there should be improvement through incorporating recovery and rehabilitation processes. Additionally, he states that flexibility in programming and funding is essential during the transition from relief to development (Brigaldino, 1996). Most importantly, awareness and understanding of the relationship between humanitarian and development is indispensable. In this thesis, I will primarily focus on CCT programs conducted in the development phase of the continuum.

### ***Paper Outline***

This thesis will first explore the emergence of CCTs to better understand the shift towards this type of social assistance program. In relation to the relief to development continuum, I aim to address whether there are long-term effects of CCTs in ending intergenerational poverty through analysis on targeting mechanisms, program purpose, and short-term benefits of CCT programs. Finally, the thesis will present case studies on two CCT programs: Bolsa Família and ZCTP. The evaluation will be conducted with the five OECD/DAC evaluation criteria to conclude that, although conditional cash transfer programs are one of the most viable forms of intervention in the short-run, the long-term sustainability of Bolsa Família and ZCTP are uncertain.

### **Methodology**

This research was designed based on my interest in the concept of giving dignity and choice to people, which is included in the model of CCT programs. Since Bolsa Família is one of the first CCT programs that emerged, I sought to compare the program with ZCTP for my cross-region analysis to show that the CCT model can be used effectively across different contexts. The thesis examines the history of CCT programs along with relevant scholarship and case studies of two diverse CCT programs to answer the question on CCT programs’ role

in preventing intergenerational poverty. The sources in the literature review primarily derived from books, academic and scholarly journals, newspaper articles, published reports, and organizational websites.

Prior to this thesis, research on CCT programs have been conducted from both qualitative and quantitative approaches. While I make use of quantitative methods to conduct research, I do not talk about my own statistical analysis or research instruments. Due to my academic background, I have taken a qualitative approach in my case study analysis. Although experimental and quasi-experimental evaluations are powerful, they can be impractical when the results do not reflect the context of specific CCT programs and do not look into reasons why interventions did or did not work. Therefore, I will present theory- and value-based approaches to evaluation in addition to addressing these flaws.

## **Review of the History of CCT Programs, and Overview of Relevant Scholarship**

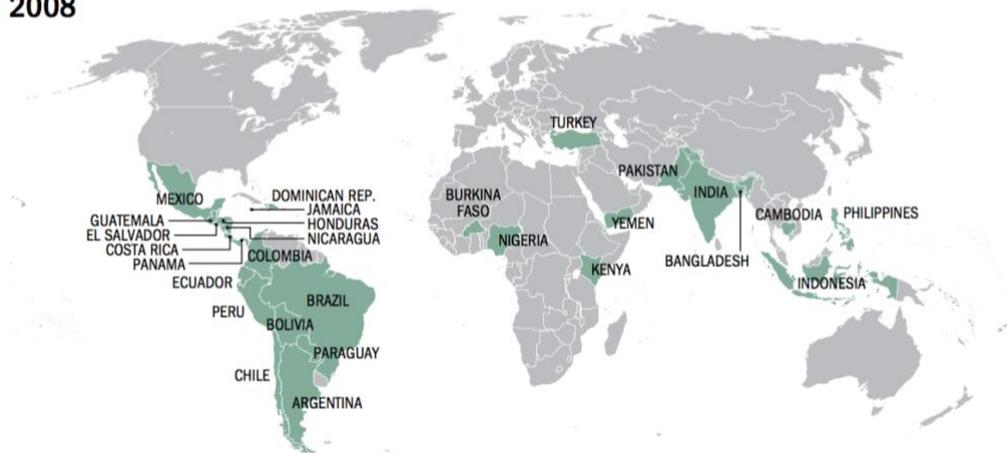
### ***Rise of Conditional Cash Transfer Programs***

After the global financial crisis of 2008, the potential impact of the economic disaster on living standards reaffirmed the importance of social safety net programs (Fiszbein et al., 2009). In particular, there has been a rise of conditional cash transfers programs within the last decade as shown in Figure 1. The first CCT programs, Progresa and Bolsa Família, were started in Mexico and Brazil in the mid-1990's by their respective governments. Mexico's Prospera program (previously called Progresa and Oportunidades), covers 6.1 million households and Bolsa Família serves 14 million families (Scott & Hernández, 2017; Wetzel, 2013). A 2016 report documented that 63 countries have at least one CCT program– the number of CCT programs initially increased by 2 countries in 1997 and 27 in 2008 (Bastagli et al., 2016).

1997



2008



Source: World Bank.

Figure 1. CCT programs in the World, 1997 and 2008. Adapted from “Conditional Cash Transfers: Reducing Present and Future Poverty”, by A. Fiszbein et al., 2009, p. 32, Copyright 2009 by The World Bank.

Cash transfers have become more prominent ways to improve assistance, transforming the humanitarian system. CCT programs are a new approach to social assistance, in that they seek to address the shortcomings of traditional social programs. These shortcomings include weak poverty targeting; high administrative or component costs; lack of integration of disparate projects with a multiplicity of overlapping or unrelated goals; accusations of paternalism and clientelism; and excessive focus on reducing current poverty with little attention to long-term, structural poverty (Rawlings &

Rubio, 2005). In this thesis, I claim that CCTs differ from traditional social assistance programs in each of these respects.

CCT programs have most often been used to reduce poverty and assist households to break out of a vicious cycle of extreme poverty. These programs have been adopted in various countries because they are versatile and can vary in scope (Fiszbein et al., 2009). They span a range of low- and middle- income countries, large and small programs, and take place in regional and national levels. The roles of CCTs in social policy vary by program. Each program is unique because of the specific contexts in which they operate, but in general, CCTs seek to address both current and future poverty. CCTs can be used in the short run to redistribute income and in the long run to build human capital of poor children (Fiszbein et al., 2009). The focus on human capital development aims to break the cycle of poverty by providing education and improving health and nutrition conditions. Whereas the income support provides short-run consumption to tackle current poverty.

Besides the emphases on accumulating human capital and reducing long-term poverty, CCT programs set themselves apart from other social assistance programs through their design. The CCT model provides grants directly to beneficiaries, changing accountability relationships among the national government, service providers, and the poor (Rawlings & Rubio, 2005). This setup helps strengthen the relationship between service providers and the poor, and the grants allow national governments to foster collective responsibility.

### ***Program Design & Context***

CCT programs call for the same systems as other transfer programs. They need the means to establish the eligibility of beneficiaries to enroll in the program, mechanisms to pay benefits, and strong monitoring and evaluation systems (Fiszbein et al., 2009). It is essential

to monitor compliance with conditions and coordinate among the several stakeholders involved in operations of the program. When setting up a CCT program, the donor or government agencies should document Standard Operating Procedures (SOPs) with stakeholders to identify the system, responsibilities, and critical actions for ensuring a timely and quality CCT through the project cycle (*Working with markets and cash: Standard operating procedures and guidance notes*, 2013). The SOPs ensure clarity between departments and between field and headquarters staff. In addition, SOPs help agency staff to maintain their accountability and monitor the minimum set of procedures and systems, which can be adapted and expanded to ensure relevance to context and compliance to donor priorities.

In the planning stages, governments and agencies need to decide on a targeting method to select beneficiaries for the CCT program. They should conduct a vulnerability assessment to set an eligibility criteria to determine which households are qualified to receive aid. The criteria can vary between programs but CCTs often use household income, land ownership, and employment as indicators to pool a select group of participants. There are several types of targeting methods but the most commonly used forms are household targeting, geographic targeting, and community-based targeting.

Household targeting is used by two thirds of countries and geographic targeting is utilized by another two thirds (Fiszbein et al., 2009). Many countries use a combination of household targeting and geographic targeting for their CCT programs. For example, Mexico's Prospera program used a marginality index, based on census data, to select eligible communities in rural areas. Prospera targeted rural communities with a high marginality index with more than 50 and fewer than 2,500 households (Rawlings & Rubio, 2005). In another example, Honduras' Programa de Asignación Familiar (PRAF) II, used malnutrition data from the Height Census of First Grade School Children to select municipalities.

Lastly, the use of community-based targeting increases transparency during the process of designing the program. In this method, the community themselves conduct a vetting process to list eligible households that should be recipients of aid. For example, field workers can host a town hall meeting with community leaders where they can score and verify low-income households that should receive the cash transfer. The community members will have local knowledge about which households needs more assistance over another, and their participation gives them dignity. CCT programs also induces self-selection so that targeted groups participate in the program and others who do not need it can opt out. When the benefits of the cash received exceed the cost of the condition (the utility loss from being forced to consume a certain amount), poor households will self-select into the program (Das et al., 2005).

It is vital to also consider the fact that the gender of the cash transfer recipients can impact how transfer income is used. Cash transfers are more often given to women as studies show that mothers' objectives are more closely aligned with children, especially with daughters. When mothers have greater control over resources, they tend to allocate more resources to food and their children's health and education (Thomas, 1990; Hoddinott & Haddad, 1995; Schady & Rosero, 2008). Additionally, there are studies which indicate that women are more responsible in using funds for stated purposes than men (Hoddinott & Haddad, 1995). John Hoddinott and Lawrence Haddad (1995) suggest that men are more likely to spend a greater proportion of their income on goods such as alcohol, cigarettes, status consumer goods, and 'female companionship' from their research on African households. On the other hand, Jessica Hagen-Zanker disagrees, stating that there are no significant differences between male- and female-headed households (Hagen-Zanker et al., 2017). Lastly, cash transfers to women can increase the bargaining power of women

(Fiszbein et al., 2009). When women are given cash, the transfer income can encourage them to reinforce their ability to shift household spending through new allocations.

Another aspect that stakeholders must decide on during the designing process is the program size for CCT programs. Program size can largely differentiate based on coverage and budget. As seen in Figure 2, programs with absolute coverage can range from 14 million families in Bolsa Família to 215,000 households in Chile’s Solidario to pilot programs with a few thousand families in Kenya and Nicaragua (Fiszbein et al., 2009). On the other hand, programs with relative coverage can range from approximately 40 percent of the Ecuador’s population in Bono de Desarrollo Humano to about 20 percent in Brazil and Mexico to 1 percent in Cambodia. The cost of CCT programs also alters depending on the program. Previously, the budget has varied from roughly 0.5 percent of gross domestic product (GDP) in countries such as Brazil, Ecuador, and Mexico to 0.08 percent of GDP in Chile (Fiszbein et al., 2009).

Program size/Target	Conditions	
	Education and health	Education only
Nationwide	Bolsa Família (Brazil) Oportunidades (Mexico) Bono de Desarrollo Humano (Ecuador) Familias en Acción (Colombia) Program of Advancement through Health and Education (Jamaica)	Bolsa Escola (Brazil) Jaring Pengamanan Sosial (Indonesia)
Niche (regional or narrow target population)	Chile Solidario Social Risk Mitigation Project (Turkey)	Female Secondary School Assistance Program (Bangladesh) Japan Fund for Poverty Reduction (Cambodia) Education Sector Support Project (Cambodia) Basic Education Development Project (Yemen)
Small scale/pilot	Programa de Asignación Familiar (Honduras) Cash Transfer for Orphans and Vulnerable Children (Kenya) Atención a Crisis (Nicaragua) Red de Protección Social (Nicaragua)	Subsidio Condicionado a la Asistencia Escolar–Bogotá (Colombia) Punjab Education Sector Reform Program (Pakistan)

Figure 2. Program size and conditions. Adapted from “Conditional Cash Transfers: Reducing Present and Future Poverty”, by A. Fiszbein, et al., 2009, p. 5, Copyright 2009 by The World Bank.

In both the registry and payment processes, coordination among actors is crucial during the implementation stage of the program. Coordinating with local stakeholders to select target areas and population helps avoid duplication with different programs and effectively use aid. Communication with local government authorities, business owners, and communities are essential to implement and monitor CCTs. Development programs are often faced with unintended direct and indirect effects that are both positive and negative, however, CCT programs will analyze those impacts beforehand.

Monitoring and evaluation (M&E) is inherent to CCT programs because administrators need to know how the program is being implemented, or carried out, across multiple actors and processes and measure for its strengths and shortcomings. Rawlings and Rubio recall that:

The first generation of conditional cash transfer evaluations aimed at assessing program impact and operational performance by examining the programs' administrative adequacy, the extent to which programs reached poor areas and poor households, the presence and size of expected impacts, any unanticipated effects, stakeholders' perceptions about the program, and the cost-effectiveness of delivery mechanisms. (Rawlings & Rubio, 2005, p. 39)

CCT programs often use impact evaluations, which serves to measure changes in short- and medium-term indicators of human capital accumulation instead of the income redistribution effects (Rawlings & Rubio, 2005). Programs focused on education look at indicators such as school enrollment, attendance rates, and occasionally performance such as test scores. Whereas programs centered around improving health and nutrition monitor health care utilization and use quality indicators. Child health indicators often include “vaccination coverage, malnutrition rates, incidence of diarrhea, and participation rates in child growth and development monitoring” (Rawlings & Rubio, 2005, p. 39). CCT evaluations also include

monitoring observable changes in consumption levels and tracking any patterns. During M&E, if it is proven that households are not complying to the conditionalities, families could face sanctions such as a temporary reduction of transfer income. All CCT programs have a schedule of sanctions but the degree of sanctions and enforcement vary between programs.

### ***Program Purpose***

CCTs aim to promote social inclusion, make quantifiable impacts on poverty and inequality, and foster economic authority (Hagen-Zanker et al., 2016). The most important feature of CCTs is the conditionality of the program. With the specified conditionalities, this type of program seeks to alter spending and behavioral patterns. Conditionalities can vary greatly based on context but some common conditions are directed at education, health visits, participation in workshops, and productive activities such as labor. Most cash transfer programs monitor outcomes in the following themes: monetary poverty, education, health and nutrition, savings, investment, and production, employment, and empowerment.

CCT programs have several advantages which include: giving back dignity to beneficiaries, empowering families to make choices, reducing operational costs, and improving M&E to receive feedback. Beneficiaries are given flexibility and freedom to spend money on what they need. Therefore, these programs allow recipients to regain their sense of control. In addition, since many CCTs give transfer income to women, this type of social assistance program has helped women feel more empowered in the household because they are included in decision-making of their household spending. Furthermore, CCT programs are often chosen because they are cost efficient and can save transportation time of shipping goods. According to the Department for International Development, CCTs are 18% cheaper than in-kind transfers (ActionAid, n.d.). Instead, with the cash, beneficiaries can buy their

preferred goods and channel money into their local markets. Lastly, M&E systems can help governments and organizations to better understand and reevaluate people's needs, existing vulnerabilities, and their impact on local contexts and communities.

Scholars agree that CCT programs have often provided an “entry point to reforming badly targeted subsidies and upgrading the quality of safety nets” (Fiszbein et al., 2009, p. 2). Several studies have shown that CCT programs have overall been well targeted to poor households, have raised consumption levels, and have reduced poverty. Rawlings and Rubio state that:

With an emphasis on human capital accumulation and long-term poverty reduction, conditional cash transfers are perhaps the clearest policy manifestation of this new thinking on social assistance programs. Conditional cash transfer programs address both future poverty, by fostering human capital accumulation among the young as means of breaking the intergenerational cycle of poverty, and current poverty, by providing income support for smoothing consumption in the short run. (Rawlings & Rubio, 2005, p. 33)

Das, Do, and Özler argue that CCT programs have two purposes: restoring efficiency when externalities exist and improving equity by targeting resources to poor households (Das et al., 2005). CCTs can influence household behaviors by incentivizing child education and health through conditionalities. Studies have shown that household decision makers hold misguided beliefs about the nature of the process of investments in child education and health and the subsequent returns to these investments (Fiszbein et al., 2009). There is evidence that the change that comes with CCT programs can, in fact, increase combined welfare of the household (Das et al., 2005). When families chose to participate in a CCT program, they agree to abide by the conditionalities and choose to make “prespecified investments in the human capital of their children” (Fiszbein et al., 2009, p. 1).

Additionally, giving cash conditional on school attendance could encourage parents to send their children to school when there is a conflict of interest between the mother and the father as well as conflict between parents and the child. For example, a mother may be in support of sending the child to school but a father believes that the child should put the need to support the family over quality education. In another scenario, the child may want to go to school but his or her parents do not send her to school because she will marry at a young age instead. Education can increase combined welfare of all individuals in the long run so the cash incentive allows households to also take long-term benefits into consideration.

Therefore, CCT programs seek to address the concerns from traditional social assistance program by focusing on including the local community into every part of the process, making cash more accessible and useful for recipients, and working on addressing medium- and long-term impacts.

### ***Benefits of Cash Incentives***

Cash transfer programs can be categorized in two ways: conditional cash transfers and unconditional cash transfers (UCTs). Both cash transfers are direct payments to people but they have different implications. CCTs require beneficiaries to comply with specific conditions to be eligible to receive cash. On the other hand, UCTs do not require beneficiaries to take any specific actions so participants can simply receive cash by qualifying for the program. In both types of programs, the beneficiaries can spend the cash as they see fit. The advantage of UCTs is the ease and the simplicity for implementation, which is not always the case for CCTs because conditions need to be verified before cash is given to beneficiaries. However, CCTs promote behavior change to meet program objectives, instead of recovery from emergencies and crisis. Each cash transfer program has to decide between CCT and UCT during the design stage. There are various ways that are used to determine

what is best for the context but one of the methods can be seen in Figure 3 below (Fiszbein et al., 2009).

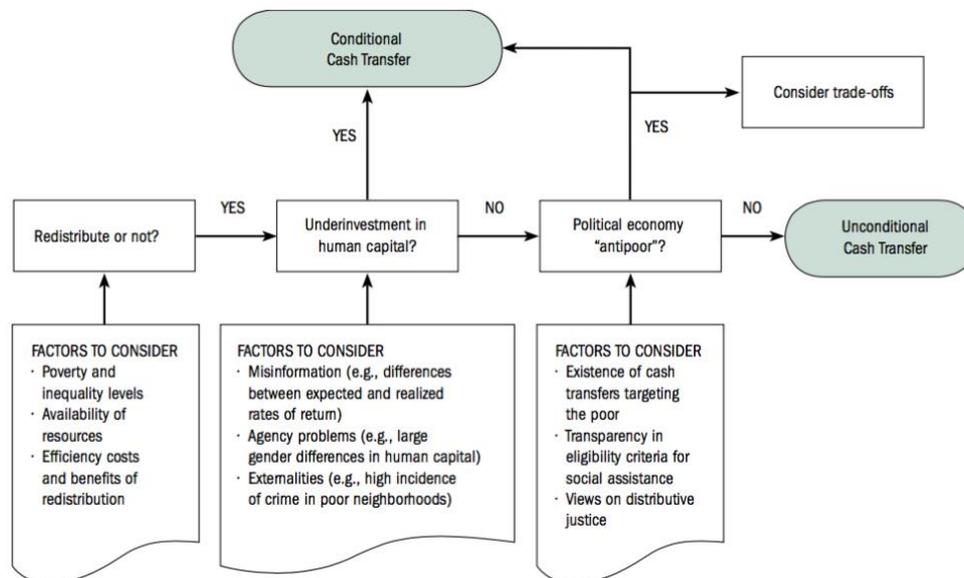


Figure 3. Program size and conditions. Adapted from “Conditional Cash Transfers: Reducing Present and Future Poverty”, by A. Fiszbein, et al., 2009, p. 167, Copyright 2009 by The World Bank.

Standard economic theory assumes that people are rational and make logical decisions that maximize utility. This is no different for poor people. Research has shown that cash is more effective and efficient than grant services or particular goods such as food or housing (Blattman & Niehaus, 2014; Kopf, 2016). Policymakers are frequently concerned with cash transfers because they think cash would be abused or misdirected to alcohol, tobacco, or other temptation goods. However, David Evans and Anna Popova have proved that cash transfers actually reduce consumption in these areas. Their results have revealed that, on average, cash transfers have a negative effect on total expenditures on temptation goods equal to  $-0.18$  standard deviations in CCTs and UCTs in Latin America, Africa, and Asia (Evans & Popova, 2017). Besides the income effect, CCTs can keep people away from temptation goods because they bring about a substitution effect, generate “the flypaper effect”, and target cash to women. First, CCTs can increase the value of schooling and good health so

beneficiaries may substitute their spending on temptation goods for investments in education and health. In addition, the flypaper effect can occur because cash is given for a specified purpose. Research has shown that people are more likely to use resources if they have an intended purpose (Evans & Popova, 2017). Furthermore, as stated before, women are more inclined to use money on food and children's health when they are in charge of household income.

Therefore, CCT programs can increase consumption levels among the poor, especially when the transfer has been generous, well targeted, and structured. Since the programs provide a steady income, CCT programs have prevented poor households from the worst effects of unemployment, fatal illness, and income shocks. Although CCT programs have created positive outcomes, do these results last after the flow of income stops? There have been mixed outcomes because meeting CCT program requirements do not always lead to with having long-term impacts in the households. For example, school enrollment does not directly cause academic achievement and determining a child's height for their age does not guarantee that the community has developed growth monitoring systems. Through the case studies on Bolsa Família and ZCTP, I explore whether CCTs in these contexts have created positive long-term impacts for beneficiaries.

### ***Needing Complements***

Das, Do, and Özler argue that CCT programs often meet their stated objectives, however, there is tension between the efficiency and equity objectives. They state that the effectiveness of the CCT program can only be determined by “how well [the program] addresses market failures arising from mismatched preferences and how well it targets resources to a particular group” (Das, et al., 2005, p. 61). Therefore, they suggest weighing

the gains and losses associated with each objective to measure the overall impact of a program.

Fiszbein and Schady (2009) are in also in support of CCTs because they have been an effective way to redistribute income to the poor. Yet, they conclude that these programs cannot fulfill all of the needs of a comprehensive social protection system, regardless of how well-designed and well-managed the program may be. Fiszbein and Schady indicate that CCT programs need other complementary interventions such as workfare, employment programs and social pensions that allow the final outcomes to improve the quality of health and education services (Fiszbein et al., 2009, p. 2). In addition, they advise CCT programs to experiment with conditions that focus on outcomes instead of use of services alone.

### ***Long-term Impacts and Intergenerational Poverty***

Even though scholars and agencies have conducted research and case studies on various occasions, the long-term impacts of CCTs have been understudied in this field of study. Rawlings and Rubio state that further evaluation is necessary to discover whether CCT programs are sustainable and can prevent the intergenerational transmission of poverty. They confess that, there is difficulty in identifying which element of the intervention, the transfer or the conditions, is responsible for the observable changes in the evaluations (Rawlings & Rubio, 2005). Therefore, evaluations fail to illustrate whether short-term successes of CCTs translate into long-term impacts on human capital formation and poverty. Rawlings and Rubio mention that CCT evaluations often do not present comparative evidence on whether alternative interventions would have produced similar results (Rawlings & Rubio, 2005).

Despite limited evidence, case studies in Honduras and Mexico suggest that CCTs can have long-term effects on educational attainment, geographic mobility, labor market performance, and economic outcomes in early adulthood. Using the census data from

Honduras' five-year long CCT program, scholars presented the long-term effects 13 years after the beginning of the program. Their research showed that early childhood exposure to nutrition, health, and education components led to increases in human capital (Molina Millán, Macours, Maluccio, & Tejerina, 2018). In addition, Honduras' CCT program increased the secondary school completion rate and the probability of reaching university by 50 percent. Moreover, Molina Millán, Macours, Maluccio, and Tejerina add that the probability of international migration of young men increased from 3 to 7 percent (Molina Millán et al., 2018). In the case of Mexico's Progresa, scholars predict that childhood exposure to the program will improve school enrollment, geographic mobility, labor market participation rates, and household economic outcomes such as total household labor income. For example, according to their study, Progresa will increase schooling by 1.3 percent for both sexes and labor market participation by 6 to 11 percent for women (Parker & Vogl, 2018). These positive results can have lasting effects on the next generation's education, work, earnings, and household economic status, especially for women. As a result, these cases prove that well targeted CCT programs have the potential to provide intergenerational benefits as large or larger than current poverty effects ((Parker & Vogl, 2018, p. 28).

## **Case Studies**

### ***Bolsa Família***

Since CCT programs can vary from one another, I will research and analyze two case studies on Brazil's Bolsa Família and Malawi's Zomba Cash Transfer Program to determine whether those specific studies have demonstrated that there are long-term impacts in the CCT programs. Brazil endured a deep recession from mid-2014 to 2016 but the crisis has continued for the Brazilian people. The national GDP contracted by 3.6 percent in 2016, which indicates that the country's economy was 8 percent smaller in 2017 than it was in

December 2014 (“Brazil’s Recession Worst on Record”, 2017). According to the 2010 census, 11.25 million people live in slums, known as ‘favelas’, which is equivalent to 6 percent of Brazil’s population or roughly the population of Portugal (“Favela Life: Rio’s City Within a City”, 2014).

In 2003, President Luiz Inácio Lula da Silva introduced Bolsa Família, which is a government program that gives financial assistance to poor households on the condition that they send their children to school and ensure the children are vaccinated. The program is funded by less than 0.5 percent of the country’s GDP and its goal is to bring poor, vulnerable families over the poverty line (Illingworth, 2017). The specific conditions for the education component are that children from 6 to 15 years old must meet a minimum school attendance of 85 percent and 75 percent for children between the ages of 16 to 17. In regard to their health initiatives, the beneficiaries must go through nutrition monitoring if they are pregnant and lactating women or have children up to 7 years old. Additionally, there are conditionalities for prenatal and postnatal monitoring, and immunization schedules for children up to 7 years old. Bolsa Família also supports the principle of shared responsibility because there is an acknowledgement that there must be a two-sided commitment, or co-responsibility, from the state and the beneficiaries.

Bolsa Família provides cash transfers to 14 million households that earn less than R\$120, or US \$68, per capita monthly with children up to seventeen years old and pregnant women with up to three children (Soares, Ribas, & Osório, 2010). The program also grants monthly cash transfers to extremely poor households that earn less than R\$60, which is equivalent to roughly US \$34, and do not enforce conditions to extremely poor households without children. Payments are made on debit cards but recipients can also withdraw cash from banks, ATM machines, and lottery sales points.

The program began in 2003 as a merger of four conditional and unconditional cash transfer programs: Bolsa Escola, Fome Zero, Bolsa Alimentação, and Vale Gás. During Lula's first administration, he wanted to replace the three existing programs from the Cardoso administration with one unified social program to increase coverage and eliminate overlaps (Illingworth, 2017). Bolsa Escola, a cash grant for low-income families with school-aged children between the ages of seven and fourteen aiming to increase education attainment; Fome Zero (Zero Hunger) and Bolsa Alimentação, two income grants focusing on eradicating hunger and extreme poverty; and Vale Gás, a subsidy for poor families to receive liquified petroleum gas to cook at home. When the transition occurred, the beneficiaries of the past programs continued to be members of the Bolsa Família program.

Bolsa Família is different in comparison to other CCT programs because it uses self-declared income, has aspects of unconditional cash transfers, and is decentralized so municipalities have to play a significant part in the program (Soares et al., 2010). Many CCT programs select eligible households to target through proxy means tests (PMT) which helps estimate the applicant's household income or consumption using observable characteristics. These proxy variables may include the location and quality of its home, ownership of durable goods, demographic structure of the household, and education level and occupation of adults. The PMT model includes more than a dozen variables and weighs them to predict the welfare of the household. PMT helps CCT programs to only distribute social safety net benefits to households that are poor enough to meet the specific income criteria. Bolsa Família, however, did not use the PMT model and instead used means testing where applicants self-reported their income. As for the unconditional traits of the cash transfer program, as previously mentioned, there are several benefits and challenges to both types of cash transfers. Despite having an unconditional component, Bolsa Família has a great turnover of

beneficiaries than in other CCT programs (Soares et al., 2010). Moreover, the program’s implementation relies on local infrastructure for compliance and monitoring.

As shown in Figure 4, the percentage of people living on less than the national poverty line has decreased from 24.7 percent in 2001 to 8.7 percent in 2015 (“Poverty & Equity Data Portal: Brazil”, n.d.). Bolsa Família has contributed to this success since the program has grown rapidly since 2003 and has provided for more than 50 million people (“Bolsa Família: Changing the Lives of Millions, n.d.). As a country currently experiencing high unemployment and social instability, will Bolsa Família be able to sustain its progress in Brazil?

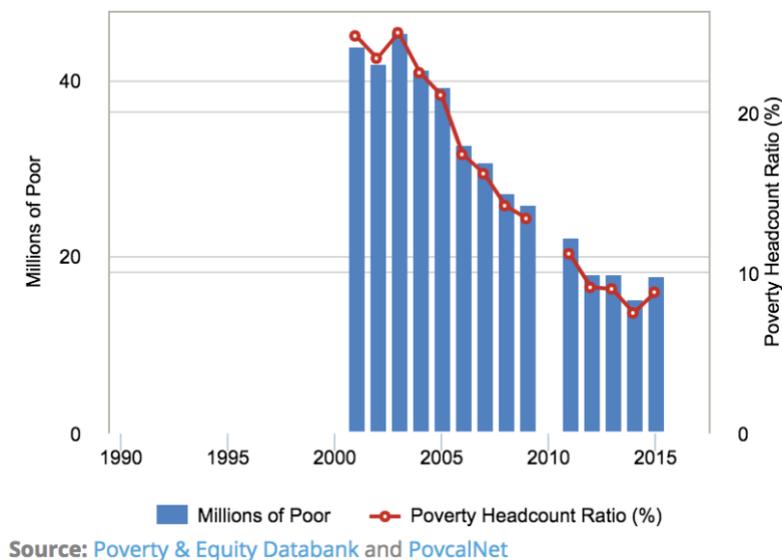


Figure 4. Poverty Trend (By National Standards): People Living Below National Poverty Line. Adapted from “Poverty & Equity Data Portal: Brazil”, Copyright 2019 by World Bank.

### ***Zomba Cash Transfer Program***

As shown in Figure 5, the number of extremely poor people has continued to rise in sub-Saharan Africa when it has decreased rapidly for other regions (Wadhwa, 2018). In 2015, half of the people living in extreme poverty in the world were from countries in sub-Saharan Africa. Malawi is classified as one of the Least Developed Countries (LDCs) by the United Nations because it has not met the graduation threshold for all three criteria: gross national

income (GNI) per capita, human assets, and economic vulnerability. Poverty is often determined by a country’s GNI, and Malawi’s GNI per capita is just US\$331 in 2018 (“Least Developed Country Category: Malawi Profile”, n.d.). Due to climate-related shocks and domestic political shocks, Malawi has encountered economic stagnation and a low pace of poverty reduction. According to the World Bank, 9.3 million people lived under the national poverty line and the poverty headcount ratio was reported at 51.5 percent in 2016, as seen in Figure 6 (“Poverty & Equity Data Portal: Malawi”, n.d.). This data shows that over half of Malawi’s population exists and lives below the poverty line.

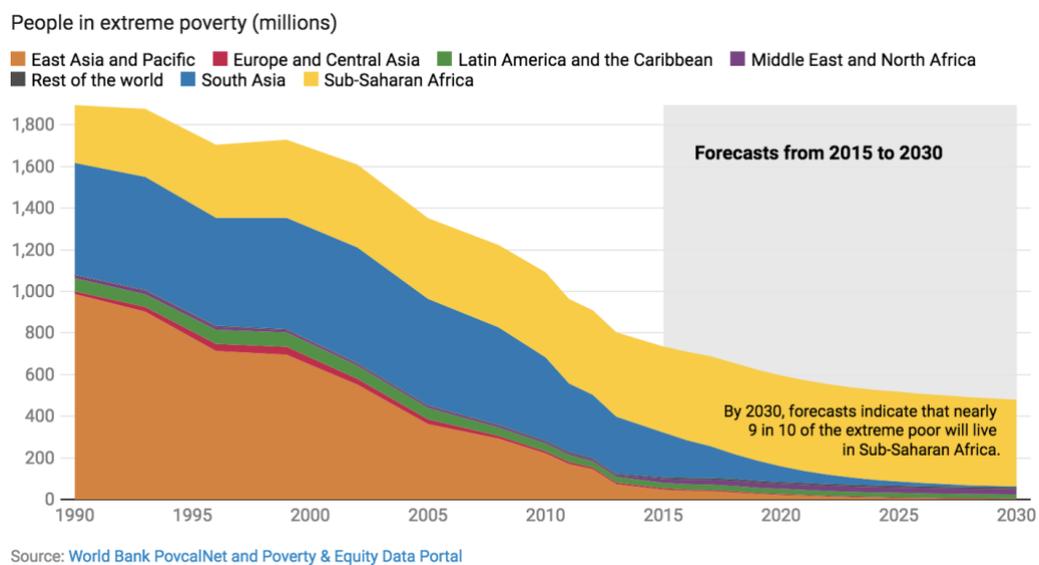
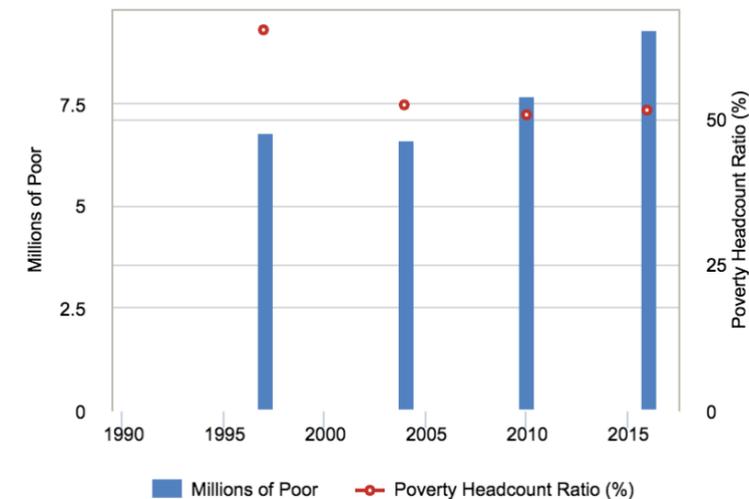


Figure 5. People in Extreme Poverty (Millions). Adapted from “The Number of Extremely Poor People Continues to Rise in Sub-Saharan Africa”, by D. Wadhwa, 2018, Copyright 2019 by World Bank.



Source: Poverty & Equity Databank and PovcalNet

Figure 6. Poverty Trend (By National Standards): People Living Below National Poverty Line. Adapted from “Poverty & Equity Data Portal: Malawi”, Copyright 2019 by World Bank.

The Zomba Cash Transfer Program was started in Malawi’s Zomba district to measure the impact of providing cash transfers to school girls so they stay in school, avoid early marriage and pregnancy, and lessen the likelihood of getting sexually transmitted infections. The Zomba district has high levels of poverty, low school enrollment, and high HIV prevalence in comparison to the rest of the country. In 2017, the former capital city was rated the third poorest district in Malawi (Kalimbuka-Mana, 2017). ZCTP was implemented increase enrollment and attendance in the area. When the program launched in 2007, the adolescent fertility rate was at 133 per 1,000 women aged 15 to 19 and pregnancy was the main reason for dropping out of school and getting married at an early age (“Malawi: The Zomba Cash Experiment - Does Paying Girls' School Fees Reduce Their Risk of HIV Infection?”). In addition, the Zomba district has struggled with the slow spread of HIV infection and other sexually transmittable infections. A 2007 study in the Zomba district concluded that the prevalence of HIV infection among young women was 9.1 percent compared to 2.1 percent in young men (“Malawi: The Zomba Cash Experiment - Does Paying Girls' School Fees Reduce Their Risk of HIV Infection?”). Since education has been

considered as a ‘social vaccine’ to prevent the spread of HIV, ZCTP wanted to examine the potential impacts of CCT programs for schooling on sexual behavior.

ZCTP took place during 2008 and 2009 and it used a combination of CCT and UCT programs. The programs provided conditional and unconditional cash for school-going girls and recent dropouts over two years on a monthly basis. ZCTP specifically targeted girls who were between the ages of 13 and 22 who are also unmarried. The amount of the transfer varied between \$1 and \$5 per month for girls and dropouts, and between \$4 and \$10 per month for their parents or guardians (Khan, Hazra, Kant, & Ali, 2016). Beneficiaries in the CCT group received money if students were in school at least 80 percent of the time and recipients in the UCT group received money without any requirements. The CCT component also included coverage for secondary school, which was paid directly to schools. ZCTP conducted a cluster randomized trial across 176 Enumeration Areas (EAs) in the Zomba district to ensure that each parent received the same offer (Baird, Garfein, McIntosh, & Özler, 2012). The evaluation monitored 1,225 girls and their parents as part of the cash transfer group and 2,571 girls in the control group (“Malawi: The Zomba Cash Experiment - Does Paying Girls' School Fees Reduce Their Risk of HIV Infection?”). In this thesis, I will observe the short-run results of ZCTP to evaluate if the objectives have had long-term impacts in Zomba.

## **Analysis**

To evaluate the CCT programs, I will use the five evaluation criteria from the Development Assistance Committee of the Economic Cooperation and Development (OECD/DAC). The evaluation is an assessment to “determine the relevance and fulfillment of objectives, developmental efficiency, effectiveness, impact and sustainability” (OECD, 1991, p. 4). The main purposes of evaluations are to instill accountability, including showing transparency to the public, and to improve future aid policy, programs, and projects through

feedback. The OECD/DAC criteria has shaped the way most donor agencies and their grantees commission or design and conduct program evaluations (Chianca, 2008). The DAC Network on Development Evaluation is currently consulting with stakeholders to revise the criteria to adapt to today's development landscape and the 2030 Agenda. The current criteria are the following: *relevance, effectiveness, efficiency, impact, and sustainability*. In this thesis, I will use the OECD/DAC evaluation guidelines to analyze if Bolsa Família and ZCTP have proven that there can be long-term impacts from the program outcomes.

*Relevance* is the “extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor” (OECD, n.d.). In assessing the relevance of the CCT programs in the case studies, I will consider if the objectives of the CCT programs are still valid in the contexts. It is crucial to monitor whether the activities and outputs of the programs remain consistent with the overall goal and attainment of each program's objectives. Within this criteria, it is important to also examine whether the activities and outputs were consistent with intended impacts and effects. By investigating this, each program can be evaluated on whether it can remain relevant in the long-run.

The second criteria, *effectiveness*, is defined as “a measure of the extent to which an aid activity attains its objectives” (OECD, n.d.). This criteria helps determine whether the objectives in the CCT programs were achieved or are likely to be achieved. It also gives an opportunity to take note of the major factors that influence the success or failure to meet the objectives. For the purpose of this thesis, I will also extend this criteria to ask if Bolsa Família and ZCTP would be effective in ending intergenerational poverty. The third criteria focuses on *efficiency* as a measurement of qualitative and quantitative outputs in relation to inputs (OECD, n.d.). This term can be used in an economic sense to verify whether that the aid uses the least costly resources possible to achieve the desired results. To guarantee that the programs are the most cost-effective, programs should compare alternative approaches

achieving the same outputs to determine if the existing program is most efficient. In addition, the efficiency criteria also considers if the program was conducted in a timely manner. Although a cost-efficient and timely program is necessary, the thesis will have an additional focus on non-monetary to interpret program efficiency for Bolsa Família and ZCTP.

*Impact*, the fourth criteria, details if there are any “positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended” (OECD, n.d.). In relation to the CCT program case studies, I will analyze the main impacts and effects resulting from the social, economic, environmental, and other development indicators. The results can be data-oriented when figuring out how many people have been affected, but it also some results are observational. In addition, external factors, such as changes in financial conditions and natural disasters, can bring positive and negative impacts that could not have been prevented.

The final criteria of the OECD/DAC evaluation guideline emphasizes *sustainability*, which pertains to measuring whether the benefits of the programs are likely to continue after donor funding has been withdrawn. It is necessary to design a program that is both environmentally sustainable and financially stable. This step is crucial for all CCT programs because they need to be able to sustain their results in years to come. I will identify if there are any factors in Bolsa Família and ZCTP that are targeted towards ending intergenerational poverty and if so, how likely the results extend to the next generation.

## ***Bolsa Família***

### *Relevance*

Although Bolsa Família is a federal program, it relies on the work of Brazil’s 5,564 municipalities (Lindert, Linder, Hobbs, & De la Brière, 2007). The municipalities are mainly responsible for maintaining a local coordinator, registering potential beneficiaries, and

monitoring health and education conditionalities. Even though decentralization presents its challenges in the implementation of the CCT program, it is also an opportunity to be innovative in delivering service that caters to the local community. When Bolsa Família works with local programs, it can link beneficiaries to complementary services, such as job-related services or training, to further empower them to be dependent and “graduate” from social assistance programs (Lindert et al., 2007).

In addition, Bolsa Família is relevant to its context because the program prioritizes vulnerable groups, such as indigenous families and former slaves. The program considers the following groups to be a priority: *quilombola* families (descendants of Afro-Brazilian slaves who escaped from slave plantations), indigenous families, families living on the street, families living off recycling, families in which there is child labor, and families who have been liberated from circumstances that are comparable to slave labor (Gazola Hellmann, 2015). These families must qualify for eligibility based on income, similar to other applicants, but they can also self-identify themselves as a member of these groups during the registration process so they receive benefits even in the case that the estimated number of beneficiaries within the municipality has been reached.

### *Effectiveness*

CCT programs are often deemed effective in reducing poverty, particularly extreme poverty. Bolsa Família uses geographic targeting and household assessment based on per capita incomes. Geographic targeting is implemented at both federal and municipal levels and household eligibility is decided centrally by the Ministry of Social Development and Fight Against Hunger (MDS) depending on household registry data collected locally (Lindert et al., 2007). As seen in Figure 7, there is an uneven geographical distribution of poverty with poverty massively concentrated in the Northern regions, especially in the northeast (Soares, De Souza, Silva, & Gaiger Silveira, 2015). Therefore, the program naturally concentrates on

those regions because it is where the poor are. Some studies show that the program works better in poor regions than in affluent municipalities (Illingworth, 2017). Although Bolsa Família has a high inclusion error, the program seeks to expand its coverage to include all poor households and yet, the concentration index shows that the program performs best in comparison to CCT programs in the same region (Soares et al., 2010).

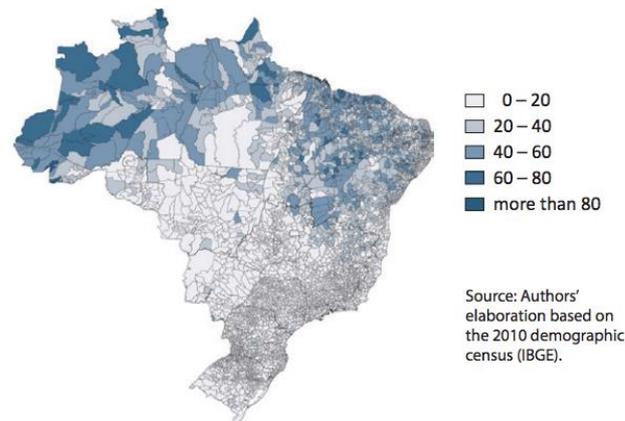


Figure 7. Extreme poverty rates among agricultural households. Adapted from “Poverty in Rural Brazil: It Is All About Assets”, by S. Soares, et al., 2015, Copyright 2010 by International Policy Centre for Inclusive Growth.

### *Efficiency*

Upon the reform to unify the four programs into Bolsa Família, the Brazilian government wanted to increase efficiency in the use of public resources. The program distributed payments to beneficiaries' electronic benefit cards on a monthly basis, cutting middlemen in the process. Bolsa Família ensure that beneficiaries have easy access to cash by offering 32,000 points to withdraw benefits (Lindert et al., 2007). This system eased the process to mobilize cash while helping to promote dignity and connecting beneficiaries to banking system. In addition, women are the legally responsible beneficiary in Bolsa Família by Brazilian law and thus, household spending under a woman's control is more efficient than if a man were in charge (Lindert et al., 2007).

## *Impact*

Bolsa Família has had positive impacts on education and labor participation. There is statistical evidence that has been an increase in school attendance and a decrease in the probability of absences. The probability was 3.6 percent lower for children in the program than children who are not participating in Bolsa Família (Soares et al., 2010). Moreover, dropout rates have also decreased for children in the program. The probability of children dropping out was 1.6 percent less than children in non-treated households (Soares et al., 2010). However, studies have also shown that Bolsa Família does not have an impact on long-term objectives to keep children in school. Children in the Bolsa Família program are 4 percent more likely to fail to advance in school than non-treated children (Soares et al., 2010, p.182). It may be the case that children living in poverty have chosen not to attend secondary school because there is no incentive to attend.

On the contrary to the successes in the education objectives, Bolsa Família has thus far failed to meet its health objectives. Despite having conditionalities, the Centro de Desenvolvimento e Planejamento Regional (CEDEPLAR) evaluation found that Bolsa Família had no impact on child immunizations (Soares et al., 2010). Since Bolsa Família increased awareness about the need to access public health services and encouraged children to get their vaccinations, there may have been difficulties with supplying these services. Moreover, poor households still lack access to health service. A nationally and regionally representative sample survey, *Avaliação de Impacto do Bolsa Família*, reveals that 23 to 25 percent of poor children failed to show their vaccination cards (Soares et al., 2010). This implies that the children probably did not attend health centers at all. Therefore, low level of monitoring of health conditionalities, lack of health infrastructure and services in municipalities, and lack of coordination at the local level have created negatively impacts in the healthcare objectives for Bolsa Família.

## *Sustainability*

As an ongoing program, it cannot be said with certainty that the success of Bolsa Família will or will not continue after the program ends. However, there are three major reasons to be skeptical about the sustainability of the program. First, the conditions on education is not structured to make long-lasting impacts. Bolsa Família adopted the conditionalities from the Bolsa Escola program so it kept the conditions of requiring primary education for school-aged children between 6 to 15 years old. Since enrollment for primary education is already high, Bolsa Família lacks a sustainable model for children's education beyond 15 years old. In addition, even though free public healthcare is a right in the Brazilian constitution, the lack of health infrastructure, specifically M&E systems, affects the ability to sustain positive results from a social assistance program such as Bolsa Família. Furthermore, the economic condition and the political climate in Brazil have shifted since Lula's first term as president so Bolsa Família may not continue to be feasible and be a priority for the government during crisis. The right-wing movement has increased in recent years and in December 2018, a far-right populist was elected to be the new president beginning January 2019. Thus, there is a small possibility that the government can reduce costs going towards Bolsa Família.

## ***Zomba Cash Transfer Program***

### *Relevance*

Despite significant reduction in new HIV infections and AIDS related deaths, Malawi's HIV epidemic still affects adolescent girls and young women, especially in urban areas. Therefore, the National Statistics Office of Malawi arranged EAs by distance to nearest townships or trading centers to increase coverage. The 176 EAs consist of 29 EAs in Zomba town, 8 trading centers in Zomba rural, defined as 111 population areas within 16 kilometers

of Zomba town, and 28 EAs more than 16 kilometers from Zomba town (Baird, Chirwa, McIntosh, & Özler, 2010). In addition, ZCTP sought to investigate the relationship between education and HIV through a CCT model. The positive intended impacts in the education objectives show that the program remained relevant to the program goal to increase school enrollment and decrease HIV infections among girls.

### *Effectiveness*

Between the UCT intervention and CCT intervention, the CCT arm was more effective than the UCT arm of the program. Sarah Baird, Craig McIntosh, and Berk Özler's evaluation at the end of the two-year program determines that, CCT recipients outperformed UCT recipients in objectives focused on education. For example, even though there was a decline in the dropout rate among the UCT group in comparison to the control group, the result in the UCT program was only 43 percent as large of an impact as that in the CCT program (Baird, McIntosh, & Özler, 2011). Beneficiaries in the CCT program had higher attendance rates and more improvement in academics in comparison to UCT recipients. Thus, it is evident that the conditionality plays a crucial role in the overall impact of CCT programs.

### *Efficiency*

Monthly cash payments were structured to be accessible and efficient for beneficiaries. Cash transfer points were centrally located and well-known places such as churches and schools. Recipients were also assigned cash transfer points so that they do not have to travel more than 5 kilometers to reach a cash payment point (Baird et al., 2010). At each meeting, administrators collected basic information on who is picking up the cash and how far they had to travel. Administrators also ensured that the program was being the most efficient by having three groups, unconditional transfer, conditional transfer, and control group, to measure and compare results across alternatives.

### *Impact*

ZCTP created positive intended impacts in promoting education and decreasing HIV prevalence. The program reduced the probability of school-aged girls getting married by 40 percent and the probability of becoming pregnant by 30 percent (Baird et al., 2010). These findings suggest that financially empowering school girls and their families have substantial effects on their sexual and reproductive health. In addition, girls in both conditional and unconditional cash transfer groups were less likely to drop out of school than the control group. Even if girls dropped out at the baseline study, they had a greater likelihood to return to school in comparison to children in the control group.

The evaluation also revealed that the incidence of onset of sexual activity was 38 percent lower among program beneficiaries than the control group (Baird et al., 2010). Whether conditional or unconditional, the prevalence of HIV and Herpes Simplex Virus (HSV-2) infection decreased 18 months after the program by 64 percent and 78 percent (“Malawi: The Zomba Cash Experiment - Does Paying Girls' School Fees Reduce Their Risk of HIV Infection?”). However, compared to the follow-up one year after ZCTP, the evaluation after two years reported that the program had little or no impact on childbearing in the CCT program while there the likelihood of pregnancy decreased by 6.7 percent in the UCT program (Khan et al., 2016). This result may have been due to the fact that the UCT program had a greater impact among girls who dropped out of school.

### *Sustainability*

The role of HIV prevention in CCT programs has been understudied, specifically in the context of sub-Saharan Africa. Even though ZCTP is one of the first CCT programs to evaluate effect of CCTs on HIV incidence, the intervention aimed to address the short-term issues but also extend its prospect of school girls in the form of human capital formation, marriage, and childbearing (Baird et al., 2011). Özler’s research reveals that the UCT component of the program failed to translate into increased welfare in the long-run. The

decrease in teen marriages, total live births, and HIV infections and improvements in psychological wellbeing and nutritional intake were no longer visible two years after the end of ZCTP (Özler, 2018). In fact, as shown in Figure 8, there was a baby boom and a trend of shotgun marriages among beneficiaries at the end of ZCTP. Beneficiaries reported lower levels of empowerment and had husbands with lower cognitive ability compared to the CCT and control groups (Özler, 2018).

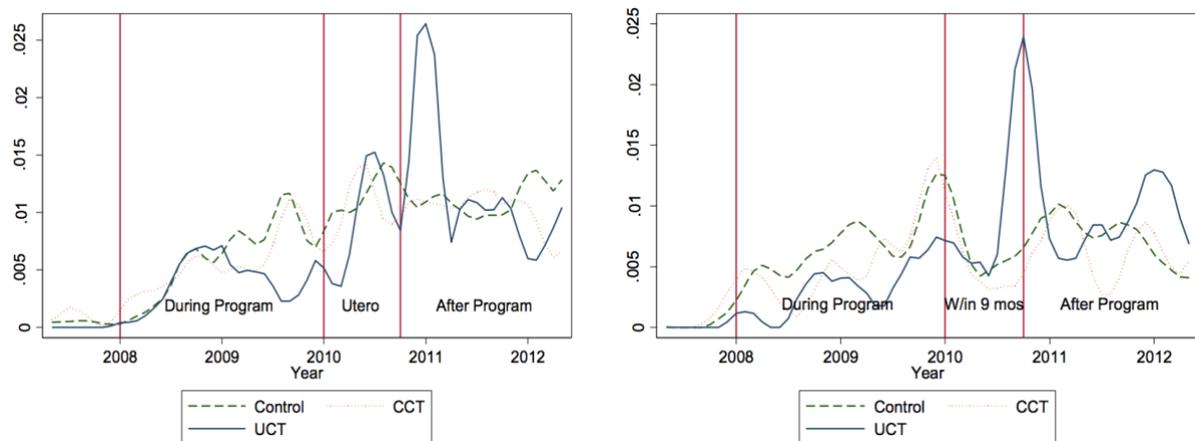


Figure 8. Baby Boom and Shotgun Marriages After the Program. Adapted from “Do Cash Transfers Have Sustained Effects on Human Capital Accumulation”, by B. Özler, 2017, Copyright 2019 by World Bank.

On the other hand, CCTs sustained its progress on school attainment, incidence of marriage, prevalence of pregnancy. However, we have yet to determine the long-term gains of outcomes such as individual earnings, per capita, household consumption, subjective well-being, health, or empowerment in the CCT group (Özler, 2018).

## Conclusion

Conditional cash transfers are well known for using effective targeting methods, emphasizing monitoring and evaluation mechanisms, and bringing beneficiaries to the forefront of the program. CCT programs have emerged as a new type of social assistance program because of their innovative design and implementation methods to reduce poverty.

However, the long-term impacts of CCTs to interrupt the intergenerational cycle of poverty is often uncertain for several reasons. Most notably, they are understudied in the humanitarian community because the focus of CCT programs initially lies only within the scope of short-term impacts. Even though CCT programs have shown success in reducing poverty, studies have yet to determine if poverty reduction trends can be sustained into the future, through multiple generations. In order to maintain this progress, there must be high and sustained economic growth as well as effective social policies. In addition, unintended external factors can influence the sustainability of CCT programs. For example, unstable political environments and natural disasters have put Bolsa Família at a place of uncertainty. Additionally, the unexpected baby boom among beneficiaries has hindered the successes once made in ZCTP, a type of CCT program. Despite these setbacks, CCT programs still have the potential to make an impact on cycle of intergenerational poverty. Therefore, CCT programs should first include indicators that pertain more to long-term impacts in the design stage, then increase monitoring systems after program completion in order to determine whether programs have sustained results for the years to come.

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