

# Empowering Regions: A Policymaker's Tailored Playbook for Cash Transfer Programs

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## ABSTRACT

Over the last decade, unconditional and conditional cash transfer programs have become a widespread tool used by policymakers to alleviate poverty, strengthen diplomatic ties, and incentivize beneficial social practices. For cash transfer programs, there is a clear connection between the regional and situational context of the area of implementation and the type of program that is chosen to be executed. However, there is currently no outright indication or guide for policymakers to use in order to decide on a program best fit for their region of implementation. This paper strives to review pre-existing literature on examples of cash transfer programs and conduct a cross-country examination to identify general patterns found within the implementation of specific programs in respective areas. This will lead to a comparative analysis, which will synthesize the case studies detailed in the literature review to construct a step-by-step checklist to direct policymakers to a solution that will meet the criteria of the region they are working within. This guide, or “playbook,” will help policymakers save time and resources by providing them with clarity behind their decisions and holistically streamlining the implementation process, ultimately ensuring that a program is successful and sustainable.

## Introduction

Until recently, Universal Basic Income (UBI) was the dominant pick of social welfare programs by policymakers due to their rapid gain in popularity as a means of instant cash distribution. With the rise of Artificial Intelligence, UBI quickly gained attention in the U.S. and Europe as a potential solution to poverty and to mitigate the potential harm new technologies can have on displacing workers in the labor market. However, policymakers have begun to analyze the unintended consequences of UBI, such as its feasibility, cost, and potential work disincentives. In light of the growing skepticism policymakers have about UBI, cash transfer programs (CTPs) have become increasingly popular over the years as a way of alleviating poverty in respective regions while also being tied to social goals policymakers are trying to achieve. Sociology professor Nancy Stedman states, “over 100 low and middle-income countries have introduced some form of large-scale, government-run cash transfer programs as part of their poverty-reduction strategies in recent years” (Stedman, 2023). CTPs are direct cash aid programs implemented by groups of researchers or policymakers that aim to provide beneficiaries with substantially more capital to potentially increase their quality of life. This aid can be periodic or a lump sum and is typically distributed for emergency relief or long-term sustainability. CTPs fall under two distinct categories: unconditional cash transfers (UCTs) and conditional cash transfers (CCTs). UCTs do not hold beneficiaries liable for meeting any condition in order to receive money. Chosen recipients are simply given an amount and are free to use it however they please. CCTs, on the other hand, mandate a condition for the beneficiary to fulfill before they are free to use the money (Loeser et al., 2021). In recent years, questions have been circulating about how vital the decision between executing a UCT or a CCT is and what internal and external factors policymakers can use to influence their judgment. This paper aims to provide context behind those decisions that may help policymakers effectively implement a specific program in a desired location to achieve their socioeconomic goals.

Before diving straight into a solution, understand the level of complexity that goes into deciding between which program to implement; they often highly differ according to the goals of policymakers and the regional context they are working within. However, there are standard guidelines that can generally be associated with each program. A CCT is commonly used to encourage the longevity of regular practices that will help a community build sustainably with the help of programs, for instance, that focus on personal financial literacy or enhanced contraceptive knowledge. For example, Brazil's Bolsa Familia CCT aims to empower Brazil's citizens and alleviate their financial burdens. Under Bolsa Familia, low-income families receive cash transfers on the condition that they send their children to school and ensure they are adequately vaccinated. When this CCT was implemented in 2004, there was a limit on the number of beneficiaries; however, when the constraint was lifted in 2009, there was a massive increase in private-sector employment (Gerard et al., 2022). The conditional cash transfer model successfully reduced levels of inequality and hunger, with significantly fewer people living below the poverty line. Additionally, increased rates of adolescent maturity and performance in school were shown, ultimately showing signs of future financial independence.

A UCT program usually strives to promote individuality and financial freedom; however, UCTs, unlike CCTs, are typically not set in place for long-term measures but instead for immediate relief and instant spending. For example, Mercy Corps Niger, who, from 2012 to 2013, implemented the PROSAZ program to enhance food security and economic resilience in Ouallam, Niger. Due to late rains and insect damage, many farmers unexpectedly had no crops to harvest, worsening food security for over 6.5 million people. PROSAZ provided UCTs and cash-for-work activities (CFW) to 1,800 vulnerable individuals. Due to a CFW ban during the growing season, remaining CFW funds were redirected to UCTs, distributing over \$140,000 in life-saving care packages ("Mercy Corps").

From a broader perspective, those two situations seem relatively similar, especially within their regional contexts, making some believe CTPs are only intended for the developing world. However, what is not revealed from those examples is that they can also be implemented in developed countries with more formal economies, sometimes yielding entirely different results. Siobhan McDonough, a USAID fellow, analyzes the COVID-19 pandemic stimulus checks, a UCT, and shares her perspective on the outlook of CTPs in the developed world, "the global scale of transfers was unprecedented; in some countries, this was the first time an unconditional cash transfer had ever been tried [...] Direct cash aid stimulus checks put instant money into 80% of Americans' hands," says McDonough (McDonough, 2022). She speculates that large UCT programs like stimulus checks will captivate more American and European policymakers to consider their long-term effects due to their successful poverty alleviation results during the COVID-19 pandemic.

If one were to refer back to the given examples of CTPs in Brazil and Niger, it might be likely to depict Brazil's CCT as less urgent and mainly focused on building long-term infrastructure, compared to the UCT program in Niger, which focused more on immediate disaster relief, which is typical when comparing a UCT and a CCT. Regardless of how one would gauge the situation, the underlying issue is the same: currently, there is no outright indication for policymakers to decide between a UCT or CCT before they actually test it in real time. Although a one-size-fits-all blueprint may not represent every possible situation, this literature review's potential to benefit implementers by saving time, resources, and money is imperative in the circumstances of future program considerations.

This review will utilize a cross-country comparative analysis to synthesize pre-existing studies within different countries and institutional contexts. The central goal is to develop formal ways to accurately decide whether policymakers should implement an unconditional or conditional cash transfer program in a particular country. This will be done in section I of the paper, where we will review and analyze examples of UCTs and CCTs in developing and developed economies. Afterward, in section II, we will compare all four categories and dissect the information we found in section I, portraying it in a context easy for policymakers to digest. The conclusion aims to summarize the paper by taking a subjective approach through a reflection on the paper's content and making final recommendations and statements for policymakers.

## Literature Analysis

There are many ways to categorize CTPs, but for this literature review, we will separate them into four categories based on the combinations of unconditional or conditional and developing or developed economies. We will analyze them first individually and then compare them later in section II.

### UCTs in Developing Countries

While UCTs and CCTs exhibit numerous differences, a key commonality between them is the necessity for a strong logistical framework. This requirement is often more straightforward to manage in developed countries, where existing infrastructure supports efficient execution. In contrast, logistics are more complicated to plan and implement in developing countries; however, the implementation process reveals that the impact in a developing country is more evident. Berk Özler from The World Bank further says, “The impact of UCTs in developing countries can be more pronounced and easier to observe due to the absence of extensive pre-existing social safety nets (Özler et al., 2018).

Additionally, UCTs initiated in developing countries can strengthen diplomatic relations. These programs demonstrate goodwill and a commitment to humanitarian aid, fostering positive perceptions and cooperative relationships. For example, the effectiveness of UCTs in improving various socio-economic outcomes can enhance the image of the donor country, showcasing their support for poverty alleviation and economic stability in the recipient nation. Özler adds to his previous claim, saying that UCTs can lead to immediate improvements in consumption, nutrition, and health outcomes, which in turn can stabilize regions and create a more favorable environment for diplomatic and economic engagement (Özler et al., 2018).

Georgina Sturge, director of public policy at the Cambridge Review, says, “by addressing basic needs and reducing poverty, these programs can indirectly contribute to regional stability and peace, further enhancing diplomatic ties (Sturge, 2016). Over time, UCT benefits have far outweighed their costs, as shown by this example in Rarierda, Kenya. In Rarieda, researchers evaluated the impact of GiveDirectly’s UCT program on poor rural households’ economic and psychological well-being. Results demonstrated that the program had significant financial and psychological welfare-improving impacts for transfer recipients. The people of Rarieda were experiencing famine and severe drought and, as a result, were in dire need of support. This UCT provided immediate care and reduced potential mortality rates because of the supplies and food residents could buy for their families. The program substantially improved recipients’ lives by significantly increasing their consumption, enhancing their ability to acquire durable goods, and boosting their monthly earnings. It also played a crucial role in improving food security and reducing hunger. Beyond these economic benefits, the program positively impacted recipients’ overall health and psychological well-being, contributing to noticeable improvements in their health, happiness, and stress levels.

Another successful example of a UCT in a developing country is Bangladesh’s flood response program in 2020. Anir Chowdhury, a policy advisor for the Bangladeshi government’s flagship digital transformation program, talks about the initiative, “led by the World Food Programme in collaboration with the Bangladesh Red Crescent Society, unconditional cash transfers were provided to vulnerable households before the flooding occurred” (Chowdhury, 2021). The program distributed cash grants of approximately \$53 to 145,000 people using forecast-based financing mechanisms, allowing them to prepare for the impending disaster. The UCT transfers enabled recipients to take preventive measures, such as purchasing food and water, securing their assets, and evacuating to safer areas. Evaluations showed that households receiving the cash transfers were 36% less likely to go a day without eating during the flood and reported higher food consumption and well-being three months after the event. The cash assistance also helped reduce asset losses, lowered the need for high-interest borrowing, and facilitated quicker recovery post-flood.

Rarieda and Bangladesh are great examples of the magnitude of impacts a UCT can have on a developing country. UCTs in developing countries have definitely had success with policymakers due to their ability to relieve poverty and provide valuable financial education. They should definitely be a considered option moving forward for

policymakers interested in simultaneously bridging humanitarian, development, and social protection programs with diplomatic relations.

## UCTs in Developed Countries

UCTs in developed countries marginally differ from those of their developing counterparts. Economics professor Mario Schmidt claims that in developed countries, a UCT is usually sought by policymakers to alleviate poverty and income inequality, stimulate economic growth, and enhance administrative efficiency (Schmidt et al., 2024). These programs empower recipients to use the money as they see fit, reducing bureaucratic barriers and the stigma associated with accessing social benefits. Evidence from pilot programs demonstrates positive impacts on health, education, and overall well-being. Additionally, such transfers can address technological unemployment, encourage entrepreneurship and innovation, and support vulnerable populations, ultimately improving societal outcomes. This approach simplifies welfare systems and provides a reliable safety net, fostering economic stability and growth. These types of UCTs are typically explicitly implemented in developed countries to serve people with quick and accessible cash if they face a social safety issue.

However, according to a study by Professor David Coomes, UCTs in developed countries grew to be less popular than initially thought over time. Although this should not act as an immediate deterrence, it is still necessary to discuss the reasons as to why this claim is so widespread. Coomes says that UCTs occasionally reduce work incentives and strain public finances, leading to potential tax increases or cuts in services, which is partially counterintuitive to its intentions (Coomes, 2017). Additionally, concerns about inflation and the inability of unconditional cash transfers to address the root causes of poverty and inequality further support the preference for targeted support CCT programs instead in the developed world. Furthermore, developed countries already have established welfare systems, which Professor Hema Shah further analyzes in her study on the implications of UCT programs for adolescent development in the United States. She claims that in the U.S.'s case, CTPs (specifically UCTs) are possible but are more challenging to measure because the same beneficiaries who qualify for the UCT are most likely eligible for other social safety net programs, making it increasingly difficult to get individualized results from the program's implementation (Shah, 2023). From the same study, economist Lisa A. Gennetian tells us that "[A]lthough children are the largest indirect beneficiaries of the U.S. social welfare system, direct cash aid to families is limited" (Gennetian, 2023). She speculates this is primarily because, in a country with multiple options for social safety net programs, the same beneficiaries who qualify for a UCT will also be eligible for numerous other programs, which can potentially detract from the magnitude of a cash transfer program, essentially voiding the impacts.

We can also turn to another UCT program implemented in Finland in 2017 and 2018, which was discontinued shortly thereafter. European affairs correspondent Jon Henley suspects that the reason for the program's discontinuation resulted from a backfire effect, "[I]t was hoped it [the UCT] would shed light on policy issues such as whether an unconditional payment might reduce anxiety among recipients and allow the government to simplify a complex social security system that is struggling to cope with a fast-moving and insecure labor market" (Henley, 2018). However, the program only resulted in the opposite; instead of seeing whether a guaranteed income might incentivize unemployed people to take up paid work by smoothing out gaps in the welfare system, the 2,000 randomly selected people who would receive equal to an additional \$610 monthly did not leverage it to their advantage, and the program was classified as ineffective. To further support the claim of a concrete labor-leisure trade-off occurrence with UCTs in developed countries, Eva Vivalt of The Bureau of Economic Research says, "In an experiment in the U.S. in which 1,000 low-income individuals were randomized into receiving \$1,000 per month unconditionally for three years [...] The transfer caused total individual income to fall by about \$1,500 a year relative to the control group, excluding the transfers" (Vivalt et al., 2024). The program resulted in a 2% decrease in labor market participation for participants and a 1.3-1.4 hour per week reduction in labor hours, with participants' spouses reducing their hours worked by a comparable amount. In certain implementations, UCT programs can encourage complacency and discourage productivity.

Another equally important point to note is that policymakers will work closely with researchers to set up a research design to credibly study the effectiveness of CTP. Oftentimes, these research designs require the randomization of assistance to program participants to determine the causal effect these programs have. Those programs are called randomized control trials (RCT) and are a type of scientific experiment designed to manage variables not directly controlled by the experimenters. RCTs have been the preferred method of selection because they eliminate systematic bias between groups. Henley clarifies this when he says that the Finland program is “not the commonly used UBI trial because the payments are made to a restricted group and are not enough to live on, and is instead randomized” (Henley, 2018). Typically, UCTs in developed countries are implemented with standard procedures: defining goals, securing funding, establishing a legislative framework, and setting eligibility criteria. Monitoring and evaluation are crucial and can be conducted through RCTs or other methods like quasi-experimental designs, longitudinal studies, surveys and interviews, and administrative data analysis.

Overall, UCTs in developed countries could work out if implemented with a solid logistical procedure and ample funding and resources; however, the program's effects have clearly shown to be less fruitful than researchers and policymakers had initially hoped for. In order to conduct a truly successful UCT program, policymakers need to define clear objectives, secure funding, establish legal frameworks, and set up efficient registration and payment systems. It may be easier said than done, but the financial benefits that UCTs can hold for the general public in developed countries can truly be invaluable if done correctly.

We can return to the COVID-19 stimulus checks as an example of a positive outcome and analyze their impacts further. Research shows that over 450 million households benefited from the 814 billion dollars distributed to people suffering from the pandemic (“Pandemic Oversight”). Additionally, Laurent Belsie of The Bureau of Economic Research says that stimulus payments have little impact on job-seeking. Two-thirds of individuals who received the unconditional transfer said it had no effect on their job-search decisions, and more than 20 percent reported that the stimulus actually caused them to look harder for a job (Belsie, 2024). From this, we can see that some UCTs in developed countries can be vastly successful if performed in optimal conditions and are still a plausible option for policymakers to consider.

## CCTs in Developing Countries

A CCT is characterized much differently than a UCT, primarily because of the conditional aspect, giving it a unique element that must be considered when choosing between CTPs. CCT programs in developing countries are typically implemented in instances where there is a need to encourage specific behaviors that can lead to long-term socio-economic benefits. These programs are often deployed in low and middle-income countries to improve education and health outcomes among poor households. These programs aim to break the cycle of poverty by investing in human capital and ensuring that children receive education and healthcare, which can lead to better job opportunities and healthier lives in the future. As mentioned before, the main difference is the conditional factor, which sometimes calls for extended planning periods. This is why it is commonly said that CCT programs are meant for the long term (and the promotion of gradual, progressive change), while UCTs are meant for the short term (and immediate progressive change). Let's circle back to the world-famous example of a successful CCT, Brazil's Bolsa Familia, except this time from a different perspective to showcase an example of a standard CCT.

Francois Gerard, a professor of economics at Queen Mary School in London, starts by talking about the negative perception associated with cash transfer programs due to previous mishaps concerning their execution. The public supposedly perceives these programs as unreliable and a waste of time and resources. At the time when Bolsa Familia was implemented (2004), there was heavy disapproval for it and a limit on the number of beneficiaries and slots across municipalities; however, when the constraint was lifted in 2009, there was a massive increase in private sector employment and a net economy expansion of almost 14% (Gerard et al., 2022). Direct impacts include poverty alleviation and increased quality of life concerning sanitation, health, and education. This study also saw decreased public sector jobs due to an influx towards the private sector. These results show that implementing a CCT in an



impoverished area of Brazil may be optimal for bridging the rural-urban divide. Under Bolsa Familia, low-income families receive cash transfers on the condition that they send their children to school and ensure they are adequately vaccinated (Gerard et al., 2022). The conditional cash transfer model successfully reduced levels of inequality and hunger, with significantly fewer people living below the poverty line and increased rates of adolescent maturity and performance in school. One could conclude from this that in an underdeveloped and informal labor market, setting a condition that will benefit people during the cash transfer cycles and also after it by bolstering sufficient infrastructure for future economic growth is why CCTs have limitless potential in developing countries.

We can look at another similar example as well. In 2011, conflict and flooding in the Abyei area displaced over 100,000 people, destroying food stores and incomes. Project MORAL supported 750 households with CCTs to meet additional needs and bolster the local economy's informal market. Financial literacy training was required to promote resource and asset management ("Mercy Corps"). Initially, most households bought temporary goods like food, but spending later shifted to essentials focused on longevity like clothing and shelter. This is a perfect example of a successful CCT because it shows how beneficiaries' spending habits evolved and why direct cash aid can improve the lives of people from underserved communities. Overall, CCTs in developing countries have proved to have miraculous results and generally yield more than just economic growth. Looking at both the Abyei area and Brazil, we can see a clear indication that the beneficiaries will continue down a path of prosperity because not only is their quality of life increasing, but also their level of education regarding contraceptive usage, personal finance, and budgeting. CCTs in developing countries are a viable option for policymakers looking to change the habits and practices of the program recipients for the economic and psychological betterment of their society.

## CCTs in Developed Countries

CCTs in developed countries have a negative stigma associated with them, namely that they cannot produce the same results as a CCT in a developing country because a conditional aspect will have less prominent results on a group of people already residing in a more advanced society. However, Márton Medgyesi, a social policy researcher for the United Nations, tells us that this misconception could not be further from the truth. He says that multiple conditions have been set in the EU and the US that have shown similar results to those set in developing countries, specifically with labor market initiatives (Medgyesi, 2016). CCTs in developed countries have proved to be the best at handling unemployment and incentivizing families to invest in human capital. However, there are minute differences between the developed and developing sides of a CCT, such as how developing country CCTs typically focus on educational matters and developed country CCTs concentrate on the job market and unemployment space. Regardless, CCTs hold their value to policymakers in the sense that the condition is never preset, so the argument about specific conditions in certain countries is entirely flawed; certain recommendations are advised to be followed based on the social status of the beneficiaries, but they are never set in stone.

A distinguished example of a CCT in developed countries is Finland and Norway's CCT, which provide incentive payments for pregnant mothers to motivate participation in pre-natal health check-ups. The CCT called Maternity Grant provided a single lump sum benefit of \$152 for eligible women if the mother has undergone a medical examination before the end of the fourth month of the pregnancy. This initiative promoted frequent pregnancy checks for women in labor and caused them to be more proactive about any medical concerns. Additionally, from the same study, a similar program was implemented in Austria in 2001 as a means-tested benefit launched and later expanded to nine other European countries. The condition for receiving the full benefit was to undertake at least five pre-natal and five post-natal check-ups. If the required number of examinations is not met, the mother is entitled to a 50% lower child care benefit (Medgyesi, 2016).

Interestingly, before the early 2010s, some conditions in developed countries were set to threaten instead of incentivize. Another more recent example of a threatening or "negative" condition is taken from the US in 2014 through the Temporary Assistance for Needy Families program (TANF). This program consisted of welfare requirements for standard immunizations for children in 24 member states and health screening requirements mandating

checkups for children in 7 member states (Walker et al., 2021). The downside of the condition here is that if the health-related requirements are not met, sanctions affect the incentive, ranging from a 25-50% deduction or temporary suspension to total benefit withdrawal. However, unlike all other instances of cash transfer programs, CCTs in developed countries are the first to yield mixed results. The same UN paper discusses the impacts of CCTs in high-income countries being based on a review of 24 studies of CCT programs and field experiments in the US and EU. Most of the reviewed programs were pilot or field experiments, and only a few were scaled-up national programs. These studies showed mixed results regarding the effect of CCT programs on human capital investment. Programs that were conditional on human capital-related behavior, like school enrollment, generally had positive effects, while incentives that targeted school performance produced more mixed results. Results showed that major choices in the program design did not easily explain differences between program impacts; for example, both favorable and unfavorable effects were found among programs that apply positive incentives and among programs threatening to deduct from an incentive. This suggests that other program features, such as targeting, transfer size, monitoring of conditions, implementation quality, and the social and policy context of the programs, are more critical in determining final impacts than how the incentive is placed for the beneficiaries.

## Comparative Analysis

Now that we have a firm understanding of the contexts in which each instance of a UCT and a CCT are used and what results they generally yield, it is now important to compare their implementation and give final recommendations to policymakers to ensure the success of their program choice. We will stick with the claim we have established in this paper: UCTs are used for immediate disaster relief and rapid cash deposits, while CCTs focus on building sustainable infrastructure to improve the long-term well-being of recipients' communities. However, just saying this alone cannot justify implementation for a particular program. In this comparative analysis, we will roadmap the decision process between a UCT or CCT and give policymakers clarity behind their decisions. Ultimately, the decision should come down to the country's current economic state and the program's desired goal. The first step in deciding between a UCT or CCT is seeing whether one is even necessary. Doing so typically calls for a situation analysis, evaluating whether the current circumstance requires financial assistance due to widespread poverty, economic instability, natural disasters, or lack of education on a vital topic like pregnancy. Next, assess if any alternate forms of cash transfer or relief aid have already been enacted in the area of implementation. This is helpful to consider because a new cash transfer initiative might not be practical if current welfare programs or social services sufficiently address the issue. If so, it might be a better option to consider in-kind distributions or cash vouchers.

After deciding if direct financial assistance would significantly improve the situation, review the resources and administrative capacity available for implementing and managing the program. Ensure that there is an adequate budget and infrastructure to effectively plan, implement, and manage the cash transfer program. If resources are constrained or the current area is unable to support any new initiative, it may be wise to consider alternative approaches requiring less upfront capital investment. Finally, study the cost-benefit analysis of the cash transfer program. Predict if the program will lead to enduring improvements and if mechanisms are in place to maintain its effectiveness and support over time to guarantee minimal sunk costs. By carefully evaluating these aspects, policymakers can decide if a cash transfer program is necessary and, if so, whether UCTs or CCTs are the most suitable option, given the specific needs and context.

Now that we have the predetermined criteria necessary for continuing with a CTP, we can explore the decision between a UCT or CCT by going through different scenarios that may arise when implementing a CTP and deciding which program is better suited for each one. This guide will provide situations one must consider before implementing a CTP and recommend the program that generally yields the best results for that situation. The goal is to choose a scenario related to the regional context of where the program will be implemented and select the program based on the standards this guide lists.

To begin, the urgency of an issue must be considered when implementing a CTP in a country. In more urgent situations like a natural disaster, famine, or a power outage, a UCT might be optimal, considering they offer simplicity, ensure that all eligible individuals receive support regardless of their circumstances, and require minimal pre-existing infrastructure to implement. Let us take the Bangladesh flood response program, for example, which distributed cash grants of approximately \$53 to 145,000 people using forecast-based mechanisms, allowing them to prepare for the impending disaster and distribute funds before the flood arrived. (Chowdhury 2021). In this case, there was no need for a set condition because the intent of the CTP was directed toward anyone who required assistance. This UCT saved numerous lives and provided food, transport, and other necessities for Bangladeshis. This UCT perfectly showcases a successful program implemented in the right conditions because it can help a broad range of people with little administrative burden.

However, in scenarios where one wants to encourage specific behaviors like increasing school attendance, improving healthcare utilization, or other measurable actions, a CCT could be the better option. Take the example of Finland and Norway, which provide pregnant women with incentive payments to incentivize pre-natal and post-natal check-ups. This is an excellent example of a standard CCT because it targets a specific group and relies on administrative capacity (Medgyesi, 2016). The CCT program provided a one-time benefit of \$152 to eligible women who underwent a medical examination before the end of the fourth month of pregnancy. This initiative encouraged regular pre-natal checkups and prompted women to proactively address any medical concerns during their pregnancy.

Another point to consider is the overall demographics of the target beneficiaries. If the target market is broad and diverse, spanning numerous socio-economic backgrounds, a UCT might be a better alternative because it can apply to more people at once. Circulating back to the Oullam, Niger, UCT example, we can see that there was not much infrastructure in place beforehand, which caused crops to wilt due to a lack of pesticides. This UCT aimed to help alleviate hunger and provide food security for the people of Oullam; However, it was not precisely focused on fixing any social patterns for specific groups, making this a reasonable choice as a UCT program. On the contrary, if the goal targets specific populations like pregnant women or young children, a CCT may be more effective because it allows for tailored interventions that address particular issues within these subgroups. Brazil's Bolsa Familia CCT is an excellent example of a CTP initiated to help a certain group of people. Bolsa Familia gives low-income families cash transfers on the condition that they send their children to school and ensure they are adequately vaccinated (Gerard et al., 2022). The reason this CTP was designed as a CCT instead of a UCT is simply because the implementers wanted to specifically target children and change societal norms.

An additional evaluation point is whether project implementers have the resources and infrastructure to administer conditions for CCTs effectively. In theory, UCTs, like in Rarieda, are more straightforward and cheaper to issue as they do not require condition verification, which reduces the administrative burden and associated costs. In Rarieda, researchers assessed the effects of GiveDirectly's UCT on the economic and psychological well-being of impoverished rural households. The findings revealed that the program significantly enhanced both the recipients' financial situation and psychological welfare. Although this CTP occurred in a less developed economic area, results were still positive for Rarieda.

CCTs, on the other hand, benefit from a robust system for tracking compliance, which includes verifying that beneficiaries meet set conditions. The Temporary Assistance for Needy Families (TANF) program in the US consisted of welfare requirements for standard immunizations for children in 24 member states and health screening requirements mandating checkups for children in 7 member states (Walker et al., 2021). In order for this certain CCT to succeed, there needed to be readily available medical facilities to get check-ups from, or else the purpose of the CCT would be flawed. For most CCTs to be effective, there must be accessible and reliable services such as schools, healthcare facilities, and transportation. If these services are robust and can support the slightly additional demand generated by the program, CCTs can lead to significant improvements in social indicators. However, if these services are inadequate or inaccessible to large portions of the population, UCTs may be a better choice (Özler et al., 2018). UCTs provide financial support without relying on the availability of specific services, ensuring that all eligible individuals benefit regardless of service accessibility and generally have lower administrative costs, ensuring broad



support and simplicity. However, UCTs may not specifically address particular behaviors like a CCT would. If the potential benefits of influencing specific behaviors outweigh the costs of administering conditions, CCTs could be more beneficial. On the contrary, if minimizing administrative costs and ensuring universal benefit is a priority, UCTs may be the preferable option.

It is also important to remember that some criteria could intersect between a UCT and a CCT. For example, in a CCT implemented in the Abyei area, the goal was still to create better social and financial habits for specific communities; however, unlike CCTs in developed countries, the Abyei area does not have the optimal pre-existing infrastructure to support extensive program development. Despite occasional overlaps in criteria between an ideal UCT and CCT, the program successfully provided financial relief and food delivery to over 700 households. Regardless of how many criteria match, the true key to success always lies in meticulous planning of logistics, funding, and implementation, ensuring the program achieves its maximum potential impact.

## Conclusion

In summary, if the analysis indicates that broad, unconditional support with minimal administrative complexity aligns with the objectives of policymakers, then it is best to implement a UCT. This approach ensures that financial aid reaches all eligible individuals, promoting economic stability and reducing poverty. If, however, the goal is to drive specific social changes and administrative capacity can support the necessary monitoring, a CCT should be chosen. CCTs provide targeted incentives that can lead to measurable improvements in specific social indicators, achieving more focused policy outcomes. Overall, the decision between a UCT and a CCT comes down to many factors, including the administrative costs, scope of assistance, and the program's intent. This paper strived to present UCTs and CCTs as a new form of cash transfer program and help guide policymakers in choosing the optimal program for the context they are working within. This transitioned into an overview of various UCTs and CCTs in developed and developing countries, which we later used to compare different scenarios and recommend whether a UCT or a CCT would better match as a solution in that regional context. This paper aims to serve as a tool for future cash transfer programs and policy implementation, and we anticipate it to act as a guide for policymakers interested in engaging in the expansive potential of cash transfer programs.

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