

Working group 3: Cash Transfers: Policy Design and Human Rights

Surprisingly there was significant consensus during the session on the effectiveness of cash transfers. There was even some agreement of the effectiveness of conditionalities in certain circumstances. Still there were many remaining issues on implementation and ensuring the protection and promotion of human rights. Below provides a brief summary of the various areas of consensus and issues unanswered.

Targeting

The case studies presented from Brazil and Mexico showed that at least in some cases, targeting could be effective when resources are limited resources. Questions on how to deal with corruption and nepotism resulting from targeting, however, remained unanswered. There was further uncertainty whether targeted (or even non-targeted) cash transfers were an effective solution for countries with large populations like in the case of India.

Role of Donors

When cash transfer projects are funded solely by a donor there was general agreement that there is a need to complement the programme with human rights policy. There seems to be a serious lack of long term outlook and harmonization among donors. In Zambia there are five different types of cash transfer programmes without any type of harmonization.

Conditionalities

In Western Europe improving services worked in improving social welfare but just improving services alone does not have the same effect in lower income countries or among the poorest. In some cases providing incentives, such as conditionalities has been shown to reduce inequality gaps and promote social welfare. This has been shown particular true in such cases where there is a disproportionate number of boys than girls attending school or where a non-conditional transfer would not be possible due to the political-economy environment. But how do we divide aspirational and punitive conditionalities?

Conclusion

There was clear agreement that in cases of extreme poverty basic income grants should be unconditional and universal. When designing cash transfer programmes, the over all goal of the programme must be universal coverage of the minimum core of rights. The session concluded that human rights can set limits and help design good cash transfer schemes. As a way forward the group proposed the creation of a human rights “check list” to help with the designing human rights friendly schemes. The report from the independent expert on extreme poverty on cash transfers is a start but needs to be further developed into strict human rights guidelines for implementing schemes.