How can we empower girls to end poverty?

Abstract

Not having enough money to buy everything we want can be disappointing. But true poverty is not having enough money for basic human needs like food, clothing, or a place to live. Governments and organizations are looking for effective ways to help people escape poverty. Some programs give people cash unconditionally — meaning it is given with no strings attached. Others give them conditional cash — for example, only if their children attend school. So which approach is more effective? We compared the impacts of unconditional and conditional cash for schoolgirls in Malawi, Africa. Unconditional cash improved girls’ wellbeing and reduced teen marriage and pregnancy rates. But the positive effects disappeared when the money stopped. Conditional cash led to the girls achieving more at school. Each approach has its unique benefits. We think implementing them together would be a more effective tool to fight poverty than either approach alone.

Introduction

According to the World Bank, 1 in every 10 people in the world lives in extreme poverty — that means living on $1.90 or less per day! Governments and organizations are constantly looking for sustainable ways to improve the health and living standards of impoverished people. Giving money directly to these people (cash transfer programs) is very effective in reducing poverty. There are two common approaches:

- **Unconditional Cash Transfers**: Money is given; the recipients don’t have to do anything in return.
- **Conditional Cash Transfers**: Money is given only if the recipients fulfill a specific requirement. For example, children must attend school or pregnant women have to attend antenatal (pre-birth) check-ups.

These programs are not new, but they have rarely been compared to each other, so we don’t know how adding in a ‘condition’ changes the impact of the cash transfers. Which one might be better at improving people’s lives?

We wanted to find out so we conducted a controlled experiment in one of the poorest countries in the world: Malawi, Africa. School drop-out rates are very high among Malawian girls.
because they face pressure to get married early. Getting an education could help these girls build a better life for their future children. But does cash given on the condition of attending school help that aim become a reality? Or would unconditional cash better improve their life chances? We compared the impacts of unconditional and conditional cash on schooling, marriage, and pregnancy for Malawian girls.

Methods

We worked with about 3000 girls in 176 different communities in Malawi. When the study started, all the girls were between 13 and 22 years old and had never been married. These were our study groups:

1 **Schoolgirls:** When the program started, these girls were still in school. We made two sub-groups and offered them one of the following two programs:
   - **Unconditional cash:** No conditions: girls received money by showing up at the cash transfer locations.
   - **Conditional cash:** Girls received cash only if they attended school at least 80% of the time.

2 **Dropouts, conditional cash:** These girls had already dropped out of school at the beginning of the program. They received cash only if they re-enrolled and attended school 80% of the time.

3 **Control Group:** These girls did not receive any cash. This group included girls who were still in school and girls who had dropped out.

Each household in the conditional cash and unconditional cash groups received an average of $10 per month for two school years, from the beginning of 2008 to the end of 2009.

We did school and household surveys during the program, at the end of the program, and two years after it finished (so we could compare short- and long-term effects). We measured:

- School enrollment and attendance
- Test scores in English and math
- Marriage and pregnancy rates

Results

<table>
<thead>
<tr>
<th>Group</th>
<th>Improved</th>
<th>Didn’t improve</th>
<th>At the end of the program</th>
<th>Long-term effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schoolgirls: Unconditional cash</td>
<td>Lower rates of child marriage, teen pregnancy, and sexually transmitted infections (compared to control)</td>
<td>School attendance Test scores</td>
<td>Sudden rise in the number of marriages and pregnancies (see Figure 1).</td>
<td>Two years later, all positive effects were gone or reversed.</td>
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<tr>
<td>Schoolgirls: Conditional cash</td>
<td>Better school attendance and test scores compared to the unconditional cash group</td>
<td>Marriage and pregnancy rates (same as control group)</td>
<td>40% of girls were still in school.</td>
<td>Long-term positive effects are possible thanks to 40% of girls still being in school at the end of the program.</td>
</tr>
<tr>
<td>Dropouts: Conditional cash</td>
<td>Many girls returned to school Test scores Lower rates of child marriage and pregnancy (compared to control)</td>
<td>Health and wellbeing Individual girls’ earning power</td>
<td>The effects on test scores, child marriage and teen pregnancy continued.</td>
<td>Improvements lasted and even increased for two years after the program. On average, girls were older when they had their first child, had fewer children, and wanted fewer children overall.</td>
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Over the past 20 years global poverty has been halved, but the fight is far from over. The United Nations aims to end extreme poverty by 2030. Everyone, even you, can help to reach that goal. Here are some ideas:

- Donate to a reliable charity. GiveWell can help you decide where to donate: https://www.givewell.org/.
- Have a look at Peter Singer’s book *The Life You Can Save* to see why donating money is so powerful: https://www.thelifeyoucansave.org/the-book/.
- You can give your time too. Look for volunteering opportunities in your community or at non-profit organizations that fight poverty.
Glossary of Key Terms

**Conditional cash transfers** – programs that give money to households if they comply with certain requirements. In this study, the condition was school enrollment and attendance.

**Cycle of poverty** – a set of factors or events in which poverty is likely to continue unless there is outside intervention. This occurs when poor people do not have the resources necessary to get out of poverty, such as financial capital, education, or connections.

**Policymakers** – the people and organizations who make rules and programs for a society. They are typically politicians or other political groups.

**Poverty** – the state of being extremely poor; not having enough financial resources to meet basic personal needs such as food, clothing, clean water or a place to live.

**Sustainable** – able to continue over a period of time.

**Unconditional cash transfers** – cash payments provided to people in poverty without any requirements. They receive the money whatever they do.

Check your understanding

1. What is an unconditional cash program? What were the short- and long-term effects for the Malawian girls?

2. What is a conditional cash program? What were the short- and long-term effects for the Malawian girls?

3. Why is education often used as a condition for receiving money in conditional cash programs?

4. Why did the researchers use a control group?

REFERENCES


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