

*The Design of Conditional Cash Transfers:  
Experiences from Argentina's  
Universal Child Allowance*

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## **The design of conditional cash transfers: Experiences from Argentina's Universal Child Allowance**

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### **Abstract**

Conditional cash transfer programs (CCTs) have become an increasingly prominent feature of social protection programs in developing countries. While a multitude of studies have examined the health, education and other impacts of CCTs in various countries, little attention has been paid to beneficiaries' experiences and perceptions of the programs and its individual components. This paper focuses on beneficiaries' experiences of Argentina's flagship anti-poverty program, the Universal Child Allowance (AUH). The program consists of cash-transfers to poor families with children, conditional on the fulfilment of health and education commitments. The AUH has two design peculiarities: both men and women can act as transfer recipients, and 20% of the total annual transfer is released to beneficiaries in a lump sum once a year. We find that beneficiaries would prefer that transfers be targeted specifically to women, because of their role as the children's primary carers, and also to reduce uncertainty over control of the transfer in the case of separation or divorce, as well as in unstable unions. In addition, while beneficiaries saw disbursement of the 20% as a lump sum as positive (a "bonus"), many were uncertain about when and under what conditions they would receive the retention payment. Uncertainty about eligibility and receipt of the transfer may reduce beneficiaries' incentives to comply with conditions, or dissuade them from attempting to obtain the lump sum. The findings underscore the importance for policy makers to carefully examine the implications of particular design decisions for CCTs. Further study into such dynamics could contribute to the development and implementation of more transformative programs.

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## 1 Introduction

Since the late 1990s, conditional cash transfer (CCT) programmes have become an integral part of social protection in Latin American countries, and are fast becoming a common feature of social protection programmes across the developing world. CCT programmes consist of a cash transfer typically targeted to low income households and conditioned on particular behaviours, usually investments in children's health and education. Through the provision of cash as well as assignment of co-responsibilities, transfers are intended to address immediate poverty while also strengthen households' capacity to break the intergenerational transmission of poverty (Ferreira and Robalino, 2010). Short-term impacts of CCT programmes on households' use of health and education services have been well documented (for reviews of the evidence see, for example, de Janvry and Sadoulet, 2006; Fiszbein and Schady, 2009; Saavedra and Garcia, 2012), but important questions remain about the heterogeneity of programme effects and the implications of programme design on outcomes.

Implementing CCTs requires decisions to be made about how to design and structure beneficiary selection and targeting, the amount and timing of the cash transfer, and the type, enforcement and monitoring of conditionalities. Flagship CCTs introduced in Mexico and Brazil (*Progres/Oportunidades* and *Bolsa Familia* respectively) have had a strong influence on the design of subsequent programmes, contributing to particular features becoming prominent aspects of most CCTs (Molyneux, 2007). Almost all CCTs have been narrowly targeted to the poor; in Latin America, this is done most often through a combination of geographic targeting and proxy means testing.<sup>†</sup> Most CCT programmes also explicitly target women as the transfer recipient, a design feature based on empirical evidence that women are more likely than men to use resources in ways that improve family well-being, especially that of children (Haddad et al, 1997; Doepke and Tertilt, 2001; Yoong et al, 2012).<sup>‡</sup> Finally, receipt of the transfer is usually allocated at set intervals throughout the year, following beneficiaries' compliance with the programme's conditionalities. The frequency of these transfers varies by programme. Often payments are delivered at regular intervals throughout the year, during the school year only, or coordinated with the beginning of the school year. Less commonly, some programmes have

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<sup>†</sup> A few have chosen universalism over targeting, for example, Bolivia with the *Juancito Pinto* program for all first-grade students, but this is less common.

<sup>‡</sup> For a critical discussion of potential negative effects on women's wellbeing of targeting women as CCT transfer recipients, see Molyneux, 2007.

begun to time payments with the end of the school year, to encourage educational attainment as well as school enrolment (Fiszbein and Schady, 2009).

Amidst these wider trends, Argentina's Universal Child Allowance (*Asignación Universal por Hijo*, henceforth AUH) presents an atypical approach to the design of a national CCT programme. First, transfers are not designated to women exclusively; both women and men can register as the transfer recipient for their household. Second, the AUH cash benefit is transferred through a staggered payment schedule, whereby 80 per cent of the total annual amount is paid on a monthly basis, and the remaining 20 per cent is disbursed as a lump sum once a year, upon demonstration of compliance with the programme's conditions.

As the number and scale of CCTs grows, interest in programme design and its implications for beneficiary engagement, programme delivery and final outcomes has increased. A few studies have begun to unpack the significance of particular aspects of programme design (for example, Bourguignon et al., 2003; de Brauw and Hoddinott, 2010; Todd and Wolpin, 2006; Carrillo and Ponce Jarrin, 2007; the World Bank, 2011; Saavedra and Garcia, 2012; Yoong et al, 2012). Findings from these suggest that design features, such as targeting women as transfer recipients, and the imposition of co-responsibilities, may have important impacts on programme outcomes. Still, comparatively little is understood about each component of CCTs relative to what we know about the impact of CCTs as a whole (de Brauw and Hoddinott, 2011), and the impact of dimensions such as the timing and amount of transfers and delivery agents and mechanisms remain largely unexamined.

Moreover, in spite of substantial attention to measuring programme effectiveness, there exists very little research into how programmes are actually experienced on the ground. To date, few studies qualitatively examine beneficiaries' perceptions and experiences of these design features.<sup>§</sup> Ethnographic research has shown that the interplay of structural and socio-cultural factors affect poor people's investments in education and health, as well as responses to development programmes (for example, Adato et al, 2011; Gove and Pelto, 1993; Greene, 2004). This paper presents results from a qualitative inquiry into beneficiaries' experiences and views of the two unique design features of the AUH: the lack of a designated transfer recipient, and the 20% transfer retention. By focusing the qualitative inquiry on these two characteristics of the

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<sup>§</sup> For exceptions to this, see Adato and Mindek, 2000 and Adato et al., 2004.

Argentinian CCT, the study contributes to the under-examined issue of beneficiaries' experiences and perceptions of individual components of social protection programs. The paper aims to shed light on the ways in which beneficiaries' perceptions of and responses to aspects of a programme such as the AUH may affect participation and lead to unintended impacts, thus highlighting areas of concern and of opportunity in the design and delivery of cash transfer and other social protection programmes.

## **2 Argentina's Universal Child Allowance**

The Universal Child Allowance emerged at the culmination of a decade of substantial economic, social and political upheaval in Argentina, set off by the economic crisis of the late 1990s and early 2000s. As a result of the crisis, the country experienced sudden increases in poverty and indigence, unemployment and underemployment. In response, consecutive governments developed various social protection programmes aimed at addressing poverty in the short and medium term. Among these initiatives were three conditional cash transfer programmes, which operated concurrently: the Unemployed Heads of Household Plan (*Plan Jefes de Hogar Desocupados*), the Families Plan for Social Inclusion (*Plan Familias por la Inclusión Social*) and the Training and Employment Insurance (*Seguro de Capacitación y Empleo*).

While all three programmes followed the basic structure of CCT programmes (income transfers upon fulfilment of conditions for the development of human capital), their different coverage, conditionalities and administration presented important challenges to the development of a robust and sustainable social protection system in Argentina (Repetto and Langou, 2010a and 2010b). It was in this context that the AUH was designed. The majority of beneficiaries of the three previous programmes 'migrated' (were transferred) to the AUH when the programme was first introduced in December of 2009, with new qualifying families also incorporated. Thus, the AUH effectively consolidated and expanded the coverage of these other programmes.

The AUH is currently the largest social protection initiative in Argentina, guaranteeing a minimum income to over two million poor households. The programme was developed in 2009

by presidential decree and came into force in November of that year. Currently 3.6 million children and adolescents are beneficiaries of the AUH.\*\*

The AUH consists of monthly payments of ARG\$644 (ARG\$270 at the time the research was conducted) for children under 18 years, and ARG\$2100 (ARG\$1080) for disabled children of any age. Children are eligible if their parents are informal workers or domestic workers earning less than the minimum salary, *monotributistas sociales* (a business tax category referring to 'small fiscal contributors' in a situation of 'social vulnerability', earning less than the minimum annual income of contributors in the lowest category of fiscal contributors who are sole business proprietors<sup>††</sup>), seasonal workers or unemployed. The children must be of Argentinian citizenship or have been resident in the country for at least three years. Up to five children per household can be beneficiaries of the AUH. Payment is made to either male or female primary carers, although there is a preference for making payments to the mother.<sup>‡‡</sup> Payments are made through a debit card, which can be used to withdraw the cash or to pay directly for purchases. In some cases, beneficiaries can receive the cash from designated locations, such as a post office.<sup>§§</sup>

The eligibility of both male and female carers to receive payments is unusual among CCT programmes, which tend to target transfers to female household heads only. The targeting of women as transfer recipients is supported by much empirical and theoretical literature suggesting that women are more likely than men to use resources in ways that improve family well-being, especially that of children (for example, Doepke and Tertilt, 2011; Haddad et al., 1997; Handa and Davis, 2006; Thomas, 1990).<sup>\*\*\*</sup> However, evidence on the added value of targeting cash

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\*\* Information from the Social Security Administration. Available at: <http://www.anses.gob.ar/autopista/asignacion-universal-hijo/> (Accessed May 2014).

†† Information from the Social Development Ministry. Available at: <http://desarrollosocial.gov.ar/monotributosocial/118> (Accessed 3 February 2012).

‡‡ The instructions to prospective beneficiaries on the website of the Social Security Administration states: "This Universal Allowance is transferred to only one of the parents, prioritizing the mother" (author's translation: *Esta Asignación Universal se liquidará a uno solo de los padres priorizando a la mamá*) (<http://www.anses.gob.ar/asignacion-universal/asignacion-universal-hijo-144> (accessed May 2014)).

§§ Very few studies of the effects of AUH have been conducted so far, most of which are published only in Spanish and none of which offer rigorous qualitative analysis of the implications of the unique aspects of the programme's design. A number of papers either describe the AUH or examine its impact on the structure and coverage of the country's social protection system (for example, Cecchini and Madariaga, 2011; Cogliandro, 2010; Fernandez et al., 2010; Repetto and Diaz Langou, 2010a; Repetto and Diaz Langou, 2010b). Also while rigorous real-time or ex-post evaluations have not yet been published, several authors have attempted to simulate programme effects, finding reductions on indigence and to a lesser extent on poverty (Agis et al., 2010; Bergesio et al., 2011; Bertranou and Maurizio, 2011; Gasparini and Cruces, 2010).

\*\*\* There are other gender-related aspects of CCTs which have been the focus of research. A key area of investigation has been the potential of CCTs to 'empower' poor women. Some quantitative and qualitative research suggests that CCTs targeting women as recipients can have an 'empowering' effect on women, increasing their bargaining power within the household through their control of this part of the household's income (e.g. Adato and Mindek, 2000; Schady and Rosero, 2007) although these

transfers to women is more ambiguous. Targeting cash transfers to women appears to improve child nutrition and health; however, it is not yet clear that such interventions consistently lead to any other systematic pattern of economic choices (Gitter and Barham, 2008; Rubalcava et al., 2009).<sup>†††</sup> Little attention has been paid to this question in existing research on CCT programmes in either qualitative or quantitative research. In fact, most available quantitative studies fail to directly ask the question of whether cash transfers made to women specifically actually lead to improved outcomes (Yoong et al., 2012). Only a small number of qualitative studies investigate beneficiaries' views and experiences of transfer recipients (for example, Adato and Mindek, 2000; Adato et al., 2004; Waters, 2010).

The AUH also has a unique payment schedule among CCTs. Eighty per cent of the total annual amount per child is paid in monthly instalments.<sup>†††</sup> The remaining 20 per cent is deposited into a bank account under the name of the child's parent. This money can only be withdrawn once a year, after the required documentation showing that the child has fulfilled all the conditionalities is presented to the Social Security Administration (*ANSeS* in its Spanish acronym). The conditionalities are two-fold. First, children over the age of five must attend school regularly. Second, parents must comply with the compulsory national Vaccination Plan and health checks (*controles médicos* or *controles sanitarios*) for all children. As part of the health condition, all children under six must be registered with *Plan Nacer*, a federal program of supply-side investments to improve and extend health coverage for pregnant women and children under six years of age. If at the end of each year families do not demonstrate they have fulfilled the conditions, the 20 per cent retention is not released, and the child is dropped from the programme. In practice, however, the Social Security Administration often gives families a grace period before discontinuing the monthly payments to enable families who experienced difficulties to catch up with the paperwork.<sup>§§§</sup>

There is little established logic for distributing benefits at particular frequencies and amounts. In one study, researchers examine the effect of different payment structures with regards to

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findings have been questioned by other authors (e.g. Molyneux, 2009). In this paper we address the 'empowerment' question only tangentially, as we explore the experiences of men and women who are recipients of the Allowance.

<sup>†††</sup> An ongoing CCT programme in the Republic of Yemen seeks to address this question through an experimentally designed evaluation of a CCT aimed at improving girls' education.

<sup>†††</sup> A CCT pilot in Yemen also employs a staggered payment schedule. The transfer is divided between an upfront payment of 3000 Yemeni Rials at the beginning of the school year, and the rest (amounting to 7,000-8,000 in total) is distributed every three months during the school year. (Fasih, date unknown).

<sup>§§§</sup> Personal communication, ANSeS representative, interviewed 15 October 2011.

Bogotá's *Subsidio Condicionado a la Asistencia Escolar* (Barrera Osorio et al., 2008). They find some effect of a lump-sum payment upon graduation on school attendance, but little effect of reducing the monthly payment or adding an end-of-year bonus. This study, however, has not been accompanied by further analysis of why people might respond to different transfer structures in particular ways.

Other papers have focused on the effect of variation in the amount of the cash transfer in CCTs. A study of Mexico's *Oportunidades* found that a doubling of the cash transfer was associated with improvements in a range of health outcomes for children, including height-for-age, prevalence of overweight, and motor and cognitive development (Fernald et al., 2008). The study on *Bolsa Escola* mentioned before indicates that school enrolment goes up in response to increases in the amount of the cash transfers (Bourguignon et al., 2003).

For the AUH in particular, we have identified no literature about the motivation for retaining 20 per cent of the Allowance and paying it as a lump sum once a year, or for not designating women as the recipients of the transfer. Interviews with government representatives in Argentina shed little light on these questions. Regarding the staggered payment schedule, a few informants merely suggested that the 20 per cent retention aims to act as "an additional incentive" for beneficiaries to fulfil the programme's schooling and health requirements. While a greater understanding of the assumptions underpinning these design choices would certainly enrich the analysis, our qualitative inquiry with beneficiaries nevertheless provides important insights into people's responses to these aspects of the programme.

### **3 Methodology**

In order to explore how beneficiaries perceive the efficacy and appropriateness of the AUH's unique design, we chose a similar approach to Adato and Mindek (2000), collecting data primarily through focus groups, supported by key informant interviews with programme administrators and policy makers. Our aim was to identify perceptions of beneficiaries on key aspects of programme design, namely the lack of designated gender for transfer recipients and the staggered payment schedule. Through this we hope to complement existing research on programme effectiveness, by improving understanding of how the programme is experienced, and how this might influence the nature of beneficiaries' participation.



This study is based on qualitative research conducted in three urban locations in Argentina: the cities of Buenos Aires, Resistencia and Córdoba. Methods included key informant interviews with programme officials and focus groups with programme beneficiaries. We conducted two all-female and one all-male focus groups in each of the three locations, each with six to eight participants. Initially, we aimed to include only men and women who were themselves the designated recipients of the AUH transfer, which entailed presentation of the AUH card with the participant's name on it to the research team. However, we were unable to identify enough male participants who were designated transfer recipients for the focus group in Resistencia, and therefore modified screening criteria for that location only, to allow inclusion of men in AUH beneficiary households who were not themselves the transfer recipient. A total of 59 people (41 women and 18 men) participated in the nine focus groups. Participants' age, marital status, and number and age of children were varied, with the youngest participant aged 17 (female, Resistencia) and the oldest, aged 56 (female, Buenos Aires). Of note, single parenthood, separation and divorce were prevalent among participants: out of 59 participants, 14 identified as single, and 14 as separated or divorced.

Participants were offered an incentive of ARG\$100 in Buenos Aires and Resistencia, and ARG\$120 in Córdoba, for their involvement. Each focus group lasted 90 minutes and was recorded; recordings were transcribed in full and translated from Spanish to English. Interviews and focus groups were analysed using a combination of open and axial coding.

Key informant interviews were conducted with officers in various government departments and agencies, as well as the World Bank and Inter-American Development Bank, all with in-depth knowledge of the AUH. In total, seven key informant interviews were carried out.

## 4 Results

The focus groups discussions revealed some common themes in the considerations influencing participants' attitudes and understanding of AUH programme design, across all three locations. In this section we report on common threads in viewpoints and underpinning rationales, as well as key points of contention.

### **Open versus gender-targeted transfers**

As mentioned above, most CCT programmes in Latin America and elsewhere share a central assumption of the added value for child human capital development of transferring money to women, rather than men. AUH is thus anomalous in that it does not specify which primary carer can receive the transfer. In our study, we explored how beneficiaries perceived the lack of transfer recipient specification and their reasons for this, and how the gender of the recipient relates to attitudes towards the programme and use of the transfer.

Interestingly, most beneficiaries, both male and female, expressed preference for a programme design that designates women as the transfer recipients and were of the opinion that women should receive and control the transfer. This perception was shared across all three focus group locations, albeit potentially experienced most strongly in Resistencia where we could not locate direct male recipients of the transfer as it was de facto only given to women. Participants justified this preference for women as transfer recipients through a number of reasons. There was a common sentiment, especially among the women themselves, that women are better than men at 'budgeting', i.e. at managing the household resources. Participants also suggested women were appropriate transfer recipients because of their roles and responsibilities in the household. In most cases, our study participants felt it was pragmatic to give the transfer to the woman as women tend to be in charge of managing household resources and caring for children (who are the primary targets of the AUH), whether they are better than men at it or not. As a woman from Buenos Aires put it: "The decision-maker at home is always the woman". They argued it is women who in practice control a household's income and, by extension, should control the AUH transfer. These findings echo those for Mexico's *PROGRESA* from Adato and Mindek (2000) and for Nicaragua's *Red de Protección Social* in Maluccio et al (2005), who find through qualitative research that women strongly support the programme's principle of designating women as the recipients of the cash transfer. In Nicaragua, as in Argentina, beneficiaries asserted

that women should receive the transfer because food and care of children is typically treated as the woman's domain. The reasons that participants in the *PROGRESA* study gave for this view were also similar to what many of our study participants reported; women are more responsible with money and possess greater knowledge of household needs.

Men in our study also tended to suggest that AUH transfers should be targeted to women. Many of the fathers explained that it was common practice for them to give their income to their partners to manage; in fact, a few of the men who were registered as transfer recipients were actually eager to switch tenure of the AUH to the mother. A father stated that he tried to submit the paperwork to do so but "the girl from the ANSeS told me it's not necessary, that the father has as much of a right as the mother" to receive the transfer (Buenos Aires). The finding that targeting mothers is acceptable and even desirable among both men and women is echoed in a qualitative study of a CCT in Panama (Waters, 2010).

A second, often-repeated reason, especially among the women, for arguing that mothers should be the transfer recipients was to ensure the transfer remains with the mother in case of separation or divorce. Most participants asserted that children usually remain with the mother when parents separate. Separation and divorce, it seemed, were widespread fears and plausible prospects among our female participants. Many of our study participants were separated (fourteen out of 59 participants), and others told of close relatives and friends who were separated. Those women who were not separated, speculated that in the event of separation, they would remain in charge of their children: "If I break up, I must keep the children myself" (Buenos Aires). Some female participants felt targeting transfers to women could improve women's financial security in such an event. One mother argued that it is a good thing she is the designated beneficiary of the AUH, because if she were separated she would not want to have to rely on the father of her children to give her the money. A few of those who were separated had had negative experiences with their former partners. One of the female participants told the group: "He wanted me to support him with my son's money [the AUH transfer]. He wanted to use the Allowance's debit card as he pleased" (Resistencia).\*\*\*\* Another said: "I know cases where the Allowance is given to the father and he doesn't give it to the mother, they're separated and the father keeps the money" (Córdoba).

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\*\*\*\* Participants often referred to the AUH as the Allowance (*la Asignación*).

Even among men what happens to the transfer in the event of separation or divorce was a live issue. In the men's group in Resistencia, participants agreed that in case of separation, it is best for the woman to receive the Allowance because they have the children to look after; and given that women have to take care of the children, it is harder for them than for men to work and "get by" (man, Buenos Aires). A male participant said: "Many of the women are separated, so it can be a good thing for them. Men can manage. But maybe women can't, they find it more difficult" (Resistencia). The father of a disabled girl, married to a non-citizen, explained:

"It is the mother who should collect [the Allowance transfer]. It seems to me... If I get separated, the mother should receive it. The children will always be with their mother. Suppose I get separated. Then I prefer that the mother get it. And that she takes care of that money for her daughter." (man, Buenos Aires)

In a few cases, where the justice system intervened in participants' cases of divorce or separation, the AUH transfer became a point of contention. A mother told us: "When I went to trial against my daughter's father, the Judge awarded me less money because I receive the Allowance" (Córdoba). Another one told a similar story: "When I did the paperwork about child support, the father said he was out of work and the Judge said 'oh, but she gets the government's plan, she can fend for herself'" (Córdoba).

Outside of the issue of separation, women still asserted that the father should not necessarily be involved in decisions about how to spend the AUH transfer; a few mothers told us that they do not discuss the AUH transfer with their partners, despite living together. A woman from Buenos Aires said: "He doesn't receive it, doesn't touch it, nothing". Another one, also from Buenos Aires, explained: "I don't tell him what I get. I buy clothes for my son, and when [the father] gets home he asks where I got this from, if it was a gift". Another woman, from Resistencia, said: "I don't give him my income or my children to look after". Others explained that there is an agreement (explicit or implicit) between the parents that the "children's money" (the AUH transfer) is spent on the children by the mother; there is no conflict around how the money is spent, and fathers do not need to be consulted. As one woman from Córdoba explained, she does not have to consult the father because "he knows the money is the child's".

Despite strong views that the AUH transfer should be the mothers' domain, a few study participants began to revise their positions through the discussion, identifying exceptions when the preference for the mother might not apply. Stories emerged of single fathers or unreliable mothers; these stories led some participants to conclude that ultimately the transfer should be targeted to "whoever has the child" (man, Córdoba). One father explained that he and his partner are separated and his children live with him, but the mother is still registered as the transfer's recipient. Because the mother did not comply with various conditions in the custody agreement, he brought a complaint to the ANSeS. But the ANSeS took a long time to switch tenure of the AUH transfer to him. He interprets this as institutional gender bias: "[i]t is an issue of gender. In the ANSeS, if you present papers for both the mother and father, automatically they will register the mother as the recipient" (Córdoba).<sup>††††</sup> Fathers who were sole or main carers of their children shared this opinion much more readily than others, but a few women also arrived at this conclusion in the end. Nevertheless, uncertainty about the strength of marriage or civil unions and about women's ability to provide for their children in the event of separation or divorce weighed heavily on participants. This had a strong influence on preferences for the mother to be the designated recipient at the least in response to a practical recognition that women are often responsible for household resource management.

### **The staggered payment schedule**

Beneficiaries' understanding of the purpose and nature of the 80/20 split for transfer payments was mixed. While the 80/20 split was a source of much confusion among focus groups participants, most were aware of this programme feature, and understood that the 20 per cent was transferred as a lump sum upon presentation of the completed conditionalities booklet to the ANSeS. Many participants described it as "what they deduct from your monthly payment"<sup>††††</sup>, and most referred to it as "*el retroactivo*" (the retroactive payment). A few participants, however, wondered if fulfilling the schooling and health requirements was only necessary to receive the 20 per cent, or to continue to be enrolled in the program altogether.

Despite the common language used to refer to the 20 per cent retention, there was widespread uncertainty about what exactly it constituted and when it is paid. One view was that the 20 per

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<sup>††††</sup> As mentioned earlier, we also found it impossible to identify male transfer recipients in Resistencia, suggesting that this institutional bias might be firmly in place at least in that location.

<sup>††††</sup> This language to describe the 20 per cent retention payment was used in focus groups in all three cities.

cent could constitute a retroactive payment for periods of time when they did not receive the transfer (most often because they had short-term jobs in the formal sector). For example, a female participant from Buenos Aires told the group: “I worked in a factory [formally] for six months. Then I stopped working in May, and went to the ANSeS to submit the paperwork to get paid [the AUH] and they told me that there need to be two months without paying any taxes before I can start getting paid. And then they didn't pay me retroactively”. Others wondered whether certain eligibility criteria were at play. For instance, some suggested that obtaining a job in the formal sector before the end of a year would make them ineligible for receipt of the retention amount for the months in which they did receive the AUH. Yet others, most notably in Córdoba, believed that the enrolment of children in private school made them ineligible to receive the 20 per cent payment. Another group of participants thought that the 20 per cent retention was only taken from one, two or three months, and not all twelve months of the year.

Not all focus group members had actually received the 20 per cent retention at the time of our research. This heightened uncertainty about the conditions and timing of its disbursement, and indicated some inconsistency in its delivery. Among those who had not yet received the 20 per cent retention, there was much mystery about how it could be obtained. A woman from Resistencia explained: “I used to hear some people were getting one thousand pesos, and I keep waiting myself...”. A woman from Buenos Aires asked the group: “How come I have handed in the four booklets [for her four children] and have never collected the retroactive [payment] for last year?”. Still another participant said: “I have been getting the Allowance for a year and a half, and should have had the retroactive for that time. But I never got it, even though I presented my booklet” (woman, Córdoba). Uncertainty about eligibility for the 20 per cent retention was also fuelled by changes in the programme during its first year, whereby children previously ineligible due to attendance to private schools became eligible after a change in the eligibility requirements. §§§§

However, even some who had received the retention payment remained unsure about what was required by beneficiaries to ensure its receipt. In focus groups, there were reports that beneficiaries need to “file a claim” to receive the 20 per cent, and many complained about the bureaucratic aspect of the process; a woman from Resistencia said she “wasn't going to do the

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§§§§ It is not uncommon for children in low-income families, in particular in urban areas, to attend ‘private schools’ (typically schools affiliated with churches) where they pay heavily discounted or nominal tuition fees.

retroactive anymore”, meaning she was not going to try to obtain it. One male participant said: “The thing with the bonus is great, but it’d be better if they didn’t mess you around at the ANSeS when they have to pay it to you” (Buenos Aires). Another participant put it succinctly: “*es un quilombo*” (It’s a mess) (woman, Buenos Aires). The timing of the disbursement also emerged as an issue for participants. Officially, the 20 per cent transfer is disbursed in March, at the start of the school year. However, in practice, focus group participants indicated that at least some beneficiaries get paid at other times. Those who had not received it at the start of the school year mentioned that the official timing is actually convenient to beneficiaries as a much-needed injection of funds to purchase school supplies.

In spite of this confusion around amount, eligibility and access, in principle there was little opposition to having the 20 per cent retention. Focus group participants likened it to a “Christmas bonus”, an “*aguinaldo*” (a mandatory additional monthly wage to the twelve paid over the course of a year to workers in the formal sector), or “a savings”. Perhaps not surprisingly, men rather than women were more likely to compare the retention to the *aguinaldo*; this might be explained by their stronger ties to the world of formal employment, in which most of the male focus group participants had worked at one point or another. Still, while the majority of participants supported the idea of the 20 per cent retention, a smaller number of primarily female participants expressed a preference for the entire transfer to be paid monthly. A mother explained the 20 per cent carried a risk because “...you may speculate with that money” (Córdoba). This raises interesting questions about mental accounting and spending decisions for the lump sum: how do people perceive and intend to use this money, as opposed to money from the monthly disbursement and other sources? How is it actually spent?

There was relative uniformity among respondents in how they chose to use the cash from the retention (as well as from the monthly payments), with most indicating the money was used for school-related and other child-related expenses (most notably clothes and shoes). Among those who had received the retention, the majority reported that they spent the money on expenses associated with the children, including school supplies and clothes, or as delayed payments for private school tuition. A father explained: “When you get the money you have to already be thinking about the kids starting school in March. I have four kids that go to school. So whether you want to or not, you have to invest [in school supplies] as soon as you get the money”

(Resistencia). A mother told the group: "I'm waiting [for the retention] to pay for my daughter's school fees I'm late with... The money goes with those expenses" (Córdoba). A man from Buenos Aires explained the lump sum is earmarked exclusively for healthcare expenses for his disabled child.

In some cases participants reported spending the money on other expenses, notably home improvements and appliances. A small number talked about "speculating with the money" (woman, Resistencia), for example buying electronics on credit with the idea that they would repay once they received the lump sum. A few others said, more generally, that they use the money "to do what we hadn't been able to do in a long time", such as home repairs (man, Buenos Aires). As a father explained: the 20 per cent is used "*para tapar agujeros*" (*to cover up holes*) (Buenos Aires).

Interestingly, very few regional differences emerged around people's experiences and views of the program. The main area of divergence was around how the retention and monthly payments were spent. In Buenos Aires and Cordoba, among the richest provinces in Argentina, participants reported spending the cash not only on school supplies, food, clothes and shoes but also on other goods and services including Christmas presents, cell phone credit, computers, private school tuition, internet, occasional treats for the children, and even dance classes. To participants from Resistencia, in one of the country's poorest provinces, these expenditures seemed well beyond their reach, indicating that the cash was spent on the children's basic needs.

## **5 Discussion**

CCTs have been a feature of social protection programs in developing countries for many years. While a multitude of studies have examined the health, education and other impacts of CCTs in various countries, few have examined or questioned the way programme design features may affect these outcomes. Even less attention has been paid to beneficiaries' experiences, understanding and perceptions of the programs and its individual components. It has been suggested that the delivery mechanisms of CCTs and other monetary transfer programmes may contain inefficiencies that affect their impact, but we still know very little about the particular implications of specific features of CCTs and their implementation. This study provides insights



into the perceived efficacy and appropriateness of specific aspects of the design of Argentina's flagship CCT among beneficiaries, and explores factors that might affect these views.

To begin, it becomes very apparent through this study that household structures and the division of household responsibilities influence participants' views on the programme's design. Across all focus groups, women were seen as primarily responsible for the care of children and therefore, most participants preferred that women receive the transfer. Also, the possibility of separation or divorce weighed heavily on focus group participants, especially women. Women were thought to be less able to cope economically in cases of separation or divorce; this was another motivation for participants' preference for the transfer to be given to women. These findings suggest that among beneficiaries, the rationale for targeting women may be beyond improved health and education outcomes for children, but rather be a pragmatic decision given women's role as the primary carer for children, and to protect their ability to provide for children in the case of separation from their partners, reinforced even through de facto targeting of women in Resistencia. Beneficiaries may find that targeting women as transfer recipients is more appropriate to their situation, increasing programme acceptability. It may also reduce the administrative burden of switching from one recipient to another either in the case of separation or divorce, as well as increase women's sense of security in unstable unions. However, it also raises questions about how allocation to women might reinforce a gendered division of labour; even though it may protect women in the case of separation, targeted transfers may also reinforce women's (and men's) roles vis-à-vis particular responsibilities within the household.

Uncertainty about the nature and eligibility of transfer payments also plays a strong role in shaping participants' attitudes towards AUH design. In general, people saw a staggered payment schedule as positive; it was referred to as a bonus, and often used for expenses linked to children's schooling (for example, fees, supplies, clothes) rather than encouraging savings. However, people were uncertain about when and under what conditions they would receive the retention payment, particularly if beneficiaries' situation changed during the course of the year, such as entering the formal workforce temporarily or failure to comply with conditionalities for a few months out of the year. This confusion contributed to a common feeling that the lump sum payment was less reliable than the monthly AUH payments. Uncertainty about eligibility and receipt of the transfer may reduce beneficiaries' incentives to comply with conditions, or dissuade them from attempting to obtain the lump sum. This suggests challenges in information

provision, monitoring and delivery of the retention payments, raising important questions about the cost-effectiveness of the 20 per cent retention.

Moreover, uncertainty could also affect how the 20 per cent lump sum is used, perhaps being a barrier to forward planning of expenditure or savings. Beneficiaries engaged in various mental accounting operations with regards to this lump sum. Participants tended to indicate they use the retention payment for diverse types of one-off immediate expenses in certain categories (school materials and tuition, home repairs and appliances); none of our participants reported putting the lump sum into savings. Whether the way beneficiaries use this lump sum is optimal and increases welfare is still to be examined, and we are left to wonder about the true costs and benefits of this design feature.

As a final point, there are some limitations to our approach. Our recruitment and screening method (conducted by phone) prevented us from reaching some of the most disadvantaged beneficiaries of the AUH, even as our site selection aimed to ensure inclusion of beneficiaries in one of the most disadvantaged communities in the country (Resistencia). Additionally, women seemed to be explicitly, albeit unofficially, targeted as transfer recipients by the programme in Resistencia (and the province of Chaco more broadly, of which Resistencia is the capital), and no men could be identified in that site who were direct transfer recipients. While this unofficial targeting of women as transfer recipients in Resistencia, Chaco is itself an interesting phenomenon, resource and time constraints prevented us from exploring this in any depth.

Still, even with these limitations, this study provides a unique addition to existing research on CCTs. While there is a rich body of research into the effectiveness of CCTs, understanding how and why CCTs affect people's livelihoods requires consideration of the perspective of the beneficiaries. In order to understand a program's outcomes we need to understand the rationale and perspectives guiding beneficiaries' actual behaviours, beyond the assumptions that underpin programme design. With this in mind, this study makes a key contribution to wider literature on CCT design by examining how beneficiaries experience the AUH programme and its unique design, and how this affects beneficiaries' responses. By highlighting aspects of the Argentinian AUH that are perceived or experienced as problematic by beneficiaries and their families, the findings underscore the importance for policy makers of more carefully examining the

implications of particular design decisions. Further study into such dynamics could contribute to the development and implementation of more transformative programs.

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