

Use of conditional cash transfers for addressing gender-based inequalities in health and education among children: studying the impact of the Shubh Laxmi scheme in Rajasthan, India

RAJNISH RANJAN PRASAD *

IIHMR University, Jaipur, India

DIVYA SANTHANAM

Independent Researcher

Abstract: In the last few decades, conditional cash transfer (CCT) programmes have become very popular for addressing different development challenges. The use of CCT programmes to promote enrolment in schools, improve preventive health care and increase household consumption in Latin America has been well documented. However, the potential of CCT programmes to change more deep-rooted norms is not very clear. The Shubh Laxmi scheme, a CCT programme, was started by the Government of Rajasthan, India, to improve the status of health and education among girls. A study was undertaken to understand the changes in beneficiaries' perspectives due to scheme. A total of 95 beneficiaries were randomly selected and in-depth interviews were conducted in order to understand the impact of the scheme. In addition, two focus group discussions were conducted with 30 non-beneficiaries in order to understand their awareness about the scheme and their perceptions of girls. The findings show that the CCT programme has helped in generating a positive attitude among beneficiaries towards the survival, education and well-being of girls. The key challenge was low awareness of the scheme and of the procedures for claiming its benefits. This study highlights that CCT programmes are useful for nudging people to address gender-based inequalities in health and education among children; however, effective implementation remains key.

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* Correspondence to: IIHMR – Public Health, Prabhu Dayal Marg, Jaipur 302011, India. E-mail: rajnishranjanprasad@gmail.com

Introduction

In the last few decades, conditional cash transfer (CCT) programmes have become very popular for addressing different development challenges, including addressing inequalities (Kornacki, 2005; Son, 2008; Zimmerman & Moury, 2009). CCT programmes have certain advantages because of their targeting mechanisms and provision of cash benefits, upon meeting certain conditions, to address development challenges and promote desired behaviours, such as sending children to school or bringing them to health centres. The use of CCT programmes to promote enrolment in schools, improve preventative health care and increase household consumption in Latin American has been well documented (Rawlings & Rubio, 2005; Soares & Silva, 2010). However, the potential of CCT programmes to change more deep-rooted norms is not very clear, especially in countries such as India, where gender-based discrimination is very deep-rooted. For example, such schemes have not been used extensively for addressing gender-based inequalities or gender-based violence. Some of the studies conducted in Asia show that although CCT programmes contribute to improving school enrolment of girls (Asadullah & Chaudhury, 2009), studies related to their impacts on beneficiaries' perspectives are limited.

These CCT programmes are based on the theoretical foundations of behavioural economics. Associating cash incentives with promote desired behaviour is the crux of such initiatives. This paper builds on the foundations of behavioural economics and tries to determine whether change can be facilitated by approaching the issues related to gender inequality from an economic perspective.

This paper tries to understand the impacts of cash transfer schemes in promoting the well-being of girls. The aims of this paper are as follows:

- To explore the theoretical base of behavioural economics and its importance in developing welfare schemes and programmes.
- To understand the impacts of cash transfer schemes in changing the perspectives of people towards the education, health and well-being of girls.
- To identify the challenges in the implementation of the Shubh Laxmi scheme of the Government of Rajasthan in order to enhance the agency of girls.
- To suggest ways forward for the better implementation of the CCT programmes.

Theoretical background

The World development Report 2015, entitled 'Mind, Society, and Behaviour', was devoted to exploring the paradigm of how behavioural economics can be

applied to diverse policy areas such as early childhood development, household finances and health (World Bank, 2015). Over the years, the international development community has graduated from classical assumptions about rationalities to acknowledging the complexities of cognition and identity, the influence of culture and the biases that categorize human choices. Many factors play an important role in shaping choices, including external factors such as educational opportunities, access to financial services and asset ownership, as well as internal constraints such as psychological and behavioural preferences rooted in social evolution and cultural norms, gender differences, etc. (Zimmerman & Moury, 2009; Cassar & Katz, 2016).

The introduction of behavioural economics principles into the design of development policy is a step forward for addressing the complex social challenges and promoting desired behaviours, but the challenge is to understand how the attitudes and beliefs influencing behaviours can be changed with gender-targeted policies and programmes. Inequalities in the education, health and well-being of sons and daughters in South Asia stem from parents' consideration of daughters as liabilities (Murthi *et al.*, 1995). This is due to deep-rooted gender norms and traditionally patriarchal society in these countries. Expected returns from investing in sons are considered higher, while daughters are considered *paraya dhan* (i.e., girls are expected to move to their in-laws' house after marriage). Tribal communities, where women play much more significant roles in economic activities, have more positive views regarding the importance of girls (Sekher, 2010). Practices such as child marriage put girls in a further disadvantaged position, as they drop out of education and have limited economic opportunities. In addition, the preference for boys is not only due to economic reasons, but also because of traditional customary and religious practices that put boys on a higher pedestal than girls (Sekher, 2012).

The CCT programmes have been rolled out to achieve various objectives, and it has been observed that for the CCT programmes that try to achieve the dual objectives of promoting desired behaviour at the family level and female empowerment, the transfer of cash benefits to the mother is preferred, rather than to the father (Sinha & Yoong, 2009). Several recent studies in Macedonia (Almas *et al.*, 2015; Armand *et al.*, 2016) and Morocco (Benhassine *et al.*, 2015) explicitly test these assumptions by comparing outcomes when CCT payments are made to fathers instead of mothers. The combined results suggest that while the human capital investment objectives of these programmes may be achievable by substituting gender targeting with behavioural design, the women's empowerment goals are best served by providing the income directly to mothers.

Conditional cash transfer schemes acting as catalysts to behaviour change

It is a well-established fact that, in South Asian countries, deep-rooted gender discrimination results in parents valuing sons over daughters, and the fundamental reason for this persisting preference for sons in many of these societies can be easily understood in terms of perceived economic benefits (Sinha & Yoong, 2009). In order to address these biases, several countries/organizations have introduced CCT schemes for promoting the well-being of girls (Sekher, 2012).

Girls in many Asian countries are looked upon as burdens or liabilities to the family due to existing social norms regarding dowries, marriage, etc. Looking at this from a behavioural economics perspective, the financial incentive acts as a reward to girls and their parents at several important milestones in a girl's life, such as at the births of girls, completing immunization, enrolment and retention in school, scholarships for girls' education, increasing the age of marriage, etc. Thus, these incentives act as positive reinforcements for changing the perceptions of people towards valuing girls and not considering them as burdens to the family. In other words, CCT programmes support parents by extending financial resources for their daughters' education, health care and upbringing.

Blending behavioural economics with welfare schemes is not very new; however, evaluations of the majority of these schemes were conducted in terms of coverage and outcomes of the initiatives and less in terms of changes in the perceptions of the beneficiaries. There exists a broad consensus among the global policy community that poverty and deprivation must be tackled effectively by investing in human development, and CCT programmes have emerged as important tools for improving the well-being of marginalized sections of society. CCT programmes emerged as a response to serious shortcomings in poverty reduction measures in the 1990s, mainly in Brazil and Mexico, and they have become increasingly attractive in recent decades through the idea that they would reduce short-term poverty and encourage children and women to accumulate the human capital needed for their future growth (Schultz, 2004; Soares, 2007; Filmer & Schady, 2008). CCT programmes can have both positive and negative impacts on gender dynamics within the households and within communities (Molyneux, 2008). The available evaluation studies of CCT programmes demonstrate that poor households respond to financial incentives with varying intensities and outcomes (Lindert *et al.*, 2007; Molyneux, 2008).

Conditional cash transfer schemes for girls in India

Most CCT programmes were aimed at promoting human capital accumulation among the poor households while improving educational and health services utilization, especially among children (Lindert *et al.*, 2007; Molyneux, 2008).

With reference to India, gender-focused CCT programmes were introduced to address the persisting disparity in education and health care among boys and girls and to address the acute issue of the declining female to male child sex ratio.

The CCT schemes in India had a pool of objectives to serve. Tamil Nadu's Girl Child Protection Scheme can be considered as the oldest CCT scheme focused on girls in India (Sekher, 2010). In 2008, the Government of India initiated a new CCT scheme – Dhanalakshmi – in 11 'backward blocks' (i.e., those blocks performing poorly on different socioeconomic indicators, including education, health, poverty, roads and electricity) across seven states on a pilot basis (Sekher, 2010). Since then, several states have initiated CCT schemes with a specific focus one addressing the declining female to male child sex ratio and facilitating the achievement of health and educational targets for girls. Not much evidence has been generated regarding these CCT schemes in terms of showing impacts of these initiatives on the well-being of girls (Sekher, 2012). However, what evidence exists suggests that CCT programmes are effective at increasing the use of preventative services and sometimes at improving the health status in low- and middle-income countries (Lagarde *et al.*, 2009). Furthermore, the evidence shows that the Janani Surakshya scheme, an initiative of the Government of India, had a very positive impact in terms of promoting births at health facilities (Lim *et al.*, 2010).

Assessing the impacts of the conditional cash transfer programmes in India

Addressing gender-based discrimination in various facets of life is key to achieving gender equality, which would further contribute to the improvement of critical human development indicators. Multiple sets of factors contribute to the prevalence and persistence of gender inequality. In order to address gender gaps in different areas, several states in India have tried financial incentive programmes, especially in last two decades, to encourage investment in girls' education and health in order to address gender-based inequalities at an early age. A review by Sekher (2012) has listed 15 such initiatives implemented by the Government of India and the different state governments. Although some assessments and studies on the impacts of these schemes have been conducted, these have not informed policymakers in terms of challenges in the implementation of these schemes and their impacts on beneficiaries' perspectives towards girls.

Overview of the conditional cash transfer initiative by the Government of Rajasthan, India: the Shubh Laxmi scheme

Rajasthan is the largest state in India (in terms of area) and accounts for 5.67% of the country's total population. The state is also one of the less

advanced states in the country in terms of progress on different socio-economic indicators. Its society is very patriarchal in nature. The gender difference is quite large in most of the socioeconomic indicators. As per the 2011 census, literacy rates for males and females were 79.2% and 52.1%, a difference of 27 percentage points (Office of the Registrar General and Census Commissioner, 2013). The problem of sex selection is also quite prevalent in the state, and this has resulted in a sharp decline in the female to male child sex ratio (0–6 years of age). The female to male child sex ratio has been continuously declining since 1981, and it has declined sharply from 909 in the 2001 census to 888 in the 2011 Census (Office of the Registrar General and Census Commissioner, 2013). It was estimated that, in Rajasthan, due to sex-selective abortion, approximately 700,000 girls were not born over a period of 12 years, which is approximately 7% of total female births during the same period (UNFPA, 2015).

The Shubh Laxmi scheme was started by the Government of Rajasthan for the welfare of the girls of Rajasthan and was launched on 1 April 2013 (Government of Rajasthan, 2013). The main aims of this scheme were to reduce sex selection and to promote positive attitudes among people towards girls. The scheme focused on improving girls' births in institutions, ensuring all vaccinations are obtained and enrolment in school.

Benefits under the Shubh Laxmi scheme

- (1) Rs. 2100 were given to the mother after the birth of baby girl in a government hospital.
- (2) After one year and having obtained all of the required vaccinations, the next instalment of Rs. 2100 was provided.
- (3) A third instalment of Rs. 3100 in funds is given at the age of five years and after obtaining a certificate of admission to a school.

Eligibility for the Shubh Laxmi scheme

The scheme was applicable only for the residents of Rajasthan and for girls born in government hospitals. The alarming data on the declining female to male child sex ratio, school dropouts and child marriages in the state forced the Government of Rajasthan to enhance the Shubh Laxmi scheme beyond just enrolment of girls in school at the age of five years. Thus, on 1 June 2016, the Government of Rajasthan launched another scheme – 'Rajshree Yojana' – with which the Shubh Laxmi scheme was merged. The financial incentive under the scheme was increased to Rs. 50,000, with disbursement of the incentive occurring at different important milestones upon completion of certain

conditions, such as the completion of vaccinations, enrolment and retention in school and education until class 12 in school.

Although the government has already launched Rajshree Yojana, an enhanced scheme, a need has been felt to assess the impact of the Shubh Laxmi scheme, so the lessons from this assessment can be used to strengthen the implementation of Rajshree Yojana.

Methods

A desk review of the progress of the implementation of the Shubh Laxmi scheme at the state level was undertaken for the period August 2015–January 2016. The starting period was selected as August 2015. As digitization of data was undertaken from this period and for the period before that, it was difficult to undertake an analysis. The end period for collecting the data was selected as January 2016, as girls born in January 2016 became eligible for the second instalment in January 2017; hence, it was possible to study the disbursement of the second instalment and to identify the challenges in its implementation and changes in the beneficiaries perspectives towards girls. Bharatpur was selected as the district for the more detailed study and desk review of the progress in the implementation of the scheme. In this district, a total of 12,650 girls born during that period in government hospitals and a total 9407 beneficiaries were found eligible for the first instalment, and taking that as the population size, at a confidence level of 95% and a confidence interval of 10, the sample size was calculated as 95. The women were selected randomly from the beneficiaries list, which was collected from the health department, and in-depth interviews were conducted in order to assess the feedback from the women and their spouses.

In addition, two focus group discussions were conducted with 30 parents (15 males and 15 females, and only one parent from a different family participated) whose daughters either were born in a private hospital or were not eligible for receiving benefits under the scheme in order to understand their awareness of the scheme and their perceptions towards girls.

Results

From the analysis of the data, it was found that only 41% of the beneficiaries received the second instalment. Some of the beneficiaries might have claimed the benefit of second instalment on a later date; however, overall uptake was low. One of the major reasons for this was the low awareness about the procedure for claiming the benefits under the scheme. A total of 63% of respondents shared that they came to know about the benefits of scheme only at

the time of delivery, while 42% of respondents were not clear about the process of claiming the second instalment.

From the study, it was also evident that discrimination against girls is quite prevalent, and this was largely because girls were considered an economic liability and someone else's (husbands' family's) asset. More than 70% of beneficiaries hold a similar view. More than 65% of respondents also shared that dowries were the main reason why they were not ready to invest in the education of girls. More than 60% of the respondents were of the opinion that sons would be their support system in old age; hence, they preferred sons.

However, 93% of respondents shared that the scheme had a positive impact on the birth, health and education of their girls. A total of 76% of respondents had already got their daughters completely immunized, and out of the remaining 24%, 84% shared that if they would have had knowledge about the benefits of complete utilization of the scheme, they would have also got their daughters immunized. A total of 98% of respondents shared that they will get daughter admitted to school and will claim the benefits of the third instalment under the scheme. A total of 61% of respondents also shared that the scheme had changed their perspectives towards the importance of girls' education and health. A total of 68% of respondents shared that they will get their daughters educated at least until class 12. A total of 47% of beneficiaries also shared that the incentives provided under the scheme are quite low.

Out of the 30 parents whose daughters either were born in a private hospital or were not eligible for receiving the benefits under the scheme, 14% shared that their daughters were born in a neighbouring state in the mother's native town, while the remaining 86% shared that they perceived the quality of public health facilities and services to be poor, and hence they opted for private health facilities. A total of 64% of the respondents shared that they had got their daughter completely immunized, while the remaining 36% shared that their daughters were partially immunized; however, they these parents did not feel the need to get their daughters fully immunized and were not aware of the benefits from doing so. A total of 92% of the respondents shared that they would have also liked to receive the financial benefits, as such benefits would have been useful for supporting the health and education of their girls.

Procedural issues related to the implementation of the scheme

The scheme was able to change the perspectives of the beneficiaries towards girls; however, all of the respondents agreed that too much paperwork was required under the scheme, especially for receiving the second and subsequent instalments. This also resulted in some of the beneficiaries not receiving the

second instalment. The respondents stressed the need for making the process simpler in terms of the transfer of financial incentives.

Strengthening the implementation of the scheme

The findings from the study have provided useful information that can be used for the improved implementation of other CCT programmes.

Scheme design and processes

- (1) Currently, the benefit was limited to girls who were born in government health facilities. Considering that negligence towards girls' education, health and well-being exists across most social groups, the benefits can be extended to girls born in private facilities and in other states, too, if their parents reside in the state of Rajasthan. This will provide motivation to all of the families of girls to invest in the health and education of their girls.
- (2) It is very important that the paperwork under such schemes is kept simple to ensure that eligible beneficiaries are able to claim the benefits without much hassle.

Awareness, advocacy and capacity building

- (1) Promote awareness of the scheme at various levels, especially among the beneficiaries, and promote targeted awareness generation for the second and subsequent instalments.
- (2) Expand and up-scale awareness, advocacy and campaigns on enhancing the value of girls by engaging diverse stakeholders such as celebrities, sports personnel, real beneficiaries, etc., to ensure consistent and accurate messaging.
- (3) Build capacities of different stakeholders and prepare them as advocates of the scheme in the community.

Research

- (1) Promote an economic lens regarding gender-related issues and research on the intersectionality between economics and behaviour modification.
- (2) Study the implementation and reach of the scheme.

Monitoring and evaluation

- (1) Institutionalize a robust implementation, monitoring and evaluation system for monitoring of the scheme. Strengthen the convergence among different monitoring mechanism such as the Education Management Information System (EMIS), the Health Management Information System (HMIS), etc.
- (2) Different monitoring systems also need to be interconnected in order to reduce paperwork and track the progress of girls.

Limitations of conditional cash transfer programmes

The study shows that among the beneficiaries of the scheme, perceptions towards girls' education and health have changed. However, it is also important to understand the limitations and associated challenges with the implementation of such programmes. The factors that result in the neglect of girls are complex, such as the patriarchal mind-set and dowries, and the impacts of CCT programmes on such issues are difficult to study (Hanlon, 2004). In addition, the success of any such initiative also depends upon the implementation mechanism and an effective monitoring system, which are also often challenging to achieve in developing countries (Coady *et al.*, 2004). Furthermore, due to a lack of proper documentation, the most needy or most vulnerable are at times left out such schemes (Hanlon, 2004). Hence, ensuring the delivery of benefit to all eligible beneficiaries also remains a challenge.

Conclusions

The findings from the study show that the key challenge is low awareness of the scheme and of the procedure to claim the benefits under the scheme. However, among the respondents who have received benefits under the scheme, the initiative has helped in generating positive attitudes towards the survival, education and well-being of girls. The study shows that CCT programmes are useful for nudging people to address gender-based inequalities in health and education among children; however, effective implementation remains key. The Government of Rajasthan has already increased the incentives for achieving different milestones six times until the completion of class 12, and we are hopeful that it will further enhance positive perceptions towards girls in the state.

Changing the negative attitude towards girls is a prolonged process, as it requires changing the existing cultural norms around gender and the deep-rooted patriarchal mind-set among the people. Thus, the need of the hour is to bring to the forefront the positive experiences of families who have utilized the scheme. In a variety of social contexts, it appears that peer communication can elevate aspirations, increase confidence and lead towards enhancing the value of girls in the state.

Conflict of interest

No external funding was received and there are no conflicts of interest.

Ethical standards

Informed consent was obtained from all of the participants for the personal interviews and focus group discussions. The consent form was read out to the participants in the local language and was signed by all of the participants.

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