Influence of Conditional Cash Transfer Program to the Living Condition of the Households

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Abstract

Almost half the world lives on less than $2.50 a day. Because of the growing poverty incidence around the world, some of the countries made several programs to alleviate the said poverty. One of which is the conditional cash transfer programmes (CCT). This study aims to assess the influence of the conditional cash transfer (CCT) to the living conditions of its beneficiaries. This study used a descriptive correlational research design. The personal outlooks of families enrolled in conditional cash transfer programs (CCT) were undecided. The study population included 161 households' beneficiaries in the village of Bunu-Anan, Catbalogan City, Samar. The program improves the lives of poor families through cash interventions incentives. The recipients, who were mainly headed by women showed affirmation on the requirements of the government as a beneficiary. In identifying relationship, personal outlook and their personal variates, it has been found out that the sex variable showed a significant relationship to a personal outlook. Another is the significant relationship in terms of education and monthly family income. The findings should be taken with caution since the program is still on its early years and does not directly address the problem in terms of poverty alleviation, and may not explicitly incorporate impact evaluations.

Keywords: conditional cash transfer program, living conditions, household beneficiaries

I. INTRODUCTION

Almost half the world's population, over three billion people, lives on less than $2.50 earnings a day (Shah, 2007). The poorest 40 percent of the world's population accounts for 5 percent of global income. Moreover, nearly 1/2 of the world's population or more than 3 billion people, lives on less than $2.50 earnings a day and 22,000 children die each day because of poverty. More than 1 billion people lack quality access to clean drinking water, and an approximately 400 million people are children. Coarsely 443 million school days are missed every year since unclean water yields illnesses (www. dosomething.org, Retrieved April 2014). Because of the growing poverty incidents around the world, some of the countries made several programs to alleviate the said poverty. One of which is conditional cash transfer program (CCT). It refers to giving money to poor people, and in return, fulfilling specific behavioral conditions. It is a new type of social program with the primary objective of alleviating poverty. It has a direct effect on poverty by providing an immediate additional income for the poor. They can make choices as to

how to spend or save their money. This is also to have a positive impact on the beneficiary's education, health, or other socioeconomic well-being, depending on the condition applied, thereby, breaking the transmission of poverty from one generation to the next (Ole et.al., 2008). The beneficiaries of this program are those of the poor who can meet the conditions. The conditions are in turn often designed to target certain groups within the poorer population rather than everyone. Moreover, it has an incentive to the poor to invest in their human capital in order to break in the poverty cycle. Education is the most important factor enabling future generations to escape from poverty. Going to school ensures that they will be qualified to find better jobs, and thus lead a better life than their parents (Ole, 2009).

In Brazil, the program itself is one of the largest social assistance programs in the world. Its evaluations show positive impact on the reduction of poverty and disparity, subsidizing to the country's recent progress, and as well as to their level of children's school attendance. The program has generated a positive impact on female labor force participation – particularly in the lower-income class (www.espe.conference-services.net, retrieved April 2014). In Chile, a program called Chile Solidario, established in 2002, requires the family to sign a contract to meet specified minimum conditions seen as necessary to overcome extreme poverty. In exchange, the family receives from the protection bonds, state psychosocial support, guaranteed cash subsidies, and social security programs (Palma, 2014). In the United States of America, the program is called opportunity NYC family rewards. The program is built in the conditional cash transfer (CCT) program. The said family rewards were to test the impact of monetary incentives on children's education, and family health (Glass, 2014; Ole and Carrin, 2008).

In Rawling's study, it was pointed out that programs in Colombia, Mexico, and Nicaragua improved the children's enrollment rates, preventive health care, and raised household consumption (Rawlings & Rubio 2005). Other studies claim were associated with better outcomes in child health, growth, and development (Ferdenand et.al., 2008). Similar study in Brazil also discuss the said program reduce poverty, increase educational attainment, and decreased the incidence of child labor (Patrinos & Siddiqi, 2010). Moreover, the program also has a positive impact on the outcomes in the pathways to improved nutrition. The program significantly improves child anthropometry but has very little impact on micronutrient status (Leroy & Verhofstadt, 2009). In addition, a similar study in Honduras wherein the program helped the family reduce the inequality, extreme poverty and promotes better-quality education outcomes among children (Sebastian & McEwan, 2011). Meanwhile, in a Brazilian study, the program reduces the incidence of poverty by only a little more than one percentage point (Bourguignon et.al., 2003). Its effect in reducing poverty was never large. Another study that the program had no discernible impacts on children's work rural areas (Attanasio et.al., undated). Participation in income-generating work remained largely unaffected by the program. It also finds evidence of school and work time not being fully substitutable. Based on this several studies on Conditional Cash Transfers program, though it may provide money to poor families upon certain behavior, it cannot give the full impact in poverty alleviation (Rawling, 2004).

In the Philippines, the Conditional Cash Transfer (CCT) Program is dubbed as Pantawid Pamilyang Pilipino Program or 4Ps (formerly Ahon Pamilyang Pilipino). This targets the poorest among poor families in the region . Economic indicators

such as education of the household ownership of assets, type of housing, livelihood of the family and access to water and sanitation facilities indicate the family economic category (Balisacan et.al, 2010). It started as a pilot program of the Department of Social Welfare and Development (DSWD) in 2007 when the agency was embarking on social sector reform. The program is a vehicle for enhancing coordination within the government in assisting the poor and for increasing the effectiveness of social protection programs. The Pantawid Pamilya does this by complementing supply side interventions of other line agencies such as the Department of Education (DepEd) and Department of Health (DOH) in addressing the lagging of the human development outcomes.

Finally, this study utilized a descriptive correlational research design, which aimed to assess the influence of the conditional cash transfer (CCT) to the living conditions of its beneficiaries. This assessment will be achieved by interviewing its beneficiaries, and utilizing the questionnaire as the main data-collection tool, giving insight, and formulating remedies so as to alleviate the increasing poverty. Furthermore, the findings of this study will serve as inputs to the local legislators to provide several alternatives to the program. Thus, the researcher was motivated to conduct this study.

II. METHODOLOGY

A. Research Design and Participants

This investigation utilized a descriptive correlational research. The study population included 161 households beneficiaries in the village of Bunu-Anan, Catbalogan City, Samar.

B. Instrumentation

The self-report survey questionnaire was composed of the following: personal characteristics, outlook of the respondents in terms of poverty, inequality and incidence of crime and influence of the program to the living conditions of the grantees in terms of economic sufficiency, social upliftment, and empowerment.

Personal characteristics include age, sex, educational background; occupation; monthly family income, family size, and the number of years as a beneficiary.

In terms of the outlook of the respondents, this includes poverty, inequality and incidence of crime. The five-scale Likert pattern will be used to determine the outlook of the respondent as follows: 5 for strongly agree; 4 for agree; 3 for undecided; 2 for disagree; and 1 for strongly disagree.

In terms of influence of the program to the living conditions, it includes economic sufficiency, social upliftment, and empowerment. The five-scale Likert pattern will also be used in this assessment as follows: 5 for extremely influencing; 4 for highly influencing; 3 for moderately influencing; 2 for slightly influencing; and 1 for not influencing.

Before the actual data collection, the researcher will coordinate with the Barangay/Village Chairman to identify the specific respondents of the study. A written request will be submitted to him for his cooperation. The approved request will be made reference by the researchers as they interview the beneficiaries one by one.

C. Measures

In presenting the profile of the respondents, frequency count, percentage, the arithmetic mean and standard deviation,

whichever will be applicable, shall be used. In ascertaining the outlook and the influence of the program to their living conditions, the weighted mean will be used to determine the group perception. The coefficient of correlation will be used to ascertain the relationship between the influences of the program to the living conditions of the grantees and to their personal characteristics. Furthermore, to test the significance of the coefficient of correlation, the Fisher's t-test will be employed. Finally, the α is set at .05 as the level of significance for the area of rejection in a two-tailed test (α/2). For precision and accuracy in the calculations, the researcher will utilize the computer in the data processing. In the analysis, the researchers will use the SPSS version 16 as their statistical software application.

III. RESULTS AND DISCUSSION

Table 1 depicts the profile of the respondents, the 6 or 26.1 percent male respondents have an age range of 48-52 years old that is the highest age range among the 23 male respondents. Moreover, 33 or 23.9 female respondents have an age range of 38-42 years old that is the highest age range among the 138 female respondents. Furthermore, 118 or 73. 29 percent of respondents are married, while 6 or 3.73 percent respondents are separated from their spouses. Meanwhile, more than half of the respondents are high school level with a frequency of 61 or 37. 89 percent. Likewise, more than half of the respondents are housewife with a frequency of 100 or 62.11 percent. Similarly, more than half of respondents, 105 or 65.22 percent, have a family income from Php1, 001 - Php 3,000, the highest number respondents who fall in this income range. Almost half of the respondents have a family size of 2 with a frequency of 75 or 46.58 percent, the highest family size among the 161 respondents. Also, 73 or 45.34 percent of respondents are three years already as

beneficiaries of the program.

As reflected in table 2, the poverty statement of "My family is poor because we lack resources" posted the highest weighted mean of 2.89, interpreted as undecided. On the inequality statement "My family is not well-known so that we cannot enjoy the things we ought to enjoy" posted the highest weighted mean of 3.01 interpreted as undecided. Lastly, the questionnaire indicator: "Greed is within the hearts of the poor because of inequality experienced by them and this gives them the reason to cheat and to do crime" had the highest weighted mean of 2.81, and interpreted as agree.

Table 3 reflects the influence of the CCT to the condition of the respondents. The undecided respondents posted a weighted mean of 3.27, 3.18, 2.31, 3.22 in terms of their economic sufficiency indicators, family income, family sustainability, family member's health and education, livelihood respectively. Furthermore, social upliftment indicators namely: Social equality, Self-reliance Safety and security, and Belongingness to society have the same interpretations of undecided which posted a weighted mean of 2.89, 2.96,3.02,3.01,2.97 respectively. In addition, various empowerment indicators have the same interpretations of undecided which posted a weighted mean of 2.63, 2.76, 2.86, 2.83. These are in terms of the following indicators: Freedom from the lack and scarcity, Avoidance of crime commission, and Freedom from the thought of committing crime and Ability to think with the right perspectively.

Table 4 reveals correlations between the personal outlook and their personal variates. The r- value between the correlations of personal outlook and their sex has -0.675, with p-value of 0.001. Furthermore, the correlations of personal outlook and their civil status have 0.589,

Table 1.
Profile of the Respondents

Age (in years)	Sex				Total	Percent
	Male	Percent	Female	Percent		
28-32	2	8.7	21	15.2	23	15.22
33-37	1	4.3	11	8.0	12	7.97
38-42	2	8.7	33	23.9	35	23.91
43-47	5	21.7	21	15.2	26	15.22
48 -52	6	26.1	19	13.8	25	13.77
53- 57	3	13.0	12	8.7	15	8.70
58- 62	3	13.0	13	9.4	16	9.42
63-68	1	4.3	8	5.8	9	5.80

Civil Status	Frequency	Percentage (%)
Single	17	10.56
Married	118	73.29
Separated	6	3.73
Widowed	20	12.42

Highest Educational Attainment	Frequency	Percent
College Graduate	2	1.24
College Level	11	6.83
High School Graduate	59	36.65
High School Level	61	37.89
Elementary Graduate	15	9.32
Elementary Level	13	8.07

Occupation of Respondents	Frequency	Percent
Housewife	100	62.11
fish vendor	54	33.54
Sari-Sari store owner	5	3.11
Driver	2	1.24

Monthly Family Income (in PhP)	Frequency	Percentage (%)
1,001.00 - 3,000.00	105	65.22
3001.00 - 5,000.00	29	18.01
5,001.00 - 8,000.00	19	11.80
8,001.00 – 10,000.00	8	4.97

Family Size	Frequency	Percentage (%)
1	21	13.04
2	75	46.58
3	27	16.77
4	21	13.04
5	17	10.56

Number of Years	Frequency	Percentage (%)
1	32	19.88
2	35	21.74
3	73	45.34
4	21	13.04

Table 2.
Personal Outlook of Respondents

Outlook in Life	Weighted Means	Interpretation
A. Poverty		
1. My family is poor because heaven is mean to us	1.87	Disagree (D)
2. My family is poor because we lack resources	2.89	Undecided (U)
3. My family is poor because we are born this way	2.10	Disagree (D)
4. My family will remain poor no matter what	2.00	Disagree (D)
Grand mean	**2.22**	**Disagree (D)**
B. Inequality		
1. My family has no power to enjoy resources of the country	2.30	Disagree (D)
2. My family has no access to any of the resources of the community	2.44	Disagree (D)
3. My family is not well-known so that we cannot enjoy things we ought to enjoy	3.01	Undecided (U)
4. The resources of the community are for the rich and famous only	2.41	Disagree (D)
Grand mean	**2.54**	**Undecided (U)**
C. Incidence of Crime		
1. Crimes happen because of the inequality experienced by most of the poor	2.95	Undecided (U)
2. Poverty insinuate the poor to commit crime to fill up the inequality experienced by them	2.83	Undecided (U)
3. The government neglects the poor so that they are forced to do crimes	2.42	Disagree (D)
4. Greed is within the hearts of the poor because of inequality experienced by them and this gives them the reason to cheat and to do crime	2.81	Agree (A)
Grand mean	**2.75**	**Undecided (U)**

Legend: 4.51 to 5.00 – *Strongly Agree*   *(SA)*
          3.51 to 4.50 – *Agree*   *(A)*
          2.51 to 3.50 – *Undecided*   *(U)*
          1.51 to 2.50 – *Disagree*   *(D)*
          1.00 to 1.50 – *Strongly Disagree*   *(SD)*

with p-value of 0.030.Meanwhile, the correlations of personal outlook and their educational background have 0.684, with p-value of 0.012of 0.001 respectively.

Table 5 reveals the influence of the program to the condition of the respondents and their profile variates. Meanwhile, the r-value between the correlations of influence of the CCT to the condition of the grantees and its monthly family income has 0.873, with p-value of 0.003. Therefore, there is a significant relationship between the influence of the program and monthly family income.

Table 6 depicts the correlation between personal outlook and influence of the CCT to the condition of the grantees. The r- value between the correlation between personal outlook and influence of the program to the condition of the grantees has -0.158, with p-value of 0.063. Therefore, there is no significant relationship between personal outlook and influence of the program to the condition of the beneficiary.

The result of personal outlooks of families enrolled in conditional cash transfer programs (CCT) was undecided.

Table 3.
Influence of the CCT to the Condition of Respondents

Expressed Influence	Weighted Means	Interpretation
A. Economic Sufficiency		
1. Family income	3.27	Undecided(U)
2. Family sustainability	3.18	Undecided(U)
3. Family members health and education	3.31	Undecided(U)
4. Livelihood	3.22	Undecided(U)
Grand mean	**3.25**	**Undecided(U)**
B. Social Upliftment		
1. Social equality	2.89	Undecided(U)
2. Self-reliance	2.96	Undecided(U)
3. Safety and security	3.02	Undecided(U)
4. Belongingness to society	3.01	Undecided(U)
Grandmean	**2.97**	**Undecided(U)**
C. Empowerment		
1. Freedom from lack and scarcity	2.63	Undecided(U)
2. Avoidance of crime commission	2.76	Undecided(U)
3. Freedom from the thought of committing crime	2.86	Undecided(U)
4. Ability to think with the right perspective	2.83	Undecided(U)
Grandmean	**2.77**	**Undecided(U)**

Legend: *4.51 to 5.00 – Strongly Agree (SA)*
3.51 to 4.50 – Agree (A)
2.51 to 3.50 – Undecided (U)
1.51 to 2.50 – Disagree (D)
1.00 to 1.50 – Strongly Disagree (SD)

This indecisiveness may be because the program is still in the early years of implementation to the beneficiaries contrary to the results that the program is an effective way of reducing poverty (Barientos & Jong, 2006; Skoufias & Maro, 2007; Riccio et.al., 2010; Rawlings, 2005). Future investigation is needed so that programs can be both social protection and social investment tools, as they aim to provide immediate economic assistance to the poor and vulnerable in the short term, while encouraging by means of incentives and conditionality, attitude and behavior changes that will theoretically have long-term effects (Adato, 2007). Moreover, the results show that respondents perceived that greed gives them the reason to cheat and to do crime in the community. It is worth noting since the previous study debated that

greed is a feeling of not-having-enough, a feeling of hunger-for-more, in a sense of poverty. This is also linked with empirical analysis of the previous study that greed has strong relationships with poverty (Larrea, 2011).

It also found out that adult women play a significant role in the success or failure of the program. The study revealed that women taking part in these programs became empowered, their standing in their local communities, got better access to health and nutritional information, and increased decision-making power within their households.

Another study confirms that women enrolled in the program has a direct effect on poverty alleviation (Escobar, 2008). Moreover, cash transfers have often

Table 4.
Comparison of Influence of the Conditional Cash Transfer Program
to the Condition and their Profile

Influence vs	rxy	P-value	Evaluation
1. Age	0.155	0.417	Not Significant
2. Sex	-0.010	0.998	Not Significant
3. Civil Status	0.298	0.790	Not Significant
4. Educational Background	0.057	0.475	Not Significant
5. Occupation	0.134	0.092	Not Significant
6. Monthly Family Income	0.873	0.003	Significant
7. Family Size	-0.123	0.224	Not Significant
8. Number of Years as beneficiary	0.145	0.324	Not Significant

Correlation significant at the 0.05 level (two-tailed)

Table 5.
Correlation between Personal Outlook and Influence of the Conditional Cash
Transfer Program to the Condition to the condition of the Beneficiary

Variables	rxy	P-value	Evaluation
Personal outlook vs Influence	-0.158	0.063	Not Significant

Correlation significant at the 0.05 level (two-tailed)

helped to increase their role in household financial decisions and promote more balanced gender relations (Adato, 2007). Finally, education and monthly family income were inextricably connected. This connection might give possibility of increased drop-out rate if there is low income between the families. This is strongly linked in the program's success. It improves school enrollment and attendance of students. Likewise, it also improves family income [26].

IV. CONCLUSIONS AND RECOMMENDATIONS

In conclusion, the Conditional Cash Transfer Program (CCT) improved the lives of poor families through cash interventions incentives. The cash transfer recipients, who were mainly headed by women showed affirmation on the requirements of the government as a beneficiary.

However, the findings should be taken with caution since the program is still in the early years of operation and does not directly address the problem yet in terms of poverty alleviation, and cannot explicitly incorporate impact evaluations. Results suggest that interventions that focus on investing in basic human capital needs may exert longer term ripple effects for the development of families.

Acknowledgement

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