



POLICY BRIEF



Photo: Sonia Laszlo

How Conditional Cash Transfers Impact Reproductive Choices: Evidence from Peru's Juntos Program

There is very little rigorous evidence on the impact of cash transfers on adult beneficiaries' fertility outcomes and family planning. New research investigates the impact of Peru's conditional cash transfer program, Juntos, on beneficiaries' reproductive choices, and reveals some surprising intra-household dynamics.

WHAT'S AT STAKE?

Despite their widespread availability, women globally continue to report an unmet need for modern contraceptives (Singh et al. 2012), with 44% of pregnancies being unplanned worldwide (Bereak et al. 2018). In South America, Sedgh et al. (2014) report that 62% of pregnancies are unwanted.

KEY RESULTS

- Contraceptive use increased among women exposed to the program for two years or more.
- Juntos increased modern methods birth control use relative to traditional methods.
- Women preferring fewer children than their spouse are more likely to conceal contraceptive use.

At the same time, women in Latin America face spousal discordance in fertility preferences (McNamee 2009). Unwanted pregnancies and excess fertility are known to contribute to adverse maternal and child health, and to perpetuate a vicious intergenerational cycle of poverty. By increasing women's empowerment, not only can we expect improvements in fertility outcomes, we can also expect improvements in maternal and child health and consequently in development outcomes.

Income plays a central role in fertility behaviours. Families with higher incomes will either decide to have larger families or to dedicate more resources to fewer children (Becker 1960). Similarly, if the increase in income is driven by increased maternal income, the associated increased opportunity cost of time would lead to smaller family sizes as women may have less time for child rearing and spend more time working. Meanwhile, an increase in a woman's income relative to the household income may lead to an increase in her bargaining power within the household decision-making process, giving her more say over fertility decisions. Ultimately, whether family size increases with income an empirical question that is made complicated by the confounding factors underlining this relationship in most observational studies.

Conditional cash transfers (CCTs), transfers to low income women which are typically conditional on complying with certain human capital investments (children's schooling and health checks), provide a unique opportunity to investigate the relationship between a woman's income and her fertility behaviour. Because CCTs typically target households with school-aged children conditional on their attendance, the cash transfer is not contingent upon the parent's labour supply. This could lead to an increase or a decrease in fertility depending on various factors such as the relative preference for "quality" over "quantity" of children. Furthermore, cash transfers are typically given to the mother, and not the father, precisely because they are believed to empower her in household decision-making (Das et al. 2015).

In a bid to shed light on the causal effects of income shocks on women's reproductive choices, researchers Sonia Laszlo and Laëtitia Renée (McGill University) and Muhammad Farhan Majid (Rice University) investigate the effect of Peru's CCT program, Juntos, on mothers' contraceptive use. Specifically, the research examines whether the program influenced mothers' intentional family planning by changing the use and type of contraceptive methods used.

RESEARCH APPROACH

Peru's Juntos program - *el Programa Nacional de Apoyo Directo a los mas Pobres* - was introduced in 2005 with the objective to improve maternal and child health and raise children's educational outcomes by providing bi-monthly cash transfers to poor and mostly rural mothers conditional on their children attending school and regular health checks. While this program was not rolled out on an experimental basis, the researchers exploited rich administrative data with spatial (district level) and time variation in the implementation of Juntos between 2005 and 2017 to identify the effects of the cash transfer.

By merging administrative data on the historical and geographic roll-out of Juntos with annual waves of Peru's Demographic Health Surveys (DHS) from 2004 to 2017, the research focused on women's reproductive choices in terms of family planning or contraceptive use. To explore the effect of the cash transfer on a household's choice of reproductive technology researchers initially investigated the use of birth control, and the choice of modern relative to traditional methods. Data from the DHS on spousal preferences (and especially discordance) over family size allows us to explore the role that strategic behavior in intra-household decision-making may play in mediating this choice (Baland and Ziparo 2017).

Utilizing a unique question in the DHS which asks if women conceal the use of birth control from their partners, the researchers followed Ashraf et al. (2014) who explore the role that intra-household bargaining plays in contraceptive use among families in Zambia: women in discordant couples who desire fewer children than their spouse may compensate for lower bargaining power by concealing birth control use. We employ a variety of econometric methods to study this issue- both standard and generalized (event study) difference-in-difference models are applied to the question yielding intent-to-treat (ITT) estimates. We confirm our ITT estimates using self-reported Juntos receipt collected on a smaller DHS sample.

KEY FINDINGS

The research findings show that Juntos influenced beneficiaries' reproductive choices in several interesting ways.

Contraceptive use increased among women exposed to the program for two years or more.

Juntos lead to an increase in (any form of) birth control use, but only after the program was in place for a few years. A similar pattern emerges for use of modern over traditional methods of birth control - the effect is stronger and more precisely estimated for respondents living in districts treated for more than two years. A placebo analysis further shows that no effect is found on wealthier households not exposed to the program.

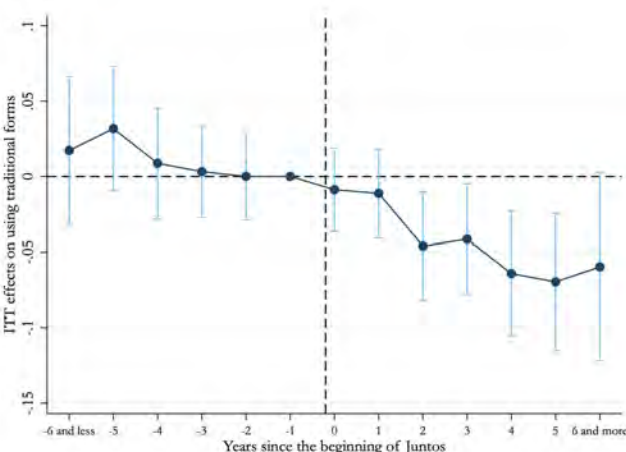
Juntos increased modern methods birth control use relative to traditional methods.

Beneficiary women were more likely to switch from traditional to modern methods of birth control, such as condoms, the pill, implants, injections or sterilization. Event study analysis reveals persistent effects years after the initial roll out (Figure 1). We furthermore, find no evidence of pre-existing trends in our data which could explain such patterns suggesting that our estimates are causal rather than mere associations.

Women preferring fewer children than their spouse are more likely to conceal contraceptive use.

There is no indication that the average beneficiary is more or less likely to conceal the use of birth control from her spouse. However, the findings do point to strategic intra-household decision-making effects for women in discordant couples where their husbands prefer a larger family. In these cases (roughly one fifth of the sample), women are more likely to conceal birth control use.

FIGURE 1: EVENT STUDY OF JUNTOS' EFFECT ON TRADITIONAL FORMS OF BIRTH CONTROL



POLICY INSIGHTS

There is little rigorous evidence on the mechanisms through which cash transfers can influence fertility behaviours of adult beneficiaries. The findings from this research suggest that researchers and practitioners looking to empower low-income women through cash transfer programs should consider the following:

Cash transfers alone cannot fully empower women to assert their preferences around fertility.

Study result suggests that strategic behaviour does matter for women's reproductive choices. The fact that CCTs enable women to (clandestinely) take control over their fertility among discordant couples underlines they are not fully empowered in the first place and highlights the limits of CCTs in promoting empowerment in this domain. This is an especially important finding when we consider that CCTs were in part motivated to help solve market failures arising from intra-household bargaining power imbalances (Das et al. 2005).

Cash transfers can make family planning more accessible.

The research speaks to the complex ways in which economic development may affect the demand for family planning and hence fertility. Even if modern contraceptive technologies are widely available and affordable, women and couples still bear significant costs. Despite the intra-household bargaining costs implied by the need to conceal use, CCTs like Peru's Juntos may be able to reduce the monetary costs of accessing such services.

Future research on CCTs should explore moral hazard effects in intra-household decision-making.

The analysis suggests future research directions should unpack the mechanisms through which programs meant to empower women affect decision-making in domains which are not directly targeted by the program itself. Specifically, programs need to pay greater attention to unintended effects and to strategic behaviour in intra-household bargaining contexts.

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This brief was authored by Laszlo, S., Majid, M.F. and L. Renée. and designed by K. Grantham. It draws on key findings of the working paper, "[Conditional Cash Transfers, Women's Empowerment and Reproductive Choices](#)."

Suggested Citation:

Laszlo, S., Majid, M.F. and L. Renée. 2019. "How Conditional Cash Transfers Impact Reproductive Choices: Evidence from Peru's Juntos Program." *GrOW Research Series Policy Brief No. 12*. Montreal, Canada: Institute for the Study of International Development, McGill University.

Produced with support from McGill University and the International Development Research Centre (IDRC). The observations and views expressed in this work are the sole responsibility of the author(s).

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