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**The meaning of 'revolution' in
development aid:
An exploration into the perceptions
of unconditional cash transfers
within a continuously changing aid
industry.**

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Global Development Studies

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Declaration

I, Emma Juliette van Nieuwkuijk, declare that this thesis is a result of my research investigations and findings. Sources of information other than my own have been acknowledged and a reference list has been appended. This work has not been previously submitted to any other university for the award of any type of academic degree.

Signature



Date: June 14, 2022

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Abstract

This thesis looks at the use of unconditional cash transfers (UCTs) in the aid industry as a tool to alleviate poverty. UCTs are built on the idea of just giving money to the poor instead of setting up large-scale development projects. UCTs have been growing in popularity in the aid industry and the tool is described as revolutionary because it allows recipients instead of donors to decide what they need to escape poverty. This thesis sets out to examine the role of UCTs in the development aid industry by considering the perceptions of UCTs and the position of UCTs in relation to the shifts in development aid discourses. The NGO GiveDirectly serves as a case study to research the use of UCTs in aid and to examine the role of NGOs within the aid industry. Interviews were conducted and a thematic analysis of texts was carried out to gain insights into the use of UCTs and the NGO GiveDirectly. The sources represent the donor perspective and include representatives from the media, NGO employees, development experts, and academic scholars. The findings suggest that UCTs are perceived very positively but that they are not as revolutionary as they are made out to be. Additionally, the discussion on the role of NGOs in the aid industry proposes that GiveDirectly does not offer alternatives to dominant understandings of aid. Moreover, the contextualization of UCTs within the aid industry suggests that the tool fits well within broader shifts in thinking about aid. Lastly, this thesis argues that UCTs illustrate the ongoing cycle of hyper optimism over new methods of delivering aid followed by a realization that results are limited. In conclusion, this thesis argues that UCTs represent ongoing continuities in aid discourses rather than alternatives.

List of abbreviations

ASPIRE	The Atlas of Social Protection Indicators of Resilience and Equity
BIEN	Basic Income Earth Network
CCT	Conditional Cash Transfer
CGD	Centre for Global Development
DAC	Development Assistance Committee
DFID	Department for International Development
EU	European Union
FAO	United Nations Food and Agriculture Organization
GDP	Gross Domestic Product
IADB	Inter-American Development Bank
IFPRI	International Food Policy Research Institute
IPA	Innovations for Poverty Action
IRC	International Rescue Committee
NGO	Nongovernmental organization
NSD	Norwegian Centre for Research Data
ODI	Overseas Development Institute
PRSP	Poverty Reduction Strategy Papers
RCT	Randomized Control Trial
SAP	Structural Adjustment Policies
UCT	Unconditional Cash Transfer
UK	United Kingdom
UKAID	United Kingdom Agency for International Development
UN	United Nations
UNICEF	United Nations International Children's Emergency Fund
USAID	United States Agency for International Development

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1 Introduction

Since the start of the development aid industry, many methods and tools have been tried and tested to fight poverty. One tool that has been gaining popularity in the last two decades is the use of cash transfers (Hanlon et al., 2010). Several scholars argue that the use of cash transfers as a tool to fight poverty represents a shift in thinking about poverty and aid (Hanlon et al., 2010). This is because, in conventional aid, development experts have always decided what the poor need, but the tool of cash transfers assumes that the poor themselves know best what they need to escape poverty (Hanlon et al., 2010). This indicates a shift in the perception of aid recipients. Moreover, a dominant idea in conventional aid is that complex aid projects would be most effective. In contrast, the use of cash transfers revolves around the belief that simply giving the poor money is better and more effective (Hanlon et al., 2010). This kind of aid, consisting of money given out without conditions attached is termed unconditional cash transfers (UCTs).

The ideology behind UCTs goes back to the most basic interpretation of what poverty is: a lack of money. The simplest solution to this problem is to just give money to the poor. While it might sound too simplistic in the context of the current complex aid industry, some scholars argue that cash transfers might be among the most effective methods to alleviate poverty (Alyson, 2020; Hanlon et al., 2010; Harvey & Pavanello, 2018; ODI, 2015; Soskis, 2016).

There is extensive literature on the effectiveness of cash transfers and the tool has received both criticism as well as praise (Egger et al., 2019; Handa et al., 2012; Handa et al., 2018; Haushofer & Shapiro, 2016; Ladhani & Sitter, 2020). Given its effectiveness, cash transfers have even been described as a “magic bullet” in the fight against poverty (Adato & Hoddinott, 2007). The term “magic bullet” refers to “something that solves a difficult problem easily” (The Britannica Dictionary, n.d.). UCT programs have been growing in popularity in the aid industry and studies have demonstrated the tool’s favourable impacts on different development aspects including income, education, health, and living standards (Egger et al., 2019; Hanlon et al., 2010; Haushofer & Shapiro, 2013a; Haushofer & Shapiro, 2013b; Haushofer &

Shapiro, 2016). Sceptics, on the other hand, outline an opposing argument that cash hand-outs cannot be a sustainable way of alleviating poverty in the long term (See, for example, Baird et al., 2019; Brudevold-Newman et al., 2017).

In evaluating UCTs, most studies look at the outcomes and effectiveness of cash transfer programs (Egger et al., 2019; Handa et al., 2018; Haushofer & Shapiro, 2013a; Haushofer & Shapiro, 2013b; Haushofer & Shapiro, 2016; Ladhani & Sitter, 2020). However, not many studies look at the role UCTs play within the development aid industry or how the tool is perceived. Moreover, it has previously been argued that the use of cash transfers as a tool to fight poverty may mark a paradigm shift in the aid industry (Hanlon et al., 2010). This paper looks into both of these aspects to gain an understanding of the role of UCTs in the aid industry and the changing perceptions of the tools and methods to alleviate poverty. First, I delve into the changing perceptions of poverty-alleviating tools and methods in the aid industry. Second, I investigate the discourse of paradigm shifts to examine what extent to which UCTs constitute a shift in the aid industry.

The objective of this thesis is to better understand the role unconditional cash transfers play in the aid industry. To do so, I look at two interconnected objectives. First, I aim to present an overview of the perceptions of UCTs. These perceptions describe the perspective of people outside of the aid industry, such as journalists and academics, as well as perspectives from people working in the aid industry. The second objective of this thesis is to place UCTs in the processes of change and continuity within the aid industry.

The research question that this thesis aims to answer is: *what role do unconditional cash transfers play in the development aid industry?* To answer this questions, this thesis looks into two sub-questions:

- 1) *how are unconditional cash transfers perceived?*
- 2) *how do unconditional cash transfers relate to shifts in the aid industry?*

Throughout the discussion of UCTs, the non-governmental organization (NGO) called GiveDirectly is used as a case study. GiveDirectly is one of the aid agencies that use UCTs to fight poverty and it is the largest NGO that “focuses solely on transferring money to poor families unconditionally” (Weidel, 2016, p. 173). So far, the UCT

projects are primarily used as experiments to test whether these programs can reach their development objectives. Several papers on GiveDirectly's outcomes have been published. This is why this NGO presents an interesting case study of how poverty is understood in the context of unconditional cash transfers.

The first chapter of this thesis starts with an empirical background consisting of two parts: the history of UCTs and the case study of GiveDirectly. The second part of this chapter presents the theoretical background, consisting of theories that are useful in contextualizing the debates around UCTs. The second chapter describes the methodology of this research. This chapter consists of three parts: text analyses, interviews, and ethics. The third and fourth chapters present the results of this research and discuss these through the lens of the theoretical background. The third chapter aims to answer the question of 'how is the tool of UCTs for poverty alleviation perceived?' Here, I discuss UCTs in the context of effective altruism, the conceptualization of poverty and development, and the role of NGOs in the development aid industry. The fourth chapter aims to answer the question of 'how do unconditional cash transfers relate to the shifts in the aid industry?' In this chapter, I discuss the findings in connection to the theories of aid regimes, buzzwords, and paradigm shifts.

1.1 Empirical background

This background chapter discusses the emergence and implementation of UCTs. In the first part, I discuss the history of cash transfers, followed by a specification of which type of cash transfers are looked at in this thesis. In the second part, I introduce the case study of GiveDirectly. This section discusses the goals, practices, and methods of the NGO.

1.1.1 History of cash transfer programs

Cash transfers have a long history. Nevertheless, the use of cash transfers in development and humanitarian aid is often seen as a new and innovative tool for alleviating poverty (Harvey & Bailey, 2011). The implementation of cash transfers as long-term national public interventions started in Latin America during the mid-1990s (Perez et al., 2020). During this time, governments in Latin America started designing and implementing conditional cash transfer programs (CCTs) in an effort to reduce poverty. These CCTs promise monetary transfers when recipients meet the conditions that are attached to these programs. These conditions often include enrolling children in school or taking children to regular health check-ups. By 2011, 18 countries had implemented CCTs intending to reduce poverty, and many countries in Sub-Saharan Africa developed cash programs as well (Soskis, 2016). The first of these CCTs was established in 1996 in Brazil, called the *Programa de Erradicação do Trabalho Infantil* (Programme for the Eradication of Child Labour). This program was followed by the probably best-known example of these early CCTs: Mexico's *Progres*a program (now called *Oportunidades*) (Perez et al., 2020). Following these CCTs in Latin America, cash transfer programs spread to other developing regions. In Sub-Saharan Africa, for example, cash transfer programs spread in 2005 in Malawi after a growing number of studies suggested that cash transfers seemed to be more efficient at fighting food instability in comparison to food aid (Megersa, 2019).

Over the last 15 years, an increasing number of governments have adopted the tool of cash transfers to fight poverty. A report from the Department for International Development (DFID) has called this growth of cash transfer programs a “quiet

revolution” (Arnold et al., 2011, p. i). The DFID identifies three forces that lead to the rapid adoption of cash transfers for poverty alleviation and prevention. Firstly, cash transfers can play an important role in decreasing transitory poverty. The report by the DFID reasons that cash transfers enable poor households to better handle shocks and stresses such as rising food and fuel prices, which can potentially prevent households from falling into poverty. Second, the DFID argues that cash transfers are a strong tool to help people escape chronic, often inter-generational poverty. The reason for this is that cash transfers have positive effects on human development. Lastly, the DFID concludes that cash transfers are more effective in addressing problems of chronic food insecurity in comparison to annual emergency food aid, which led to a rapid shift from food aid to the use of UCT programs (Arnold et al., 2011). In other words, the DFID identifies ways in which cash transfer programs can have positive effects on different types of poverty, and takes this as an explanation for the growing popularity of the use of cash transfers as a tool for poverty alleviation.

The growth of cash transfers can also be seen in the social safety net reports from the World Bank. A World Bank report from 2015 states that an average developing country has as many as 20 social safety net programs, and every country has at least one social safety net program (World Bank Group, 2015). Moreover, since the World Bank’s 2015 report, social safety net programs have been growing. In 2014, about 1.9 billion people benefitted from these programs. In 2019, this number had increased to 2,5 billion (The World Bank, 2019; World Bank Group, 2015). Moreover, in 2014, of the 136 countries in the ASPIRE database, around 50 of the social safety net programs were cash-based transfers. In 2018, this had doubled and around a hundred of the 142 countries in the ASPIRE database had implemented unconditional cash transfers, and around 60 countries in this database had implemented conditional cash transfers (The World Bank, 2019; World Bank Group, 2015). More specifically, while in 2010, 21 out of 48 countries in Africa had UCTs, in 2014, this number had doubled to 40 countries. This illustrates the rapid increase in the implementation of UCTs by African governments in just five years (World Bank Group, 2015). More generally, these numbers reveal that both the number of social safety nets as well as the proportion of cash transfers have been growing strongly.

The growing popularity of using cash transfers can be seen in the establishment of the Grand Bargain in 2016. The Grand Bargain is an agreement between big donors and humanitarian organisations to coordinate aid and get “more means into the hands of people in need and to improve the effectiveness and efficiency of the humanitarian action” (Inter-Agency Standing Committee, n.d.). This agreement shows the focus on aid effectiveness, which is an important aspect of UCTs, as I discuss in chapter three. Moreover, the early formulations of the Grand Bargain included a call for the increased use and coordination of cash-based programming (Inter-Agency Standing committee, n.d.). As a result, the use of cash in humanitarian aid doubled in the period 2016 - 2019 (Alexander, 2021).

However, when putting cash transfers in the context of the total aid industry, they are still relatively small. A study by the European Parliament's Committee on Development states that, although cash transfers have been growing over the past decades, the tool is still not widely adopted at the EU Institution level (Perez, et al., 2020). According to a panel report from researchers from the Centre for Global Development (CGD) and the Overseas Development Institute (ODI), only six per cent of global humanitarian relief consists of cash transfers, which includes both cash transfers as well as vouchers (Soskis, 2016). Additionally, the World Bank concludes that cash transfers are still relatively small in comparison to in-kind aid (World Bank Group, 2015). In-kind aid can be defined as “consisting of something (such as goods or commodities) other than money” (Merriam-Webster, n.d.). Examples of in-kind aid include aid in the form of food assistance or training programs.

Although cash transfers are still only a small part of the total budget, different organizations have been calling for an increase in the use of the tool. Former United Nations Secretary-General Ban Ki-moon argued that cash-based programming should be the preferred and default method of support where markets and operational contexts permit (Blattman et al., 2007; Soskis, 2016). Furthermore, a report from the European Union also calls for an increase in the use of “cash-for development” tools within the European Union Institution (Perez, et al., 2020). Other development organizations such as the DFID also call for a more extensive implementation of the tool (Arnold et al., 2011).

Next to the growth of UCTs in development institutions, the use of UCTs is also growing among NGOs. The International Rescue Committee (IRC) declared that they will “systemically default to a preference of cash over material assistance” and aim for delivering 25 per cent of their humanitarian aid in the form of cash by 2020 (Soskis, 2016).

Lastly, I define the definition of unconditional cash transfers used in this thesis. As defined in a report from the European Union, “cash transfers can be classified under two categories: emergency cash transfers, when applied in response to disasters; and non-emergency cash transfers, when established as a part of social safety nets by governments” (Perez, et al., 2020, p. 7). This thesis exclusively looks at non-emergency cash transfers, primarily cash transfers that aim at alleviating poverty. Moreover, the term cash transfer is used to refer to multiple types of transfers, such as conditional, unconditional, labelled, vouchers, or cash used for humanitarian emergency response. This thesis exclusively looks at unconditional cash transfers as a tool for poverty alleviation. In the context of this thesis, the term unconditional cash transfers (UCTs) is used to describe money that is transferred to poor households or individuals which the recipients receive without having to do anything to get the money, and that they can spend on anything, preferably without the donor implicitly suggesting what the recipient should spend the money on. In other words, as defined by The World Bank “unconditional cash transfers (UCTs) provide cash without particular co-responsibilities for beneficiaries; they may spend the cash as they wish” (World Bank Group, 2015, p. 8). More specifically, this thesis primarily focuses on UCTs implemented by development organizations and NGOs.

1.1.2 Background GiveDirectly

Around 2008, four economics PhD students at Harvard got the idea to found GiveDirectly (Coleman, 2014). They intended to test whether unconditional cash transfers work on a larger scale. GiveDirectly was founded in 2010 and has been growing fast over the last two decades. The NGO started its work in Kenya and has since expanded to Liberia, Togo, Rwanda, the United States, Democratic Republic of the Congo, Malawi, Mozambique, and a smaller program in Morocco (GiveDirectly, 2021). According to interviewee T, who works as the director of communications at the NGO, GiveDirectly is the first and largest NGO that lets donors give money directly to people in poverty. GiveDirectly's funds come from individual donors, large donors such as Google, and institutional donors such as the World Bank and USAID (GiveDirectly, 2021).

The three main focus points of the NGO are: 1) the promotion of efficient aid, 2) the creation of evidence, and 3) using research to demonstrate that people in poverty often know better how to spend aid money in comparison to donors (GiveDirectly, 2021). The focus on evidence creation, interviewee T states, can be seen in the fact that all of GiveDirectly's projects are research-based. GiveDirectly has set up Universal Basic Income projects in multiple countries. As stated by interviewee T, most of these projects give recipients money in the form of a lump sum of a thousand dollars, or in the form of two years programs, in which recipients receive about 25 dollars per month. Their most long-term RCT is taking place in Kenya and is the largest basic income experiment in history (Peterman & Dale, 2017). In this program, GiveDirectly uses unconditional cash transfers in order to reach the poorest households in the rural areas of the country. In this randomized control trial, 197 villages (around 20,000 individuals) receive unconditional cash transfers over twelve years. More specifically, the recipients of the UCTs are split up into three groups. The first group, consisting of 44 villages (4,966 people), receives a long-term basic income, consisting of \$0.75 per adult per day. This money is paid monthly over twelve years. The second group, consisting of 80 villages (7,333 people), receives short-term basic income. This group receives the same amount of money but only over two years. Lastly, the third group, consisting of 71 villages (8,548 people), is the so-called "lump sum group". This group receives the same amount of money as the other groups but as one large payment.

Additionally, 100 villages are studied as a control group. Outside of this study, two villages also receive long-term monthly payments, allowing GiveDirectly to have qualitative conversations with these recipients about their experiences with receiving the UCTs (GiveDirectly, n.d.). Next to these developmental UCT programs, GiveDirectly is also running several humanitarian cash transfer programs. However, this thesis does not focus on humanitarian aid, but only on development aid given with the purpose to alleviate poverty.

Based on the programs in Kenya, multiple randomized control trials have been conducted in order to evaluate the effects of UCTs. These studies include papers by Haushofer & Shapiro (2013a; 2013b; 2016) and Egger et al. (2019). These articles aim to understand more of the impacts of UCT programs on poor rural households and the local economy. More specifically, GiveDirectly examines the effects of UCTs on the following five topics: economic well-being, health, social well-being, macroeconomic well-being, and financial preferences (GiveDirectly, n.d.). GiveDirectly states that with these studies, they aim to change how the aid sector operates as a whole and that they aim to influence the development sector by setting a benchmark through generating evidence and encouraging conversation (GiveDirectly, n.d.).

Next to the creation of evidence, aid effectiveness is an important focus of GiveDirectly. The promotion of aid effectiveness is done by pushing for cash to be used as a benchmark to compare other types of aid. This means that there have been numerous studies comparing aid projects to cash transfers and measuring the effectiveness of the programs (McIntosh & Zeitlin, 2021; McIntosh & Zeitlin, 2022; Sulaiman et al, 2016). I go into this in more detail in chapter four. According to interviewee T, who works for GiveDirectly, another approach they use to promote the cost-effectiveness of aid is by cutting out middlemen. In GiveDirectly's design, the money goes straight from the donor to the poor, and according to the NGO itself, this design makes them over 90 per cent effective (GiveDirectly, 2021).

GiveDirectly transfers the money via mobile means, which they refer to as MobileAid. For new recipients, the NGO offers mobile phones for a small price. Services such as M-Pesa and InstaPay are used to transfer the funds, which is done to give recipients quick and flexible access to the funds (GiveDirectly, 2021; Lowrey, 2017).

The targeting of recipients is done in two ways: remotely and in person. To identify recipients remotely, GiveDirectly uses satellite data, government data, and metadata such as cellphone usage (GiveDirectly, 2021; interviewee T). Satellite images are used to look at the materials of roofs, whether roads are straight or zigzagged, and whether or not there are hospitals and schools in the areas. In areas with little infrastructure and cell phone usage, people tend to be poorer, and potential recipients can be identified. In-person targeting consists of surveys, consultations with community leaders, poverty mapping, and NGO datasets (GiveDirectly, 2021). During Covid-19, GiveDirectly primarily uses remote targeting to identify the poorest villages. As explained by interviewees G and T, when the poorest villages are identified, everyone in the village receives the cash transfers. This is because in most cases, almost every person in the village is living in extreme poverty, and it tends to be more cost-efficient to just transfer funds to everyone than to figure out which two or three families might not live in extreme poverty.

As stated by interviewee T, GiveDirectly also works together with local governments in their targeting and implementation. GiveDirectly interviewee S illustrated how UCTs carried out by NGOs can be complementary to government cash programs in the sense that an NGO can pick up the exclusion errors from the governmental social protection programs, as was the case in Malawi. During the Covid crisis, the government of Malawi implemented a cash transfer program but after implementation, the government discovered that particular groups of people, especially the elderly and the disabled, missed out. In this case, GiveDirectly cooperated with the Malawi government and stepped in to deliver cash to the people who were excluded from the government program.

GiveDirectly is relatively small compared to government programs. In Kenya for example, the government's national social protection programs are more than 15 times bigger than GiveDirectly's work (Peterman & Dale, 2017). However, although cash-only accounts for a small portion of total development aid, the use of cash transfers as a tool to alleviate poverty has been growing (Alyson, 2020; ODI, 2015; UNICEF, n.d.; World Bank Group, 2015). NGOs such as GiveDirectly play an important role in raising awareness of the tool and pushing for the tool to be used more in the aid industry

(Peterman & Dale, 2017). GiveDirectly has gotten a considerable amount of attention in the media and has been described as revolutionary and its ideas as radical (Lalwani & Winter-Levy, 2016; Peterman & Dale, 2017; Provost, 2013). Peterman and Dale furthermore argue that “GiveDirectly and other NGOs just giving cash have been pivotal in raising the discourse on the ability of households to make strategic decisions about their own needs and wellbeing. This shift is hugely welcome and will undoubtedly play a role in future global advocacy for cash transfers in the fight against poverty and inequality” (Peterman & Dale, 2017). This makes GiveDirectly an interesting case study when looking at the use of UCTs in the development aid sector.

1.2 Theoretical background

To understand the role of UCTs in the development aid industry, I combine perspectives from the development studies literature on aid regimes, effective altruism, NGOs as alternatives, poverty, and development buzzwords such as participation and empowerment. Together they constitute the theoretical framework I make use of to interpret the findings of this research and to examine the role of UCTs within the larger context of the aid industry.

1.2.1 Aid regimes

A perspective on aid regimes serves to conceptualize shifts in thinking about aid and development. These regimes are defined as “unified approaches to the conceptualization and application of aid” (Overton & Murray, 2021, p. 105). More specifically, a regime is defined as “a collection of ideas concerning the motivations for and practices of aid policies” (Overton & Murray, 2021, p. 146). In other words, regimes refer to the changes in thinking about the goals and methods of aid on a global scale.

Overton and Murray (2021) identified four different aid regimes in the period from 1945 until now. These are:

1. Modernisation aid regime (1945-1980)
2. Neoliberal aid regime (1980-2000)
3. Neostructural aid regime (2000-2010)
4. Retroliberal aid regime (2010-present)

Although these regimes seem neatly distributed with a start and end date, Overton and Murray highlight that there is overlap between the regimes. Below, I outline the four aid regimes as described by Overton and Murray. In this discussion, the emphasis lays on the last two regimes, since these can be considered primarily important in the conceptualization of UCTs.

The first of the regimes is modernisation. During this regime, the focus lay on science and technology, and poverty was seen as a lack of resources that could be fixed with technocratic solutions. Economically, this regime was directed by neoclassical

economic theories about free markets and free trade. Another feature of aid during this regime was the use of conditionalities. In this case, financial aid was given on the condition that the recipient country would deliver certain political or diplomatic returns. Methods of delivery in this regime can be seen for example in the form of general budget support (Overton & Murray, 2021).

The second regime was the neoliberal regime, stretching from around the early 1980s to around 2000. As a result of the oil crisis, harsh economic reforms were implemented by donor countries, cutting public expenditure and taxes, and increasing privatization. During this regime, poverty was less seen as a responsibility of the state and more as a responsibility of the individual. Moreover, with the Cold War coming to an end, aid was less essential to serve as a diplomatic tool. Instead, conditionalities were used to promote neoliberal policies. The dominant method of aid delivery in this regime was Structural Adjustment Policies (SAPs) (Overton & Murray, 2021).

The third regime, described as the neostructural regime, can roughly be placed in the period 2000-2010. The use of UCTs as a tool for poverty alleviation gained popularity during this time, and many aspects of UCTs can be seen to overlap with the characteristics of this aid regime. During this regime, the goal of poverty alleviation took a central role, and Poverty Reduction Strategy Papers (PRSPs) replaced SAPs. This regime, Overton and Murray argue, can be understood as “Third Way politics”, in which thinking about poverty and development lay somewhere between capitalism and socialism. Moreover, states and institutions were to play bigger roles again, and the strengthening of states became a primary goal after 9/11. In Latin America, this resulted in dictators being replaced by centre-left governments during this regime. This allowed new governments to implement cash transfer programs such as *Oportunidades*, as described in chapter one. Moreover, there was a growing critique of the ineffectiveness of aid, which led to a shift from blaming the poor for the persistence of poverty, to blaming the ineffectiveness of aid for the lack of progress in alleviating poverty (Overton & Murray, 2021). This shift meant that donors became increasingly fixated on aid effectiveness.

During this time, the Development Assistance Committee (DAC) played a dominant role in the quest for increased aid effectiveness. The Paris Declaration of 2005 played

a central role in the formulation of approaches to achieve higher aid effectiveness. During the Paris High Level Forum, five key principles for aid effectiveness were established: ownership, alignment, harmonisation, management for results, and mutual accountability (Overton & Murray, 2021). Out of these five, the principle of ownership is especially interesting in relation to UCTs. As described by Overton and Murray, “ownership - stated that recipient countries should own their own development. In practice this meant that governments should put in place clear strategies, institutions and funding to pursue development and poverty alleviation” (Overton & Murray, 2021, p. 128).

The last aid regime that is identified by Overton and Murray is the retroliberal aid regime, spanning from the global financial crisis in 2008 to the present day. This regime does not have any particular theoretical base and policies became fragmented. The focus during this time shifted from the reduction of poverty to sustainable economic growth. Moreover, the crisis in capitalism that followed the global financial crisis led to a rethinking of the meaning of development (Hart, 2009; Overton & Murray, 2021). As a result of the crisis, aid funds were increased with a focus on economic opportunities for donors in order to benefit their own economies. These are taking the form of infrastructure projects and semi-tied aid. This regime combines elements from the modernist period with neoliberal ideas alongside a special focus on financialization and securitization (Overton & Murray, 2021). The importance of the five principles of the Paris Declaration faded and the agenda of aid effectiveness was weakened when China did not get on board during the Busan High Level Forum in 2011. As a result of this regime, the tying of aid and the focus on private sector activity led governments to urge NGOs to align with these goals. As a result, NGOs were pushed to implement aid projects that promoted business development.

1.2.2 Effective altruism

One of the key concepts of the neostructural regime is aid effectiveness. This concept plays an essential role in the discussion of UCTs and can be understood by looking into the concept of effective altruism. The concept of effective altruism is defined by Gabriel (2017, p. 457) as “a philosophy and a social movement that aims to

revolutionise the way we do philanthropy. It encourages individuals to do as much good as possible, typically by contributing money to the best-performing aid and development organisations”. The author states that effective altruism means that individuals should donate money to one of the top-performing charities in terms of cost-efficiency (Gabriel, 2017).

1.2.3 NGOs as alternatives

To explore the case of GiveDirectly, and their use of UCTs to fight poverty, it is useful to look at the role of NGOs in the development aid industry as proposed by Bebbington et al., (2008). These authors argue that the main role of NGOs should be to provide development alternatives to the aid industry. As stated by Bebbington et al., “one of the disappointments of NGOs has been their tendency to identify more readily with alternative forms of interventions than with more systemic changes” (Bebbington et al., 2008, p. 5). The authors argue that alternatives are identified as more than just challenging the designs of development interventions. Rather, alternatives should challenge the order of society.

Moreover, Bebbington et al. (2008) identified trends in the role of NGOs in the aid industry and discuss how aid is shaped by the paradigm dominant at the time. The authors describe the neoliberal order and argue that it has become increasingly difficult for NGOs to think outside of the neoliberal box, since this box has incorporated a large part of the NGO terminology. These include the concepts of empowerment and participation (Bebbington et al., 2008).

1.2.4 Participation and empowerment as buzzwords

As argued by Bebbington et al. (2008), the concepts of empowerment and participation have been increasingly adopted in the development lexicon. The relation between the role of NGOs in creating alternatives, UCTs, and aid regimes, can be understood when considering what has been characterized as development buzzwords. Leal (2007) and Batliwala (2007) argue that the concepts of participation and empowerment have become buzzwords in the aid industry. As formulated by Cornwall:

“buzzwords get their ‘buzz’ from being in-words, words that define what is in vogue. In the lexicon of development, there are buzzwords that dip in and out of fashion, some continuing to ride the wave for decades, others appearing briefly only to become submerged for years until they are salvaged and put to new uses” (Cornwall, 2007, p. 472).

In his discussion of the concept of participation becoming a buzzword, Leal (2007) argues that originally, participation was understood as “part of a counter-hegemonic approach to radical social transformation” and challenging the status quo (Leal, 2007, p. 539). However, during the 1980s and 1990s, the concept of participation became so popular that it achieved buzzword status (Leal, 2007). In other words, the idea of participation was first considered an alternative to mainstream development aid. However, with the concept gaining popularity, the concept of participation lost its meaning and became a buzzword in the development lexicon. Leal (2007) argues that the concept was manipulated in a way as to convert it from a radical alternative to a concept that would serve the neoliberal order instead of criticizing it. In its new form, participation referred to a package of techniques for designing aid and the concept was stripped of its ideological base.

Similar to Leal, Batliwala argues that the concept of empowerment lost all its political meaning and the concept was manipulated to serve neoliberal economical ideas (Batliwala, 2007). Batliwala states that the concept was used in numerous reports from donors and NGOs, but not one of them defined how empowerment was understood in their context.

The concepts of participation and empowerment are connected to the discussion of UCTs. These terms are often used to promote the use of UCTs to fight poverty, which indicates that UCTs follow the mainstream development lexicon. More importantly, however, the theory of buzzwords serves to exemplify the process of alternative ideas losing their ideological meaning when they are absorbed by the dominant development discourse.

1.2.5 The Conceptualization of Poverty

Within the discussion of the aid industry and development alternatives, the conceptualization of poverty plays an important role. There are several ways to measure poverty and countless understandings of the causes and solutions to poverty. The understandings of poverty that are used in this thesis include the theory of the causes of poverty as discussed by Brady (2019), the World Bank's understanding of poverty as described by Best (2013), the neoliberal understanding of poverty as discussed by Hulme and Shepherd (2003), and lastly, the theory of "big D" and "little d" as discussed by Hart (2009) and Lewis (2019).

1.2.5.1 Structural causes of poverty

When constructing policies and practices to alleviate poverty, it is crucial to understand why poverty occurs. To understand the different ways in which the causes of poverty can be seen, I examine the theory of Brady. Brady (2019) argues that there are three theories about the causes of poverty: behavioural, structural, and political (Brady, 2019). First of all, the belief that poverty is caused by behaviour focuses on the behaviour of individuals, driven by culture and incentives. Behavioural theories argue that "the poor are poor because they engage in counterproductive, poverty-increasing behaviour or risks like single motherhood or unemployment" (Brady, 2019, p. 4.4). Secondly, the structural argument explains poverty by looking at the demography and labour market of a society. Demographic context is described by Brady as including "neighborhood disadvantage, age/sex composition, residential segregation, urbanization, and demographic transition" (Brady, 2019, p. 4.8). Among structuralists, there is disagreement on the relationship between economic growth and poverty reduction. Some hold the belief that economic growth reduces poverty in developing countries by arguing that development creates jobs, improves health, lowers fertility rates, and provides better access to education. Other structuralists, however, argue that the poor are marginalized by economic growth (Brady, 2019). Lastly, the political argument sees poverty as an outcome of institutions and power relations. According to Brady, the most influential theory within the political theories of poverty is the power resources theory. This theory argues that "collective political actors mobilize less advantaged classes around shared interests and ideology" who then form labour

unions, elect left parties and expand the welfare state (Brady, 2019, p. 4.10). Moreover, political theories of poverty highlight the effects of history on poverty by looking at the residue of powers of past collective actors. This can for example be understood when looking at current racial inequalities as a result of slavery and colonialism (Brady, 2019).

These three theories of poverty shine a different light on the causes of poverty. The narrative of UCTs defines poverty as merely a lack of money, and the practice of exclusively giving cash is based on this understanding of poverty. However, these theories on poverty imply that the causes of poverty can be understood as running far deeper than this. These underlying causes can be seen as economic and political structures and social relations, such as marginalization. In this narrative, UCTs might just be addressing the symptoms of poverty instead of the causes, as discussed in chapter three.

1.2.5.2 Poverty as risk and vulnerability

When looking at shifts in the aid industry, exploring the shifts in the World Bank's perceptions of poverty is essential. This is described by Best (2013) who explains the World Bank's understanding of poverty in terms of social risk and vulnerability, and the implications of this shift on poverty and development policies. According to Best, understanding poverty in terms of social risk and vulnerability leads to the interpretation of poverty as a more dynamic process instead of a static one. This reconceptualization of poverty has led to a change in policies and development techniques, and has shifted attention to more proactive approaches that "seek to constitute more active, self-governing poor people" (Best, 2013, p. 111). As a result, the World Bank's focus on social protection, including safety nets, became stronger, and the perception of social protection shifted from being described as ineffective to important. During this time, the World Bank began to acknowledge that public intervention was crucial and the focus shifted away from the idea that liberalisation alone is sufficient to fight poverty. Additionally, Best states that theories regarding poverty began to perceive social transfers and safety nets as productive investments, and formulated policies based on the belief that it is important to promote labour-market access for the poor. Within this context, the World Bank became particularly

interested in conditional cash transfers (CCTs) (Best, 2013). CCTs were seen as minimizing risks in both the long as well as short term. In the short term, cash transfers provided the poor with a buffer to cope with economic shocks. In the long term, the World Bank reasoned that cash transfers would lead to healthier and better-educated populations who would be better able to manage risks (Best, 2013). These positive outcomes are also promised by UCTs, as I discuss in chapter three.

As discussed by Best, the persistence of poverty alongside economic growth poses a threat to the theories of liberal economists and argues that this has led to the necessity to rethink economic theories about the causes of poverty and the development of new strategies for reducing it (Best, 2013). As a result, economic studies have increasingly begun to question the causal link between economic growth and poverty alleviation, and social policies had to be reconsidered (Best, 2013). The redefinition of poverty in terms of social risk and vulnerability led to a reconceptualization of poverty. As a result, the World Bank began to understand poverty as a sign of failing markets and suggested that poverty persisted because the poor were missing out on market processes such as employment, insurance, and credit (Best, 2013). Following this, World Bank policies increasingly focused on integrating the poor into the market economy. UCTs seem to follow similar reasoning, since the tool focuses on the promotion of investment and entrepreneurship, as I discuss in chapter three.

1.2.5.3 The neoliberal understanding of poverty

Neoliberal understandings of poverty help to contextualize the theories I discuss in this chapter as well as the design and objectives of UCTs. Considering theory, the neoliberal understanding of poverty plays an important role in the description of aid regimes (Overton & Murray, 2021), the World Bank's understanding of poverty as described by Best (2013), and different understanding of the causes of poverty as described by Brady (2019). The neoliberal perspective of poverty and development helps to understand UCTs and the interaction between cash transfers and the changes in the aid industry. To further understand the neoliberal view on poverty I shortly discuss the conceptualization of neoliberalism as defined by Hulme and Shepherd (2003).

As argued by Hulme and Shepherd (2003), the neoliberal perspective tends to identify the poor as the people “who are not effectively integrated into the market economy” (Hulme & Shepherd, 2003, p. 404). According to the authors, neoliberals tend to explain the persistence of poverty because of obstacles to capitalism and market distortions (Hulme & Shepherd, 2003). As a result, many neoliberal policies aiming to reduce poverty focus on using market forces to generate wealth.

1.2.5.4 “Big D” and “little d”

As discussed, the retroliberal regime led to a rethinking of the meaning of development. Hart (2009) and Lewis (2019) argue that development can be understood in two different ways. The authors differentiate between “big D” and “little d”. “Big D” refers to development as a conscious effort of large institutional actors and development agencies to implement interventions and promote positive change (Hart, 2009; Lewis, 2019). “Little d”, on the other hand, refers to unintentional, naturally occurring development processes as a form of social change. This describes patterns of social change resulting in winners and losers in the struggle for power and resources (Hart, 2009; Lewis, 2019).

The distinction of D/d can also help to understand the argument from Bebbington et al. (2008) that NGOs’ main purpose is to offer development alternatives. As discussed, these alternatives should not only challenge the tools and methods used in the aid industry but rather, NGOs should question the structure of the industry as a whole. In other words, NGOs should not only offer alternatives to “big D” by designing new mechanisms of delivering aid, but they should also offer alternatives to “little d”, by questioning social and economic structures in society.

2 Methodology

This thesis aims to explore the role of unconditional cash transfers in the aid industry. To do so, I looked at perceptions of UCTs as well as how the tool is situated in the aid industry. To this end, I adopted a qualitative approach which would provide me with adequate insights to address the research questions posed in this thesis. In this qualitative approach, I incorporated semi-structured interviews and publications by different actors in order to collect my qualitative data. These data can provide the necessary access to expressions of people's perceptions which cannot be achieved through statistical and numerical representations. Qualitative textual analysis was conducted in order to explore a wide range of perceptions from different sources. Additionally, semi-structured interviews allowed me to gain deeper insights into a variety of perceptions. In this chapter, I outline the details of my data collection and analysis.

2.1 Textual data sources

The written sources that were reviewed to inform this research consisted of three different types. First of all, background research was done to provide an overview of the topic as presented in chapter one. This background research included the history of unconditional cash transfers and an introduction to the NGO GiveDirectly. Secondly, research was done to provide a theoretical background to the topic by looking at literature on aid regimes, effective altruism, buzzwords, the role of NGOs, and the conceptualization of poverty and development. These are discussed in the theoretical background in the previous chapter and are therefore not discussed in further detail in this section. Lastly, a thematic analysis was done to gather data for answering the research questions. The thematic analysis was done to analyse how different articles and reports write about UCTs in order to examine the perceptions of UCTs. In this chapter, I present the data collection based on the written data sources, followed by a description of data collection through interviews. Lastly, I shortly discuss the ethical considerations and the limitations of this thesis.

2.1.1 Background information on UCTs and GiveDirectly

The initial investigation into UCTs was carried out by looking at academic articles on the topic. This was done with a keyword search in Google Scholar using the following keywords: unconditional cash transfers, poverty, GiveDirectly, aid, Africa. Papers were selected based on their relevance to the topics of unconditional cash transfers, aid, and poverty. This research provided an overview of the literature in the field of unconditional cash transfers as a tool for poverty alleviation. Many of the studies either looked into governmental cash transfer programs, humanitarian help, or conditional cash transfers. This suggests that the topic of NGOs using unconditional cash transfers to alleviate poverty is less researched. Data from this research was used to formulate the introduction, provide context to the topic, and gain insights into the history of cash transfers as described in chapter one.

Background information on GiveDirectly was gathered using multiple sources. These sources consist of GiveDirectly's website, online video presentations that were given by GiveDirectly's founders and managing director, and academic articles written by GiveDirectly's co-founder Jeremy Shapiro in cooperation with Johannes Haushofer and other scholars. While GiveDirectly's video presentations and website provided insights into GiveDirectly's objectives, methods, and philosophies, the academic articles primarily described the randomized control trials that were conducted by GiveDirectly and Innovations for Poverty Action (IPA) to provide data on the outcomes and impacts of GiveDirectly's work.

2.1.2 Thematic analysis of texts

A thematic analysis was conducted in order to answer the sub-question, *how are unconditional cash transfers perceived?* This method was chosen because finding out how UCTs are described in different modes of texts gave insights into the ways in which the tool is perceived in different fields such as the aid industry and in media. Moreover, analysing texts written in different periods (texts published between 2000 to 2022 were analysed) gave insights into how perspectives on the tool have changed over time.

Four different types of texts were analysed: 1) online newspaper articles, 2) reports from development organizations, 3) reports from NGOs/ non-profits, and 4) academic articles. These different modes of texts were chosen because they represent different fields and perspectives. While newspaper and academic articles provided a critical perspective on UCTs from authors outside of aid, reports from NGOs and development organizations provided useful insights into the perception of the tool within the aid industry.

The texts were selected using mixed methods. First of all, a keyword search was done using the terms “unconditional cash transfers NGO non-profit” in the search engines Ecosia and Google. The first four pages of results from Ecosia and the first eight pages of the results from the Google search were examined. The results were examined and the relevant texts were selected for the thematic analyses. Then, the second round of keyword search was done with Google, using the keywords “unconditional cash transfers reports”. Following this search, the first three pages of results were then analysed and the relevant texts were selected. Third, a snowball search was conducted. This meant that references to other relevant articles were followed and the selection of significant texts was expanded. Moreover, a few articles that were recommended by interviewees were included. Lastly, some extra sources were added by searching the websites of relevant organizations. These included the websites from The New York Times and the World Bank.

A total of around 80 texts were selected and 52 of these texts were analysed. These 52 texts were categorized based on the author (e.g. academics, journalists, or people working in the aid industry) and the type of publication (e.g. development reports, newspapers or academic articles). In doing this, the texts were categorized to represent different groups of perceivers. Table one displays the number of texts that were analysed in the different groups.

Table 1: textual data sources

Text type	Quantity of data sources
Journalistic text published in newspapers and magazines	21
Reports from development organizations	10
Reports from NGOs/ non-profits	10

To analyse the texts, relevant parts of the texts were coded using a list of codes subdivided per topic (the list of codes can be found in appendix one). This list of codes included codes related to the tone of the text such as “positive”, “negative”, “critical/sceptical”, “limited results”, and “dependency”. Moreover, codes were used to identify statements talking about the use of UCTs within the broader aid industry. These include “not new/ complementary to conventional aid” “described as new or different”, “revolutionary”, “growing/ large scale”, “small scale”, “threatening”, “cooperation”, and “competition”. Using these codes, recurring descriptions of how the texts describe the use of UCTs within the development aid industry could be easily identified and dominant and often recurring opinions and descriptions could be identified. Moreover, codes were used to identify descriptive language such as “silver bullet”, “magic bullet”, “paradigm shift”, and “panacea”. The last important section of codes was used to identify language describing a paradigm shift and texts identifying UCTs as a benchmark. These codes allowed the texts to be analysed and for recurring themes to be identified.

2.2 Interviews

2.2.1 Selection of interviewees

For this thesis, ten interviews were conducted. These interviews were semi-structured, open-ended, and in-depth. The method of interviews was chosen to investigate different perceptions of UCTs in detail. The interviewees can be divided into three groups: 1) GiveDirectly staff, 2) people working for NGOs and/ or development organizations, and 3) academic scholars with expertise in the topic of cash transfers. These three groups of interviewees were chosen because they represent different perspectives on the tool of UCTs. While the interviewees from groups one and two work closely with UCTs and might therefore provide useful insider perspectives, the perspective of interviewees from group three added more of an outsider perspective, allowing interviewees to have a more critical and distant perspective on UCTs.

Moreover, all respondents were anonymized to ensure they could speak freely and potentially express criticism of UCTs and the aid industry.

From the first group, interviewees were selected based on staff information taken from GiveDirectly's website (GiveDirectly, n.d.). The possible candidates to contact for an interview were selected based on their position within GiveDirectly: founders, directors, regional directors, researchers, directors of communication, managing directors, and field directors were contacted. Twenty people were contacted and interviews took place with two GiveDirectly staff members. Apart from interviews, I attended three Zoom meetings where GiveDirectly staff informed donors and other interested parties about the work that they do, followed by a question and answer round. Next to this, the NGO's newsletter and GiveDirectly's general information email provided me with useful information and articles about the organization.

The second group consisted of people working for NGOs and other development organizations. The organizations were selected by a Google search with the keywords "NGOs working on poverty alleviation". The organizations were then selected based on their use of UCTs and whether they run poverty alleviation programs in Africa. Of this list, 23 organizations were contacted by mail or contact form. Unfortunately, most of these organizations did not have the capacity to participate in an interview. Three representatives replied and were interviewed. Interviewees included people from the Basic Income Earth Network (BIEN) (interviewee D), the Inter-American Development Bank (IADB) (interviewee M) and Save the Children (interviewee Y).

Interviewees in the third group, academic scholars with expertise in cash transfers, were selected using Google scholar. Authors who have written multiple articles about cash transfers were selected by looking at the labels connected to their Google Scholar profiles. Next, a keyword search ("unconditional cash transfers and poverty") was done and authors that came up on the first three pages of the search were considered. Following this list, scholars were selected by exploring their Google Scholar profiles. This analysis was done by looking through the author's published papers and examining whether they wrote multiple articles relevant to the topic of the aid industry, unconditional cash transfers, poverty alleviation, and aid in Africa. Authors that wrote more than five articles on these topics were considered in order to ensure the participants have a high level of expertise on the topic.

Additionally, scholars were selected using snowball sampling by looking at the reference lists in articles that research UCTs. Similarly, their Google Scholar profiles were examined to see if they had written multiple relevant articles on cash transfers. Lastly, two scholars were invited to participate in an interview because of their work with GiveDirectly. These two scholars have written over 20 articles on the RCTs that GiveDirectly has carried out, making these scholars highly relevant to the topic, one of them (interviewee H) agreed to participate. In total, 24 scholars were contacted by email. Of these 24, seven responded positively and interviews were carried out.

Interviewees G, M, H, K, D, A, and J are grouped as academics/ development experts in the field of cash transfers (group three as described above). Interviewees M, D, and Y are grouped in group two (people working for NGOs and/ or development organizations). T and S are employees at GiveDirectly (group one). Two interviewees (M and D) can be grouped into both the second and third groups since they work for development organizations while also working as scholars (see table two).

The interviewees from all three groups were contacted by email and an information letter, interview guide, and informed consent form were sent (the interview guides and informed consent form can be found in appendixes two, three and four). Before the interviews, interviewees were asked to sign the informed consent forms.

Table 2: interviewee information

Interviewee	Background and expertise of the participant	Group
T	Interviewee T is an employee at GiveDirectly. He has worked at the NGO for one year and works in the field of communication.	NGO: GiveDirectly
G	Interviewee G is a professor and researcher and has carried out substantial research on CCTs in Latin America.	Academic
M	Interviewee M has been working at the Inter American Development Bank (IADB) for eleven years in the social protection and health division. He also worked at the United Nations Food and Agriculture Organization (FAO). He has worked on cash transfers first as a researcher and then as a Project team leader at the IADB.	Academic and IADB
H	Interviewee H is a researcher who has published many evaluation papers about the work of GiveDirectly.	Academic and researcher for GiveDirectly

K	Interviewee K is a scholar who has primarily worked on social protection and social assistance in the form of cash transfers, primarily cash plus.	Academic
S	Interviewee S is the second GiveDirectly employee. He has worked for the NGO for three years as the Country Director for Malawi and Mozambique.	NGO: GiveDirectly
D	Interviewee D is working for the Basic Income Earth Network (BIEN), a network of affiliates that promotes the debate about basic income. She also worked for the UN and is a PhD candidate looking into the applicability of basic income for post-conflict countries. In her own words, she has a footing in both the academic as well as the development world.	Academic and working for BIEN and the UN
A	Interviewee A is an associate research professor. She has also worked for UNICEF's Office of Research where she worked as a social policy specialist and at the International Food Policy Research Institute (IFPRI) where she worked on social protection and cash evaluations.	Academic and researcher for UNICEF and IFPRI
J	Interviewee J is a professor and has worked for the International Food Policy Research Institute (IFPRI). J has worked extensively on research regarding social protection programs, which include a mix of conditional and unconditional transfer programs, both food and cash.	Academic
Y	Interviewee Y is the third NGO employee and works for Save the Children UK. She has also worked for the UK government and the Department for International Development (DFID).	NGO: Save the Children

2.2.2 Thematic analysis of interviews

After the interviews took place, the audio recordings were transcribed and coded. In order to properly compare the information from the interviews to the written materials discussing UCTs, the same list of codes was used, although a few codes were added in analysing the interviews. These additional codes included “governments”, “much research” “CCTs versus UCTs”, and “gap between academics and practice. Based on the interviews and texts, recurring themes were identified. These themes then formed the base for the results, discussion, and theoretical context as presented in chapters three and four.

2.3 Limitations and research ethics

This research has used qualitative data collection in the form of text analyses and interviews. The findings that are presented in this thesis are based on my interpretations of the data and thus subjective.

Moreover, the relatively limited quantity of interviews with people working in the aid industry limits the diversity of perspectives in this group. A larger sample of participants from this group would strengthen the discussion of the perceptions of UCTs. I have attempted to fill this gap by analysing reports produced by this group.

The trustworthiness of the findings was ensured by triangulating the data. The arguments that were described by multiple texts and/ or interviewees were prioritized in the analysis in order to strengthen the trustworthiness of the arguments.

Moreover, interviews with different groups of respondents were conducted to triangulate data. In other words, trustworthiness was ensured by focusing exclusively on statements made by a number of various sources.

Considering my approach is interpretive it is imperative to clarify my positionality in this research. First of all, my European privileged background might have influenced the way I collected empirical materials and conducted the empirical analysis.

Additionally, my interpretation of the data might have been influenced by my education at NMBU, since the development and aid course I followed gave me a critical perspective on the aid industry. Lastly, I had no prior relationship with the participants in this research, and participants were selected using a systematic selection process. For this reason, the influence of my positionality on the selection of participants was limited.

Lastly, this research has exclusively looked at perceptions of UCTs from the perspective of donors and academics. Including the recipient's perspectives would have enriched this discussion and provided greater insights. However, due to the pandemic, fieldwork of this kind was not possible in the time span of this thesis.

Regarding ethics, I have ensured the protection of data and the safety of the participant's identity. Following the privacy protection regulations from the Norwegian Centre for Research Data (NSD), the recordings of the interviews were deleted after transcription, and the transcripts were saved in a secure online database. The transcripts were anonymized and the key to the identification of interviewees was stored separately. Before the interviews, participants were asked to sign the informed consent form (see appendix four), and the privacy and data security regulations as described by the Norwegian Centre for Research Data were followed to ensure the data and identity protection of participants.

3 Perspectives on unconditional cash transfers

In this chapter, the question ‘how is the tool of UCTs for poverty alleviation perceived?’ guides the findings from this research. As mentioned in the introduction, the strengths and weaknesses of UCTs have been discussed at great length and therefore I do not go into this discussion in too much detail. Instead, in this chapter, I shortly present the perceptions of UCTs as described by the interviewees and in written texts to contextualize the position of UCTs within the aid industry. Generally, most of the texts and interviewees perceive UCTs very positively and almost all of them discuss the successfulness of the tool. However, a few recurring points of critique are mentioned too. In this chapter, I discuss the main recurring points of praise and criticism to present the different perspectives on the use of UCTs. While presenting the findings, I make use of the theories discussed in chapter one to contextualize the findings and to further examine the role of UCTs and GiveDirectly in the aid industry.

3.1 The strengths of UCTs

Overall, the texts that are analysed write fairly positive about UCTs. Whereas positive aspects are described 88 times, negative and/ or critical statements are made 58 times. Moreover, out of the different types of texts, reports from NGOs and development organizations wrote specifically optimistic about the use of UCTs (12 negative/ critical remarks versus 23 positives). Compared to the texts, the interviewees are overall a bit more critical: whereas positive remarks are made 42 times, criticism is given 51 times. In this section, I shortly present a few of the recurring strengths that are discussed by multiple texts and interviewees. These include the cost-effectiveness of the tool, empowering recipients as decision-makers, and improved living standards.

3.1.1 Aid effectiveness

Aid efficiency is one of the concepts most often referred to when the positive aspects of UCTs are discussed. Six of the fifty texts and two of the ten interviewees (interviewees M and A) argue that the cost-effectiveness of UCTs is one of the main strengths of the tool. Texts and interviewees argue that the reason for this is that UCTs

require fewer middlemen and have lower operational costs, allowing a higher portion of the money to go straight to the poor (Arnold et al., 2011; Blattman, 2014; interviewee T; ODI, 2015; Peterman & Handa, 2016). Looking at the case study of GiveDirectly, Starr and Hattendorf state that 93 cents of every dollar donated to the NGO is delivered straight to recipients (Starr & Hattendorf, 2014). Additionally, the two GiveDirectly interviewees (interviewees T and S) stated that the efficiency of their NGO is one of the most important aspects of their work. More specifically, one of GiveDirectly's main goals is to have cash as a benchmark for other forms of aid. This means that other forms of aid such as training programs or in-kind aid should be compared to cash in terms of efficiency. According to this idea, if other forms of aid prove to be less efficient than cash, UCTs could be given instead (Coleman, 2014; interviewees T, G and S; Karnofsky, 2014; Morrison, 2014; ODI, 2015; Özler, 2013; Peterman & Handa, 2016; Provost, 2013; Soskis, 2016; Starr & Hattendorf, 2014). This demonstrates the extreme focus on cost efficiency and is discussed in more detail in chapters three and four.

This focus on aid effectiveness can be understood when looking at the theory of effective altruism. As discussed in the theoretical background, effective altruism is described by Gabriel as a philosophy that encourages individuals to contribute to the most cost-effective charities (Gabriel, 2017). The tool of UCTs fits well into this narrative since it is primarily built on the idea of cost-effectiveness by leaving out middlemen and getting the money straight to the poor.

Moreover, the theory of effective altruism can help to understand GiveDirectly's objective of pushing for the increased use of cash transfers for poverty reduction. In recent years, the evaluation of aid has become increasingly focused on analysing aid effectiveness (Overton & Murray, 2021). This is exemplified in the formulation of the Grand Bargain. As described in the first chapter, the Grand Bargain pushed for greater efficiency and effectiveness of aid (Inter-Agency Standing Committee, n.d.). The fact that many large donors and humanitarian organisations joined the agreement demonstrates how the focus on effectiveness was increasingly adopted in the aid industry. The growing popularity of UCTs and the changing perspectives on UCTs can be understood in the context of the growing emphasis on cost-effectiveness.

To further examine GiveDirectly's position in the aid industry in relation to effective altruism, it is useful to take a look at the charity navigator GiveWell. This organization serves as a tool to review which charities perform best in terms of cost-effectiveness. This non-profit calculates the cost-effectiveness of NGOs and selects the "top charities" in the industry (Givewell.org, n.d.). GiveWell measures cost-effectiveness by producing impact estimates (GiveWell.org, 2021). These impact estimates are calculated based on costs per output (measurable activities such as the number of vaccines distributed) and costs per outcome (the ultimate impact of a donation such as the number of lives saved) (GiveWell.org, 2021). In the case of GiveDirectly, GiveWell does not separate outcomes and output but instead measures the increase in wealth. Based on these measurements, GiveWell rates NGOs according to the most saved and improved lives per dollar donated (Alyson, 2020; GiveWell.org, n.d.; Karnofsky, 2014). GiveWell has continuously judged GiveDirectly as one of the most cost-effective NGOs. This illustrates that GiveDirectly is a popular charity among people focused on effective altruism and that the NGO has high cost-effectiveness.

3.1.2 Recipients

Another argument that is used by texts and interviewees who advocate for UCTs is that the tool challenges paternalistic practices. In most conventional development aid projects, development experts are usually the ones deciding what the poor need. However, according to Michael Faye, one of the co-founders of GiveDirectly, development experts have found out that they actually do not fully understand what the poor need to escape poverty, and it might thus be better to let the poor themselves determine what they need to improve their situation (Goldstein, 2013).

All interviewees argue that UCTs have an impact on the shifting perspectives on recipients. This argument follows an overwhelming amount of evidence that suggests that recipients spend the money wisely, such as on food, housing, education, and health (Evans & Popova, 2014; Handa et al., 2018; UNICEF, n.d.). Before the publication of these studies, donors and governments were not always convinced the poor knew how to spend money effectively (interviewees D and S). This can be understood by looking at the behavioural theory on poverty. As discussed in the first

chapter, one of the theories of poverty blames the persistence of poverty on the behaviour of the poor. In this perspective, giving money to the poor would not result in poverty levels decreasing. This theory explains why people would perceive the use of UCTs as ineffective. However, with the growing evidence base suggesting that recipients spend the money effectively, this understanding of poverty is weakened. Moreover, according to *The Economist*, the findings that recipients spend their money effectively helps to “dent the stereotype of poor people as inherently feckless and ignorant” (*The Economist*, 2013). Moreover, multiple interviewees and texts argue that UCTs give people dignity and flexibility to spend money as they wish (Alyson, 2020; Harvey & Pavanello, 2018; interviewees A and Y; Morrison, 2014; Peterman & Handa, 2016; UNICEF, n.d.). This shift implies that recipients are no longer seen as passive actors that need help, but as active stakeholders who play an important role in the allocation of funds.

3.1.3 Development objectives

Lastly, the primary arguments in favour of UCTs are the successes that the tool show in rising living standards and income, and reducing poverty levels. UCTs are “among the most well-researched and rigorously-evaluated humanitarian tools of the last decade” (ODI, 2015). The results of studies repeatedly demonstrate that UCTs positively impact nutrition, food security, livelihoods, mental health, decreased gender violence, reduced inequality, increased human capital, and increased household assets (Arnold et al., 2011; Coleman, 2014; Harvey & Pavanello, 2018; Haushofer & Shapiro, 2014; Innovations for Poverty Action, 2020; Karnofsky, 2014; Suplicy & Dallari, 2019; van Daalen et al., 2022; World Bank Group, 2015). Moreover, UCTs can raise income by allowing recipients to invest in productive assets and training (Arnold et al., 2011; Innovations for Poverty Action, 2020; World Bank Group, 2015). In short, almost all of the texts and interviewees perceive UCTs as highly successful at reaching several development objectives.

3.2 Criticism

First of all, neither the texts nor interviewees are against the use of UCTs to alleviate poverty, and the overall tone of the texts is fairly positive towards the tool. However,

throughout this research, some points of criticism and scepticism are identified, and two recurring points of criticism can be identified from the findings of this research. First of all, although UCTs have shown positive effects, some texts and interviewees argue that the positive effects are limited in their impact and that UCTs do not display great positive changes. More specifically, multiple texts and interviewees argue that UCTs primarily deliver short-term positive results, but that the successes of the tool often do not last when looking at the long-term impacts. Secondly, several texts and interviewees argue that UCTs do not address the underlying structural causes of poverty. I shortly address these two main points of criticism. Following this, I discuss some of the concepts that are important to understand in this debate. In this context, I discuss the conceptualization of poverty and development in order to understand the criticism that UCTs do not address underlying structural causes of poverty. How poverty is understood and conceptualized is crucial in understanding debates about aid and poverty alleviation. Moreover, looking at the different conceptualizations of poverty helps to contextualize the perceptions of UCTs.

3.2.1 Limited results

First of all, several texts and interviewees argue that although UCTs show positive effects, the impacts of the tool are limited. According to an article by Goldstein (2013), when recipients receive the cash they “shoot forward”. However, after this initial improvement, their development halts when they face the next constraint (Goldstein, 2013). Interviewee G also argues that the effects of UCTs are limited. He states that UCTs result in marginal improvements but also that the tool is not life-changing. Interviewee G concludes that UCTs do “all these great things, but it's not transformative of bringing people out of poverty”. Lastly, interviewee M argues for the limited results of UCT by highlighting that UCTs only form a very small percentage of GDP. He specifies that by giving out cash that is the equivalent of around 0.3 per cent of GDP, you are not going to change the Gini coefficient and affect inequality. In short, multiple texts and interviewees express scepticism towards UCTs and discuss the limitations of the tool's impacts.

Another point of criticism that is discussed in multiple texts is that UCTs struggle to deliver long-term improvements. This point is addressed by interviewees A, H, K, M and J. Interviewee H, who has done numerous studies on the impact of UCTs, including multiple studies on GiveDirectly's work, argues that the impact of cash usually fizzles out over a period of three to nine years. Furthermore, interviewee M argues that UCTs as a tool for poverty reduction are not impactful if they are only given over a short amount of time. According to G, giving cash over two years might make sense if the recipient is able to get back to work after this time, but in areas of chronic poverty, where this is not the case, cash transfers need to be given over a longer period. Only then can UCTs help people escape poverty. Interviewee K makes a similar argument and adds that if a cash transfer is only for two years, people will not be able to rely on it. Interviewee A argues that if UCTs are used with the goal of long-term poverty alleviation, the money needs to be available to recipients over the time of a lifecycle. In other words, most interviewees argue that UCTs are not able to reduce long-term poverty if only used as a one-time thing or when distributed over a short amount of time. As the article by Aizenman (2016) argues, there is no research published yet on the long-term effects of UCTs and a long-term impact analysis is needed to better understand the effects of UCTs. This argument is also made by Starr & Hattendorf (2014), who argue that, although they are sceptical about UCTs, GiveDirectly should continue their work and their research to see when and how UCTs can have long-lasting effects on poverty reduction efforts.

3.2.2 Systemic causes of poverty

In 2004, Nancy Birdsall, president of the Center for Global Development, claimed that cash transfer programs "are as close as you can come to a magic bullet in development" (Dugger, 2004; Hanlon et al., 2010, p 61). In my findings, this idea of UCTs being a magic bullet is not supported. Although many positive aspects of UCTs are described, and a few texts (about four out of 50) even describe the tool in a glorifying tone, no one seems to agree with the statement that cash transfers can be considered a "magic bullet" or "silver bullet". Even Chris Hughes, one of GiveDirectly's board members, agrees that UCTs are not a silver bullet (Lemmon, 2013). The main reason for this, as formulated by interviewee M, is that cash transfers by themselves

cannot achieve everything they want to achieve. To support this claim, he argues that cash transfers alone are not going to achieve human capital accumulation such as improvements in health and education if services such as schools and healthcare facilities are not of sufficient quality. Interviewee K agrees with the statement that cash transfers alone are not enough, and states that she believes that even the people who described cash transfers as a magic bullet at the time would not argue that giving cash transfers is the only thing that needs to be done. The main argument people and texts mention concerning this is that other interventions are needed alongside cash transfers because cash transfers do not address underlying structural causes of poverty and inequality (Aizenman, 2016; Blattman, 2013; Goldstein, 2013; Harvey & Pavanello, 2018; interviewee G; Morrison, 2014; Özler, 2013; Rosenberg, 2013; The Economist, 2013, UNICEF, n.d.). The majority of texts and interviewees agree with these statements, arguing that cash alone cannot alleviate poverty on a sustainable basis.

In other words, the texts and interviewees seem to agree that UCTs are just another tool in the toolbox and not something that should replace other forms of aid. This is illustrated by a statement made by the International Red Cross and Red Crescent Movement: “cash transfers do not necessarily replace other forms of assistance. Cash is one of the mechanisms that can be used for providing support to those in need” (International Red Cross and Red Crescent Movement, 2007, p 22). A similar statement was made in the Grand Bargain, the agreement that pushed for an increase in cash-based aid. This agreement states that cash is to be implemented alongside in-kind aid (Inter-Agency Standing Committee, n.d.). Moreover, a report by the UKAID Department for International Development describes the importance of ensuring that cash transfer programs become embedded into broader nationally owned development strategies (Arnold et al., 2011). Furthermore, the report highlights that cash transfers need to be complementary to other forms of aid since cash transfers are very limited in improving the service quality. This is because, while cash transfers can solve demand-side barriers to services such as education and health care by providing households with the money to pay for these services, cash transfers do not solve supply-side barriers.

This argument is also made by interviewee J, who argues that the outcome of UCTs is limited because the tool needs to be implemented alongside public goods investments by governments. The same argument is made by six out of the ten interviewees. For example, recipients might have the money to pay for healthcare, but if there is no road from the village to the hospital, or the healthcare services are of insufficient quality, only part of the problem is addressed. J argues that without investments in public services, cash transfers cannot reach sustainable poverty reduction.

This criticism is summed up by interviewee A, who states that without accessible and good quality services such as healthcare, education, water, sanitation, and markets, recipients' lives will not be transformed out of poverty. GiveDirectly interviewee S argues that this view is held by most NGOs and that most NGOs believe that "if you only give cash it is never going to have an impact".

To summarize, most of the texts and interviewees agree that cash transfers alone do not create a sustainable solution to poverty. This is because poverty is understood not only as a lack of money but also as a lack of accessible, good-quality services. Cash transfers alone cannot improve these services and although cash transfers might have positive effects in the short term, for long-term development it is crucial to invest in services such as health, education, job opportunities, housing, infrastructure, and clean drinking water. This criticism of UCTs illustrates how the texts and interviewees relate UCTs to the broader aid industry, and how they perceive the causes and solutions of poverty. In other words, the discussion around UCTs boils down to the understanding of the causes and solutions of poverty. If one would understand poverty simply as a lack of money, UCTs would solve this problem and the goal of poverty reduction would be reached. However, if poverty is understood as a symptom of underlying structural issues, cash transfers do not have a sustainable impact on poverty reduction. For this reason, it is helpful to look deeper into the conceptualization of poverty.

So, how does the tool of UCTs relate to the understanding of poverty? Most interviewees agree that UCTs do a good job tackling poverty as defined by the poverty line since UCTs work to decrease the poverty gap. However, as discussed, many

argue that this is too simplistic and that poverty is more complex than just a lack of money.

As discussed in chapter one, Brady (2019) explains that some theories on poverty see poverty as more complex than just a lack of money. Brady's theory on the different ways of understanding the causes of poverty illustrates that poverty can be understood as running deeper than just resulting from a lack of money. As discussed, multiple interviewees argue that UCTs fail to address structural causes of poverty (interviewee H, J, M). The structural argument explains poverty by looking at the demography and labour market of a society (Brady, 2019). In the context of UCTs, it can be argued that cash transfers do not address the underlying structural causes of poverty. This is because at its current scale, UCTs do not have the ability to transform structures such as demography, and it can therefore be argued that UCTs are very limited in addressing structural causes of poverty.

However, some might argue that UCTs can reduce structural causes of poverty when cash is given over a long term since UCTs are built upon the understanding that a small amount of money can be invested into education, training, livestock, improved seeds, tools or other assets that generate income. Over time, interviewee G argues, UCTs might thus slowly affect the structures in the local society and economy. In this understanding, cash transfers "get the ball rolling" and allows for economic growth. Moreover, K argues that UCTs can address structural causes of poverty when governments implement these programs. This is because governments implementing UCTs suggests that they aim to decrease inequality. According to K, this can be seen as a systemic shift.

This illustrates that different interpretations of the ability of UCTs to address poverty is highly influenced by people's perceptions of poverty. Those who see poverty merely in terms of the poverty line seem to have a higher trust in UCTs to address poverty. Moreover, those who see poverty in terms of underlying structural causes have different interpretations of the effects of the tool. On the one hand, some argue that UCTs are not capable of addressing these structures and creating systemic change. On the other hand, some respondents argue that UCTs are capable to create systemic change by improving wealth-generating assets, health and education.

Another theory on the conceptualization of poverty that can be used to understand the debate on UCTs is the neoliberal understanding of poverty and growth. As discussed in chapter one, the neoliberal understanding of poverty tends to identify the poor as the people “who are not effectively integrated into the market economy” (Hulme & Shepherd, 2003, p. 404). The strategy of UCTs seems to adopt a similar view. By giving people a small amount of money, advocates of the tool argue that UCTs allow the poor to take more risks and become entrepreneurial by investing or starting a small business. Following this reasoning, UCTs would allow the poor to integrate into the markets, which according to the neoliberal perspective, gives the poor an escape from poverty. This market integration, they argue, would lead to economic growth for both the individual recipient as well as the community. This is also seen in the studies that focus on the multiplier effect. A multiplier effect refers to the effect of a small input creating a larger outcome for multiple stakeholders. In the case of cash transfers, this means that a small cash transfer can create income for multiple others since the money goes from person to person. Research from Egger et al. (2019) states that GiveDirectly’s program in Kenya has led to a multiplier effect of 2.4. This indicates that every donated dollar results in an increase in wealth of 2.4 dollars at the village level. In other words, the economic growth as a result of UCTs is 2.4 times greater than the initial cash transfer.

In summary, different conceptualizations of poverty influence how UCTs are criticized for their effect on structural causes of poverty and market integration. While the structural theories on poverty as described by Brady suggest that UCTs might not impact the structural causes of poverty, the neoliberal interpretation of poverty argues otherwise and discusses that UCTs allow the poor to escape poverty by gaining greater market access. Moreover, the different conceptualizations of poverty affect the discourse of aid and UCTs. While UCTs are described as promoting investment and economic activity in the neoliberal perspective, the tool’s limits are critically discussed in terms of systemic factors influencing poverty in the structuralist’s perspective.

3.3 Expectations of aid

This discussion of how UCTs are perceived is strongly influenced by how aid is seen. As I have discussed, perceptions of UCTs can be contextualized by looking at the theories of effective altruism and conceptualizations of poverty. Next to these theories, the expectations we have about development aid play an important role in analyzing perceptions of UCTs. As highlighted by Khazan (2013), Blattman (2013), and Starr and Hattendorf (2014), whether we see UCT programmes as a success or not depends on our expectations of the tool and our expectations of aid in general. As stated by Starr and Hattendorf, “the excitement about unconditional cash transfers is perhaps more a reflection of the sorry state of development aid overall than of the real impact of the cash itself” (Starr & Hattendorf, 2014). Similarly, Blattman argues that “first, the message can be misunderstood. It is not, ‘Cash transfers to the poor are a panacea.’ More like, ‘They probably suck less than most of the other things we are doing.’ This is not a high bar” (Blattman, 2013). In other words, these people (the former work in the industry while the latter is an economist and political scientist) argue that whether we see the impacts of UCT as limited or promising is more dependent on our expectations of the aid industry than on the discussion on the effects of UCT programmes.

3.4 The role of NGOs in the context of UCTs

In this part of the chapter, I build upon the discussions of effective altruism, the conceptualization of poverty, and the perceptions of UCTs. These discussions are examined in the context of the role of NGOs in the aid industry. In this discussion, the role of NGOs as described by Bebbington et al. (2008) is used to discuss whether or not GiveDirectly and its UCT programs provide an alternative to conventional ideas of poverty alleviation.

3.4.1 Perceptions of GiveDirectly

The strong majority of the texts wrote very positively about the NGO GiveDirectly, and similarly, the interviewees have a fairly positive attitude towards the NGO.

Interviewees G, M, A and J speak highly of GiveDirectly and only three out of the 50 analysed texts speak negatively about the work of the NGO (Schmidt, 2020; Starr & Hattendorf, 2014; Starr, 2021). However, a point of critique that is mentioned by interviewee K is that some stakeholders might be frustrated to see GiveDirectly presenting itself as innovative while UCTs are not a new invention. Nevertheless, some texts and interviewees argue that, although the approach of using UCTs is not new, GiveDirectly is innovative in the sense that they are an NGO exclusively focussing on delivering cash and creating evidence to back up the success and effectiveness of UCTs as a tool to alleviate poverty. According to interviewee A, this is something conventional cash programs or governmental social protection programs would not be able to do. Moreover, as argued by interviewee J, the work of GiveDirectly presents an alternative to other forms of aid and illustrates a method of giving that empowers recipients by allowing beneficiaries to decide what to spend the money on. He argues that this tool and the evidence base that GiveDirectly creates in support of UCTs has the potential to change people's thinking about aid and recipients. However, interviewee M is sceptical about this and argues that people who believe cash transfers are a waste of money would not change their minds because of GiveDirectly. These debates can be contextualized by looking into the understanding of the role of NGOs as discussed by Bebbington et al. (2008), as presented in chapter one.

3.4.2 The responsibility of NGOs to offer alternatives

GiveDirectly presents an interesting case when looking at the debate about the role of NGOs in development. As stated, some interviewees describe GiveDirectly as "innovative" and as an NGO that presents an alternative to conventional aid. The role of GiveDirectly in the aid industry can be examined by looking at the discussion of the role of NGOs as described by Bebbington et al. (2008). In their book, the authors argue that the main role of NGOs is to present alternatives to conventional ideas about development.

While some might argue that GiveDirectly presents an alternative, there are also reasons to believe that it does not. GiveDirectly's primary goal is the promotion of aid

effectiveness by creating evidence and promoting benchmarking. As mentioned in the effective altruism discussion in chapter one, this goal is not new to GiveDirectly but can be observed when looking at the development aid industry as a whole. In this perspective, GiveDirectly does not present an alternative but can be seen as following the movements within the industry. Furthermore, as discussed in the empirical background chapter, using UCTs to alleviate poverty is not a new idea, and governments have been disbursing social welfare to the poor for decades.

As discussed in the theoretical background, Bebbington et al. (2008) argue that NGOs should aim to offer alternatives to mainstream ideas about development. In this context, Bebbington et al., state that it is crucial for NGOs to (re)consider themselves in relation to “little d” development instead of simply redefining their relation to the market or “big D” development. “Little d”, in this context, is defined as “a foundational, underlying and increasingly globalized form of social change” (Bebbington et al., 2008, p. 9). Following this definition of alternatives, it is thus crucial for NGOs to contemplate their role in relation to unintentional, naturally occurring, or “little d” development processes as a form of social change, and not just concerning planned, or “big D” development.

GiveDirectly, however, seems to only offer an alternative in their methods of delivering aid, which falls into the category of “big D” development. GiveDirectly does not offer alternatives regarding “little d” development since it does not suggest alternative societal structures or changes in the ways society and markets are governed. Looking back at the critique that UCTs fail to bring systemic change, GiveDirectly can be understood within this narrative of an NGO not presenting development alternatives. This is because GiveDirectly does not offer any systematic change but merely offers an alternative design of delivering aid.

As discussed, GiveDirectly follows the movement in the aid industry towards hyperfocus on aid effectiveness. This aspect of the NGO can be evaluated in light of the arguments by Bebbington et al. (2008). As argued by Gabriel, who discusses the theory of effective altruism, “concerns have been raised about the ability of effective altruism to achieve systemic change” (Gabriel, 2017, p. 457). Since Bebbington et al. describe alternatives in terms of systemic change, this implies that GiveDirectly’s focus

on effectiveness suggests that GiveDirectly does not present development alternatives.

In some aspects, GiveDirectly does present an alternative to the prevalent structures of the aid industry. According to interviewees K, M and S, the realization of donors that the poor make efficient decisions can be seen as the real shift. This shift illustrates the realization that aid does not need to be channelled through development programs, but can go straight to the people in need. This idea challenges the aid industry as a whole, because if aid projects are no longer needed, one can argue that the aid industry is unnecessary and the tool of UCTs would be enough to identify the poorest and get the money to them. In this sense, UCTs challenge the NGO sector as a whole and can thus be seen as offering an alternative. However, most texts and interviewees agree that UCTs by themselves are not enough. Investments from governments and NGOs are still needed to improve services and provide in-kind aid when resources are scarce.

Another argument in favour of seeing GiveDirectly as an alternative can be observed in the tension between GiveDirectly and other NGOs. As explained by GiveDirectly's country director in Malawi (interviewee S), other NGOs felt threatened by the arrival of GiveDirectly and were scared that GiveDirectly would affect the neatly distributed development programs they had set up. This implies that GiveDirectly challenged the status-quo and that it could potentially reconstruct the way NGOs operate in the region. With the growth of UCTs, however, cash transfers are becoming part of mainstream aid (Arnold et al., 2011), and instead of challenging the aid industry, UCTs are becoming part of already existing structures in aid.

UCTs becoming part of mainstream aid can also be seen when looking at the language used in creating alternatives. As discussed in chapter one, Bebbington et al. (2008) identify trends in the role of NGOs in the aid industry and discuss how aid is shaped by the paradigm dominant at the time. The authors describe the "current neoliberal order" and argue that it has become increasingly difficult for NGOs to think outside of the neoliberal box, since this box has incorporated a large part of the NGO terminology. These include the concepts of empowerment and participation (Bebbington et al., 2008). Looking at the case of UCTs and GiveDirectly, the same

trend can be seen. While UCTs might have offered alternatives when they first gained popularity in the aid industry, the concepts that used to offer alternatives have now been integrated into the language of the aid industry. Examples of these concepts are participation, aid effectiveness, and empowerment, which are now regarded as buzzwords instead of alternatives.

In addition, GiveDirectly's underlying assumptions about poverty do not differentiate from mainstream neoliberal understandings of development. As discussed at the beginning of this chapter, GiveDirectly bases its methods and objectives on the poverty line and on neoliberal understandings of the solutions to poverty. The alignment of GiveDirectly with the current neoliberal order hinders their potential to offer systemic development alternatives, especially in relation to "little d". Moreover, a change is defined by a rethinking of the dominant structures in the aid industry. An important aspect of this is the conceptualization of poverty on which aid is built. As discussed in chapter three, GiveDirectly has built its policies on poverty as understood by the poverty line (GiveDirectly, 2021) and on neoliberal ideas about how to alleviate poverty. In other words, UCTs and GiveDirectly have not offered alternative ways of thinking about poverty and aid, and can be seen as following the shifting aid regimes' conceptualizations of poverty.

Lastly, before the early 2000s, most NGOs and aid organizations did not actively collect evidence on the impact of their programs. Over the last decade, however, this has shifted and "a new breed of donor has emerged: analytical, numerate, and obsessed with hard evidence" (Lalwani & Winter-Levi, 2016). This shift is a result of the neoliberal aid regime and the effective altruism movement gaining influence. Both of these movements push for the collection of evidence and the formulation of measurable objectives in order to evaluate the effectiveness of aid and the impact on poverty levels. GiveDirectly has followed this shift and has become one of the agencies advocating for the increased collection of data to evaluate aid effectiveness. This strengthens the argument that the NGO follows the changes in the aid industry instead of producing alternatives.

3.4.3 The role of NGOs in evidence creation

According to multiple interviewees, governments and donors first tended to be hesitant towards the use of UCTs (interviewees D and S). As argued by interviewees D, S, and J, this resulted from scepticism about the belief that recipients would not know how to spend big sums of money. Interviewee S discusses that the reasons for this were that governments were not convinced recipients would spend the money wisely, would not know what to do with it, or would waste the money on temptation goods such as alcohol. For this reason, interviewee S explains, many governments considered UCTs a waste of money. Interviewee J, who has done a large number of studies into the effects of the work of GiveDirectly, gives a similar explanation. He argues that African governments tend to be sceptical and reluctant to set up large-scale UCT programs. J argues that one of the reasons for this reluctance is the prevailing prejudice about poor people's behaviour. However, as discussed, numerous studies have demonstrated that recipients do not waste their money on temptation goods (Evans & Popova, 2014; Handa et al., 2018) and that recipients are able to improve their situation by increasing income and assets (Coleman, 2014). However, interviewee J argues, that this prejudice seems so integrated into the aid industry that it still comes up. Moreover, interviewee D explained she experienced that many governments are convinced that unconditional cash transfers would not work in their locality.

Interviewees A, D, S, and Y argue that the creation of evidence has played an important role in shifting these beliefs. The early cash programs *Progressa* and *Bolsa Familia* are often used as examples. These programs were implemented at scale in Mexico and Brazil, and the effects of these programs were measured at a great scale (Arnold et al., 2011). Moreover, multiple interviewees and texts argue that both CCTs and UCTs have had many pilots and randomized control trials, and the amount of research published on cash transfers is enormous (Arnold et al., 2011; interviewees A, J, K, S and T). This large amount of research and the overwhelming amount of positive findings have slowly shifted government perceptions of UCTs, and have led to the tool being adopted on a broader scale.

However, according to interviewee J, this has been a slow shift, since it took a while for government state agencies to catch up with the evidence. Interviewee S from

GiveDirectly argues that the reason for this is that people do not read these academic papers. Interviewee D agrees and argues that there is a gap between the academic literature and the implementation of policies. To illustrate this, interviewee D states that policymakers still claim that the evidence is not clear, which is, according to D, not the case. Interviewee J adds that in this regard, UCTs form a great example of the limitations of academic work affecting policies and practice.

This gap between academic evidence and the implementation of policies forms a major challenge for increasing the use of UCT programs. Moreover, according to interviewees D and A, governments are not always convinced UCTs will work in their local contexts, and research done in other locations is not always enough to convince governments of the effectiveness of the tool. D states that “it's only through small projects and pilots in their localities where you can convince them the strongest”. Interviewee S from GiveDirectly agrees with this and argues “that it worked in Togo does not mean it will work in Malawi. We got to figure out the local context, and see what works”. These examples illustrate the role of NGOs in the aid industry with regard to the creation of evidence and pushing governments to adopt the use of UCTs.

Interviewee Y, who works for Save the Children, argues that in some cases, the creation of evidence is successful and governments start running UCT programs due to NGOs setting up pilots and creating evidence. This was for example the case in Nigeria. Originally, Save the Children started up a pilot UCT-plus-nutrition program (interviewee Y; Tasker, 2019). After the creation of evidence revealing the effectiveness of the program, the NGO started cooperating with local governments, and ultimately, the government took over and now runs the cash-plus program. As a result, interviewee Y explains, the Nigerian government implemented social protection in their state law (interviewee Y).

While some governments are not convinced by cash transfers, others have large-scale national cash transfer programs. In these countries, state-owned programs often dwarf the cash transfer programs implemented by NGOs. In Kenya, for example, the government's social protection program is over 15 times larger than GiveDirectly (Peterman & Dale, 2017). However, according to Peterman and Handa (2016), large-scale government programs do not always have the opportunity to pilot variations in

design, something that smaller-scale organizations such as GiveDirectly, are able to do. Moreover, as argued by interviewee A, NGOs implementing studies into the effectiveness of UCTs are able to cooperate with researchers, something governments would not be able to do, because they are not flexible enough or because they are not able to vary the sizes of the transfers. As highlighted by interviewee D, whereas the discussion on cash transfers is done at the parliamentary level in Western countries, in developing countries, this discussion is driven by NGOs.

The creation of evidence by NGOs is also discussed by Bebbington et al. (2008), who argue that evidence creation plays an important role in the work of NGOs. These scholars argue that for NGOs and other civil society organizations to influence the policymaking process, the creation of evidence plays a crucial role. GiveDirectly seems to have understood this since one of its primary goals is the creation of evidence. As discussed, the large quantity of research showing the effectiveness of UCTs is slowly affecting government and development policies. This suggests that GiveDirectly is able to influence policies by strengthening the evidence on the effectiveness of UCTs.

As stated by Eggen and Roland in their book 'Western Aid at a Crossroads, The End of Paternalism' (2014), "criticism from outside the sector is often about aid effectiveness, creating pressure to document more and better results, and aid agencies try to comply. That criticism, and the response, does not help to reorient aid. Rather, it leads to do more of the same while producing even more reports" (Eggen & Roland, 2014, p. 36). Based on this statement, it can be argued that GiveDirectly responds in exactly this way. By focusing on effectiveness and evidence creation, they do not present an alternative to the current aid industry, but keep chasing the same objectives with new tools. Similarly, Bebbington et al. (2008) argue that the poverty impact agenda results in an increasing proportion of funds to be allocated to development agendas that have a measurable impact. Since one of GiveDirectly's primary objectives is pushing for measurements and the creation of evidence, GiveDirectly can be seen as following this poverty impact agenda, instead of creating alternatives.

To conclude, this chapter has done three things: presenting the perceptions of UCTs, contextualizing UCTs by looking at theory and movements in the aid industry, and placing UCTs and GiveDirectly in the discussion of the role of NGOs. As stated in the introduction, the sub-question this chapter set out to answer has to do with the perception of unconditional cash transfers. To summarize, my findings suggest that UCTs and GiveDirectly are generally perceived very positively. Nevertheless, my data indicates that perceivers tend to be sceptical about the long-term impacts of the tool and the tool's limitations in addressing underlying structural causes of poverty. Moreover, I contextualized UCTs in relation to the aid industry by looking into the theories of effective altruism, the conceptualization of poverty, and the role of NGOs. This chapter concludes that although UCTs are represented as revolutionary, they do not actually offer alternatives to dominant modes of thinking in the aid industry.

4 Shifting narratives in aid

This chapter, aims at answering the question ‘how do unconditional cash transfers relate to shifts in the aid industry?’ To do so, this chapter deals with changes over the last two decades. This chapter looks at changes in the perception of UCTs, followed by a discussion of the three connected shifts in the aid industry in relation to UCTs: the perception of recipients, benchmarking aid, and aid effectiveness. This is followed by a discussion of how UCTs fit within the theory of aid regimes. Lastly, this chapter discusses the changes and continuities in the aid industry and examines how UCTs fit within these.

4.1 Changing narratives

4.1.1 Shifts in perceptions of UCTs outside the aid industry

As discussed in the introduction, the tool of UCTs has been growing in popularity over the last two decades. This increased adoption of the tool is connected to a change in the narrative about the tool. While the tool was first met with scepticism, media and aid agencies have since changed their discourse when writing about UCTs. GiveDirectly seems to have played an important role in this shift by raising more awareness of the tool and promoting the tool to the media. Peterman and Dale (2017) state that, although government UCT projects have been running for decades, GiveDirectly has strongly contributed to the expansion of the tool in development and humanitarian aid settings. To illustrate this, they argue that “GiveDirectly has taken the global poverty discourse by storm. Called revolutionary, radical, and a breakthrough model, GiveDirectly has been featured on nearly every major news source covering global issues” (Peterman & Dale, 2017).

The changing discourse about UCTs and GiveDirectly can be seen in numerous newspaper articles. For example, in 2013, an article in *The Economist* describes the work of GiveDirectly and states “the idea sounds as extraordinary as throwing money out of helicopters. But this programme, and others like it, are part of a shift in thinking about how best to use aid to help the poorest” (*The Economist*, 2013). This illustrates

the changing narrative around UCTs. Moreover, while UCTs were seen as revolutionary at the beginning of the tool, slowly the discussions about UCTs shifted to a more moderately positive tone. As stated by GiveDirectly's co-founder Michael Faye, traditional donors thought he was "smoking crack" when he told them about his ideas for GiveDirectly (The Economist, 2013). Moreover, interviewee T remembers that The New York Times Magazine wrote an article in 2013 with the title "Is It Nuts to Give to the Poor Without Strings Attached?" (Goldstein, 2013). A few years later, the narrative had changed and the idea of simply giving money to the poor was adopted more widely, as can be observed in a shift in the formulation of newspaper titles. Just a few years later, in 2017, The New York Magazine published another article on GiveDirectly titled "Capitalism Has a Problem. Is Free Money the Answer?" (Goodman, 2017). These exemplify the changes in the language the media uses to discuss cash transfer projects.

This change is also detected by the UK Department for International Development, which states that UCTs have experienced a "quiet revolution" in which the tool moved from the margins to the mainstream (Arnold et al., 2011, p. 5). This process is also recognized within GiveDirectly, and GiveDirectly interviewee T describes how they require fewer conversations to convince people of UCTs, since the tool is more broadly accepted compared to when the NGO just started. Michael Faye also exemplifies this shift in language by stating that "coworkers and friends would always ask the question at some point or another: Was the money the U.N. was spending on some project doing more good than it would in the hands of the poor? [...] But in those days, it was largely a theoretical question, or even just a passing joke" (Lalwani & Winter-Levi, 2016). These articles exemplify how the narrative of UCTs has shifted.

4.1.2 Shifts in perceptions of UCTs within the aid industry

Although UCTs are not (yet) widely adopted by NGOs (Alyson, 2020; interviewee S), the tool has become more popular over the last two decades. Alyson argues that one of the reasons for this was the growth of complaints that aid funds were wasted or fuelled corruption (Alyson, 2020). By the late 2000s, UCTs grew in popularity among big NGOs such as Save the Children and World Vision, who started conducting pilot

projects of cash transfers (Alyson, 2020). This development can be seen in both the development industry as well as within local governments. According to S, who works for GiveDirectly and closely cooperates with these two groups, a real difference can be observed between 2012 and 2022, and NGOs, governments, as well as the media, are all more open to the use of cash for development and poverty reduction.

Interviewee S, who is the country director for GiveDirectly in Malawi, first-hand experienced this shift in the perception of NGOs towards UCTs. When GiveDirectly first implemented its UCT programs in Africa, other NGOs that were active in these countries were sceptical and afraid GiveDirectly poses a threat to their work. S describes his own experiences in Malawi and explains that at first, it was hard to connect with the four biggest NGOs in the country since they had formed a strong bond before GiveDirectly came into the country. The arrival of GiveDirectly was seen as a threat to their neatly distributed thematic areas of development, in which they could cooperate and bid for big development projects together. However, this relationship has now shifted and GiveDirectly is able to cooperate with these and other NGOs. The case of Malawi has shown very positive results of these cooperations. As stated by S, an NGO that was distributing microfinance and access to inputs worried about GiveDirectly targeting the same recipients. However, these fears turned out to be unnecessary and cooperation between NGOs allowed for increased investment in better quality agricultural products. These results suggest that recipients are able to combine the resources that GiveDirectly and other NGOs bring and are able to make use of the different forms of aid in a way that improves the outcomes of both programs. A similar case study is described by interviewee Y, who works for Save the Children. She described a cooperation between Save the Children, GiveDirectly, and IFPRI in Malawi. In this cooperation, the three organizations designed a cash-plus program in which they combined their three areas of expertise in an integrated mother and child grant project. These cases illustrate the growing adoption of cash by NGOs and development organizations. Moreover, these cases illustrate how UCTs are integrated into existing aid structures.

Moreover, GiveDirectly collaborates with several development organizations. S mentions that GiveDirectly works directly with UKAID, USAID, Swedish aid, the World Bank, and various NGOs in Malawi. Interviewee T, another employee of GiveDirectly,

states that these partnerships are crucial for GiveDirectly because, by themselves, a small NGO like them is not going to create a big shift in the development aid industry. Apart from cooperations with development organizations, they also work closely with local governments in designing their programs and in picking up exclusion errors in governmental programs. These cases illustrate how UCTs have become more widely accepted by NGOs and other development organizations, and how UCTs are becoming increasingly integrated into the aid industry.

4.2 Changes in aid in relation to UCTs

As mentioned in chapter three, UCTs have contributed to two connected shifts: the perception of recipients and the increased focus on aid efficiency. In this section, I discuss these two in relation to each other and connect these shifts to the discussion of paradigm shifts and aid regimes.

According to all interviewees and several texts, UCTs have led to a change in the way recipients are seen. As discussed in the previous chapters, UCTs give recipients the capability to decide what they need to improve their situation, instead of development experts deciding this for them. As discussed, this is seen as one of the strengths of UCTs, and as I discuss in this chapter, many of the interviewees and texts argue that UCTs have contributed to this shift in the perception of recipients.

Moreover, as stated by GiveDirectly employees T and S, one of GiveDirectly's main goals is to push for cash to be used as a benchmark to compare other types of aid. As stated by interviewee T, "we want more of the sector to become cash-based and evidence-based". T furthermore states that GiveDirectly argues that non-cash aid should have a good, evidence-backed reason not to give cash. This argument of benchmarking cash is made by 13 of the 50 texts and eight of the ten interviewees.

As stated, the argument of benchmarking cash is strongly connected to the perception of recipients. Provost argues in *The Guardian*, that "groups that ask for money on behalf of the poor should be able to prove they can do more good with it than the poor themselves" (Provost, 2013). This means that the case of benchmarking is not only

about the method of delivering aid, but also about who knows best how to spend the aid funds: donors or recipients. Supporters of UCTs argue that recipients know best, since they are the ones who know their situation while donors might have never experienced poverty first-hand.

Additionally, benchmarking is focused on delivering aid in the most efficient and cost-efficient form. Supporters of UCTs often argue that cash is great because it is cost-efficient and allows a greater proportion of funds to end up in the hands of the poor. The underlying assumption of this argument is that recipients spend the money well and that beneficiaries are able to improve their lives with the cash that they receive. If the cash would not be spent productively, no development objectives would be reached and the cost-effectiveness argument would fall apart. In other words, the trust that recipients know what they need and are spending the money wisely is a crucial assumption in the debate about cash transfers. A large amount of research backs up this trust in recipients by showing that recipients do not waste the money on temptation goods but that they spend the money wisely for the most part (Evans & Popova, 2014; Handa et al., 2018).

4.2.1 Benchmarking and effectiveness

As stated, one of GiveDirectly's main goals is to push for cash to be used as a benchmark to compare other types of aid in terms of effectiveness. Benchmarking is defined as "to measure the quality of something by comparing it with something else of an accepted standard" (Cambridge Dictionary, n.d.). In the context of UCTs, benchmarking means that researchers design a study to compare different programs in terms of effectiveness and cost-efficiency. These programs are often set up by NGOs and are comparable in scale. For example, a small-scale local nutrition or education program might be compared to a UCT program with similar costs. Most of the benchmarking studies that look into GiveDirectly are designed as randomised control trials in which some groups of recipients receive cash while other groups receive the other intervention. These groups often consist of individuals, households, or villages in rural areas. In the paragraphs below I examine two case studies to exemplify how benchmarking studies have been designed and implemented.

To illustrate what benchmarking refers to, I shortly discuss two examples of benchmarking studies. First of all, a study by Sulaiman et al. (2016) compares the cost-effectiveness of three social protection interventions: livelihood development programs, lump-sum unconditional cash transfers (including programs from GiveDirectly), and graduation programs. These three types of programs were compared by measuring “impacts on annual household consumption (or on income when consumption data were not available) per dollar spent” (Sulaiman et al., 2016, p. 1). The results of this study conclude that lump-sum UCTs have the highest benefit-cost ratio, although the impact of most of these UCT programs proved to be limited in the long term (Sulaiman et al., 2016).

More case studies benchmarking GiveDirectly’s UCT programs can be found in multiple papers by McIntosh and Zeitlin (2018; 2020; 2021; 2022), or in multiple papers by Haushofer and Shapiro (2013a; 2013b; 2016). These studies compare the cost-effectiveness of cash transfers to child nutrition (McIntosh & Zeitlin, 2018; McIntosh & Zeitlin, 2021), and work readiness programs (McIntosh & Zeitlin, 2020; McIntosh & Zeitlin, 2022). The benchmark study that compares cash and nutrition examines a nutrition program called Gikuriro, which aims to combat food insecurity among children and pregnant women in Rwanda. This program was compared to GiveDirectly’s UCT program in which they give a lump sum of 1000 dollars to recipients (McIntosh & Zeitlin, 2021). One year after implementation, the study measured the impacts of the intervention on outcomes such as household wealth, consumption levels, improvements in dietary diversity, child growth and weight, knowledge of health, sanitation practices, household assets, housing quality, vaccinations, and the occurrence of different diseases (McIntosh & Zeitlin, 2021). This study compares cash to nutrition by examining which program “generates the greatest benefit per dollar spent” (McIntosh & Zeitlin, 2021, p. 26).

These two examples are part of a large research base that compares cash to other forms of aid. The main aim of benchmarking studies is to compare the impacts and cost-effectiveness of cash in comparison to more traditional interventions such as training and nutrition programs. As discussed, these benchmarking studies are often used to advocate for the increased use of UCTs and to promote effective aid projects.

This does not mean that GiveDirectly argues that only cash should be given. Rather, they argue, using cash as a benchmark should be seen as a tool to evaluate the effectiveness of an aid project. In this perspective, benchmarking can serve charities or other aid organizations to challenge their practices and evaluate whether they can do more good by giving cash compared to other projects (Provost, 2013). Using cash as a benchmark asks the question of whether the tools that are used to distribute aid funds are really the most effective ones, and asks NGOs to justify the design of their programs (McCambridge, 2013). In other words, using cash as a benchmark is not an argument to criticise all non-cash aid but an argument in favour of challenging the status quo.

However, benchmarking still only compares aid in terms of effectiveness. So, the status-quo that is challenged only considers the designs of aid programs. For this reason, benchmarking stays within the discourse of effective altruism and the neostructural regime. Moreover, none of the texts or interviewees explains what is meant when they advocate for benchmarking UCTs. According to Batliwala (2007), one of the reasons empowerment is considered a buzzword is because the concept is used in numerous reports from donors and NGOs, but not one of them defines how empowerment was understood in their context. A similar process is visible when looking at the concept of benchmarking. The concept of benchmarking is thrown around without explanation or further examination. This implies that the concept is taken for granted, indicating that the concept of benchmarking is becoming a buzzword and part of the discourse on aid effectiveness. So, benchmarking does not challenge ideologies or present alternatives, since it merely measures effectiveness.

4.2.2 Recipient empowerment

According to Michael Faye, “we have the resources to eliminate extreme poverty this year”, arguing that the inability to eradicate poverty is an issue of distribution, not a lack of resources (Lowrey, 2017). To illustrate how aid is wasted, Lowrey paints a picture of a village in Kenya:

“All across the villages of western Kenya, it was clear to me just how much aid money was wasted on unnecessary stuff. The villagers had too

many jerrycans and water tanks, because a nongovernmental organization kept bringing them. There was a thriving trade in Toms canvas slip-ons¹: People received them free from NGO workers and then turned around and sold them in the market centers. And none of the aid groups that had visited the villages managed to help the very poorest families” (Lowrey, 2017).

The waste and inefficiency of aid are two of the arguments in favour of UCTs. As seen in this example, donors do not always know what recipients need, and money is wasted by buying unnecessary things. For this reason, supporters of cash transfers argue that recipients should be able to decide what aid funds are spent on, since they are the ones who know the context of their situation.

Although this prejudice might be held, before cash transfers became widely discussed, many already trusted that poor people would spend money well if they had it. In other words, the shift in the perception of recipients is not just about prejudice, or about the question if people spend money well. Rather, the shift that is described in this context is about governments and large aid organizations building their programs on the assumption that recipients spend the money more effectively than donors would, letting go of paternalistic mindsets and taking this trust one step further.

The growth of UCTs suggests that an increasing amount of governments and aid organizations now trust that recipients know what they need, and that poverty can be decreased with unconditional cash transfers. According to interviewees D, G, J, M, and T, a result of this is the increase in empowerment and participation. These concepts are often used to promote UCTs. However, this argument can be seen in a critical light when considering the articles from Batliwala (2007) and Leal (2007). As discussed in the theoretical background chapter, these scholars argue that the concepts of empowerment and participation can be considered buzzwords. The reason for seeing participation and empowerment as buzzwords is because these concepts have lost their ideological meaning and are no longer associated with

¹ Toms canvas slip-on shoes is a well known example of the “Buy-One-Give-One” model. In this model, Toms would donate a pair of shoes to a poor country for every pair they sold.

revolutionary, systemic reform. In this perspective, describing UCTs as empowering might reveal more about the discourse of the aid industry rather than whether or not UCTs are revolutionary. Moreover, the concept of participation does not have the same revolutionary meaning it might have had earlier. Both of these concepts became buzzwords linked to aid practices, and are no longer associated with structural changes in the aid industry.

4.3 The changing role of aid

So, the concepts of benchmarking, recipient empowerment, and aid effectiveness are central to UCTs and represent a shift in the designs and objectives in the aid industry. Looking at this development, some argue that these discussions have led to a shift in thinking about aid. This shift concerns the design of aid programs, objectives and goals of aid, and debates about who should decide what aid is spent on: donors or recipients. While some describe this shift as a paradigm shift (Hanlon et al., 2010), others argue that these points represent continuity in thinking about aid. To contextualize this debate, I look into aid regimes as described by Overton and Murray (2021) and the concept of the policy cycle as discussed by Pollard and Court (2008).

4.3.1 UCTs in the context of aid regimes

As discussed, UCTs gained momentum during the neostructural regime and several characteristics of this regime can be found in the ideas and designs of UCTs. The overlap between UCTs and the neostructural regime can be found in four foundational aspects: the focus on effectiveness, poverty alleviation, ownership, and Third Way politics.

The discourse of UCTs and GiveDirectly has a strong fixation on aid effectiveness. The quest for increased aid effectiveness plays a major role in the promotion of the tool, and effectiveness takes a central place in the discourse on UCTs. Looking at the theory of aid regimes, this focus on effectiveness emerged from the neostructural regime and is thus not something revolutionary to UCTs or GiveDirectly. Rather, the focus on effectiveness can be observed in the majority of aid policies and practices

during this time (Overton & Murray, 2021). This suggests that UCTs are not trendsetters in their focus on effectiveness, but merely follow the shifts in thinking about aid as directed by the aid regime.

Moreover, I discussed that benchmarking cash can be seen as challenging the status quo. However, the primary goal of benchmarking is to compare aid projects in terms of aid effectiveness. So, although benchmarking might serve as an evaluation tool, the primary objective of benchmarking studies does not challenge dominant discourses in the aid industry, since it merely evaluates aid projects in terms of effectiveness. Thus, the goal of setting cash as a benchmark can easily be understood in the context of the neostructural regime and thus does not present an alternative or paradigm shift.

The same can be said for UCTs' focus on poverty alleviation. The neostructural regime included a growing emphasis on poverty alleviation as opposed to economic growth (Overton & Murray, 2021). Looking at the objectives of UCTs, the same narrative can be seen, since UCTs solely focus on poverty alleviation. Apart from poverty alleviation, the concept of ownership plays a crucial role in the philosophy of UCTs. When looking at the importance of the concepts of poverty alleviation and ownership promotion in the neostructural regime, UCTs can be seen as a development tool that emerged from the neostructural ideas about poverty alleviation. For this reason, UCTs can be understood simply as a result of a changing aid regime, instead of a paradigm shift. In other words, looking into the neostructural aid regime, UCTs might have not been as revolutionary as some might argue.

Moreover, as discussed in the theoretical background, the neostructural regimes can be seen as Third Way politics, in which ideas about poverty and development can be located somewhere between socialism and capitalism (Overton & Murray, 2021). UCTs can be located within this context. As discussed, UCTs are partially based on the neoliberal understanding of poverty, which sees poverty as the poor lacking access to the market. This line of reasoning takes a very capitalistic perspective and sees poverty in terms of markets and consumption. On the other hand, UCTs are based on philosophies of social protection and the redistribution of wealth. These aspects suggest that UCT adopt ideas and policies from both capitalism as well as socialism.

For this reason, UCTs can be understood in the context of the neostructural regime, suggesting that UCTs do not offer a revolutionary paradigm shift.

This section discusses some examples of how UCTs fit within the neostructural regime. The main focus points during the neostructural regime lay on aid effectiveness, poverty alleviation, ownership, and Third Way politics. These focus points overlap to a large extent with the ideas and practices of UCTs. For this reason, I argue that UCTs can be seen as developed from discourses dominant during this regime. Consequently, UCTs are no revolutionary idea but can be seen as merely a tool emerging from the differences in thinking about aid as defined by the concept of aid regimes. In other words, the discourse of UCTs representing a paradigm shift can be contextualized by the theory of aid regimes. While some might have promoted the use of UCTs by arguing the tool is revolutionary, the theory of aid regimes suggests that UCTs do not represent any revolutionary paradigm shifts, but merely reflect the changes in thinking about aid practices and objectives.

As discussed in chapter one, the neostructural regime was followed by the retroliberal regime. In this regime, NGOs were urged to align their practices with the promotion of business development (Overton & Murray, 2021). At the beginning of this chapter, I discussed how UCT gained increased support over this period of time (2010 - present-day). A part of the explanation for this increased support could be found in the idea of UCTs allowing recipients to invest in creating their own businesses. As discussed in chapter three, GiveDirectly argues that a small amount of cash can allow people to start a small business, and the NGO proudly displays examples of this on their website (GDLive, n.d.). This narrative of giving out cash to allow people to invest in small-scale private businesses aligns with the retroliberal push for business development. The alignment of UCTs and the push for business development could partly explain the increased interest in the use of UCTs. Although the overlap between UCTs and the retroliberal regime is almost negligible in comparison to the overlap between UCT and the neostructural regime, looking at UCTs in the context of the retroliberal regime does help to contextualize the role of UCTs in the present-day development aid industry.

4.3.2 Policy cycle

Another aspect of the aid industry that helps to contextualize UCTs is the theory of policy cycles. UCTs illustrate the cycle of extreme optimism about a new development approach followed by a realization that the tool is not as great as first believed. A similar process can be seen when looking at the changes in regimes. When new regimes emerge, the approaches are described as grand solutions to achieve development and poverty alleviation. In other words, the newest development tools are described as magic bullets. Following this initial optimism, the negative effects of these policies begin to exhibit, a new approach takes its place, and the cycle continues. The same can be seen when looking at the case of cash transfers. When UCTs first grew in popularity, they were glorified and surrounded by optimism. However, over time, the effects decreased, and the term magic bullet is no longer used.

During the time of the neoliberal regime, NGOs played an important role in the documentation of the failures of SAPs and governments (Pollard & Court, 2008). Pollard and Court argue that this documentation of failure was a bigger contribution in comparison to the alternatives NGOs offered. This role of NGOs can also be seen when looking at the case of GiveDirectly. As I argued in chapter three, GiveDirectly has not presented alternatives to the dominant understandings of aid. However, their work has contributed to criticising the status quo of delivering non-cash aid. This is especially the case when looking at GiveDirectly's objective of benchmarking, which suggests that mainstream methods for allocating aid funds are not always effective. By comparing non-cash aid to cash aid in terms of effectiveness, the GiveDirectly contributes to the role of NGOs in documenting failures in the aid industry.

This process of documenting failures can be understood by looking at the model of policy cycles as discussed by Pollard and Court. Pollard and Court explain that the process of policymaking can be understood as a cycle. The cycle is as follows: 1) problem identification and agenda setting, 2) formulation and adoption, 3) implementation, and 4) monitoring and evaluation (and reformulation) (Pollard & Court, 2008, p. 134). GiveDirectly has followed a similar process. GiveDirectly started their journey when they noticed a problem in the aid industry; how in-kind aid often

misunderstood the needs of the poor, which is described as the first step in the policy cycle model as described by Pollard and Court. Based on this, the idea of simply giving cash to the poor was formulated (step 2), and the methods of delivery were implemented (step 3). Since its establishment, GiveDirectly has monitored and evaluated its methods and tools for delivering cash and identifying recipients (step 4). What followed this process was the adoption of UCTs within aid policies. This process of GiveDirectly identifying problems, designing UCTs as an alternative tool for delivering aid, and evaluating the effectiveness of UCTs can thus be seen as following the policy cycle as described by Pollard and Court. However, as seen in the criticism of the tool, UCTs are not perfect and problems have been identified when looking at the ignorance of underlying structural causes of poverty and the limited long-term effects of UCTs. This identification of problems in UCT programs suggests that the cycle has started anew and new designs of delivering aid will most probably follow. As stated by interviewee G, “people are going to start looking for other revolutionary ideas of what the next thing is”.

The model of the policy cycle helps to contextualize GiveDirectly in the processes of policy formulations and reformulations. Additionally, this model illustrates how GiveDirectly relates to the role of NGOs in identifying failures in the aid industry. The theory of the policy cycle suggests that the work of GiveDirectly fits quite well within the policy cycles of the aid industry, implying that GiveDirectly and UCTs can be considered to represent continuity within the aid industry.

4.4 UCTs representing continuity

In conclusion, UCTs are not the revolutionary trendsetters they were first made out to be. Looking at the theory of aid regimes it becomes clear that the cycle of new approaches to alleviate poverty keeps repeating itself and new forms of aid keep popping up. In this sense, UCTs do not represent a structural change since they can be seen as just a small part of this cycle of aid interventions, shifting narratives, and ideas about aid. The concepts of benchmarking, effectiveness and recipient empowerment were first used to argue that UCTs were revolutionary. However, this chapter discusses that these concepts can instead be seen as part of the broader

trends in aid, which can be defined as aid regimes. As long as poverty exists, new tools for delivering development aid will probably keep popping up and ideas about poverty and aid will keep changing. Subsequently, the theories of aid regimes, the role of NGOs, policy cycles, poverty conceptualization, and effective altruism have demonstrated that UCTs follow the trends in the aid industry. Moreover, the fact that UCTs only make up a very small portion of aid flows, and the fact that cash transfers are not a new invention strengthen the argument that UCTs do not challenge the dominant trends in thinking about and designing aid. The sub-question this chapter aims to answer is 'how do unconditional cash transfers relate to shifts in the aid industry?' In light of the theories and findings, UCTs can be considered to represent continuity, not change.

5 Conclusion

This thesis has examined the use of unconditional cash transfers as a tool to alleviate poverty. In doing so, I discuss the perceptions of UCTs, the position of GiveDirectly in the aid industry, and the position of UCTs in the context of change and continuity. The research question that this thesis has examined is ‘what role do unconditional cash transfers play in the development aid industry?’ To answer this question, two sub-questions guide chapters three and four respectively. These are 1) ‘how are unconditional cash transfers perceived?’ And 2) ‘how do unconditional cash transfers relate to shifts in the aid industry?’

In chapter three I focus on perceptions of UCTs by examining reports and articles, and by conducting interviews. Overall, UCTs and GiveDirectly are perceived very positively, especially because of the effectiveness of the tool, the positive impact on nutrition, food security, livelihoods, mental health, decreased gender violence, reduced inequality, and increased human capital, increased household assets, and the decrease of paternalism. However, a few arguments are given by texts and interviewees that criticize the tool. These include the limited impacts of UCTs, especially in the longer term, and UCTs’ inability to address structural causes of poverty.

Moreover, I examine the theory on the role of NGOs to provide alternatives to contextualize GiveDirectly within the aid industry. This discussion concludes that GiveDirectly does not lead to a rethinking and restructuring of aid policies and practice, and thus does not offer an alternative to dominant understandings of aid.

In chapter four I examine shifts in the perception of UCTs as well as the shifts in the aid industry. The theory of aid regimes is used to examine UCTs’ role within the changing aid industry. My findings suggest that buzzwords such as effectiveness and recipient empowerment were first used to describe the use of UCTs to alleviate poverty in revolutionary terms. However, when placing UCTs within the theories of aid regimes and policy cycles, it can be argued that UCTs represent continuity, not change.

To reiterate, the main research question of this thesis is ‘what role do unconditional cash transfers play in the development aid industry?’ This thesis concludes that UCTs represent continuity and that the argument that UCTs are revolutionary does not hold. Instead, the terms revolution and paradigm shift seem to have become mere buzzwords in the promotion of UCTs and have been integrated into the discourse on UCTs and the thinking about aid.

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Appendix 1 - List of codes

1. Descriptive language use:
 - a. “silver bullet”
 - b. “magic bullet”
 - c. “paradigm shift”
 - d. “panacea”
 - e. “effectiveness”
 - f. “benchmark”
2. Change in tone over time:
 - a. 1990-2000
 - b. 2000-2010
 - c. 2010-2015
 - d. 2015-2019
 - e. 2019-2022
3. Tone/ conclusion of the text. (Can be used to see the differences between academic articles and NGOs/ development organizations)
 - a. Negative
 - b. Critical / Sceptical
 - c. Limited results
 - d. Dependency
 - e. Positive
 - f. Glorifying
4. How they relate UCTs to the aid industry
 - a. Not new/ complementary to conventional aid
 - b. New but not revolutionary
 - c. Described as “new” or “different”
 - d. Revolutionary
 - e. Growing/ large scale
 - f. Small scale
 - g. Threatening
 - h. Cooperation
 - i. Competition

5. GD
 - a. Which words are used to describe GiveDirectly?
 - b. Critical on GiveDirectly
 - c. Very positive about GiveDirectly
 - d. How is GiveDirectly described as related to the broader aid industry?
6. Paradigm shift
 - a. How are paradigm shifts understood
 - b. What has changed/ shifted?
 - c. There is no paradigm shift
7. Governments
8. Much research
9. CCTs versus UCTs
10. The gap between academic and practice
11. History of UCTs
12. Background GiveDirectly

Appendix 2 - Interview guide

Unconditional cash transfers (UCTs)

1. What is your personal perspective on the use of UCTs to alleviate poverty?
Do you believe UCT projects can be a sustainable way of fighting poverty?
2. In older articles, some scholars described UCTs as a “magic bullet” for poverty alleviation and development, what do you think about this statement?
3. Have you seen a change in the use of UCTs over the last 10-20 years?
4. Have you seen a shift in the perspective on UCTs over the last 10-20 years?
E.g. reports from NGOs or in newspaper articles
5. How is the tool of UCTs perceived within the academic world?
6. How is the tool of UCTs perceived within the development industry?
7. Do you think the use of UCTs has had an impact on the thinking about poverty and poverty alleviation? Do you think the use of UCTs for development represents a shift in the conceptualization of poverty? (in comparison to conventional aid projects)
8. Some scholars described the use of UCTs in aid as a paradigm shift, do you believe this to be true?

UCTs and GiveDirectly within the development aid industry

9. What do you know about GiveDirectly and the work that they do?
10. What do you think is the role of UCTs in the development aid industry? How do you see GiveDirectly’s role within the aid industry?
11. Did you see many NGOs or other development organizations adopting the tool of UCTs to alleviate poverty in the last 10-20 years?
12. Do you believe GiveDirectly’s method of solely giving UCTs is challenging the conventional aid system in any way?
13. Do you see UCTs being increasingly used as a benchmark for aid?
14. Do you think that the use of UCTs in comparison to conventional project-based aid represents a shift in understanding the role of development aid?
15. What do you think about GiveDirectly’s work in relation to local government responsibility in providing social safety nets for the poor population?

Appendix 3 - Interview guide GiveDirectly

1. Background GiveDirectly
 - a. Can you tell me a bit about your role in GiveDirectly?
 - b. Can you tell me more about GiveDirectly's origin and the ideas about poverty and development on which it is built?
 - c. What makes GiveDirectly different to other NGOs/ aid agencies?
 - d. Which countries is GiveDirectly most active in?
 - e. Are most projects following the same design?
2. How does the cash transfer system work
 - a. Why does GiveDirectly focus on cash transfers to fight poverty?
 - b. How does GiveDirectly see the impacts of cash transfers on people's poverty status over the long term?
 - c. What is the limit to the amount of money that people receive? And how is this limit decided?
3. Targeting
 - a. How does GiveDirectly choose in which countries and regions to operate?
 - b. How are the villages selected?
 - c. How is the cooperation with the local government in the targeting process?
 - d. Do you consider people's income before enrolling them or is everyone in the village able to receive the money, regardless of their income?
 - e. What are the effects of the project on the households that don't receive money?
4. GiveDirectly's objectives
 - a. How does GiveDirectly formulate its objectives?
 - b. Who are involved in the process of formulating objectives?
 - c. What are GiveDirectly's main objectives?
 - d. How does GiveDirectly measure its success?
 - e. How have GiveDirectly's success rates been so far?
 - f. How does GiveDirectly define development?
 - g. In what ways can cash transfers have an impact on the causes of poverty?

Appendix 4 - Informed consent form

Master of Science in Global Development
Studies

Emma van Nieuwkuijk

Interview Consent Form

I _____ willfully agree to participate in
an interview with researcher Emma van Nieuwkuijk (student at the
Norwegian University of Life Sciences) on behalf of

(Self, affiliation, or organization)

- I have been informed about the purpose of this research, and about the research procedures regarding anonymization and data storage.
- I do not receive any compensation for participating in this research and I voluntarily agree to participate in this study.
- I willfully allow the researcher to use the information I provide unless otherwise stated.
- I allow the researcher to quote any statements that I make during the interview unless otherwise stated.
- I understand that I can withdraw my permission to use the information I provide in the interview within two weeks of the interview.
- I understand that I can withdraw any statements provided in the interview at any time without having to give a reason.
- I understand that I can refuse to answer any questions posed by the researcher.
- I allow the researcher to audio-record and transcribe the interview unless otherwise stated.
- I allow the researcher to take notes during the interview unless otherwise stated.
- I understand that I can request access to the researcher's notes, audio-recording, and transcript of the interview after it is carried out.

Signature of Participant _____ Date _____

Signature of Researcher _____ Date _____



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