D4N 2025
Delivering for Nutrition in South Asia
Towards Impact at Scale
December 3, 2025

Cash Alone Is Not Enough:

Mixed Evidence on Maternal & Child Nutrition from Madhya Pradesh's Maternity Benefit Programme (MMSSPSY)

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The Debate

The choice between cash and in-kind transfers is fundamentally a design question shaped by programme objectives, market functionality, and beneficiary agency.

Cash Transfers

- Enhance household autonomy and optimise welfare under well-functioning markets (Gangopadhyay et al., 2015).
- Associated with lower administrative and delivery costs relative to in-kind systems (Khera, 2017).
- More effective when women retain intra-household control over resources (Schady & Rosero, 2008).

In-Kind Transfers

- Assure a minimum level of nutrient intake and reduce fungibility-related diversion (Currie & Gahvari, 2008).
- Particularly relevant in settings with limited market access or high food price volatility (Narayanan & Saha, 2020).
- THR under ICDS demonstrates relatively broader coverage and reach.

Synthesis

- Emerging evidence supports **hybrid modalities**, leveraging the complementarity of cash and kind to strengthen nutrition outcomes (Alderman et al., 2017).

Background

- MMSSPSY provides ₹16,000 in 2 instalments to improve maternal health & nutrition.
- While cash transfers improve liquidity and access, evidence globally shows that income support alone may not translate into improved nutrition without complementary inputs.
  - E.g., Alderman (2016); Ruel & Alderman (2013) highlight the need for nutrition-sensitive design, not just cash.
- Nutritional outcomes in MP remain weak, anaemia high, and meaningful dietary change limited.
- Raises an important policy question: Should transfers be cash, kind, or a calibrated combination?

The nutrition paradox: cash delivered, outcomes unchanged

- 76.8% of lactating mothers in MP remain anaemic; majority moderately or mildly anaemic.
- Cash was expected to boost intake of IFA-rich diets, but this has not materialised.
- Low dietary diversity—heavy reliance on cereals & vegetables; limited protein, fruits, dairy.
- Similar patterns reported in global literature:
  - Cash transfers often increase calorie intake but not micronutrient-rich foods (Hoddinott et al., 2014).
  - Behavioural norms affect intra-household allocation of food (Behrman & Deolalikar, 1988).
- MP findings align with this: ICDS Take-Home Ration (THR) often shared within households; social norms restrict women's dietary intake.
- Thus, cash alone does not alter nutrition behaviour without awareness, agency, and food availability.

Cash freedom ≠ nutritional improvement

- Only 0.09% used the entire cash on nutritious food.
- 53.7% did not spend any money on nutritious items.
- Majority used cash for: Usual food (56.7%), medical needs (41.9%), household goods, savings, debt repayment.
- Literature supports this divergence:
  - Cash expands choice but does not guarantee nutrition spending (Schady & Rosero, 2008).
  - Women's control over resources crucial for spending on nutrition (Yoong, Rabinovich & Diepeveen, 2012).
- In MP: Women have limited control over transfers; large second instalment often appropriated by household heads.
- Poor nutritional knowledge accelerates misallocation.
- Result: Cash transfers fail to translate into better nutrition pathways, consistent with global evidence.

Strong Preferences for Nutrition Kits

- 58–61% of lactating women want nutrition kits alongside cash.
- Preference higher in rural areas, where market access is weaker.
  - 63% prefer THR; remainder prefer ready-to-eat meals.
  - 25–31% prefer more than two instalments to increase control & prevent diversion.
- Literature alignment:
  - In-kind transfers often improve diet quality, not just intake (Currie & Gahvari, 2008).
  - THR in India shown to have higher reach than cash (Narayanan & Saha, 2020).
  - In contexts with low nutrition knowledge, in-kind ensures minimum micronutrient intake (Alderman et al., 2017).
- Our findings strongly match the broader evidence:
  - Beneficiaries do not see cash and kind as substitutes—they want a hybrid model.

Design bottlenecks dilute the nutritional intent

- First instalment (₹4,000) often received after delivery due to complex conditionalities—defeating its purpose for ANC nutrition.
- The large second instalment (₹12,000) is captured by household heads, not the mother.
- ICDS supply chain issues: leakage, poor quality, time delays.
- Literature links such implementation gaps to weak outcomes:
  - PDS and THR require strong supply chains to avoid leakages (Khera, 2011).
  - Cash transfers face last-mile exclusion and financial literacy barriers (Muralidharan et al., 2016).
- Information, Education & Communication (IEC) weak across districts—critical for nutrition-sensitive programmes.
- Governance heterogeneity in MP further complicates delivery.
- Result: programme finances health service utilisation, but not decisive improvement in nutrition pathways.

Policy Implications

- Hybrid transfers (cash + nutritious in-kind supplements) improve diet quality more effectively than cash alone.
- Convert the large second instalment into smaller, regular payments to reduce diversion and strengthen women's control.
- Introduce light nutrition-linked conditions (counselling, IFA adherence, basic dietary diversity), ensuring feasibility and low administrative burden.
- Strengthen IEC and behaviour change communication through improved frontline worker training and consistent counselling.
- Enhance supply chain quality and monitoring for THR via digitised tracking and timely distribution.
- Overall: Cash expands access, but cash alone is insufficient; a calibrated hybrid model is more effective in improving maternal and child nutrition in MP.

My participation was made possible through the generous support of the

Delivering for Nutrition 2025 Conference funders

This work was funded by **National Health Mission, Madhya Pradesh**