

# **Inequality, Poverty, and Antipoverty Transfers**

**BACKGROUND RESEARCH PAPER**

Armando Barrientos

Submitted to the  
High Level Panel on the Post-2015  
Development Agenda

This paper reflects the views of the author and does not represent the views of the Panel.

It is provided as background research for the HLP Report, one of many inputs to the process.

May 2013

Post-2015 UN MDG Development Agenda

Human development

## Paper 3 – Inequality, poverty, and antipoverty transfers

Armando Barrientos\*

Brooks World Poverty Institute, University of Manchester, UK

### Contents

Global poverty and inequality trends 1990-2008.....	2
Trends in global poverty .....	2
Implications for anti-poverty policy .....	9
Antipoverty Transfers in Developing Countries .....	14
How best to study them?.....	16
Explaining the growth of antipoverty transfers.....	18
Design and Impact .....	19
Antipoverty Transfer Programmes and Zero Goals .....	37
The contribution of antipoverty transfers to progress towards zero goals .....	38
What is the role of international aid? .....	39
Notes .....	42
References.....	46

This draft: May 2013

\*I thank Alma Kudebayeva and Juan Miguel Villa for excellent research assistance.

Address for correspondence:

Armando Barrientos, Professor and Research Director  
Brooks World Poverty Institute,  
School of Environment and Development,  
Arthur Lewis Building, University of Manchester,  
Oxford Road, Manchester M13 9PL, UK  
Phone: +44 161 306 6436  
E-mail: [a.barrientos@manchester.ac.uk](mailto:a.barrientos@manchester.ac.uk)

## **Global poverty and inequality trends 1990-2008**

This section reviews the main trends in global poverty, assesses projections on poverty trends for the medium term, and considers the implications for antipoverty policy. Three main points emerge from the discussion in this section. First, there is broad agreement that the incidence of global poverty has declined by one half over the last two decades, although the decline in poverty incidence has been weaker outside China and disappointing for sub-Saharan Africa. Second, sustaining this positive poverty reduction trend into the medium term will require maintaining high rates of economic growth and an improved distribution of the benefits from growth to disadvantaged groups. Third, a policy focus on enhancing the social and economic inclusion of disadvantaged groups will be essential to achieve this objective.

### **Trends in global poverty**

Global poverty describes deficits in wellbeing observed among the population in developing countries. The Millennium Development Goals encouraged the emergence of a global norm to identify and measure global progress in reducing poverty. In particular, the US\$1 a day has emerged as a global extreme poverty line. The MDG Goal 1 target 1 commits the international community to halve the population living below US\$1 a day in 2015. The US\$1 a day poverty line emerged from averaging poverty lines employed in a set of low income countries in 1990.<sup>1</sup> Comparison of living standard across countries relies on purchasing power parity (PPP) rates of exchange, reflecting the cost of a similar consumption basket and expressed in US\$. Revisions to the values of PPP rates led to the upgrading of the US\$1 to US\$1.08 in 1993 and to US\$1.25 in 2005.<sup>2</sup>

A higher level poverty line can be set at US\$2, which roughly corresponds to the median poverty lines in developing countries; and US\$4 which is considered more appropriate to poverty lines in upper middle income countries. Based on this family of poverty lines, it is

possible to estimate the proportion of the population in developing countries with consumption/income below them, the poverty headcount. And poverty measures based on the poverty gap, the population average poverty gap as a proportion of the poverty line.

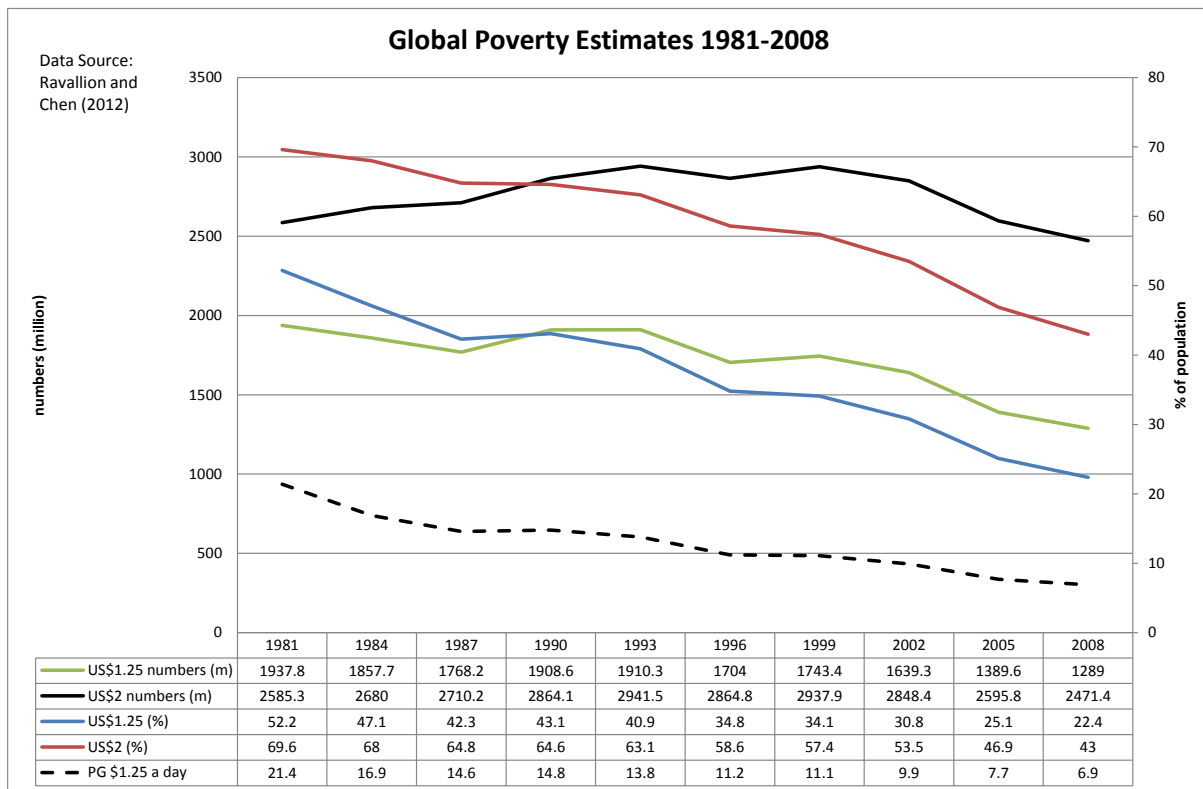
Ravallion and Chen's estimates of global poverty,<sup>3</sup> are summarized in Figure 1. They show a declining trend in global poverty headcount rates since 1990. Based on the 2005 US\$1.25 poverty line, the global poverty headcount rate has fallen from 43.1 percent to 22.5 percent. A more gradual fall in poverty is observed if the focus is instead on the 2005 US\$2. The global poverty headcount rate for the US\$2 a day fell from 64.6 percent to 43 percent. Rising population in the South ensures that numbers of people living on less than US\$1.25 show a slower reduction from 1.9 billion to 1.3 billion; and a smaller reduction from 2.86 billion in 1990 to 2.47 billion for the US\$2.

These estimates rely on consumption or income measures from household survey data.<sup>4</sup> Measured from their 1990 levels, the share of the population living on less than US\$1.25 a day declined at a rate of around 1 percent a year in the 1990-2008 period.

The estimates presented in Figure 1 focus on the poverty headcount, as does the MDG Goal 1 target 1. In several respects the poverty headcount rate is an imperfect measure of poverty as it depends on a unique, but discretionary, poverty line. It places a value on crossing the poverty, above all other changes to the wellbeing of people in poverty.

Crucially, a 1 cent gain for a person on 99 cents, perhaps transferred from another person at 5 cents, is recorded as a reduction in poverty. It is therefore reassuring that the poverty gap also shows a declining trend, from 14.8 percent in 1990 (21.4 percent in 1981) to 6.9 percent in 2008.<sup>5</sup> The global poverty gap has been estimated at 0.3 percent of global GDP in 2008.<sup>6</sup>

Figure 1. Global Poverty Estimates 1981-2008



The focus on ‘global poverty’ should not gloss over the fact that the reduction in poverty since 1990 has been uneven across regions and countries.

Poverty trends in China dominate the changes in global poverty between 1990 and 2008. Excluding China, the declining trends shown by the global poverty measures in Figure 1 are significantly lower, the US\$1.25 poverty headcount rate falls from 37.2 percent to 25.5 percent, and the US\$2 poverty headcount rate falls from 57.7 to 47 percent. In terms of overall numbers in extreme poverty, excluding China the number of people in extreme poverty hovers around 1.2 billion, while the numbers on less than US\$2 a day rise from 1.9 billion to 2 billion.

On the other hand, the US\$1.25 poverty headcount rate in sub-Saharan Africa decline from 56.5 to 47.5 percent in the same period, well below the global trend. And the population in the region surviving on less than US\$1.25 a day has risen from 0.29 billion to 0.38 billion.

The poverty gap index for sub-Saharan Africa remained at 20.6 percent in 2008, almost three times greater than the global poverty gap index.<sup>7</sup> Sub-Saharan Africa and South Asia account for just below three quarters of the population in developing countries living on less than US\$1.25 a day in 2008. They will remain the main focus of international policy over the next decades.

### ***Poverty trends in the medium term***

Are current global poverty trends sustainable into the future? What factors will help define these trends? The reduction in global poverty experienced since 1990, but especially since the turn of the century, has been facilitated by high and sustained growth in most low and middle income countries. The rapid reduction in poverty in China, driving the fall in global poverty, is to an important extent a consequence of the very high rates of growth experienced by the Chinese economy. This poses the question whether a deceleration of growth in developing countries, perhaps exacerbated by the effects on trade and migration of the financial crisis and austerity in high income countries, could significantly weaken current poverty reduction trends. This is also important in the context of shaping the post-2015 Development Agenda in ways that help sustain poverty reduction trends.

Forecasting changes in poverty into the medium term requires paying attention to three key factors: (i) the growth in per capita GDP; (ii) the share of consumption in GDP; and (iii) the distribution of consumption and income.<sup>8</sup> Assuming no change in the distribution of consumption/income and a constant share of consumption in GDP, positive growth in per capita GDP will reduce poverty by raising welfare levels among groups currently in poverty. Higher rates of growth will have stronger effects on global poverty reduction. A fall in the share of consumption in GDP, on the other hand, could counteract the growth effects on poverty, especially as consumption rises at a slower rate than GDP. Along similar lines, a rise in inequality in the distribution of the gains from growth, through

increasing cross-country inequality or within country inequality, could also counteract the poverty reduction effects of growth.

Hillebrand's decomposition of global poverty reduction for the period 1981 to 2005 shows these factors at work.<sup>9</sup> In his computation, the reduction in extreme poverty global numbers is predicted to have been significantly higher if only growth is taken into account. The global poor would have been 1.1 billion fewer if only growth is taken into account, but the reduction in the share of consumption in GDP subtracts 344 million from this figure; and the adverse effect of changes in the Lorenz curve of consumption/income subtract another 241 million, before reaching the actual reduction in poverty numbers for the period at 520 million. A brief review of expected trends in these three factors will help to identify the sustainability of current global poverty trends into the future.

Ravallion draws on World Bank growth projections to predict a continuation of the 6 percent rate of growth experienced by the economies of the developing world since the mid-1990s. This suggests at 4.9 percent growth in per capita income once population growth is accounted for (compared to the 3 percent growth in per capita income in the Hillebrand decomposition reported above). Current forecasts suggest continued strong growth in developing countries, but eventually shifting to lower rates in the large middle income countries.

With an unchanged ratio of consumption to GDP and marginal changes to the distribution of consumption, sustained growth can be expected to support further reduction in extreme poverty for the medium term. However, there is much less consensus over future trends in the share of consumption in GDP and over inequality trends. The issue with the consumption to GDP ratio in low and middle income countries is its large variation around the mean, which makes credible predictions of future trends extremely hard. And there is very little consensus in the literature regarding future trends in inequality. Ravallion and

Chen’s estimates indicate that inequality among low and middle income countries changed little between 1990 and 2008, declining in the 1990s and rising in the 2000s.<sup>10</sup>

Decomposed by inequality between countries and within countries, their estimates indicate a declining trend for cross-country inequality and a rising trend for within country inequality, again dominated by rapidly rising inequality in China. Regional differences in inequality trends are significant.

Hillebrand’s and Ravallion’s projections of global poverty trends are summarised in Table 1 below.<sup>11</sup> The authors are at pains to point out that the figures in the table should be read as, more or less, linear extrapolation based on stylised assumptions of the change in growth, consumption to GDP, and inequality. In both contributions, the baseline is current expectations of growth trends generated by the World Bank in Ravallion’s case, and by the International Futures model in Hillebrand’s case. They assume no change in consumption to GDP ratios and in the distribution of consumption/income.

Table 1. Global Poverty Reduction Scenarios (US\$1 – population shares, unless stated; actual in bold)

		1990	2005	2015	2017	2022	2050
Ravallion (2012)	Optimistic Scenario	<b>43.1</b>	<b>25.1</b>	16.3	13.8	8.6	
	Ambitious Scenario				11	8	
Hillebrand (2012)	Trend Growth Scenario		21.3	13.3			12
	Market First Scenario						2.6
Ravallion (2012)	Optimistic Scenario	<b>14.8</b>	<b>7.7</b>		3.9	2.3	
	Poverty gap index						

Data Source: (Hillebrand, 2011, Ravallion, 2012)

The differences in projected figures between the *Optimistic Scenario* in Ravallion and the *Trend Growth Scenario* in Hillebrand are therefore largely explained by the difference in the assumed growth rates, 4.9 percent in the former and 3 percent for the latter, as well as differences in the initial poverty headcount rate in 2005. Hillebrand’s expectations are also



more conservative because they are based on growth models for individual countries.

Ravallion's *Ambitious Scenario* assumes that the rate of growth of per capita income will be the same as the rate of GDP growth, and crucially that within country inequality will remain constant. As he puts it, this "combination will entail a significant change in how the benefits of macroeconomic growth are distributed" (p.10).<sup>12</sup> Hillebrand's *Market First Scenario* retains the assumption of constant consumption to GDP ratio but it now assumes full convergence in developing countries' growth trajectories.

Ravallion also provides a set of poverty gap index projections, which are generated by a log specification of the trend as opposed to the linear specification in the global poverty headcount projections. They show a more gradual decline, which is mainly driven by the reduction in the poverty headcount.<sup>13</sup>

There are strong reasons to be cautious in assessing these medium term projections.<sup>14</sup>

Linear projections disregard the dominant influence of national level policy, as shown by the fact that the 1990-2008 period shows considerable variation in country progress in poverty reduction. Projections of global poverty trends at the regional level will help to illustrate this point. As can be seen from Table 2, the projections for 2015 and 2050 suggest that the incidence of extreme poverty will decline rapidly for South Asia and East Asia, while at the same time population growth and low levels of initial consumption/income are expected to increase the share of the global extreme poor living in sub-Saharan Africa. This is the case even in the context of convergent growth as assumed by Hillebrand. Sustaining global poverty reduction trends will involve above average progress in the region showing disappointing trends for the 1990-2008 period, and where the poverty gap is largest.

Table 2. Global poverty headcount projections for selected regions (millions)

	Ravallion (2012)	Hillebrand (2012)	
	Optimistic Scenario	Market First Scenario	
	2015	2015	2050
Sub-Saharan Africa	397	395	205
South Asia	418	249	14
East Asia and Pacific	159	126	15
Latin America and the Caribbean	33	35	7.8

Data Source: (Hillebrand, 2011, Ravallion, 2012)

The global poverty trends reviewed here have implications of antipoverty policy in the post-2015 Development Agenda. They are reviewed below.

### **Implications for anti-poverty policy**

Sustaining recent trends in global poverty reduction into the future will require sustaining growth and ensuring that the distribution of the gains from growth favours disadvantaged groups. Driving global extreme poverty to zero, will involve paying special attention to policies facilitating to the social and economic inclusion of groups in extreme poverty. It will require addressing the barriers preventing these groups from making full use of economic opportunities.

#### *Beyond the US\$1.25 a day poverty focus?*

It is important to avoid a minimalist and residual poverty orientation in international development policy. The US\$1.25 a day poverty line focuses primarily on physical subsistence in low income countries.<sup>15</sup> Wellbeing thresholds help identify the worst off but are not endowed with unique standing. Extreme poverty can be represented, by the US\$1.25 a day, but it is not reducible to it. It is also important to focus on poverty measures that take account of differences in wellbeing among disadvantaged groups.

People are not poor, they are in poverty. A significant proportion of those in poverty are in persistent poverty - around 40 percent as a rough rule of thumb.<sup>16</sup> The proportion of people experiencing poverty within a year is significantly larger than those observed to be in poverty at a point in time. An implication is that the share of the population which is the focus of effective antipoverty policies is bound to be much larger than the poverty headcount rate as measured at one point in time.<sup>17</sup>

Current trends suggest that global poverty is no longer foremost an issue of poor countries but rather of people in poverty in low and middle income countries. The majority of people in extreme poverty today live in middle income countries.<sup>18</sup> However, as the global projections show, over time the global population in extreme poverty is likely to concentrate in sub-Saharan Africa.

*Linking antipoverty policy and growth strategies: the role of opportunity?*

In high income countries, tax-transfer systems shape the distribution of income. Through progressive taxation and transfers, welfare states reduce the inequality in income generated by market processes to the benefit of the less advantaged.<sup>19</sup> In addition, universal provision of basic services like education, health, and housing aim to reduce disparities in access to these services. In low and middle income countries, on the other hand, tax and transfers systems can be neutral or even regressive in their effects,<sup>20</sup> and disparities in access to basic services, and in their quality, ensure the persistence in disparities in opportunity to the detriment of disadvantaged groups.<sup>21</sup>

In the context of sustaining poverty reduction trends into the future, reducing disadvantage is hugely significant, perhaps more significant than focusing on changes in population wide inequality measures, important as they are. Ensuring that growth is pro-poor, that tax-

transfer systems are progressive, and that disadvantage groups have fair access to basic services are all essential components of a strategy to poverty eradication.

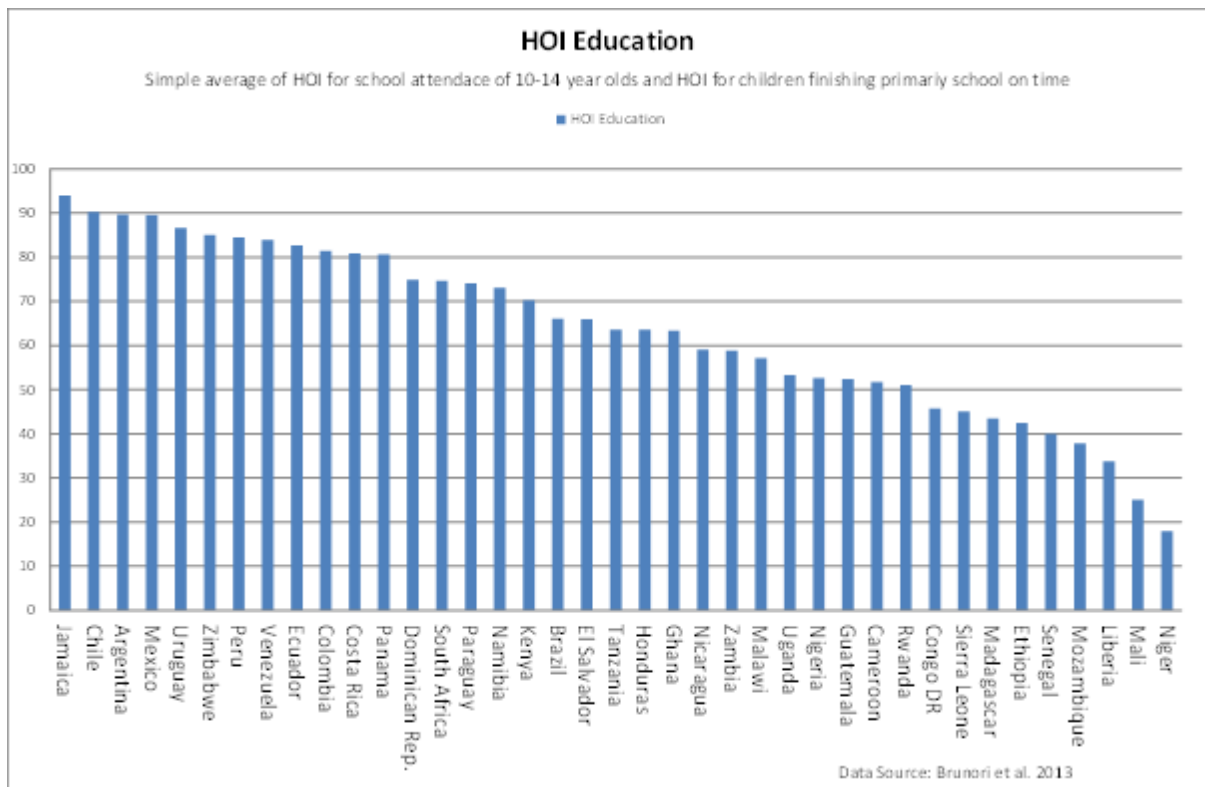
When the focus is on the population in extreme poverty, acute deficits in access to basic services create the conditions for persistent poverty and deprivation, lead to poverty traps, and disconnectedness and disengagement with growth and political processes. Recent studies have developed a Human Opportunity Index to draw attention to the distribution of access to basic services across population types sharing similar circumstances, in order to throw light on the role of disparities in opportunity.<sup>22</sup> Box 1 provides a description of the Human Opportunity Index approach and some estimates for education across countries in Africa and Latin America. The inclusion of groups in extreme poverty in redistribution of income and consumption and improved access to basic services will help maximise the poverty reduction effect of economic growth.

Sustainable exit from poverty requires the economic, social and political inclusion of people in poverty and extreme poverty. In policy terms, this implies the inclusion of disadvantaged groups in employment, fiscal redistribution, and preferential access to basic services. Antipoverty transfer programmes have demonstrated considerable effectiveness in reaching disadvantaged groups and facilitating inclusion. They are the focus of the next section.

---**Box 1** Human Opportunity Index

The Human Opportunity Index (HOI) measures coverage of basic services adjusted for disparities across population types with similar circumstances (typically groups partitioned according to education of parents, rural-urban location, etc.)(Molinas Vega et al., 2012, Barros et al., 2009). The index is intended to provide a measure of disparities in opportunity. The share of the population with access to services is adjusted by an index of dissimilarity which computes normalised and population weighted deviation from the mean across the population types. The index takes account of the fact that both the average coverage and its distribution are important in assessing opportunity. The Index varies between 0 and 100.

Figure 2 Human Opportunity Index for Education



Data source: Author

Brunori at al. (2013) collected computed HOIs for countries in Latin America and Africa.

Figure 1 shows the values for the HOI in education. Disparities in access to education

explain, for example, why Brazil ranks lower than Paraguay, or Jamaica ranks higher than Chile. Brunori et al. (2013) note that the HI is closely correlated with GNI per capita and even more strongly correlated with the Human Development Index for these countries.

The HOI is computed as:

$$HOI^j = C^j (1 - D^j) \quad , \quad \text{where } C^j = \frac{1}{n} \sum_i C_i^j \quad \text{and } D^j = \frac{1}{2C^j} \sum_{k=1}^K w_k (C^{jk} - C^j) \quad (1)$$

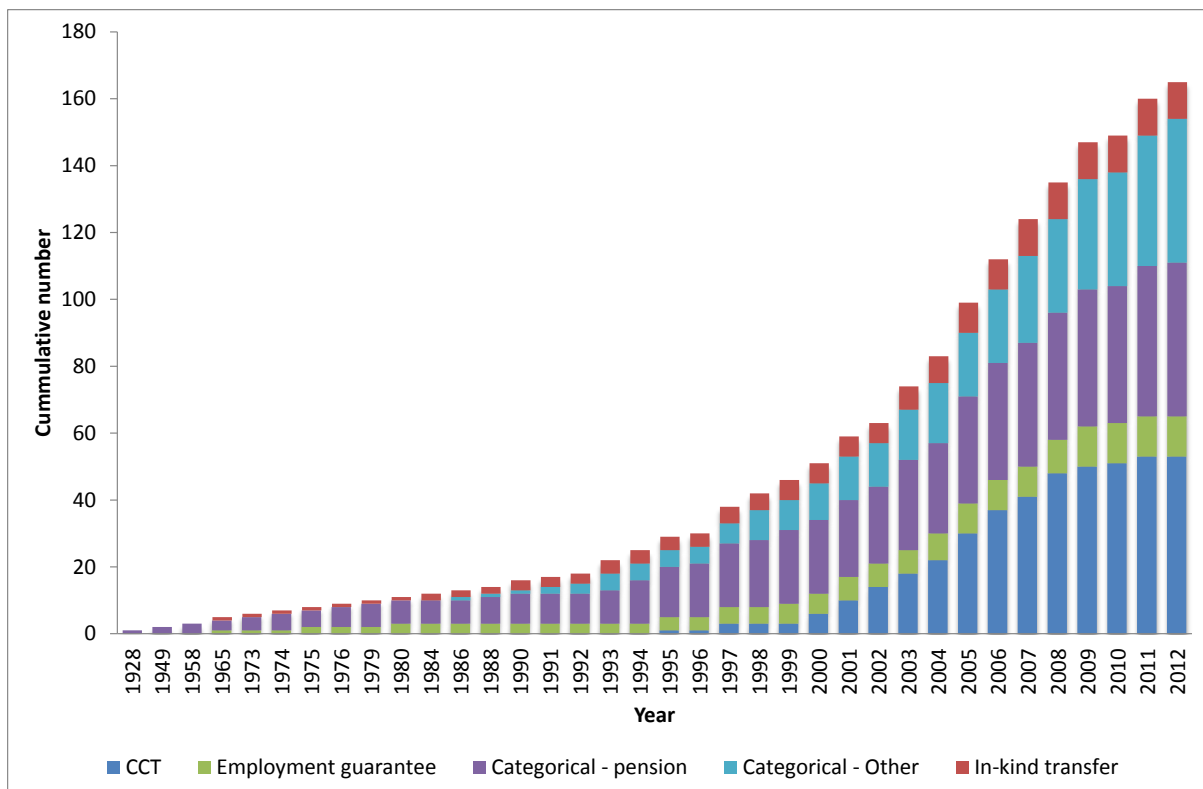
Where j indexes the service, k ∈ K indexes the type and i ∈ n indexes individuals. C is the coverage rate and w<sub>k</sub> is the share of the population in type k.

----end of Box 1

## Antipoverty Transfers in Developing Countries

Perhaps the most significant change in antipoverty policy in developing countries has been the growth of large scale programmes providing direct transfers in cash and in kind to families and individuals facing poverty and vulnerability, with the objective of facilitating their escape from poverty. The spread of antipoverty transfer programmes since the turn of the century has been astounding. Figure 3 shows the rise on the number of programme starts globally. Our estimates suggest that by 2010 between 750 million and 1 billion people in developing countries lived in households receiving antipoverty transfers.<sup>23</sup>

Figure 3 Social assistance programmes - cumulative starts



Data source: Author

Antipoverty transfer programmes show considerable diversity in low and middle income countries. The design, scope, and objectives of antipoverty transfer programmes reflect, to a large extent, local learning about what works in poverty reduction, economic

development, institutional capacities, and political processes and priorities. The expansion of antipoverty transfers in developing countries is largely driven by national politics and policy making.

Mexico's 1997 *Progresa/Oportunidades* developed out of a concern with the impact of agricultural liberalisation on intergenerational poverty persistence in rural areas. Its design, including transfers to families with children conditional on school attendance and primary health care utilisation, was a reaction to ineffective food subsidies.<sup>24</sup> India's 2005 *National Rural Employment Guarantee Scheme*, providing 100 days employment on demand to unemployed heads of household, is a response to persistent poverty in rural areas designed around existing state level employment guarantees.<sup>25</sup> South Africa's 1998 *Child Support Grant* extended social assistance to children in poor households, and was influenced by the perceived effectiveness of old age transfers.<sup>26</sup> China's 1999 *Minimum Living Standards Scheme* was initially set up to provide assistance to older and disabled urban residents in poverty, but was swiftly extended to support growing numbers of unemployed workers from recently liberalised state owned enterprises.<sup>27</sup>

The wider diversity in programme design calls for taxonomy.<sup>28</sup> Antipoverty transfer programmes include pure transfers for households or individuals in poverty, like social pensions or child and family allowances; transfers combined with asset accumulation, like human development conditional cash transfers (ccts), employment guarantees and asset protection transfers; and integrated antipoverty transfers, like BRAC's *Challenging the Frontiers of Poverty Reduction: Targeting the Ultra-Poor* or Chile's *Ingreso Etico Familiar*.<sup>29</sup> Integrated anti-poverty transfer programmes combine several interventions and pay explicit attention to social and economic inclusion. These three ideal types are grounded on distinct perspectives on poverty: poverty as income or consumption deficits; poverty as consumption and productive asset deficits; and poverty as multidimensional and



the outcome of social and economic exclusion. Figure 3 shows growth in all three categories, but principally in programmes combining transfers with asset accumulation (human development conditional cash transfers and employment guarantees) and pure income or categorical transfers.

### **How best to study them?**

The rapid growth of antipoverty transfer programmes has taken many in the international development community by surprise.<sup>30</sup> Practice has sprinted ahead of the conceptual frameworks needed to study and assess them. As a consequence, there is some uncertainty around the orientation and scope of antipoverty transfers, especially in international policy debates. Some briefs comments on approach and terminology will be helpful.

From an institutional perspective, antipoverty transfers are one of the components of social protection. Social protection includes social insurance which consists of schemes financed by contributions from workers and employers aimed at addressing life course and work contingencies; social assistance which includes tax-financed programmes addressing poverty; and employment programmes, whether ‘active’ or ‘passive’.

In developed countries, welfare states have been successful in integrating the provision of basic services, like health and education, with social protection institutions. For the majority of countries in the North, social insurance and basic service provision are the largest components of welfare states and social assistance can be a relatively small and residual component.<sup>31</sup>

In developing countries, social insurance schemes and employment programmes are restricted in coverage.<sup>32</sup> Even in Latin America and the Caribbean, where social insurance schemes can be traced back to early 20<sup>th</sup> century, coverage is restricted to workers in formal employment - around one half of the labour force. In Asia and Africa, a minority of

workers are in formal employment and therefore social insurance is residual. The recent expansion of social protection in the South has concentrated on antipoverty transfers, the social assistance component.

In a developing country context, stakeholders sometimes conflate humanitarian and emergency assistance with social or public assistance. The notion of safety nets, as employed by Bretton Woods institutions for example, makes no distinction between short term emergency assistance and social or public assistance. Humanitarian and emergency assistance has an important role to play in addressing the effects of disasters and conflict.<sup>33</sup> But the recent expansion of social protection in the South is focused on establishing and developing longer term institutions needed to eradicate poverty and deprivation.

The political and economic conditions within which antipoverty transfers have emerged in developing countries in the last decade have encouraged a focus on self-standing flagship programmes, as opposed to integrated institutions. The reasons behind a programme approach are complex and often country specific. They include fiscal constraints, political opposition, knowledge gaps, the time window of international aid, and the hubris of silver bullets in international development policy. As a result, the focus of international discussions is largely on flagship programmes like Mexico's *Progresas/Oportunidades*, Brazil's *Bolsa Escola/Familia*, South Africa's *Child Support Grant*, Ethiopia's *Productive Safety Net Programme*, India's *National Rural Employment Guarantee Scheme* to name a few.

In the pioneer countries, a shift in policy and practice from flagship programmes to stable and, more or less permanent, institutions is underway. In many Latin American countries, for example, ministries of social development combine and coordinate public policy on poverty and vulnerability.<sup>34</sup> Further institutionalisation of social assistance is a welcomed development and will determine the future shape of social protection in the South. It makes

sense to approach antipoverty transfer programmes as embryonic social protection institutions, as opposed to short term development projects.

In just a decade, social protection has become widely accepted in developing countries as an essential component of an inclusive development strategy. Growth delivers economic opportunity and basic services support productive capacity, but without social assistance they are unlikely to reach the poorest.

### **Explaining the growth of antipoverty transfers**

The growth of social protection programmes has been swift in middle income countries, which is of great importance given the fact that a majority of poor people in the world lives in middle income countries. Progress has been slower in low income countries. To an extent, this is explained by acute constraints in financial resources and implementation capacity in these countries. Political factors are significant too. Limited democratisation and the absence of political competition can make elites unresponsive to the needs of their citizens. In aid dependent countries, elites are able to ‘export’ poverty reduction to donors, which becomes a task for aid agencies. Successful antipoverty programmes require good technical analysis but also political support.

Democratisation and enhanced fiscal space in low and middle income countries, especially with recent economic growth in Africa, could become the drivers for the expansion of social protection. The role of democratisation in the development of social policy and related institutions is well documented.<sup>35</sup> Enhanced fiscal space in developing countries is explained by improvements in revenue collection capacity, especially corporate taxation linked to natural resources. Revenues from natural resource exploitation and from the spread of VAT have facilitated the financial conditions for the growth of antipoverty transfer programmes. In some cases, antipoverty transfer programmes have been

established and justified as a means to share the gains from natural resource exploitation.<sup>36</sup>

The sources of financing also generate some challenges for low and middle country governments, especially relating to the sustainability of antipoverty transfer programmes and to the legitimacy of the emerging institutions.

Generalising from the experience of developing countries which have introduced and supported large scale antipoverty transfer programmes, several factors can be found to generate political consensus behind the expansion of social assistance. They include: (i) strengthened social contracts - embedding shared solidarity values – as in South Africa or Brazil; (ii) the role of fiscal pacts around natural resource revenues and consumption taxes, the primary revenue source for governments in the South as in Bolivia or Argentina; (iii) awareness by policy makers and the mass public regarding the effectiveness of antipoverty transfer, especially through the findings from independent impact evaluations as in Mexico; (iii) broadly shared concerns with the adverse effects from structural transformation, as in India, Mexico, or China. Political support for the expansion of social protection is often found to be associated with a renewed commitment to the gradual realisation of rights and social citizenship, and the pursuit of equity.

The diversity in social assistance programmes in the South and the specificity of the political processes and outcomes supporting them confirms the primacy of national policy and political processes in the emergence of social protection in each country.<sup>37</sup>

### **Design and Impact**

Here we examine some design features which distinguish social protection innovations in developing countries, some of which have been discussed extensively in the literature.<sup>38</sup>

### *Scale and scope*

New forms of social assistance in developing countries without exception target poor and poorest households. In most cases, this involves a mix of selection strategies. *Progresa* used geographic targeting to identify communities in rural Mexico with the highest levels of marginalization, then a proxy means test to rank households on several deficit indicators, and finally community validation.<sup>39</sup> This was closely replicated in Honduras' *PRAF II* programme, except that poverty incidence in marginalized communities was so high that it made more sense to select out the non-poor than to select in the poor, an affluence test. In Brazil, social assistance transfers like *Bolsa Familia* and the *Beneficio de Prestação Continuada* the selection mix involves a comparison of per capita household income with the national poverty line, plus in the latter case a minimum age requirement of 65 years of age, the latter an example of categorical selection. India's *National Rural Employment Guarantee* relies on self-selection by participants with earnings below the market rate or unemployed. Individuals who are unemployed and have a work card can request work is assigned to them by the local authority. Assessments of selection effectiveness suggest that they broadly are effective in reaching their target population. Selection effectiveness improves with the size of the programme. Broad targeting works better than narrow targeting. And a combination of selection strategies works better than reliance on a single selection method.<sup>40</sup> Increasingly, selection techniques rank households from poorest to moderately poor, with eligibility thresholds dependent on financial and policy parameters.

New forms of social assistance incorporate and operationalise a multidimensional understanding of poverty, and particularly extreme poverty. New forms of social assistance are increasingly designed as integrated interventions based around income transfers.

*Progresa*, for example, combined income transfers with interventions on nutrition,

schooling, and health and, when scaled up to *Oportunidades*, it incorporated additional services included training, job search, youth inclusion, saving instruments, and micro-enterprise development. This widening of the scope of the programmes follows on from the recognition that overcoming poverty requires integrated support on a number of dimensions, especially in a context in which basic services and insurance programmes exclude large numbers of poor and poorest households. Chile's *Chile Solidario* had the widest scope, focusing on seven dimensions of welfare and on 53 minimum thresholds.<sup>41</sup> Income transfers are unlikely to be sufficient on their own to pull poor households out of poverty, even assuming their level could be raised significantly.

### ***Conditions***

Some social assistance programmes attach conditions to the continuation of transfer payments. Public works and employment guarantee programmes, Ethiopia's *Productive Safety Net Programme* for example, attach work conditions to participation in the programme, in part as a means to ensure self-selection among potential participants and also in order to improve community infrastructure. Latin American human development conditional transfer programmes aim to reduce the intergenerational persistence of poverty by supporting investment in health and schooling. Mexico's *Progresa/Oportunidades*, for example, requires that school-age children are enrolled and attend for at least 85 percent of the time; that all household members visit primary health care centres, and that mothers attend nutrition training sessions. Failure to comply with these conditions can result in the suspension of transfers. More broadly, these programmes have adopted co-responsibilities which spell out the responsibilities and standards of performance of the programme agency on the one hand and the conditions applied on participant households on the other. These are formally established at the time households join the programme.

Issues relating to these conditions have been discussed extensively in the literature. Firstly, there is a concern that conditions might in fact penalise households least able to comply with the conditions. Secondly, there is a concern that the effectiveness of conditions has not been fully established, with the implication that conditions might in fact be unnecessary or even counterproductive. Furthermore, even where conditions can be shown to be effective, it would be necessary to establish that the gains from conditions outstrip the additional administration and implementation costs. Thirdly, there is a concern that compliance of the conditions falls primarily on mothers, with no form of compensation available. Fourthly, and in view of the experience of developed countries with welfare reform, there is a concern that conditions might not be required for programme effectiveness but instead to secure political support from taxpayers.

In Latin America, the first concern, that conditions penalise those least able to comply with the conditions, has led some programmes to use non-compliance of conditions as a means to trigger further support for the participant households. This is the case in Brazil's *Bolsa Familia*. More broadly a distinction has been drawn between programmes with 'soft' and 'hard' conditions, which depends on the way in which programmes deal with non-compliance.

There is very little hard evidence on the separate effectiveness of conditions, but there is evidence that programmes with conditions achieve their objectives.<sup>42</sup> Consequently, researchers have looked into the details of programme implementation to identify whether 'natural experiments' could throw light on this issue. The extension of the *Bono de Desarrollo Humano* in Ecuador, a human development transfer programme, is interesting because the programme was advertised, to beneficiary households and the general public, as including conditions on schooling and health but in practice the government was not in a position to implement the conditions. A study compared information on schooling

responses from households who understood there was a relevant condition in the programme and households reporting having no knowledge of conditions. It finds that the belief that conditions were part of the programme did influence positively their schooling decisions.<sup>43</sup> The initial introduction of Mexico's *Progresa* seems to provide another 'natural experiment'. Compliance with schooling conditions is monitored through a form which beneficiaries take to school to be filled in, but for administrative reasons a group of beneficiaries were not issued with the forms. A study compares the schooling responses of beneficiary households without forms or knowledge of conditions, and other groups of beneficiary households. It finds that knowledge of conditions seems to have influence schooling decisions at the secondary school level.<sup>44</sup> The studies suggest conditions may matter, but it is hard to generalise from these highly specific settings. At any rate, the effects are likely to be small, for example in Mexico school enrolment rates in primary education were above 90 percent before the introduction of *Progresa* so that the effect of conditions could at best bind on the 10 percent of children not enrolled at school. A point often missed in policy discussions is that it is the marginal, not the average, effect of conditions that indicates their effectiveness.

Some researchers have pointed out that in many human development programmes mothers are the direct recipient of the transfer and the person primarily responsible for compliance with the conditions.<sup>45</sup> In general, concerns over the extent of compliance costs must be taken on board by programme designers. It is also the case that conditions might enforce some degree of coordination between programme managers and other Ministries, health and education for example, which could strengthen implementation effectiveness.<sup>46</sup>

### ***Time windows and exit strategies***

Another important feature of new social assistance relates to the time window for interventions. This raises some interesting issues at a more fundamental level. Limited



time windows reflect a concern to avoid dependency. It is a feature of new social assistance programmes that they identify some ‘graduation’ process for beneficiary households. Most programmes include a regular review of eligibility at regular intervals, e.g. every three years. Eligibility conditions also provide ‘graduation’ milestones such as children growing beyond school age or the death of pension beneficiaries.

Most of the programmes above aim to protect the poor from the harm done by persistent poverty; but they also aim to strengthen their productive capacity through facilitating investment in schooling, health, and nutrition; and to strengthen their agency. The optimal time windows might well be different for each of these different functions. The protection role would be best performed by permanent institutions that come into play whenever households fall into poverty. The promotion role would be most effectively performed at specific points, e.g. school age children, expectant mothers. It is hard to envisage a time window for empowerment, though in practice it would be most effectively done with a mix of time-specific interventions and rights. Time windows reflect in part that one or other of these functions is dominant. Time windows are also one of the design features aimed at building credibility around social assistance programmes.

In developing countries, the design of time windows and “graduation” mechanisms should take into account the nature, quality, and coordination of the institutions charged with delivering public programmes. Graduation from a programme in a context in which supplementary programmes ensure ‘propulsion’ away from poverty for beneficiary ‘graduates’ will be very different than graduation in a context where the end of income transfer dumps beneficiary households straight back into precarious livelihoods. In the latter, graduation is problematic. Without appropriate consideration being given to follow up interventions helping graduating households avoid falling back into poverty, the success of social assistance programmes will be limited.

## ***Impact***

The gains from improving our knowledge of what works in reducing and preventing poverty are large, and a strong focus on evaluation and research is a feature of recent social assistance in developing countries. The strength of evaluation processes associated with Mexico's *Progresa/Oportunidades*, for example, has become a 'gold standard' for antipoverty programmes elsewhere. In the case of Mexico, the attention paid to evaluation was required for the political sustainability of the programme. Securing reliable information on programme outcomes also contributes to improvements in programme design and implementation.

What is the impact of social assistance programmes? The quality of impact evaluation is not uniform across programmes. In many cases complete and comprehensive impact evaluations are not yet available. However, the findings to date suggest that programmes have had some success in achieving their objectives. Human development income transfer programmes in Latin America, for example, have had a measure of success in facilitating improvements in school enrolment, health prevention, and nutrition levels.<sup>47</sup>

There is vast literature assessing the impact of social assistance in developing countries, here the focus will be on impacts on poverty, consumption, and productive capacity.

Surprisingly, there is limited evidence on the impact of social assistance on poverty rates. Transfer levels are, as a rule, a fraction of the poverty line and therefore not expected to pull programme participants above the poverty line by themselves. Poverty rates are influenced by a range of factors in addition to social assistance. The common practice is to compare poverty rates among participant households including transfers and excluding transfers, but this approach ignores potential behavioural responses to the transfer among these households. Behavioural responses could reduce the impact of transfers, if they

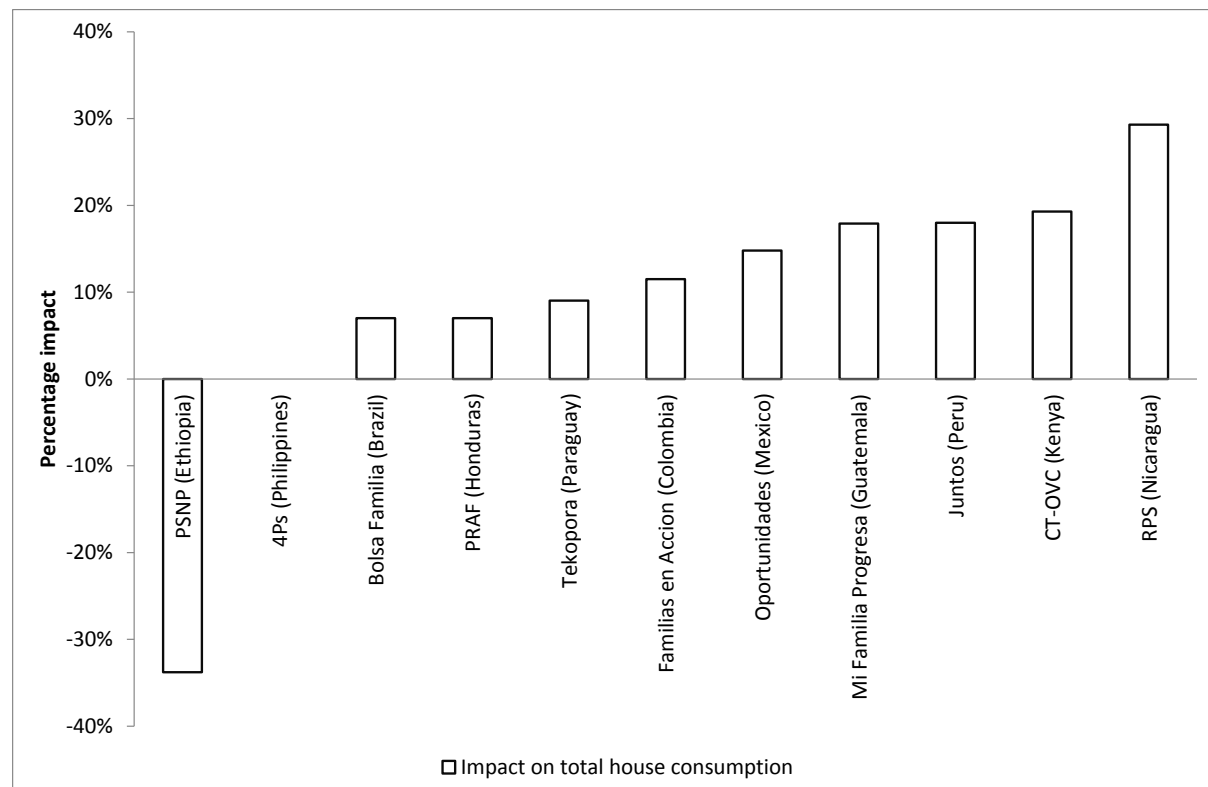
crowd out private transfers for example; or they can also enhance their impact if they lead to a reallocation of household productive resources.<sup>48</sup>

Difference in difference impact evaluations can provide fairly precise estimates of the poverty reduction effectiveness of antipoverty transfers. Estimates of the poverty reduction impact of Mexico's *Progresa* provide a very accurate impact assessment. This is because the programme was implemented among households in one set of locations in 1997. In another set of locations, households did not join the programme until two years later, in 1999. This enabled researchers to compare poverty among 'treatment' and 'control' groups of households. Using as a poverty line the 50<sup>th</sup> percentile of household consumption, Skoufias (2005) finds that *Progresa* had a limited impact on the headcount poverty rate, with 11.7 percent fewer individuals in poverty among the 'treatment' group; but a stronger impact on the poverty gap. Among households joining the programme in 1997, the poverty gap was more than one third smaller compared to households in the 'control' group. It also reduced the poverty gap squared by just over 45 percent, which suggests that *Progresa* had a stronger impact among the poorest beneficiaries.

The most direct impact of transfers is on household consumption. With few exceptions, impact evaluation studies observe a rise in household consumption following the receipt of transfers by households in poverty. Figure 4 draws from impact evaluation difference-in-difference estimates of change in household consumption in human development conditional transfer programmes. For most programmes, the observed rise in consumption is in line with the size of the transfer relative to household consumption. This could be interpreted to mean that the bulk of the transfer was consumed by beneficiary households. It is interesting to speculate on households' use of the difference between the additional consumption and the level of the transfer. Several explanations are relevant, including

private transfers to relatives, neighbours or faith and community organisations, payments to officials, saving and investment, to name a few.

Figure 4 Difference in difference estimates of household consumption gains (change in total household consumption of treatment group minus change in consumption of control group)



Data source: Author

The impact of transfers on consumption reported in the Figure reflects fairly accurately the findings from studies of other programmes and regions.<sup>49</sup>

Studies focusing on the distribution of consumption find a more than proportionate growth in food consumption.<sup>50</sup> Households receiving support from *Bono de Desarrollo Humano* in Ecuador had a twenty-five percent increase in food expenditure, which was linked to improvements in nutritional status.<sup>51</sup> In Colombia, a substantial increase in intake of

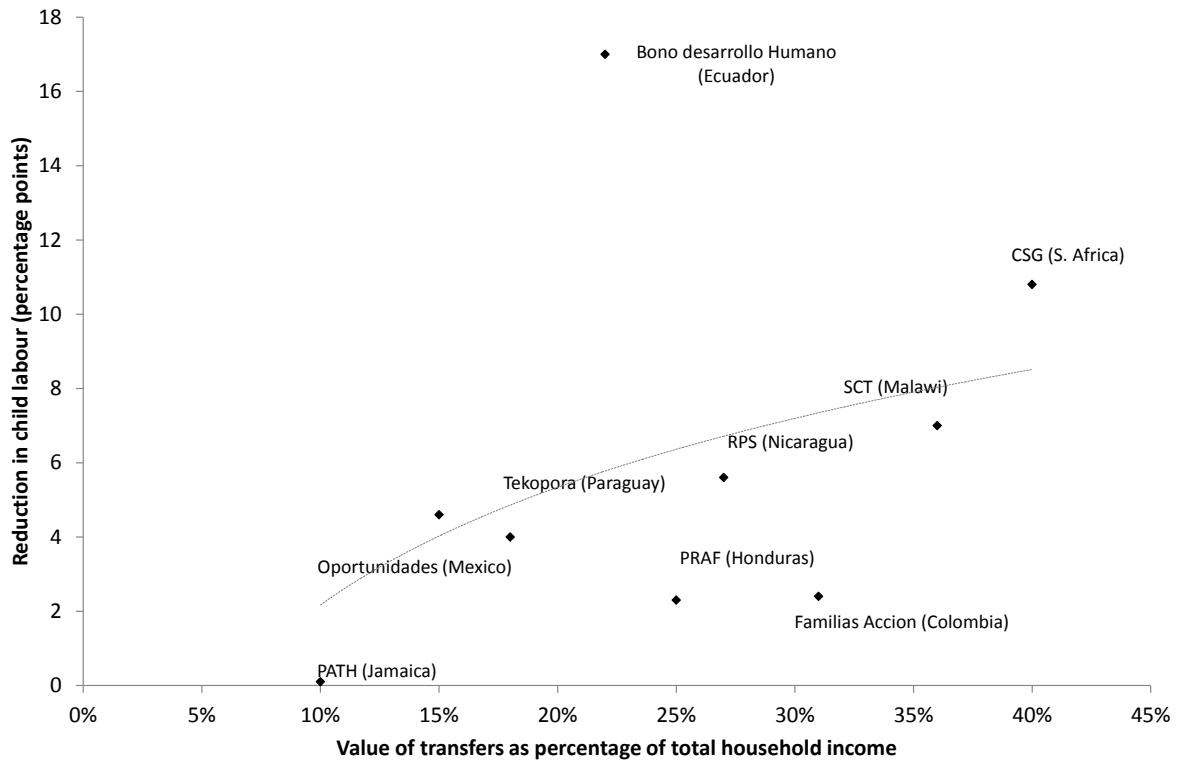
protein-rich foods and vegetables was reported as a result of participation in *Familias en Acción*.<sup>52</sup>

In addition to improving household consumption in the short run, most transfer programmes aim to reduce household poverty in the longer run. At its simplest, this is based on the proposition that improvements in current consumption have medium-run effects on human development, with implications for productivity. Addressing child nutrition, for example, is likely to improve child welfare, but also to facilitate learning. Increasingly, transfer programmes combine a concern with strengthening current consumption with facilitating investment in households' productive capacity. Asset-based programmes focus directly on enhancing the protection and accumulation of physical or financial assets. These in turn are expected to improve household productive capacity in the medium and longer run. The same applies to human development-focused programmes, which aim to improve the health status of household members and especially the schooling of children. To the extent that improvements in households' productive capacity are essential to sustainable and permanent exit from poverty, antipoverty transfer programmes can have an impact on the probability of poverty in the future.

There is strong evidence on the capacity of social assistance programmes to generate improvements in the schooling and health status of households in extreme poverty. The evidence base is stronger for programmes with explicit human development objectives, human development conditional cash transfer programmes in particular,<sup>53</sup> but improvements in health status and schooling can be observed for categorical transfer programmes.<sup>54</sup> Social assistance transfer programmes have the capacity to lock in investment in the productive capacity of children in particular, with the potential to generate longer term escape from poverty. Figure 5 shows the impact of participation in selected social assistance programmes on child labour. The figure indicates an association

between the size of the impact on child labour and the size of the transfer. As expected larger transfers, as a proportion of household income/consumption have stronger effects on child labour.

Figure 5 Impact on child labour and the value of transfers



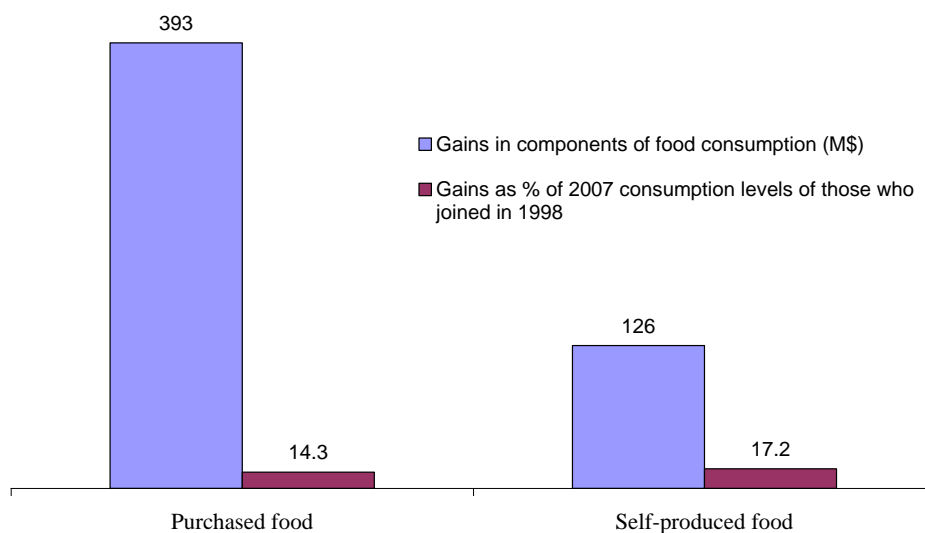
Data source: Author

The capacity of social transfers to help lift credit constraints is likely to vary across programmes, target groups, and environments. These effects are stronger among rural households with deficits in complementary ‘productive’ assets (e.g. inputs, labour), and where credit constraints are directly targeted, as just discussed for the case of Bangladesh. Such integrated approaches to poverty alleviation are expected to maximize the benefits of social transfers through asset protection and enhancing households’ self-employment generation capacity.

Arroyo Ortiz et al (2008a) analyse the impacts of *Oportunidades* on household consumption and investment. They find that households with long-term exposure to treatment enjoyed higher food consumption than those with a shorter period of treatment (see Figure 6). Furthermore, they find that households who joined the programme in 1998 showed gains in land, livestock and productive assets of around 4% compared to households joining in 2003.

Figure 6 Longer-term impact on food consumption

Mean gain in food consumption for nine-year participants as compared to three-year participants



Data source: Arroyo Ortiz et al (2008b).

There is still more work to be done to identify with greater precision the impact of social assistance programmes in other developing countries. The knowledge gaps are largest in low income countries. Research on the medium and longer term impact of antipoverty programmes is at a very early stage. With these provisos firmly in mind, the findings to

date suggest that well-designed and well-implemented social assistance programmes can make an important contribution to the reduction of global poverty.

### *The role of technology*

Social assistance transfer programmes increasingly integrate new technology in their implementation. In particular, biometric recognition, integrated multi-access information systems, electronic payment systems, and mobile communications offer significant opportunities to improve service delivery and cost effectiveness. There are some concerns too, especially with regards to the extent to which technology reinforces exclusion and with defining the appropriate trade-offs with programme intermediation.

The use of technology in programme implementation creates opportunities from improvements in delivery. Biometric recognition is used in South Africa to deliver transfers in locations where financial outlets are not available. This ensures the full spatial coverage of the population in a secure way, but with significant costs.<sup>55</sup> Integrated multi access information systems are in place in many Latin American countries, enabling fast and decentralised updating of information and monitoring of programme implementation. In addition to improvements in the operation of programmes, shared platforms across public agencies and services make available significant economies of scale. Effective information systems also enable a more dynamic response by public agencies to changes in beneficiary circumstances.<sup>56</sup> Potential exclusion of vulnerable groups lacking web access or competencies is an issue. Electronic payments systems and telephony have proved extremely effective in sub-Saharan Africa, especially in reducing the scope for corruption compared to alternative cascading financial transfers.<sup>57</sup> There are also indications that improved privacy may lead to changes in the way that transfers are deployed by recipients.



A primary concern with the use of technology in the delivery of social assistance relates to potential trade-offs with intermediation. Social assistance programmes have a need for effective intermediation between programme agencies and participants. The design of integrated antipoverty programmes, for example, takes explicit account of intermediation as a tool to address social exclusion. A mapping of public programmes addressing poverty in Chile in the early 2000s found 143 programmes, and led programme designers to conclude that improving poverty reduction necessitated overcoming the barriers preventing groups in poverty from accessing these programmes. *Chile Solidario*, introduced in 2004, paid special attention to intermediation, with social workers tasked to bridge the gap between participant households and the range of public interventions. Large scale human development transfer programmes in Latin America, like *Bolsa Familia* and *Oportunidades* have incorporated intermediation to support households with additional needs. The important lesson flowing from these programmes is that technology will be most effective if it is deployed in support of intermediation functions, rather than as a substitute for it. Technology can secure significant improvements in the productivity of programme agencies and social workers.

### ***Main lessons and programme effectiveness***

What are the main lessons learned so far from the experience of social assistance programmes in developing countries? The variety of social assistance programmes in developing countries and their rapid growth suggest caution in generalising from current experience. With this proviso, the main lessons can be summarised as follows:

**Direct transfers to households in poverty are feasible for low and middle income countries and provide an effective policy instrument to address poverty, and extreme poverty.** Large scale antipoverty transfer programmes have developed faster in middle income countries. In the pioneer countries, antipoverty transfer programmes are coalescing

into integrated social assistance showing growing institutionalisation. In low income countries, progress has been slower with a proliferation of pilot programmes. In aid dependent countries, pilot transfer programmes often reflect limited national government ownership and concerns with sustainability. Progress in low income countries to date demonstrates that antipoverty transfers can be successfully adapted and implemented.<sup>58</sup> Policy reversals can be explained largely by shifts in political support.<sup>59</sup> Social assistance has proved effective in reducing poverty but, as transfer levels are a fraction of the poverty line, the impact is stronger on the poverty gaps of groups in poverty and especially on the poverty gaps of the poorest.

**Combining income transfers with human development objectives magnifies the impact of transfers in cash on households' productive capacity.** The diversity of antipoverty programme design has encouraged considerable research and policy discussion on specific design features, especially on the role cash and in-kind transfers, the effectiveness of conditions, and entry and exit strategies. Perhaps the main lesson from this discussion is that the diversity in programme objectives suggests a 'one size fits all' strategy would be inappropriate.<sup>60</sup> However, programme with explicit human development objectives are likely to be more effective in addressing poverty persistence.

**Well designed and well implemented social assistance can maximise the poverty reduction effects of relatively small budgetary allocations.** Budgetary allocations to support large scale antipoverty programmes are relatively small. An assessment of expenditure on antipoverty transfer programmes in high, low, and middle income countries finds that for the majority of countries, social assistance absorbs between 0.5 and 1.5 percent of gross domestic product. Many low income countries spend less than 0.5 percent. A small number of high and low income countries spend more than 2 percent of GDP mainly due to the primary role of social assistance in their social protection systems

(Australia, New Zealand, South Africa for example); or the substantial flows of international aid supporting poverty reduction in low income countries (Ethiopia, Malawi, for example).

**Well designed and implemented antipoverty transfer programmes can lead to improvements in service provision for groups in poverty.** This applies especially to human development conditional transfer programmes which explicitly link the transfer to the utilisation of basic services. They can generate synergies and horizontal integration in service provision; partly as a consequence of increased demand but also from the coordinated activities of public agencies. In large federal countries, antipoverty programmes have been shown to generate improvements in vertical integration of the government poverty reduction effort. In low income countries, on the other hand, where the implementation of antipoverty programmes is managed by parallel agencies (for profits and not for profits) improvements in service provision are harder to achieve.

**Antipoverty transfers have (largely benign) political feedback effects.** Research on this issue is yet to produce full and comprehensive results, but the weight of findings to date suggests that antipoverty transfer programmes can facilitate improved inclusion of disadvantaged groups. For the programmes studied, largely in Latin America and south Asia, participation in antipoverty transfer programmes is associated with higher voter registration and participation. In some countries concerns over whether programmes encourage clientelistic practices have been raised, but the design of the programmes, with rules-based participation and well publicised entitlements and regulations, reduces the incidence of these practices. Large scale social assistance programmes can help extend citizenship to previously excluded groups, and support pro-poor policies.

What works? The following five factors have a strong influence on the effectiveness of antipoverty transfer programmes.

**Human development focus.** Effective social assistance programmes support sustainable and permanent exit from poverty. Inescapably, this requires paying close attention to strengthening the productive capacity of households in poverty and extreme poverty. Their most important asset is their capacity to work and therefore programmes that improve their productivity in the medium and longer term have a greater chance of success. This is the most innovative dimension of conditional cash transfers in Latin America, to link transfers to improvements in nutrition, schooling and health of participant households. By contrast, employment guarantee programmes like India's National Rural Employment Guarantee or Ethiopia's PSNP lack explicit human development objectives. It is feasible for programmes lacking explicit human development objectives to have human development impacts, but these can be maximised if programmes pay explicit attention to them.

**Political embeddedness.** To be sustainable, antipoverty transfer programmes require political support, which is more likely to be forthcoming in conditions where programmes enjoy a broader consensus. Arguably, the most important restriction on the scale up of antipoverty transfers in sub-Saharan Africa is associated with their weak political embeddedness, itself associated with aid dependence. Political support is a condition for effective antipoverty transfer programmes, but also an outcome of effective programmes.

**Capacity of public agencies.** The effectiveness of antipoverty programmes depends to an important extent on the capacity of public agencies to formulate, design, and implement programmes. Among the key requirements are: information systems, financial distribution systems, and monitoring and evaluation processes. Birth registration, for example is essential to the implementation of child focused antipoverty transfer programmes. To an extent, capacity is directly associated with the level of economic development, hence the

faster progress in middle income countries. There is a role for international aid to support the development of these competences in low income countries and to facilitate south-to-south technology and knowledge diffusion.

**Scale and selection.** Effectiveness in the selection of beneficiaries is important to the success of antipoverty programmes. Broad targeting works better than narrow targeting. Whilst narrow targeting is technically feasible in most circumstances, errors in selection can undermine support for the programme. Low income countries generally show lower income or consumption inequality, and therefore selection is likely to be more costly and prone to errors. In middle income countries, selection issues are associated with fluid labour markets and precarious employment. Population groups just above the poverty line, but vulnerable to fall below it, can be large. The population estimated to be in poverty or extreme poverty at one point in time is a fraction of the population which experiences poverty over a longer period. Broad targeting works better in reaching these groups.

**Exit strategies.** Antipoverty programmes normally have well specified entry criteria, but lack clarity on exit strategies for participants. In some programme exit strategies are demographic (children leaving schools, pensioners passing away) and in most programmes there are regular reviews of entry conditions. Research and policy on exit conditions and on pathways out of participation in antipoverty programmes is urgent. Linking antipoverty programmes with active labour market policies emerging in middle income countries provides a fertile ground for innovation. Links to productive employment as the key exit strategy are important. Ideally, antipoverty programmes can be scaled down as poverty reduces, and again exit criteria are essential to programme effectiveness.

## **Antipoverty Transfer Programmes and Zero Goals**

Antipoverty transfer programmes have supported progress towards achieving several of the Millennium Development Goals, and they will continue to have a central role in the post-2015 Development Agenda. Projections of poverty trends into the medium term, reviewed in the first section of this paper, underline the need to sustain poverty reduction trends in middle income countries and the need to address the potential concentration of extreme poverty in low income countries and sub-Saharan Africa in particular. The coverage of antipoverty transfer programmes is expected to continue to grow in the next decades, particularly in low income countries. The consolidation and institutionalisation of social assistance in middle income countries is also likely to continue.

## **The contribution of antipoverty transfers to progress towards zero goals**

Antipoverty transfer programmes will prove essential in eradicating extreme poverty, and in maintaining this achievement.

A key contribution of antipoverty transfers will be to raise human development among groups in poverty and extreme poverty. Human development oriented transfers are explicitly aimed at facilitating household investment in the productive capacity of children in extreme poverty, in addition to improvements in household consumption and nutrition. Categorical transfer programmes, like social pensions, also show an impact on schooling and health status of children and other household members. This applies to middle income countries as well as to low income countries.

Integrated antipoverty transfer programmes are grounded on a multidimensional understanding of poverty and target intervention along several dimensions of wellbeing. BRAC's *Challenging the Frontiers of Poverty Reduction: Targeting the Ultra-Poor* combines interventions on health, nutrition, consumption, asset management, and asset accumulation. Chile's *Chile Solidario* targeted interventions on seven dimensions: health, education, income, employment, registration, housing and intra-household relations.

Human development objectives also have implications for reducing disparities in access to services and opportunity in developing countries. Through extending access to, and utilisation, of basic services among disadvantaged groups, antipoverty transfer programmes can enhance opportunity. In the context of the Human Development Index discussed in the first section, antipoverty transfer programmes can improve both the average coverage of basic services as well as reduce disparities in access. Improvements in the productive capacity of groups in poverty, and especially children, will contribute to drive down poverty and to sustain poverty reduction achievements.

Economic growth, progressive tax-transfer systems, and the provision of quality basic services are principal factors responsible for poverty reduction, but without antipoverty transfer programmes these factors may not extend to the poorest. In combination with growth and basic services, well designed and well implemented antipoverty transfer programmes have proved effective in improving outcomes for groups in extreme poverty and persistent poverty.

The evolution of antipoverty transfer programmes, particularly in middle income countries, shows a trend towards combining an expanded set of interventions and adding direct intermediation for the poorest households.<sup>61</sup> This has implications for the emergence of stable institutions charged with poverty reduction, and for horizontal and vertical coordination of public agencies in addressing poverty, and by extension progress towards zero goals. The emergence of ministries of social development tasked with addressing poverty in several middle income countries in Latin America and elsewhere, provides an institutional basis capable of driving down extreme poverty to zero and maintaining it there

### **What is the role of international aid?**

Antipoverty transfers have spread in most middle income countries, but progress in low income countries has been slower. While it is important to sustain poverty reduction trends in middle income countries, international aid has an important role in supporting poverty reduction in low income countries. In the latter, the slow progress in the emergence of large scale antipoverty transfer programmes is due in large part to significant deficits in financial resources as well as design and implementation capacity. Political resistance is also an important factor in aid dependent countries.



There is an important role for the post-2015 Development Agenda to play here, but it is essential to identify appropriate contexts and potential boundaries.

International assistance has an important role in supporting low income countries seeking to introduce or scale up antipoverty transfer, especially through (i) facilitating the development of design and implementation capacity; by (ii) assisting low income countries overcome the set up costs of these programmes, which can be large; and (iii) through helping countries strengthen domestic revenue collection.

International organisations have longstanding experience and expertise in strengthening the capacity of public agencies in developing countries, but to date strengthening capacity in antipoverty transfer programme design and delivery has not been a priority. To date support for capacity development has focused on specialist areas, like monitoring and evaluation, of particular interest to donors. There are few examples of capacity building in social assistance delivery, especially training of welfare officers. Capacity building assistance schemes, like SWAPs, have proved effective in improving service delivery in health and education. Similar schemes are also likely to prove effective in enhancing capacity in social assistance. Support for south-to-south cooperation in capacity building would be particularly effective in this context, and there are several successful examples available.<sup>62</sup>

The initial set up costs associated with effective antipoverty transfer programmes can be significant. Antipoverty transfer programmes need comprehensive registration, financial infrastructure capable of supporting movements of cash safely and free from corruption, information systems supporting programme delivery as well as monitoring and evaluation. These require a very significant investment in capacity. International assistance can be very effective in financing this investment and also has a role in facilitating south-to-south

policy and technology diffusion and research. Knowledge of what works in poverty eradication is a global public good.

However, the role of international aid in financing antipoverty transfers in developing countries beyond the short term is limited. An important criticism of the way in which the MDGs have worked out as a policy influencing agenda, suggests that over time they became entrapped within the global UN agencies and their stakeholders. Antipoverty transfer programmes are best formulated and designed at the national level, through national political and policy processes. The most important, and successful, breakthroughs in antipoverty transfer programmes and poverty reduction in general, have been in countries that have introduced and scaled them up as part of national strategies - countries like China, India, and Brazil. There are important lessons for the role of international organisations in supporting antipoverty transfer programmes here. In the medium term antipoverty transfers must be financed domestically, this is essential to their sustainability and legitimacy. In the short term, supporting low and middle income countries enhance their revenue collection capacity is crucial to ensuring the medium term sustainability of these programmes. Sustained economic growth in low and middle income countries should provide the fiscal space needed to finance antipoverty transfer programmes in the medium term, especially in sub-Saharan Africa.

## Notes

<sup>1</sup> RAVALLION, M., CHEN, S. & SANGRAULA, P., Dollar a Day Revisited, *World Bank Economic Review*, 23, 163-184, 2009.

<sup>2</sup> The 2005 International Comparative Project revision of purchasing power parity led to an upward adjustment in poverty estimates. For a sensitivity analysis of global poverty estimates see DHONGDE, S. & MINOIU, C., Global poverty estimates: A sensitivity Analysis, *World Development*, 44, 1-13, 2013.

<sup>3</sup> CHEN, S. & RAVALLION, M., Absolute Poverty Measures for the Developing World, 1981-2008. In: PROGRAM, I. C. (ed.) *Measuring the Size of the World Economy*. Washington DC, 2011, RAVALLION, M. & CHEN, S., An update to the World Bank's estimates of consumption poverty in the developing world Washington DC, The World Bank, Briefing Note January 2012.

<sup>4</sup> Alternative estimates of global poverty based on National Accounts data on income or consumption generate lower estimates. See PINKOVSKIY, M. & SALA-I-MARTIN, X., Parametric estimations of the worlds' distribution of income, Cambridge MA, NBER, NBER Working Paper 15433, 2009.

<sup>5</sup> RAVALLION, M. & CHEN, S., An update to the World Bank's estimates of consumption poverty in the developing world Washington DC, The World Bank, Briefing Note January 2012.

<sup>6</sup> RAVALLION, M., Benchmarking Global Poverty Reduction, Washington DC, The World Bank, Policy Research Working Paper 6205, 2012.

<sup>7</sup> RAVALLION, M. & CHEN, S., An update to the World Bank's estimates of consumption poverty in the developing world Washington DC, The World Bank, Briefing Note January 2012.

<sup>8</sup> HILLEBRAND, E., Poverty, growth and inequality over the next 50 years. In: FAO (ed.) *Looking ahead in world food and agriculture: Perspectives to 2050*. Rome, Food and Agriculture Organisation of the United Nations, 2011, RAVALLION, M., Benchmarking Global Poverty Reduction, Washington DC, The World Bank, Policy Research Working Paper 6205, 2012, CHANDY, L., LEDLIE, N. & PENCIAKOVA, V., The final countdown: prospects for ending poverty by 2030, Washington DC, The Brookings Institution, Policy Paper 2013-04, April 2013.

<sup>9</sup> HILLEBRAND, E., Poverty, growth and inequality over the next 50 years. In: FAO (ed.) *Looking ahead in world food and agriculture: Perspectives to 2050*. Rome, Food and Agriculture Organisation of the United Nations, 2011.

<sup>10</sup> RAVALLION, M. & CHEN, S., An update to the World Bank's estimates of consumption poverty in the developing world Washington DC, The World Bank, Briefing Note January 2012.

<sup>11</sup> HILLEBRAND, E., Poverty, growth and inequality over the next 50 years. In: FAO (ed.) *Looking ahead in world food and agriculture: Perspectives to 2050*. Rome, Food and Agriculture Organisation of the United Nations, 2011, RAVALLION, M., Benchmarking Global Poverty Reduction, Washington DC, The World Bank, Policy Research Working Paper 6205, 2012.

<sup>12</sup> RAVALLION, M., Benchmarking Global Poverty Reduction, Washington DC, The World Bank, Policy Research Working Paper 6205, 2012.

<sup>13</sup> Ibid.

<sup>14</sup> Ravallion underlines the role of two important 'non-linearities', one arising from observed country level progress in poverty reduction and the other from a discontinuity in moving below 10 percent poverty headcount rate. See also CHANDY, L., LEDLIE, N. & PENCIAKOVA, V., The final countdown: prospects for ending poverty by 2030, Washington DC, The Brookings Institution, Policy Paper 2013-04, April 2013.

<sup>15</sup> Poverty reduction targets are best grounded on a prioritarian perspective on the value of assisting the worst off. A priority view attaches greater, social or ethical, value to improving the lives of disadvantaged groups. This is different from a sufficiency view which argues that there is a, social or ethical, value in people having enough, wellbeing for example. A sufficiency view attaches no value to improvements in the lives of those above this threshold. More importantly, it attaches no value to improvements in the lives of disadvantaged groups which fail to ensure they cross the minimum threshold or poverty line. A single focus on the poverty headcount rate is consistent with the sufficiency view, and shares its limitations.

<sup>16</sup> CPRC, The Chronic Poverty Report 2004-05, Manchester, Chronic Poverty Research Centre, 2005.

<sup>17</sup> For an application to Brazil's Bolsa Família, see SOARES, S. S. D., Targeting and Coverage of the Bolsa Família Programme: What Is the Meaning of Eleven Million Families?, International Policy Centre for Inclusive Growth, One Pager 117, 2010 2010.

<sup>18</sup> SUMNER, A., Global Poverty and the New Bottom Billion: What if Three-quarters of the World's Poor Live in Middle-income Countries?, Brighton, Institute of Development Studies IDS Working Paper 349, November 2010.

<sup>19</sup> The redistributive effects of welfare states can be overstated by studies based on cross-section data, as redistribution estimates, commonly the difference between the Gini of market income and the Gini of post transfer income, fail to distinguish between life course redistribution from redistribution from the rich to the poor. For a longitudinal study of redistribution in Sweden see BENGSSON, N., HOLMLUND, B. &

---

WALDERSTROM, D., Lifetime versus Annual tax Progressivity: Sweden 1968-2009, Bonn, IZA, IZA Discussion Paper 6641, June 2012.

<sup>20</sup> For Latin America see LUSTIG, N., PESSINO, C. & SCOTT, J., The impact of taxes and social spending on inequality and poverty in Argentina, Bolivia, Brazil, Mexico, Peru and Uruguay, Tulane, Tulane University, CEQ Working Paper 13, April 2013.

<sup>21</sup> See BARROS, R. P. D., FERREIRA, F. H. G., MOLINAS VEGA, J. R. & SAAVEDRA, J., *Measuring equality of opportunities in Latin America and the Caribbean*, Washington DC, The World Bank, 2009.

<sup>22</sup> Ibid., BRUNORI, P., FERREIRA, F. H. G. & PERAGINE, V., Inequality of opportunity, income inequality and economic mobility, Washington DC, The World Bank, Policy Research Working Paper 6304, January 2013, MOLINAS VEGA, J. R., BARROS, R. P. D., SAAVEDRA, J. & GIUGALE, M., *Do our children have a chance? A human opportunity report for Latin America and the Caribbean*, Washington DC, The World Bank, 2012.

<sup>23</sup> BARRIENTOS, A., NIÑO-ZARAZÚA, M. & MAITROT, M., Social Assistance in Developing Countries Database Version 5, Manchester, Brooks World Poverty Institute, Report 2010. Available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1672090](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1672090).

<sup>24</sup> LEVY, S., *Progress against Poverty. Sustaining Mexico's Progres-Oportunidades Program*, Washington DC, Brookings Institution Press 2006.

<sup>25</sup> KHERA, R. (ed.) *The Battle for Employment Guarantee*, Delhi, Oxford University Press, 2011.

<sup>26</sup> LUND, F., *Changing Social Policy. The Child Support Grant in South Africa*, Cape Town, HSRC Press, 2008.

<sup>27</sup> CHEN, J. & BARRIENTOS, A., Extending social assistance in China: Lessons from the Minimum Living Standards Scheme, Manchester, Chronic Poverty Research Centre, CPRC Working Paper 67, 2006.

<sup>28</sup> BARRIENTOS, A., *Social Assistance in Developing Countries*, Cambridge, Cambridge University Press, 2013. For a functional classification of antipoverty transfers see GROSH, M., DEL NINNO, C., TESLIUC, E. & OUERGLI, A., *For Protection and Promotion. The Design and Implementation of Effective Safety Nets*, Washington DC, The World Bank, 2008.

<sup>29</sup> Better known internationally as *Chile Solidario*, the programme it replaced in 2012.

<sup>30</sup> HANLON, J., BARRIENTOS, A. & HULME, D., *Just give money to the poor: the development revolution from the global south*, Kumarian Press, 2010.

<sup>31</sup> ADEMA, W., Social assistance policy development and the provision of a decent level of income in selected OECD countries, Paris, OECD Department for Employment, Labour and Social Affairs, OECD Social, Employment and Migration Working Paper 38, August 2006. The 2008 financial crisis in high income countries has renewed interest to the role of social assistance, see for example BITLER, M. & HOYNES, H., The State of the Safety Net in the Post-Welfare Reform Era, Cambridge MA, NBER, NBER Working Paper 16504, October 2010.

<sup>32</sup> ILO, World Social Security Survey 2010/11, Geneva, ILO, 2010.

<sup>33</sup> WEIGAND, C. & GROSH, M., Levels and patterns of safety net spending in developing and transition countries, Washington DC, The World Bank, SP Discussion Paper 0817, June 2008.

<sup>34</sup> CECCHINI, S. & MARTÍNEZ, R., *Protección social inclusiva en América Latina: Una mirada integral, un enfoque de derechos*, Santiago, CEPAL, 2011.

<sup>35</sup> See HAGGARD, S. & KAUFMAN, R. R., *Development, democracy and welfare states. Latin America, Asia and Eastern Europe*, Princeton, Princeton University Press, 2008, HUBER, E. & STEPHENS, J. D., *Democracy and the Left in Latin America. Social Policy and Inequality in Latin America*, Chicago, University of Chicago Press, 2012.

<sup>36</sup> MOSS, T., Oil to Cash: Fighting the Resource Curse through Cash Transfers, Washington DC, Center for Global Development, Working Paper 237, January 2011.

<sup>37</sup> There is a role for policy diffusion, but it is more likely to be domestic as opposed to cross-national. See BORGES SUGIYAMA, N., Ideology and Networks. The Politics of Social Policy Diffusion in Brazil, *Latin American Research Review*, 43, 82-108, 2008, BORGES SUGIYAMA, N., The diffusion of Conditional Cash Transfer programs in the Americas, *Global Social Policy*, 11, 250-278, 2011.

<sup>38</sup> See inter alia BARRIENTOS, A., *Social Assistance in Developing Countries*, Cambridge, Cambridge University Press, 2013, BORGES SUGIYAMA, N., The diffusion of Conditional Cash Transfer programs in the Americas, *Global Social Policy*, 11, 250-278, 2011, FISZBEIN, A. & SCHADY, N., *Conditional Cash Transfers. Reducing Present and Future Poverty*, Washington DC, The World Bank, 2009, GROSH, M., DEL NINNO, C., TESLIUC, E. & OUERGLI, A., *For Protection and Promotion. The Design and Implementation of Effective Safety Nets*, Washington DC, The World Bank, 2008, HOLZMANN, R., ROBALINO, D. & TAKAYAMA, N., *Closing the Coverage Gap. The role of social pensions and other retirement income transfers*, Washington DC, The World Bank, 2009.

- 
- <sup>39</sup> SKOUFIAS, E., *Progresas and Its Impacts on the Welfare of Rural Households in Mexico*, Washington, International Food Policy Research Institute 2005.
- <sup>40</sup> COADY, D., GROSH, M. & HODDINOTT, J., *Targeting of Transfers in Developing Countries. Review of Lessons and Experience*, Washington DC, The World Bank, 2004.
- <sup>41</sup> BARRIENTOS, A., Protecting capabilities, eradicating extreme poverty: Chile Solidario and the future of social protection, *Journal of Human Development and Capabilities*, 11, 579-597, 2010.
- <sup>42</sup> FISZBEIN, A. & SCHADY, N., *Conditional Cash Transfers. Reducing Present and Future Poverty*, Washington DC, The World Bank, 2009. Short-term experiments with conditions suggest they can be effective in this context. See BAIRD, S., MCINTOSH, C. & ÖZLER, B., Cash or condition? Evidence from a cash experiment, *Quarterly Journal of Economics*, 126, 1709-1753, 2011.
- <sup>43</sup> SCHADY, N. & ARAUJO, M. C., Cash transfers, conditions, and school in Ecuador, *Economía*, 8, 43-70, 2008.
- <sup>44</sup> DE BRAUW, A. & HODDINOTT, J., Must conditional cash transfers programs be conditioned to be effective? The impact of conditioning transfers on school enrollment in Mexico, *Journal of Development Economics*, 96, 359-370, 2011.
- <sup>45</sup> MOLYNEUX, M., Mothers at the service of the new poverty agenda: Progresas/Oportunidades, Mexico's conditional transfer programme, *Social Policy and Administration*, 40, 425-449, 2006.
- <sup>46</sup> CECCHINI, S. & MADARIAGA, A., La trayectoria de los programas de transferencia con corresponsabilidad (PCT) en América Latina y el Caribe, Santiago, CEPAL, Report April 2011.
- <sup>47</sup> FISZBEIN, A. & SCHADY, N., *Conditional Cash Transfers. Reducing Present and Future Poverty*, Washington DC, The World Bank, 2009.
- <sup>48</sup> BARRIENTOS, A., Social transfers and growth. What do we know? What do we need to find out?, *World Development*, 40, 11-20, 2012.
- <sup>49</sup> Several studies find a positive correlation between transfers and a rise in household consumption. See ARROYO ORTIZ, J. P., ORDAZ DIAZ, J. L., LI NG, J. J. & ZARAGOZA LÓPEZ, M. L., A diez años de intervención en zonas rurales, México City, SEDESOL, Evaluación Externa del Programa Oportunidades 2008 Report December 2008a, CASE, A. & DEATON, A., Consumption, Health, Gender and Poverty, Washington DC, The World Bank, Working Paper 3020, April 2003, HODDINOTT, J. & SKOUFIAS, E., The impact of PROGRESA on food consumption, *Economic Development and Cultural Change*, 53, 37-61, 2004, MALUCCIO, J. A., Coping with the 'Coffee Crisis' in Central America: The Role of the Nicaraguan Red de Protección Social, Washington, IFPRI, Food Consumption and Nutrition Division Discussion Paper 188, February 2005, SKOUFIAS, E., UNAR, M. & GONZÁLEZ-COSSÍO, T., The impacts of cash and in-kind transfers on consumption and labour supply: Experimental evidence from rural Mexico, Washington DC, The World Bank, Policy Research Working Paper WPS 4778, November 2008, CASE, A. & DEATON, A., Large Scale Transfers to the Elderly in South Africa, *Economic Journal*, 108, 1330-1361, 1998. Studies for the extension of *Oportunidades* in urban areas, however, did not find a positive impact on consumption, see ANGELUCCI, M. & ATTANASIO, O., *Oportunidades: Program Effect on Consumption, Low Participation, and Methodological issues*, *Economic Development and Cultural Change*, 57, 479-506, 2009.
- <sup>50</sup> RUBALCAVA, L., TERUEL, G. & THOMAS, D., Welfare Design, Women's Empowerment and Income Pooling, CIDE, Mimeo April 2002. Fiszbein and Schady (2009) suggest that transfers might have the potential to shift the Engel curve among beneficiaries.
- <sup>51</sup> PONCE, J. & BEDI, A. S., The impact of a cash transfer program on cognitive achievement: The Bono de Desarrollo Humano of Ecuador, *Economics of Education Review*, 29, 116-125, 2010.
- <sup>52</sup> ATTANASIO, O., Baseline Report on the Evaluation of 'Familias en Acción', London, Institute for Fiscal Studies, Report 2003.
- <sup>53</sup> FISZBEIN, A. & SCHADY, N., *Conditional Cash Transfers. Reducing Present and Future Poverty*, Washington DC, The World Bank, 2009.
- <sup>54</sup> CASE, A. & WILSON, F., Health and well-being in South Africa: Evidence from the Langeberg Survey, Princeton, Princeton University, Mimeo 2000, DUFLO, E., Grandmothers and granddaughters: old age pension and intra-household allocation in South Africa, Cambridge MA, National Bureau of Economic Research, Working Paper 8061, December 2000. BARRIENTOS, A., Cash transfers for older people reduce poverty and inequality. In: BEBBINGTON, A. J., DANI, A. A., DE HAAN, A. & WALTON, M. (eds.) *Institutional Pathways to Equity. Addressing Inequality Traps*. Washington DC, The World Bank, 2008.
- <sup>55</sup> GELB, A. & DECKER, C., Cash at your fingertips: Biometric Technology for transfers in resource-rich countries, Washington, Center for Global Development, Working Paper 253, June 2011.
- <sup>56</sup> BASSETT, L., MARIANO BLANCO, G. & SILVA VILLALOBOS, V., Management Information Systems for CCTs and Social Protection Systems in Latin America: A Tool for Improved Program Management and Evidence-Based Decision-Making, Washington DC, The World Bank, Note October 2010.

---

<sup>57</sup> SMITH, G., MACAUSLAN, I., BUTTERS, S. & TROMMÉ, M., New Technologies in cash transfer programmes and humanitarian assistance, Oxford, CaLP, Report 2010.

<sup>58</sup> GARCIA, M. & MOORE, C. M. T., *The Cash Dividend. The Rise of Cash Transfer Programs in Sub-Saharan Africa*, Washington DC, The World Bank, 2012.

<sup>59</sup> MALUCCIO, J. A., Household targeting in practice: The Nicaraguan Red de Protección Social, *Journal of International Development*, 21, 1-23, 2009, MOORE, C., Assessing Honduras' CCT programme PRAF, Programa de Asignación Familiar: Expected and unexpected realities, Brasilia, International Poverty Centre, Country Study 15, April 2008.

<sup>60</sup> A more promising avenue for assessing programmes design features is to focus on the consistency existing between programme objectives and design features, as opposed to a one-sided focus on the latter.

<sup>61</sup> CECCHINI, S. & MADARIAGA, A., La trayectoria de los programas de transferencia con corresponsabilidad (PCT) en América Latina y el Caribe, Santiago, CEPAL, Report April 2011.

<sup>62</sup> See the south-south cooperation programme on social protection supported by the UNDP and the Government of Brazil at <http://south-south.ipc-undp.org/>.

## References

- ADEMA, W., Social assistance policy development and the provision of a decent level of income in selected OECD countries, Paris, OECD Department for Employment, Labour and Social Affairs, OECD Social, Employment and Migration Working Paper 38, August 2006.
- ANGELUCCI, M. & ATTANASIO, O., Oportunidades: Program Effect on Consumption, Low Participation, and Methodological issues, *Economic Development and Cultural Change*, 57, 479-506, 2009.
- ARROYO ORTIZ, J. P., ORDAZ DIAZ, J. L., LI NG, J. J. & ZARAGOZA LÓPEZ, M. L., A diez años de intervención en zonas rurales, México City, SEDESOL, Evaluación Externa del Programa Oportunidades 2008 Report December 2008a.
- ARROYO ORTIZ, J. P., ORDAZ DÍAZ, J. L., LI NG, J. J. & ZARAGOZA LÓPEZ, M. L., Estudio sobre los efectos de Oportunidades a diez años de intervención, en el consumo e inversión de las familias beneficiarias en zonas rurales, con base en la encuesta de evaluación de los hogares rurales 2007. In: SECRETARIA DE DESARROLLO SOCIAL (ed.) *Evaluación externa del Programa Oportunidades 2008. A diez años de intervención en zonas rurales (1997-2007)*. Mexico City, Coordinación Nacional del Programa de Desarrollo Humano Oportunidades, 2008b.
- ATTANASIO, O., Baseline Report on the Evaluation of 'Familias en Acción', London, Institute for Fiscal Studies, Report 2003.
- BAIRD, S., MCINTOSH, C. & ÖZLER, B., Cash or condition? Evidence from a cash experiment, *Quarterly Journal of Economics*, 126, 1709-1753, 2011.
- BARRIENTOS, A., Cash transfers for older people reduce poverty and inequality. In: BEBBINGTON, A. J., DANI, A. A., DE HAAN, A. & WALTON, M. (eds.) *Institutional Pathways to Equity. Addressing Inequality Traps*. Washington DC, The World Bank, 2008.
- BARRIENTOS, A., Protecting capabilities, eradicating extreme poverty: Chile Solidario and the future of social protection, *Journal of Human Development and Capabilities*, 11, 579-597, 2010.
- BARRIENTOS, A., Social transfers and growth. What do we know? What do we need to find out?, *World Development*, 40, 11-20, 2012.
- BARRIENTOS, A., *Social Assistance in Developing Countries*, Cambridge, Cambridge University Press, 2013.
- BARRIENTOS, A., NIÑO-ZARAZÚA, M. & MAITROT, M., Social Assistance in Developing Countries Database Version 5, Manchester, Brooks World Poverty Institute, Report 2010.
- BARROS, R. P. D., FERREIRA, F. H. G., MOLINAS VEGA, J. R. & SAAVEDRA, J., *Measuring equality of opportunities in Latin America and the Caribbean*, Washington DC, The World Bank, 2009.
- BASSETT, L., MARIANO BLANCO, G. & SILVA VILLALOBOS, V., Management Information Systems for CCTs and Social Protection Systems in Latin America: A Tool for Improved Program Management and Evidence-Based Decision-Making, Washington DC, The World Bank, Note October 2010.
- BENGSTON, N., HOLMLUND, B. & WALDERSTROM, D., Lifetime versus Annual tax Progressivity: Sweden 1968-2009, Bonn, IZA, IZA Discussion Paper 6641, June 2012.
- BITLER, M. & HOYNES, H., The State of the Safety Net in the Post-Welfare Reform Era, Cambridge MA, NBER, NBER Working Paper 16504, October 2010.
- BORGES SUGIYAMA, N., Ideology and Networks. The Politics of Social Policy Diffusion in Brazil, *Latin American Research Review*, 43, 82-108, 2008.
- BORGES SUGIYAMA, N., The diffusion of Conditional Cash Transfer programs in the Americas, *Global Social Policy*, 11, 250-278, 2011.
- BRUNORI, P., FERREIRA, F. H. G. & PERAGINE, V., Inequality of opportunity, income inequality and economic mobility, Washington DC, The World Bank, Policy Research Working Paper 6304, January 2013.

- CASE, A. & DEATON, A., Large Scale Transfers to the Elderly in South Africa, *Economic Journal*, 108, 1330-1361, 1998.
- CASE, A. & DEATON, A., Consumption, Health, Gender and Poverty, Washington DC, The World Bank, Working Paper 3020, April 2003.
- CASE, A. & WILSON, F., Health and well-being in South Africa: Evidence from the Langeberg Survey, Princeton, Princeton University, Mimeo 2000.
- CECCHINI, S. & MADARIAGA, A., La trayectoria de los programas de transferencia con corresponsabilidad (PCT) en América Latina y el Caribe, Santiago, CEPAL, Report April 2011.
- CECCHINI, S. & MARTÍNEZ, R., *Protección social inclusiva en América Latina: Una mirada integral, un enfoque de derechos*, Santiago, CEPAL, 2011.
- CHANDY, L., LEDLIE, N. & PENCIAKOVA, V., The final countdown: prospects for ending poverty by 2030, Washington DC, The Brookings Institution, Policy Paper 2013-04, April 2013.
- CHEN, J. & BARRIENTOS, A., Extending social assistance in China: Lessons from the Minimum Living Standards Scheme, Manchester, Chronic Poverty Research Centre, CPRC Working Paper 67, 2006.
- CHEN, S. & RAVALLION, M., Absolute Poverty Measures for the Developing World, 1981-2008. In: PROGRAM, I. C. (ed.) *Measuring the Size of the World Economy*. Washington DC, 2011.
- COADY, D., GROSH, M. & HODDINOTT, J., *Targeting of Transfers in Developing Countries. Review of Lessons and Experience*, Washington DC, The World Bank, 2004.
- CPRC, The Chronic Poverty Report 2004-05, Manchester, Chronic Poverty Research Centre, 2005.
- DE BRAUW, A. & HODDINOTT, J., Must conditional cash transfers programs be conditioned to be effective? The impact of conditioning transfers on school enrollment in Mexico, *Journal of Development Economics*, 96, 359-370, 2011.
- DHONGDE, S. & MINOIU, C., Global poverty estimates: A sensitivity Analysis, *World Development*, 44, 1-13, 2013.
- DUFLO, E., Grandmothers and granddaughters: old age pension and intra-household allocation in South Africa, Cambridge MA, National Bureau of Economic Research, Working Paper 8061, December 2000.
- FISZBEIN, A. & SCHADY, N., *Conditional Cash Transfers. Reducing Present and Future Poverty*, Washington DC, The World Bank, 2009.
- GARCIA, M. & MOORE, C. M. T., *The Cash Dividend. The Rise of Cash Transfer Programs in Sub-Saharan Africa*, Washington DC, The World Bank, 2012.
- GELB, A. & DECKER, C., Cash at your fingertips: Biometric Technology for transfers in resource-rich countries, Washington, Center for Global Development, Working Paper 253, June 2011.
- GROSH, M., DEL NINNO, C., TESLIUC, E. & OUERGI, A., *For Protection and Promotion. The Design and Implementation of Effective Safety Nets*, Washington DC, The World Bank, 2008.
- HAGGARD, S. & KAUFMAN, R. R., *Development, democracy and welfare states. Latin America, Asia and Eastern Europe*, Princeton, Princeton University Press, 2008.
- HANLON, J., BARRIENTOS, A. & HULME, D., *Just give money to the poor: the development revolution from the global south*, Kumarian Press, 2010.
- HILLEBRAND, E., Poverty, growth and inequality over the next 50 years. In: FAO (ed.) *Looking ahead in world food and agriculture: Perspectives to 2050*. Rome, Food and Agriculture Organisation of the United Nations, 2011.
- HODDINOTT, J. & SKOUFIAS, E., The impact of PROGRESA on food consumption, *Economic Development and Cultural Change*, 53, 37-61, 2004.
- HOLZMANN, R., ROBALINO, D. & TAKAYAMA, N., *Closing the Coverage Gap. The role of social pensions and other retirement income transfers*, Washington DC, The World Bank, 2009.
- HUBER, E. & STEPHENS, J. D., *Democracy and the Left in Latin America. Social Policy and Inequality in Latin America*, Chicago, University of Chicago Press, 2012.
- ILO, World Social Security Survey 2010/11, Geneva, ILO, 2010.



- KHERA, R. (ed.) *The Battle for Employment Guarantee*, Delhi, Oxford University Press, 2011.
- LEVY, S., *Progress against Poverty. Sustaining Mexico's Progres-Oportunidades Program*, Washington DC, Brookings Institution Press 2006.
- LUND, F., *Changing Social Policy. The Child Support Grant in South Africa*, Cape Town, HSRC Press, 2008.
- LUSTIG, N., PESSINO, C. & SCOTT, J., The impact of taxes and social spending on inequality and poverty in Argentina, Bolivia, Brazil, Mexico, Peru and Uruguay, Tulane, Tulane University, CEQ Working Paper 13, April 2013.
- MALUCCIO, J. A., Coping with the 'Coffee Crisis' in Central America: The Role of the Nicaraguan Red de Protección Social, Washington, IFPRI, Food Consumption and Nutrition Division Discussion Paper 188, February 2005.
- MALUCCIO, J. A., Household targeting in practice: The Nicaraguan Red de Protección Social, *Journal of International Development*, 21, 1-23, 2009.
- MOLINAS VEGA, J. R., BARROS, R. P. D., SAAVEDRA, J. & GIUGALE, M., *Do our children have a chance? A human opportunity report for Latin America and the Caribbean*, Washington DC, The World Bank, 2012.
- MOLYNEUX, M., Mothers at the service of the new poverty agenda: Progres/Oportunidades, Mexico's conditional transfer programme, *Social Policy and Administration*, 40, 425-449, 2006.
- MOORE, C., Assessing Honduras' CCT programme PRAF, Programa de Asignación Familiar: Expected and unexpected realities, Brasilia, International Poverty Centre, Country Study 15, April 2008.
- MOSS, T., Oil to Cash: Fighting the Resource Curse through Cash Transfers, Washington DC, Center for Global Development, Working Paper 237, January 2011.
- PINKOVSKIY, M. & SALA-I-MARTIN, X., Parametric estimations of the worlds' distribution of income, Cambridge MA, NBER, NBER Working Paper 15433, 2009.
- PONCE, J. & BEDI, A. S., The impact of a cash transfer program on cognitive achievement: The Bono de Desarrollo Humano of Ecuador, *Economics of Education Review*, 29, 116-125, 2010.
- RAVALLION, M., Benchmarking Global Poverty Reduction, Washington DC, The World Bank, Policy Research Working Paper 6205, 2012.
- RAVALLION, M. & CHEN, S., An update to the World Bank's estimates of consumption poverty in the developing world Washington DC, The World Bank, Briefing Note January 2012.
- RAVALLION, M., CHEN, S. & SANGRAULA, P., Dollar a Day Revisited, *World Bank Economic Review*, 23, 163-184, 2009.
- RUBALCAVA, L., TERUEL, G. & THOMAS, D., Welfare Design, Women's Empowerment and Income Pooling, CIDE, Mimeo April 2002.
- SCHADY, N. & ARAUJO, M. C., Cash transfers, conditions, and school in Ecuador, *Economía*, 8, 43-70, 2008.
- SKOUFIAS, E., Progres and Its Impacts on the Welfare of Rural Households in Mexico, Washington, International Food Policy Research Institute 2005.
- SKOUFIAS, E., UNAR, M. & GONZÁLEZ-COSSÍO, T., The impacts of cash and in-kind transfers on consumption and labour supply: Experimental evidence from rural Mexico, Washington DC, The World Bank, Policy Research Working Paper WPS 4778, November 2008.
- SMITH, G., MACAUSLAN, I., BUTTERS, S. & TROMMÉ, M., New Technologies in cash transfer programmes and humanitarian assistance, Oxford, CaLP, Report 2010.
- SOARES, S. S. D., Targeting and Coverage of the Bolsa Família Programme: What Is the Meaning of Eleven Million Families?, International Policy Centre for Inclusive Growth, One Pager 117, 2010 2010.

SUMNER, A., Global Poverty and the New Bottom Billion: What if Three-quarters of the World's Poor Live in Middle-income Countries?, Brighton, Institute of Development Studies IDS Working Paper 349, November 2010.

WEIGAND, C. & GROSH, M., Levels and patterns of safety net spending in developing and transition countries, Washington DC, The World Bank, SP Discussion Paper 0817, June 2008.