WOLFENSOHN CENTER FOR DEVELOPMENT
WORKING PAPER 2 | NOVEMBER 2007

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THE POLITICAL ECONOMY OF POVERTY REDUCTION

SCALING UP ANTIPOVERTY PROGRAMS IN THE DEVELOPING WORLD

Raj M. Desai

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Raj M. Desai is a visiting fellow in the Global Economy and Development Program at the Brookings Institution and a professor in the Edmund A. Walsh School of Foreign Service at Georgetown University.

Author's Note:

I thank Arntraud Hartmann, Homi Kharas, Richard Kohl, Santiago Levy, Johannes Linn, and participants at a Brookings Institution seminar for comments on an earlier draft. Oksana Pidufala provided invaluable research assistance. All errors and omissions, of course, are my own.

CONTENTS

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EXECUTIVE SUMMARY

Large-scale antipoverty programs have achieved significant and positive results in many developing countries around the world in the past decade. This paper explores the challenges of "scaling up" small-scale antipoverty programs—taken here to mean the processes by which successful efforts to raise the incomes of the poorest citizens in developing counties are expanded in coverage over time and across geography. In particular, I advocate supplementing approaches that highlight resource and program constraints with an expanded focus on the political dynamics involved in expanding pro-poor policies. Thus, greater emphasis should be placed on understanding the political factors that limit the expansion and survivability of antipoverty programs. A broader view along these lines highlights the bargaining strength of beneficiaries, the need to secure public support, the potential for political misuse of antipoverty programs, and how institutional fragilities affect their sustainability. Antipoverty programs can be effectively scaled up if attention is paid to addressing these political and institutional challenges. An agenda for future research is also identified.

INTRODUCTION

In recent years there has been greater appreciation of the need to "scale up" development programs by expending greater resources to ensure that the benefits of poverty reduction are widely shared (see, e.g., Moreno-Dodson 2005; Binswanger and Aiyar 2003). For the purposes of the discussion that follows, "scaling up" is defined as the process by which efforts to raise the incomes of the poorest citizens are extended in coverage along multiple dimensions—over time and geography, both within and across countries.[1] Scaling up is central to the objectives envisaged by the Millennium Development Goals, requiring both a greater mobilization of resources devoted to antipoverty assistance as well as more ambitious antipoverty strategies (United Nations 2000).

This paper argues that a more complete understanding of scaling up will need to move beyond an emphasis on the "functional" characteristics of scaling up—the (human, informational, and fiscal) resource constraints, as well as the organizational and programmatic constraints—and address the political-institutional conditions of scaling up. Doing so requires a sharper focus on the interactions between politicians, program administrators, local and national elites, and their constituents (of which the poor are but one group). While resource and organizational constraints are critical, evidence from a quarter century of analysis of comparative public policy in developing countries suggests that these constraints are rarely exogenously set. Rather, they are often the result of complex bargaining between public and private actors, and are shaped by unique political processes in which these actors are engaged. The creation and maintenance of large-scale antipoverty programs (LSAPs) will be affected by the political calculations involved in conduct of social and redistributive policy in developing countries.

This paper is organized as follows. The next section examines the various dimensions of scaling up—from both the functional and political-institutional perspectives. Section 3 provides an overview of the main categories of LSAPs that have been implemented in countries around the world, and briefly surveys some evidence of their effectiveness in the poorest countries. Section 4 examines the problems of expanding or maintaining redistributive programs in developing countries, and derives some implications for scaling up and sustaining antipoverty programs. The fifth section concludes and identifies a future research agenda.

Table 1: Four Components of Scaling Up

	How is scale achieved?	Key determinants of program effectiveness	Main obstacles to scaling up	How are programs sustained?
Resource mobilization	By increasing budget, information, and personnel to expand beneficiary coverage of programs over time	Information-gathering and processing abilities of program administrators; capacity of supplemental agencies and institutions	Insufficient resources to support expansion of program coverage and improvements to absorptive capacity of executing agencies	Fiscal commitment to antipoverty policies supporting large-scale programs without loss of effectiveness
Program proliferation	By selecting and replicating proven antipoverty efforts across geographic boundaries	Adaptability of organizational capacities and practices to other contexts bases based clear counterfactuals	Incorrect combination of standardization vs. flexibility in spreading programs to other regions or countries	Feedback from continuous evaluation; program modifications to ensure self-financing, etc.
Political bargaining	By altering equilibrium that defines relationship between the government and key groups	Policy demands of beneficiaries; enfranchisement of the poor relative to the non-poor	Lack of public support for program; mobilization of opponents to pro-poor transfers	Creation of natural constituencies for antipoverty policy; support from the median voter or from critical groups
Institutional reform	By changing incentives of program administrators, public officials, and elites	Restraints on misuse of programs for rent-extraction (including manipulation in electoral cycles)	Absence of clear delineation of authority; incompatible incentives between branches or levels of government	An environment that enables programs to resist partisanship and survive changes in government or regime

THE CHALLENGE OF "SCALING UP"

"Scaling up" is a concept replete with multiple uses and meanings. To a certain extent, this multiplicity may be due to an inversion of the usual relationship between concept (label) and subject. Initially, "scaling up" became fashionable policy language to examine how successful, limited-scale policy experiments or development projects (microcredit, urban renewal, rural support, infrastructure projects, health and educational projects being among the most common) could be enlarged without any loss of effectiveness. Much of this was the case after disillusionments in the developing world with the results of country-wide policy reforms, and with the ability of governments in developing countries to deliver essential services to the poor. In the lexicon of international development, consequently, scaling up has emerged as a concept with little agreement on its purpose. Discussion of the "meaning" of scaling up is akin to trying to find an appropriate bottle to attach to a label, and has had a predicable result: a proliferation of uses.

Rather than identifying different meanings of the term scaling up, I focus below on the different dimensions by which limited-coverage, experimental, or pilot programs are "scaled up" in practice. These are not exclusive categories; scaling up often entails movement along these dimensions in parallel. Some are frequently found in discussions of scaling up, others less so. Table 1 summarizes the relevant details of these dimensions.

Scaling up through resource mobilization

At base, scaling up involves enlarging the scope (beneficiary coverage, geographic presence) of limited interventions. A key dimension of scaling up, then, is the mobilization of financial, human, and informational resources needed to sustain expanded programs. Financial and human resources for scaling up and for operating at scale are rarely in place at the outset, and old spending priorities cannot simply be replaced by new ones. Naturally, donor funding is expected to play a critical role in these matters. Recent analyses have raised questions about macro- and micro-economic consequences of increased aid flows to poor countries, as well as the lack of institutional capacity to support these flows. In particular, developing countries that lack effective fiscal institutions or institutions to police the common market, regulate and administer the distribution of public goods, are considered likely to experience early "saturation" points after which scaling up is unlikely to produce concomitant benefits. While forecasts of increased-aid scenarios are beyond the scope of this paper, these analyses have placed the issue of "institutional" and "absorptive" capacity front and center, suggesting that, in addition to the resource constraint, developing countries may be limited in their ability to utilize higher aid flows effectively due to, e.g., skill shortages or macroeconomic imbalances such as "Dutch-disease" exchange rate appreciation (International Monetary Fund 2006; Gupta, Powell, and Yang 2006), constraints generated by donor fragmentation, and technical and managerial deficiencies within countries (Hanlon 2004).

The lack of informational, financial and human resources commonly appear as a lack of administrative capacity. Often the country's bureaucracy does not have the capability to assess and verify eligibility for LSAPs on a wide scale, much less retain the necessary records for large numbers of participants. Or, participating individuals or households may not have access to supplemental institutions necessary for LSAPs to operate—financial institutions in the case of social insurance schemes or some types of transfers, health and educational services in the case of conditional programs, etc. Other programs may have a limited impact in countries where households derive their income from a host of informal sector activities, and where it can be difficult to tailor products to meet the needs of these households. Even in those countries where LSAPs are administratively feasible, it may be difficult to collect and maintain the amount of information needed to apply income and means tests.

Scaling up through program proliferation

International experience suggests that resources are a necessary but insufficient component of scaling up. A second dimension of scaling up, therefore, involves replicating or adapting program procedures, conditions, or instruments to operate on an expanded scale. The underlying assumption is that, while not perfectly translatable, basic operational modes and project features can be effectively and repeatedly replicated elsewhere (Gillespie 2003). Scaling up along this dimension implies that the organizational basics—management processes, internal financial practices, linkages with donors, and rules (including beneficiary targeting, conditionality, instruments, etc.) must be redesigned in order for programs to function at an expanded scale. Some analysts have referred to this approach as "universalist," where experience provides generalizations that can be duplicated, expanded, or adapted elsewhere according to basic rules (Hancock 2003; Oudenhoven and Wazir 2003). Consequently, one of the cornerstones of scaling up is programmatic evaluation. A practitioner's handbook notes:

> Step 1 of the scaling up process [is to] develop a scaling-up plan. Concrete results achieved during Step 1 include a realistic assessment of the prospects and parameters for scaling up and a road map for getting to scale. This step also includes developing the documentation and beginning to build the support that will be needed later in the scaling-up process . . . Timing is also critically important. Often, discussion of scaling up begins only after a pilot project is underway or completed. These projects are often assumed to be successful based on anecdotal evidence rather than a thorough, evidence-based evaluation of the extent and reasons for a model's success; an assessment of the model's strength's, weaknesses, and cost-effectiveness; and a comparison with alternative models or mechanisms for achieving the same goals (Cooley and Kohl 2005).

From this perspective, scaling up and evaluation are complimentary activities, whereby evaluation can offer valuable indications of program reliability and translatability (Duflo 2004; Fiszbein and Gevers 2005). In this class of approaches, interventions are examined ex-post, and attempts are made to identify factors affecting their effectiveness, on the basis of which recommendations can be made for scaling up interventions by replication.

Programs that are to be scaled up usually require changes in design and implementation due to the expanded access of program beneficiaries to services and markets. In Papua New Guinea, for example, a successful pilot to extend healthcare to the countryside was scaled up in the 1990s. Despite increasing health expenditures significantly, the scaled-up version of the healthcare program did not prove satisfactory, primarily due to the sparse population density, combined with communications problems between health service providers and beneficiaries, in the countryside (Asian Development Bank 1995). By contrast, one of the lessons from the well-known success of the West African Riverblindness Control effort was that, at an expanded scale (the program was scaled up from regional pilot to cover 11 countries between 1974 and 1990) flexibility in program design was essential, as was a reduced reliance on central governments (and greater community involvement) in the management of key partnerships, together with better harmonization of program practices across geographic areas (Benton et al. 2002).

Both the resource-mobilization and proliferation dimensions to scaling-up recognize that the poorest tend to under-invest in health and education, and that expanding those small-scale interventions that have provided critical services or goods to the poor requires both greater financing and administrative capacity, along with careful adjustments for projects to operate in other communities, regions, or countries. But these dimensions, taken together, are an incomplete view of scaling up. They do not adequately address the issue of *why*, if there is little uncertainty as to the benefits of interventions in basic health care, education, sanitation, or of secure property rights or better access to credit for the poor, governments of poor nations have repeatedly failed to scale-up these programs on a wider scale or sustain them. Nor do perspectives on the need to enhance institutional capacity explain why governments fail to build institutions to manage public expenditures or secure contractual rights. Two additional dimensions address these concerns

Scaling up through political bargaining

A third dimension of scaling up focuses on a particular "demand-side" dynamic, namely, bargaining and distributional conflicts between the poor and non-poor over antipoverty and social policy. This component of scaling up is based on two assumptions: (i) that antipoverty programs remain limited in scale because of the limited political engagement by beneficiaries as a coherent "interest group" in determining antipoverty policy; and (ii) that the poor may have less access and representation in the political system than the non-poor. Consequently, the scaling up of antipoverty programs will depend on the bargaining strength of the poor relative to the non-poor, as well as on the support for these programs among the non-poor.

Participatory, "bottom-up" approaches to scaling-up became increasingly accepted by the development community beginning in the 1980s, perhaps prompted by the need to find new, internal sources of financing and investment following the debt crisis in much of the developing world (Uvin and Miller 1994). The poor, however, face unique barriers to collective action. Research showing that greater intra-community inequality increases the costs of collective action and marginalizes the poor in village-level targeting, for example, indicates some of the constraints to scaling up (see, e.g., Das Gupta, Grandvoinnet, and Romani 2004; Emmett 2000; Platteau and Abraham 2002). When faced with the opportunity costs of participation, the poorest are also less likely to be engaged in local government, community organizations, or civil society to the degree required for the scaling up of community-based projects (Mansuri and Rao 2004). Civic organizations—which could potentially fill gaps left due to the failures of markets or governments to provide critical services for the poorest (Devarajan and Kanbur 2005)—are often under-developed in poor communities.

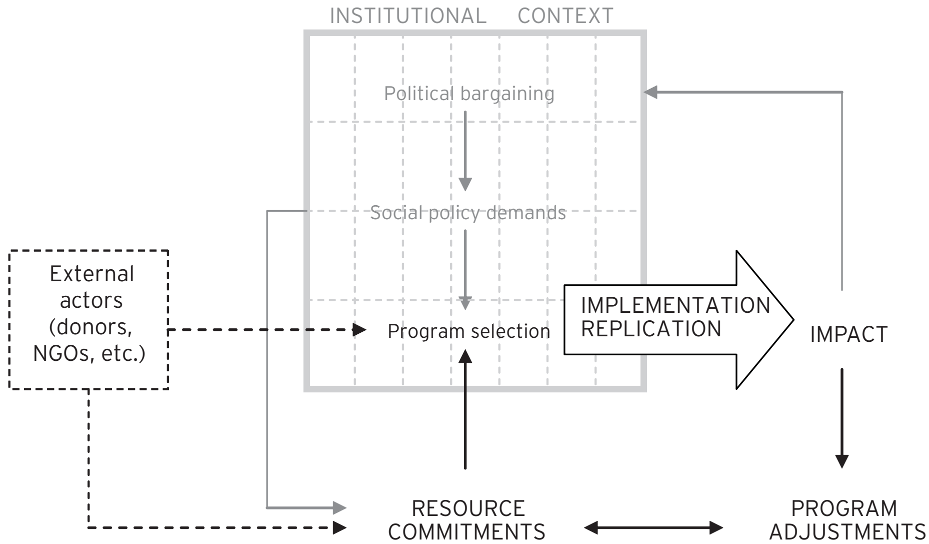
Beyond local civic engagement, for the poor there is often a problem of broader disenfranchisement in most political systems in that the poor are generally not well-represented in national policymaking processes. By contrast, the non-poor—especially the middle class—who are well-represented may oppose long-term redistributive programs in which they do not benefit. Thus the central challenge to scaling up is the need to alter the fundamental relationship between the poor and public officials, by overcoming both the obstacles to collective action among program beneficiaries, as well as the opposition of key political actors who set public policy agendas.[2]

Scaling up through institutional reform

Beyond the political weight of the poor in decision-making processes—either directly or via representation—and their bargaining strength vis-à-vis the non-poor, the general architecture of governance and the division of governmental authority can have a variety of effects on public policy, and therefore on the scaling up of antipoverty programs. A fourth dimension of scaling up, therefore, involves the governmental institutions required to administer and sustain antipoverty programs on a large scale. The design and implementation of LSAPs, as well as their re-design and scaling up, all occur in specific settings defined by the rules by which public officials, politicians, and other elites exercise political authority over program recipients. The formal and informal process of governmental decision-making determines the influence of public agencies and office holders on the scope of antipoverty programs. Scaling up, then, can require certain reforms to these arrangements.

The defining characteristic of antipoverty programs—which transfer goods, services, or productive assets to the poor—also makes them politically valuable apart from their impact on poverty. They can be used to secure the loyalty or recipients, to buy-off dissent or opposition, or to punish opponents by withholding benefits. For this reason, scaling up involves some

Figure 1: The Components of Scaling Up



important institutional imperatives.[3] First, scaling up requires a certain compatibility of incentives between branches of government as well as between levels of government. The scaling up of antipoverty programs is subject to stalemates between legislatures and presidents, or between central and sub-national authorities. LSAPs are also susceptible to holdups where different ministries or public agencies—responding to different constituencies and facing different incentives—fail to coordinate in program implementation. Workfare programs, for example, are notoriously prone to these problems, as the programs often affect the jurisdiction of labor ministries as well as (depending on the nature of the work program) a whole host of competing local or regional bodies. To some extent, this may be achieved through clear separations of powers between parts of government (to avoid overlap).

Second, scaling up requires a compatibility of incentives between successive governments in order to be survive changes in governments. Program designers would prefer to establish LSAPs that are valuable to their political party, group, or faction, while their opponents would prefer to design sunset-clauses or time-limitations into these programs. These conflicts often limit scaling up in one of two ways—either they can produce protracted stalemates between program advocates and opponents leading to long delays in scaling up, or they can lead to the elimination of programs following a change of government.

Scaling up summarized: functional vs. political-institutional perspectives

Figure 1 depicts these various dimensions of scaling up. The bottom half of the diagram—in black—indicates the narrower, "functional" approach that focuses on resources (human, informational, and fiscal), along with programmatic adjustment during scaling up. From this perspective, programs to be scaled up—along with resource commitments—are determined partly by domestic actors, but are potentially influenced by external actors such as bilateral or multilateral development organizations, NGOs, etc. (who may also commit resources). Implemented (or replicated) programs are evaluated, and programs are adjusted during scaling up.

The upper half of the diagram—in grey—identifies the political-institutional components of scaling up. Begin with political bargaining between groups over the content and scope of antipoverty transfers. These group dynamics produce a set of policy demands that, in turn, influence the selection of antipoverty programs. Resource commitments also influence program selection and implementation, but these commitments are not exogenous. Rather they, too, are shaped by policy demands of domestic constituencies (as well as by potential external actor). Bargaining, the antipoverty policy agenda, and selection of antipoverty programs, are all influenced by the institutional context—the incentives and capabilities of the various branches or levels of government through which policy demands are mediated and that are responsible for program implementation. Once selected programs are implemented, their impact will influence program (re)design, as well as the processes of bargaining and the institutional context in which key actors find themselves.

ANTIPOVERTY PROGRAMS

Over the past two decades, improvements in the measurements of the incidence, duration, and severity of poverty have vastly expanded our knowledge of the characteristics of those living below poverty thresholds in developing countries (see, e.g., Chen and Ravallion 2004). Progress has also been made in understanding the nature of the inter-relationships among these characteristics, with recent efforts made to clarify causal linkages usually obscured by problems of endogeneity and simultaneity. In addition to better measurement, the past 15 years have seen a proliferation of a diverse number of antipoverty programs in developing countries. Whereas public officials in previous decades were often limited to using national economic agencies to reform landholding, widen access to health services, education, and credit (usually through some form of price distortion), in the past several years development officials have chosen from a widening repertoire of fee waivers and subsidies, public works and employment programs, cash transfers, "near cash" transfers, property rights-based programs, micro-credit and informal insurance programs (to name a few) directed at the poor. New sources of information combined with advances in evaluation methodologies, in turn, have also improved program design and allowed for more effective policy interventions.

More recently, development practitioners have sought to examine how these results can be sustained and scaled up to reduce poverty on a global scale. Enlarging the coverage of smaller-scale interventions and transplanting successful efforts across borders, however, presents some important empirical lacuna regarding the linkages between these smaller-scale interventions and their scaled-up versions. First, although much is known about the "profile" of the world's poor as well as of the effects of different types of programs on income and consumption poverty, on asset accumulation, and on schooling, nutrition, child health, infant mortality, and other human-capital outcomes, our empirical knowledge of the effectiveness of these different interventions across programs, across countries, and over time, remains somewhat limited. It is unclear, for example, whether conditional cash-transfer programs in Latin American countries—the successes of which have been much publicized, and which are increasingly popular in developing countries—would have comparable effects in lower-income countries. Preliminary comparisons, in fact, show that conditional cash transfers fare poorly in Sub-Saharan Africa (Kakwani, Soares, and Son 2005).

Second, we do not fully understand the differential effects of antipoverty efforts on those who are only occasionally poor and those who, more-or-less, are permanently poor. A central difference noted in poverty assessments is between those who are always below the threshold and those who find themselves occasionally below—the "chronic" vs. the "transient" poor (Chronic Poverty Research Center 2006). The chronic poor, for example, are more likely to be members of ethnic minorities or indigenous groups, more likely to face discriminatory labor practices, more likely to suffer from disabilities or "stigmatized" diseases, and more likely to be female than the transient poor. The political economy of poverty for those who are chronically poor is, similarly, often highly distinguishable from that of the transient poor: larger percentages of chronic poor live under adverse climactic conditions (drought- or flood-prone areas), in isolated regions, in politically-fragmented communities, or in weak or failed states. But to the extent that scaled-up antipoverty programs would incorporate greater numbers of the poor around the world, understanding the effects of the distinctions between these two groups on program effectiveness will be crucial, as will be giving equal attention to preventing the downward mobility of the vulnerable non-poor, as to lifting up the chronic poor (De Janvry et al. 2006; Holzmann and Jorgensen 2000).

Third, the linkages between effective LSAPs in middle-income countries and broader social policies are poorly understood, and thus there is little comprehension of "next steps" for interventions that have proven successful. Designers of food subsidies or service-fee waiver programs for the poorest, for example, face important questions as to how to incorporate these programs into existing social-protection regimes in their countries, or indeed, whether they should be incorporated at all (Levy 2006). The advantages and disadvantages of an integrated safety (including antipoverty efforts) are little known and have only begun to be investigated.

An overview of large-scale antipoverty programs

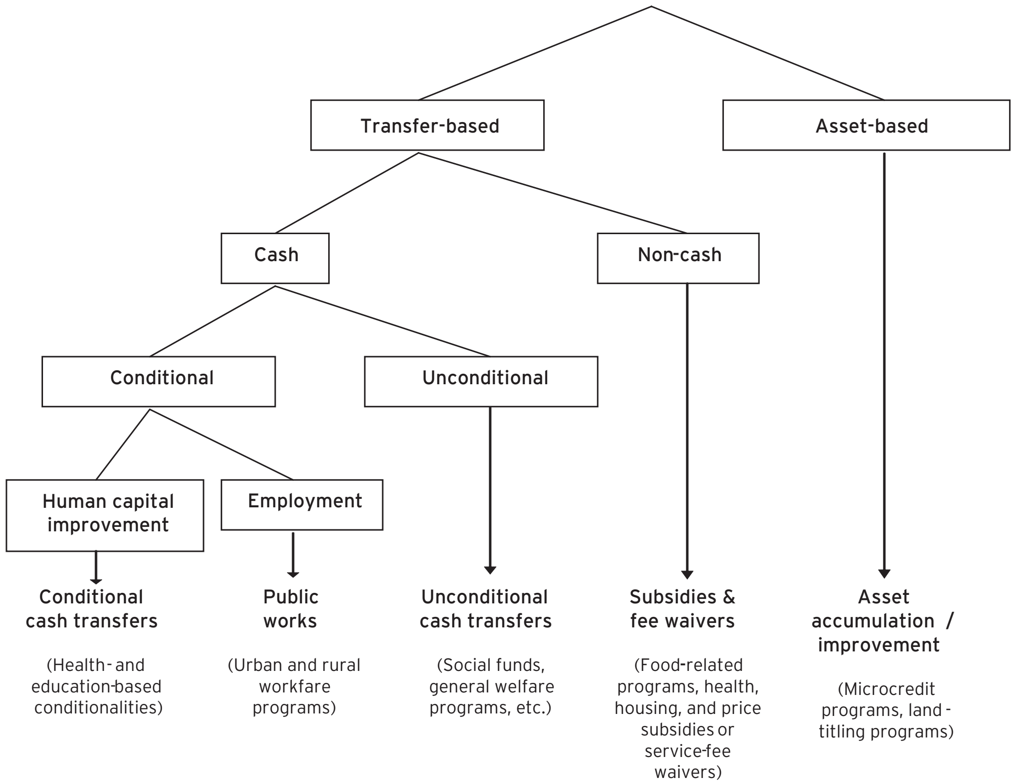
For purpose of this discussion, antipoverty programs may be considered social programs that have two objectives: (i) to raise income levels of individuals living below the poverty line; (ii) to protect vulnerable individuals or households living above the poverty line from shocks that might push them into poverty. In addition to creating a consumption "floor" for poor households, antipoverty programs can also encourage individuals to take initiatives that incur some risks but bring potentially higher returns. Heads of households who participate in LSAPs may choose to grow higher yield crops or employ modern farming methods. They may hold more productive, but less liquid, assets rather than cash. More recently, it has been recognized that antipoverty programs can diminish the likelihood that households, during hard times, will engage in behavior that is destructive over the long-term, such as withdrawing children from school or selling productive assets (Sinha, Lipton, and Yaqub 2002; Vakis, Kruger, and Mason 2004).

A variety of different programs can be used to provide assistance to households living in poverty, and to help them deal with the impact of shocks. Figure 2 shows the different categories of large-scale programs in a simplified taxonomy. LSAPs may be categorized according to whether they entail transfers to the poor, or whether they are intended to assist in the accumulation or improvement of their assets. If the former, programs can be further subdivided into programs that involve cash transfers or in-kind transfers. Cash transfers can be conditional or unconditional.[4] Finally, conditionalities typically attached to the receipt of cash payments can require proof of employment (or of attempts to seek employment) or actions taken to improve the health and education of children. The wide range of antipoverty programs reflects the fact that households may be exposed to a variety of shocks and risks, both temporary and permanent, idiosyncratic (affecting specific households, such as illness or death of a breadwinner) and covariate (affecting whole communities or countries, such as droughts or shifts in terms of trade), and these may need to be addressed through different instruments.

Social assistance (unconditional cash transfers)

The provision of cash assistance to the poor or those who face a risk of falling into poverty in the absence of the transfer is meant to protect the incomes of vulnerable households. Two commonly used unconditional cash-transfer programs are general needs-based social assistance and more specific family allowances—both of which comprise large portions of safety nets in OECD countries, where approximately 8% of GDP is

Figure 2: A Schematic of Basic Large-Scale Antipoverty Programs



allocated to such programs; by contrast, governments allocate less than 1% of GDP to cash transfers in developing countries, and the percentage of the workforce eligible for cash transfers is between one-half and one-quarter of the size of the population covered in richer nations (International Labour Organisation. 2000). General social assistance—a means-tested benefit—may be a regular or an occasional transfer, flat or variable, depending on the beneficiary's resources. The most common cash transfers are usually components of social insurance programs that protect a small segment of the workforce: social pensions, unemployment insurance, and depending on welfare laws in each country, transfers related to death and disability, sickness, or maternity. Family allowances in turn may be a categorical or a means-tested benefit paid to families with children under a certain age, and may be a regular or occasional transfer.[5] While the primary objective of cash-transfer programs is poverty relief, benefits such as the family allowance may fulfill secondary objectives, such as protecting families with children (Edmonds 2004).

The most critical design features to ensure the program's efficiency and effectiveness are the choice of the method used to select beneficiaries, the payment modalities chosen, and the implementing institutions (Tabor 2002). It should be noted that once the processes for the implementation of the program are in place, the administrative cost of cash transfers tends to be lower than the one of any other transfer program (Pinto 2004). In contrast to in-kind transfers, cash does not require any costly transport or storage of goods, nor does it require defraying the cost of materials, tools, or supervision typically needed for public works programs (Farrington and Slater 2006). They also give recipients full discretion in choosing how to spend the transfers. Cash-transfer programs, finally, have also been privately operated, or operated by NGOs. The most prominent examples of the former are within-family transfers, religious-group programs, kinship groups, and other forms of community protection that comprise large portions of antipoverty efforts in some developing countries. An NGO-based cash-transfer program is operated by is the Indian Self-Employed Women's Association (SEWA), whose members are poor women who work as vendors, home-based workers, and laborers. Among other programs, SEWA operates a cash-transfer scheme covering health, property, death, and disability insurance (Sinha 2002; Jain 1999).

In eastern and southern Africa, unconditional cash transfers have rapidly gained in popularity in response to chronic poverty, food insecurity, and health concerns in HIV-prevalent countries. Cash-transfer schemes or pilots have been introduced in several countries, typically with donor support. Although few survey-based impact assessments have been conducted in this region, a comprehensive qualitative review of cash-transfer programs in 15 African countries reveals the following (Devereux et al. 2005):

- Target groups for cash-transfer programs tend to be groups that are not *necessarily* the poorest, but groups such as workers in the formal sector (who receive contributory pensions), as well as orphans, elderly, natural or humanitarian disaster victims, disabled, and veterans. Increasingly, several programs are beginning to target the poorest (Botswana and Zambia currently offer schemes targeted towards "the destitute").
- The rationales for these cash transfers, although they are increasingly aimed at chronic poverty, were generally designed as emergency relief programs, rather than as social programs to be delivered during normal times. Consequently many of the cash-transfer programs are not predictable protections against chronic vulnerabilities that the poorest households face.
- Cash-transfer programs with NGO/donor participation tend to operate on a smaller scale relative to government-funded programs, but tend to have far better targeting and monitoring. Private sector participation in cash transfers is rare, but several contributory schemes now involve parastatals and are beginning to contract with the private sector for payment delivery.

Conditional cash transfers

Although the details of program design vary from case to case, conditional cash transfers (CCTs) require that households, in exchange for cash, undertake measures to improve their children's health and education by requiring their attendance in school, or regular visits to health clinics or nutrition centers. The transfer of cash contingent on these activities, then, is meant to promote the accumulation of human capital, limit the propensity of households to remove children from school or engage in other activities that increases the likelihood of long-term poverty, and thereby prevent the transmission of poverty across generations.

CCTs have recently gained enormous popularity due in part to mounting evidence of their effectiveness, particularly in Latin American countries. In 1997, Mexico launched *Programa de Educación, Salud, y Alimentación* (*PROGRESA,* now known as *Oportunidades*). Shortly thereafter Brazil started *Programa Nacional de Bolsa Escola* and *Programa de Erradicação do Trabalho Infantil* (*PETI*), Colombia the *Familias en Acción* program, Honduras *Programa de*

Asignación Familiar (*PRAF*), and Nicaragua *Red de Protección Social* (RPS). Beginning with *PROGRESA-Oportunidades* in Mexico, these first-generation CCTs have been characterized by effective implementation with respect to targeting, general administration, and program outcome (Levy 2006; Rawlings 2004). Well-implemented CCT programs, designed appropriately for their settings, have demonstrated a wide range of favorable results: increased caloric intake and reduced malnutrition, better use of preventive health services (immunization, growth monitoring), improved school enrollment, and reductions in child labor are but a few benefits documented in credible impact evaluations (see, e.g., Schady and Araujo 2006; Skoufias and Di Maro 2006; Gertler 2004; Bourguignon, Ferreira, and Leite 2003).

The programs are, of course, not a panacea. Although the available evidence is thin, important differences between Latin America and Sub-Saharan Africa, for example, in terms of quality of service provision or capacity to implement conditionality, and the cost ratio of conditionality may well make the introduction of CCTs in Africa inappropriate (Schubert and Slater 2006). CCTs have proven less popular in countries where the quality of essential services (health and education) is so poor that the benefits of imposing conditionality are in doubt. Recent examinations have raised questions as to whether CCTs are the most cost-effective mechanisms available to address developmental bottlenecks, whether conditionality focuses on education and health outcomes to the detriment of poverty and food security, and whether too much emphasis is placed on enhancing demand by the poor for social services while too little is placed on ensuring that their provision is adequate (Handa and Davis 2006; Barrientos and DeJong 2004).

In-kind transfers

Unlike the case with CCTs or other types of cash transfers, in-kind transfers either go to service providers directly (in the case of fee waivers, subsidized insurance, or subsidized utilities) or do not involve cash (in the case of food subsidies). Many governments use subsidization and in-kind transfers to meet social protection objectives in lieu of, or in addition to, direct income transfers. The rationale for using such subsidies rather than cash transfers is based, in part, on the potential of these instruments to shift consumption behavior as well as on administrative considerations (Alderman 2002b). There is substantial evidence that price, food subsides, and food stamps encourage increased consumption, possibly due to changes in the share of resources controlled by women (Pinstrup-Andersen 2002). On the other hand, while these subsidies do lead to increased consumption towards a commodity in keeping with policy objectives, they may also distort production or consumption incentives. Still, governments may also choose price subsidies because they are easier to administer than income transfers. In many cases they may also be politically more tractable (Hopkins 1988). In-kind transfers, additionally, are also more likely to be supported by taxpayers who do not benefit, since the transfer is both "implicit" (rather than directly in cash), and used for necessities.

The most common form of price subsidy is an untargeted direct subsidy. However, various other means may be used to deliver price subsidies as well. These are: exemptions on value added or other sales taxes; untargeted indirect price subsidies (such as for transport or storage); and dual exchange rates, which include export taxes, producer quotas, subsidies on transport and storage, and domestic sales of a commodity below its international cost. Rationed subsidies (quotas), which include untargeted parallel market channels for the general population, targeted access to subsidized goods, and coupons, vouchers, and stamps, are also used to achieve the same social protection objectives. Subsidies on goods available in a rationed amount are a less costly alternative to open ended subsidies on the entire supply of a good.

The other common form of in-kind transfer is the targeted subsidy. Safety net programs that are tied to the provision of food, either directly, or through cash-like instruments (food stamps, coupons) that may be used to purchase food, is a well-known example. The most common types of food-based transfers are supplementary feeding programs (which provide a direct transfer of food to targeted households or individuals, most commonly for maternal and child feeding), food-for-work programs, food stamps, and consumer food-price subsidies. In some countries—in particular, the formerly socialist countries of Eastern Europe and the Commonwealth of Independent States—cash transfers are used to defray the costs of utilities, rather than food, for poor households.

Recent evidence shows that universal subsidies tend not to be cost-effective methods of transferring resources to the poor—they are rarely progressive and are often associated with large consumption and production-efficiency costs (Coady 2004; Rogers and Coates 2002). While targeted in-kind and subsidy programs can reduce these inefficiencies, they tend to suffer from high degrees of "leakage" to the non-poor, and significant corruption (Coady, Grosh, and Hoddinott 2002).

Public works

Workfare programs have been important counter-cyclical program interventions in developed as well as developing countries for many years to counter natural and economic shocks. These programs typically provide unskilled manual workers with short-term employment on projects such as road construction and maintenance, irrigation infrastructure, reforestation, and soil conservation.

Public works programs have served as useful safety nets in middle-income countries during periods of recession or economic crisis. Chile was the first country in Latin America to successfully use workfare programs to target poor unemployed workers and generate employment, implemented in aftermath of the 1982 recession. At their peak the various public work programs employed 13 percent of the Chilean labor force (Lustig 2000). Argentina introduced similar workfare programs in response to the 1995 "Tequila" crisis. *Trabajar* and similar programs are funded through payroll taxes that are directed into the National Employment Fund. The resources are used to build small-scale, labor-intensive public works, including social infrastructure, roads, and small sanitation works. Workfare programs in the most successful cases were well-targeted towards the poor and effectively reduced the vulnerabilities of workers in those countries during hard times (Ravallion 1999).

In low-income countries, however, evidence from some public-works schemes shows a sharper investment return-poverty reduction tradeoff: the greater the emphasis in generating high-quality investments from public works, the harder it is for the program to reach the extreme poor (Coady 2004). Meanwhile many public works programs in the poorest countries do not come with clear criteria for programmatic changes or dissolution, and therefore tend to last well beyond their intended lifespan. Fragmented coverage and a weak capacity to respond in times of need undermines the credibility of public works programs to perform their insurance function for the poor in low-income countries (Subbarao 2003; Subbarao 1997).

Asset improvement and accumulation

In addition to programs in which cash or goods and services are transferred to the poor unconditionally, or in exchange for using health and educational services, or for employment in public-works projects, there is a second class of antipoverty programs to be considered. Unlike transfer-based programs, asset-based programs are intended to encourage and support the accumulation or productive use of capital goods that can then be transferred across generations. Certain transfer-based programs such as CCTs or fee waivers for health and education, of course, are linked to human capital accumulation and thus may rightly be considered asset-based programs, but here I limit the discussion to non-labor factors of production, *viz*., physical assets such as credit and land.

To a certain degree, asset-based programs represent a non-traditional approach to poverty reduction, one that emphasizes relationships between assets, risks, and vulnerability, instead of static definitions of "poor" and "non-poor," and that focuses on long-term asset accumulation instead of the actual income of the poor (Moser 2006). Asset-based approaches, in particular, have also prompted reconsideration of the usual income-poverty line measurement. The concept of poverty, in its simplest sense, expresses a "gap" between a minimal standard of welfare—measured as income, consumption, or some other indicator—and those who fall below that minimum. More recently, however, analysts have argued for broader use of dynamic, asset-poverty lines and poverty traps based on inter-generational transfers (Carter and Barrett 2006). But due to the sparseness of systematic data on household assets in middle- and low-income countries, and due to the uncertain time horizon over which asset-based programs are expected to reduce poverty, analyses of the impact of asset creation and asset improvement are difficult to design and implement.

Rural credit, for example, has been widely regarded as a key to poverty alleviation. Macroeconomic analyses show fairly strong and robust relationships between the depth and diversification of the (formal) financial system and economic development (Beck, Demirgüç-Kunt, and Levine 2004). But microeconomic analyses are less clear. Some analyses have found, for example, that access to credit is closely correlated with lower rates of child participation in the labor market (Beegle, Dehejia, and Gatti 2005), as well as increased employment and lower poverty for women (Karlan and Zinman 2006; Khandker 2005). On the other hand, extensive assessments of the effects of microfinance have found little or ambiguous impact on health and nutrition (MkNelly and Dunford 1999), or mixed results in terms of poverty reduction.[6] There is also evidence that household portfolio allocation is inefficient, particularly in developing countries, due to problems of poor education, a weak investor-protection regime, and a lack of trust in financial intermediaries. If true, the correlation between better access to formal credit and poverty alleviation may be spurious tenuous (Honohan 2005). A recent survey of 41 microfinance programs that met or exceeded scale and sustainability benchmarks, moreover, showed that only 4 of these programs yielded credible and positive impacts on poverty reduction (Dunford 2006).

In addition to credit, land titling is another asset-based approach to poverty alleviation that has gained worldwide attention in the past decade. As land scarcity has diminished the impact of large-scale land resettlement programs over the past fifty years, policymakers have turned to property rights schemes that aim to establish formal control rights over land on which the poor may have dwelled for generations. Among the highest-profile programs, in recent years, have been the land-titling efforts associated with the work of Hernando de Soto and others. The rationale for land titling for the poor is clear: because the poor do not have formal title to land they occupy, they are effectively shut out of the formal financial system, unable to use their land as collateral (De Soto and Litan 2001).

Does land titling increase the access of the poor to credit and capital? Because of their recent origin, there is a paucity of evaluations of land-titling programs and completed evaluations are decidedly mixed. Participants in a systematic land-titling in Indonesia, for example, were 12% more likely to use title certificates, once issued, to obtain credit than control groups (SMERU Research Institute 2002). By contrast, an evaluation of a Peruvian rural land program is inconclusive as to the effect of program participation on access to credit (Torero and Field 2005). Several critics have noted that property title creates neither a healthy real estate market nor improved access to formal credit for the poorest (Gilbert 2002). In some notable cases, the expectation of formal title over land held by the poor has prompted predatory actions by landed elites to evict squatters from land to be titled (Durand-Lasserve 2004). Larger-scale land-titling programs, moreover, have suffered due to weaknesses in judicial systems and in contract enforcement mechanisms.

How effective are LSAPs in low-income countries?

Limited cross-national, comparative analysis has been done on the effectiveness of antipoverty programs. A list of programs from around the world can be found in Annex 1. The quantitative evaluatory work on these programs has been conducted primarily in middle-income countries, with fewer assessments of programs in the poorest countries, making comparisons problematic. From limited cross-national research, however, there are two tentative conclusions that deserve attention: (i) antipoverty programs that have proven beneficial in middle-income countries have shown less of an impact in low-income countries; and (ii) targeting—the main mechanism by which social programs can be designed to benefit the poorest—works less effectively (are more regressive) in poorer countries.

All LSAPs have costs, and all LSAPs have political risks—namely, the risk that they will be used primarily to reward or entice political supporters and to punish opponents. Some of these costs and risks for the five categories of programs are described in Table 2. The table also summarizes some potential program-based risks in low-income countries. Less-developed infrastructure, weak or failing states, extreme regional disparities, social or political polarization (particularly in conflict-ridden areas), and low-growth environments are just some of the factors that impinge on LSAP performance in low-income countries.

These factors have consequential effects on household behavior, and are thus likely to shape the effectiveness of programs aiming to change household incentives. Figure 3 shows the effect of CCTs on school enrollment, given baseline enrollment rates, across countries. In the first graph showing a set of Latin American countries along with Bangladesh and Cambodia—the figures for which are taken from impact evaluations—CCTs have the greatest impact where the initial enrollment rates are low. The second panel is based on the UNDP's International Poverty Center (IPC) simulations showing the impact of cash transfers on enrollment in 15 Sub-Saharan African countries—countries which do not actually have CCTs in place. These results are based on an ex-ante defined model of household decision-making that does not explicitly examine the effect of conditionality, but that is built on the assumptions that the poor are

Table 2: Characteristics of Basic LSAPs

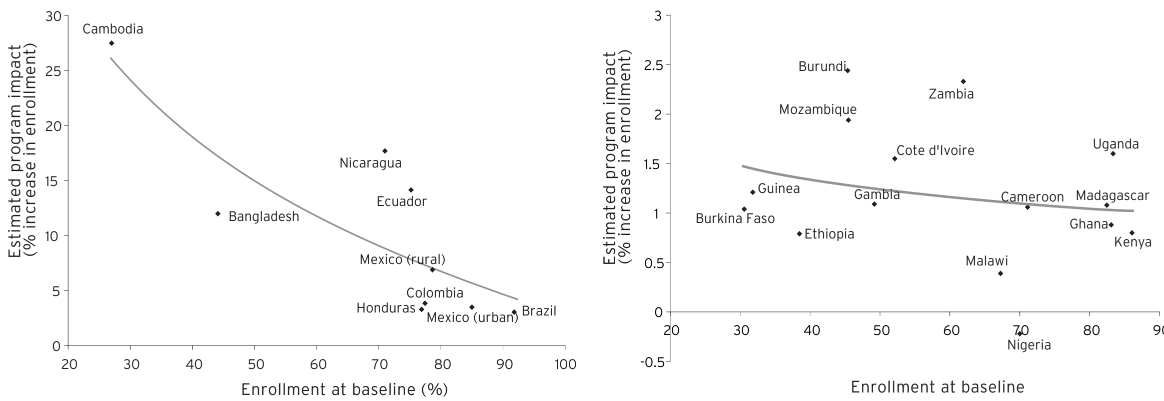
	Costs	Potential for political misuse	Risks in low-income countries
Unconditional cash transfers	Targeting costs can be high, as can costs of distributing and monitoring receipt of payments, and monitoring beneficiary participation.	Allocation of cash transfers to secure electoral support, political loyalty (and to punish opposition), or as reward for solidarity, rather than on the basis of need	Use of social assistance for antipoverty can create "patchwork" or fragmented social policy regimes
Conditional cash transfers	Targeting costs, along with need for effective service delivery (in health and education) as part of conditionality	Similar problems as with unconditional transfers, along with numerous opportunities to use service mechanisms as patronage	Undeveloped infrastructure, poor service-delivery, and low-returns to education can undermine willingness to participate
In-kind transfers	Potentially high storage and transport costs for food programs; possible distortionary effects of price subsidies	Use of subsidies to "pacify" rural areas, prevent urban protests, political violence, etc., rather than antipoverty objectives	Program administrators may face strong pressures to use in-kind transfers as substitute for discretionary spending, such as for emergency relief, food aid, etc.
Public employment	High overhead costs of managing, training, and/or supervising beneficiaries	High potential for misuse of employment programs for non-poverty reduction purposes	Institutional fragmentation undermines insurance function for the poor
Asset-accumulation and improvement	Budgetary impact may be limited, but may expand contingent liabilities for governments (e.g., via guarantees for microfinance institutions)	Politically-based allocation of credit; discriminatory land-titling	Absence of well-functioning real estate or credit markets limits ability of program participants to exercise rights over assets fully

progressively targeted, and that the total program expenditure is proportional to the degree of poverty in each country.[7] The results show a much weaker relationship between the impact of the transfer and baseline enrollment, *and* a much lower overall increase in enrollment rates, *due to the low returns to education* in African countries. Indeed, the UNDP-IPC found that even affordable programs would not have measurable impacts on poverty, and that larger, costlier programs would have limited effects on school attendance.

Similarly, data from South India show that while the poor are unwilling to expend resources or effort on ensuring their children attend schools, they spend large relative sums of money on wedding celebrations and festivals (Rao 2001). The study argues that publicly observable celebrations serve an important role in maintaining social reputations and, at the same time, are forms of status-enhancing competition. In sum, they are a more valuable investment than alternative investments in human capital.

One of the broader indicators of the performance of antipoverty programs is the effectiveness of their targeting. Indeed, it is frequently argued that the "best" antipoverty programs identify who the poor are, and

Figure 3: Impact of Cash Transfers on School Enrollment



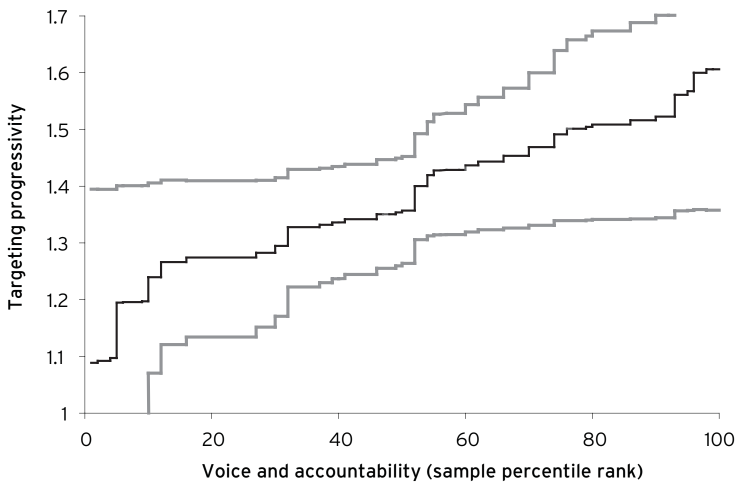
Source: Morley and Coady 2003), Kakwani, Soares, and Son (2005).

ensure that benefits are targeted towards that group. The debate on the relative merits of targeting—in both developed and developing nations—is well-known and requires little summary.[8] In upper-income nations, a combination of income- and means-testing is used to establish eligibility for participation in antipoverty programs. Much of the information used to determine whether or not participants are eligible comes from tax and purchase receipts, but in many cases social workers interview applicants individually, yielding an administrative cost of between 7% and 11% of total program costs (Organisation for Economic Co-operation and Development 1999). Developing nations, in contrast, have employed a variety of alternative mechanisms to target households and individuals that avoid these prohibitive administrative costs: using categorical indicators (gender, age, household size, employment, or whether recipients are disabled, widows/widowers, disaster victims) to establish proxy tests, geographical targeting, or "community-based" assessments in which a local authority is empowered to select program beneficiaries.

An assessment of the targeting effectiveness of over one hundred antipoverty programs in almost 40 developing countries shows that means-testing is superior to alternatives such as proxy means, community assessments, age, or other mechanisms in targeting outcomes (Coady, Grosh, and Hoddinott 2004). The same data, however, do not show any significant correlation between country per-capita income and the likelihood that means testing will be used (although proxy means are more likely to be used in richer countries). Yet the country-income effect on targeting progressivity is clear: an increase of one standard deviation in GDP per capita increases progressivity by approximately 10% (i.e., 10% of the benefits are more likely to accrue to the poorest quintile). Figure 4 shows the estimated effect of country income on targeting performance for the available sample.

To be sure, the administrative costs of targeting can be substantial—as is the case in the richer nations. But much of that cost is due to the informational requirements of means testing. That the preliminary cross-national data do not show any significant effect of national income on the likelihood of means testing suggests that other factors are responsible for the poor targeting performance of LSAPs in developing nations. It has been noted that a purely technocratic

Figure 4: Estimated effect of GDP per capita on targeting performance with confidence intervals



Notes: Graph shows estimated values (dark line) based on stochastic simulation of an OLS model controlling for program type and different categories of means testing, community assessment, as well as targeting by age, geography, work, and consumption. Shaded lines represent 95% confidence intervals. The data rank targeting progressivity for 86 antipoverty programs in 36 developing countries.
Source: Coady, Grosh, and Hoddinott (2004).

approach to targeting (which takes into account consumption and income levels of program recipients) is not feasible because it ignores the distributional conflicts inherent in the design and implementation of antipoverty programs (Besley and Kanbur 1990). In particular, to the extent that movement away from non-targeted schemes (e.g., food subsidies) towards targeted schemes entails losses to the middle and upper classes, large-scale targeted programs may become politically unsustainable, even as the technical obstacles to effective targeting are overcome.

What are the reasons behind these correlations? The low resource levels of these countries is a necessary but insufficient explanation, at least at the program level, since there is evidence of fully donor-funded programs (e.g., in Tanzania, Zambia) yielding comparably poor results. The conceptual approach taken here is that antipoverty programs are a sub-set of the overall social protection regime, and that the choice of scope, content, and target for these programs is an inherently political decision influenced by the same factors that shape social protection. In the next section I examine what political-economic insights can be derived from an examination of changes in social policy in developing countries, before turning to an examination of how the political and institutional constraints to scaling up can be overcome.

THE POLITICAL-INSTITUTIONAL DETERMINANTS OF SCALING UP

To the extent that LSAPs represent large-scale transfers to the poor, it is important to understand the conditions under which such transfers are politically feasible on an expanded scale. The perspective on scaling up used in this background paper is that the principal determinant of successful, sustainable scaling up is a political environment that is favorable to pro-poor economic and social policy. In other words, the same political dynamics that have constrained the ability of developing countries to provide social protection and deliver basic services to their poorest citizens are the same factors that will limit the scaling up of successful interventions.

Social protection, when viewed restrictively, is sometimes considered distinct from antipoverty programs, particularly those programs aimed at the chronic poor. In developing countries, social protection was often traditionally associated with a set of institutions, policies, and programs in place aimed at providing benefits to individuals and households to enable them to cope with short-term risks. But there is now a greater consensus that social protection can provide an appropriate framework for addressing transient and chronic poverty in developing countries, one that should not be limited to addressing short-term vulnerabilities, but that can create conditions for the poor to escape from poverty (Barrientos, Hulme, and Shepherd 2005). This approach, which merges the "social protection" and "poverty reduction" agendas, aims at moving from a disparate set of ad hoc safety nets and programs toward a more regularized system that manages the risks and vulnerabilities faced by individuals and households (see, e.g., Gentilini 2005; Devereux 2002; Dercon 2003). In developing countries, social protection faces some specific challenges. I examine some of the determinants of poor social protection in developing countries before turning to an examination of some specific factors that may promote scaling up.

What explains the expansion and retrenchment of social policy in developing countries?

The analysis of the rise and expansion of welfare states in industrialized nations, beginning with the social and political upheavals in the late 19th century, is one of the major subfields in comparative and historical political economy. By contrast, very little has been written on the forces underlying the development and expansion (or contraction) of welfare states in the developing world (many of which, in relative terms, are far richer than the OECD countries were in the 1800s). It has been long assumed, for example, that the presumably harsher effects of structural adjustment and fiscal-austerity measures on public budgets contributed to smaller per-capita amounts of public spending on health, education, and social protection in poorer countries. This assumption, however, is not supported by econometric analyses of available panel-data from developing countries, some of which find that structural adjustment actually contributed to an *expansion* in public spending (Fan and Rao 2003). There is no consensus, moreover, for explaining how or why long-run trends in per-capita welfare spending in Asia, Latin America, and Africa differ from that of the OECD countries.

What can the historical evolution of social protection in Western Europe and the U.S. tell us about the contemporary problems of social protection and social spending in the developing world? Some prominent explanations of welfare state development deserve examination in the developing country context. These are drawn from a diverse literature identifying political-institutional factors that have enabled or hindered countries' abilities to fashion disparate safety net and antipoverty programs into a coherent system of social protection. I focus on three inter-related factors: the effects of economic openness, the bargaining ability of domestic coalitions and constituencies supporting social spending, and the nature of the political system.

- Low-income countries are unlikely to be able to resist pressures to restrain social spending in the face of increasingly global economic integration, liberalization, and trade openness;
- Low-income countries lack groups with sufficient political clout—including, but not limited to labor-rural alliances, and other "populist" coalitions—that can credibly demand greater provision of essential services and social programs for the poor;
- Political systems in low-income countries tend to be "illiberal" or semi-competitive democracies, or non-democratic, and thus do not prioritize pro-poor spending or progressive economic policies.

Globalization and economic openness

One prominent explanation, particularly in light of recent and on-going debates on the effects of globalization, is that economic openness in developing countries inhibits their ability to spend public funds on health, education, and social security. One answer to the question "has globalization gone too far?" is well-known: neoliberal reforms have undermined the social protections that countries were able to provide during the era of import-substitution industrialization, and have limited public expenditures on social protection and poverty alleviation (Rodrik 1997). Yet, as Rodrik himself notes, openness did not have similar effects in high-income OECD nations where evidence consistently shows that economic openness, lower poverty levels, large public sectors, and generous welfare systems are strongly correlated (Rodrik 1999).

The divergence is primarily explained by two competing hypotheses of the effects of globalization on social spending (Garrett 2001). On the one hand, openness encourages business groups and investors—newly exposed to international competition—to push governments to lower taxes and expenditures, and limits the bargaining ability of workers to resist these pressures. In Sub-Saharan Africa, the evidence is somewhat mixed. Some cross-national evidence for the region shows only modest cuts for health and education in the 1980s and 1990s (Sahn, Dorosh, and Younger 1997), while other evidence shows significant deterioration in social services resulting in lower vaccination and school enrollment rates (Cleaver, Kanbur, and Rouis 1995). In the typical African state, a common response to economic retrenchment seems to have been to protect the position of public-sector employees while lessening its commitment to antipoverty programs, suggesting that globalization is an insufficient explanation for the decline in overall social spending (Van de Walle 2001).

On the other hand, a different hypothesis holds that countries exposed to economic and social dislocations from trade or financial liberalization are *more likely* to provide transfers to key groups as an insurance against political backlashes. This alternative hypothesis seems to fit the recent history of Latin America, where a series of transfer-based programs were initiated in the wake of economic crises consisting not only of cash transfers to the poor, but of transfers to rural landholders, public employment programs, and other subsidies. One of the architects of PROGRESA summarizes the dilemma presented to policymakers:

> [A]lthough increasing the scope and coverage of existing programs in the short run would show that measures were being taken to protect the poor, it would make it more difficult to phase

them out later on and would reduce the credibility of the government's commitment to revamp food subsidy policy; not doing so, on the other hand, would give the impression that the government was insensitive to the needs of the poor (Levy 2006).

Additionally, analyses of Eastern Europe and the CIS also describe the phenomenon of "soft budget constraints" for former state-owned enterprises as a *de facto* form of social assistance during an era of retrenchment, during which implicit subsidies to firms were continued mainly because much of the social protection in these countries was handled through an elaborate system of firm-owned social assets (Roland 2000; Freinkman and Haney 1997).

Economic openness and integration *per se*, therefore, do not explain the variation in social spending one observes in developing nations over the last quarter century. Whether governments lower or increase social spending in response to external economic factors, then is itself a function of the means citizens have to mobilize support for or opposition to various programs.

Coalition strength and populism

A long tradition in comparative political economy places distributional conflicts at the center of analyses of the scope and depth of social protection. In a nutshell, the conventional wisdom is that a strong labor movement is vital for maintaining social protection. Much of the analysis on which these conclusions are derived from histories of welfare states in Western Europe, where the spread of social democracy and labor unionization coincided with expanding public expenditures on health and education, compensatory transfers to the poor, along with social insurance (Hicks 1999; Korpi 1983; Esping-Andersen 1990).

Some recent analyses have extended some of these findings to the developing world, to analyze the effect of labor strength—or left-wing political movements more generally—on social spending. One argument is that labor movements in developing countries (in the face of globalization) have found themselves in a weaker bargaining position due to the abundance of low-skilled workers along with larger pools of surplus labor, limiting their ability to organize or act collectively (Rudra 2002). Although this most clearly pertains to the differences in strength between labor movements in OECD countries and developing countries, it may also apply to the differences between middle- and low-income countries in recent years. In Latin America, for example, although trade unions have remained historically weak (as in much of the developing world), it is likely that populist movements may have acted as substitutes in resisting cutbacks to social protections or LSAPs (Stokes 2001).

A similar argument makes a distinction between groups in sectors facing shocks—e.g., manufacturing sectors exposed to international competition—and those less vulnerable. In this view it is distributional conflict between the high- and low-risk sectors, rather than between classes, that shapes social protection. Workers and firms facing high demand volatility, consequently, will favor institutions of social insurance that compensate them for losses of income, and that reallocate these costs across sectors; workers and firms in low-risk sectors will oppose these programs that turn them into subsidizers of high-risk sectors (Mares 2005). The outcome of this battle turns on (i) the relative bargaining strengths of these groups, and (ii) the government's ability to manage conflicts and enforce existing policies, which can dampen the effect of external shocks on the erosion of social protection.

Democratic politics and pro-poor policies

The other mechanism through which the effects of globalization are mediated is the nature of democratic politics. An axiom in debates on the politics of social spending is that given lower rates of political participation by the poor, social spending programs that benefit the middle and upper classes are more likely to maintain support. In other words, although the median voter may be relatively poor, their effective disenfranchisement limits their ability to pressure policymakers.

Nevertheless, democracy does appear to be associated with greater antipoverty spending in developing countries around the world. In Latin America, for example, studies have found that democracies in the region were more likely to maintain social security, health, and education expenditures in the face of recessions in the 1980s than non-democracies (Brown and Hunter 1999). Evidence from over two decades suggests that the shift to democracy in Latin America has a stronger (positive) effect on health and education spending than on pensions and other welfare transfers that tend to benefit the middle class (Kaufman and Segura-Ubiergo 2001). Two interpretations are possible. First, it may be the case that democratization in Latin America is associated with greater mobilization of the poor, and thus democratic rulers are more likely to respond with public expenditures that reach larger portions of the poor. The study of the targeting performance of antipoverty programs cited in section 2 above supports this finding, showing that "voice and accountability" in government increases the progressivity of targeting. Another likelihood is that some minimal transfers to the non-poor are needed to ensure their support for those programs targeted towards the poor, in order to enjoy support from broader segments of the public (and to avoid "backlash" against pro-poor programs by the middle class).

In Sub-Saharan Africa, resolving the issue of whether democratic politics leads to more antipoverty spending is complicated by the fact that many social services are even more inequitably distributed than they are in other developing nations. A study of education and health spending across several African states finds that the richest citizens tended to benefit disproportionately relative to the poorest (Castro-Leal et al. 1999). During the 1980s, moreover, prior to the emergence of democracies in most of Sub-Saharan Africa, the spending per student on tertiary education exceeded spending on primary education by a ratio larger than for all other regions (Pradhan 1996). Multiparty democracy in Africa, however, has reversed some of these patterns, with democratic governments more likely to prioritize primary education (Stasavage 2005).

Creating a favorable environment for antipoverty policy

If antipoverty policy and social policy are jointly determined by similar sets of factors, what do these factors imply for scaling up antipoverty programs in poor countries? I identify 5 implications, as well as what can be done to overcome these problems:

- The poor are limited in their ability to exploit the power of their numbers due to the collective action problems they face;
- There is often a tradeoff between the targeting efficiency and political feasibility of LSAPs;
- The design and institutional location of LSAPs may be characterized by stalemates in cases where social policy is a patchwork of programs and instruments, each administered by different public bodies with different constituencies, interests, and incentives;

- The institutional arrangements of which LSAPs are a part are sometimes designed with political objectives trumping antipoverty objectives, making the survival of LSAPs during political transitions doubtful;

- Elites who administer LSAPs may seek rents, divert assets, or otherwise collect private benefits in ways that undermine the sustainability of these programs.

Overcoming fractionalization

A wide body of evidence suggests that social and political fractionalization in poor communities limits the ability of the poor to engage in collective action. Heterogeneous preferences—due to ethnic or linguistic fractionalization, high levels of inequality, etc.—also lower the quality of public goods. The inability of members to impose credible sanctions in diverse communities, the unwillingness of some community members to fund essential services that will be used by members of other groups, the lack of consensus on what public goods should be demanded, and the tendency of all groups in a diverse community to free-ride on the efforts of others, are all cited as explanations of the problem (Posner 2005; Barr 2004; Alesina, Baqir, and Easterly 1999). Consequently, the degree of semi-permanent disenfranchisement may be extensive. The empirical evidence supporting the claim that public goods provision in ethnically diverse communities suffers is overwhelming. Ethnic diversity is associated with:

- Persistent price distortions (Easterly and Levine 1997);

- Lower primary school-funding and poor-quality school facilities (Miguel and Gugerty 2005);

- Lower access to functioning basic infrastructure (Banerjee, Iyer, and Somanathan 2005; Khwaja Forthcoming);

- Poorer-performing microfinance institutions (Karlan 2007);

- Civil wars, communal violence, and out-migration (Fearon and Laitin 2003; Varshney 2003);

- Exclusion (via discrimination) and self-exclusion of potential antipoverty program beneficiaries (Platteau 2000; Castro-Leal et al. 1999).

There is also evidence of discriminatory practices against the poor who happen to be minorities, raising the possibility that new cleavages—between minority- and majority-group poor citizens—can be induced by public policy. Sri Lanka's *Sumurdhi* cash-transfer program, for example, has accounted for nearly 1.5% of GDP in recent years. Survey data indicate that the program discriminates against minorities, as well as those in newer settlements (Gunatilaka 2000).[9] Fear of governmental agencies among indigenous groups has also limited the participation of the poor in antipoverty programs in Guatemala, Bolivia, and Peru (Psacharopoulos 1992; Schady 2001).

The ways in which these divides of ethnicity and religion have been overcome, therefore, can potentially instruct project design and scaling up. In particular, nation-building and political socialization has often created associational bonds across ethnic or religious groups, and counteracted some of the exclusion brought about by ethnic diversity and exclusion. Miguel summarizes the contrast between Kenya and Tanzania:

> Despite their largely shared geography, history, and colonial institutional legacy, governments in Kenya and Tanzania have followed radically different ethnic policies along a range of dimensions—most notably in national language policy, the educational curriculum, and local institutional reform—with Tanzania consistently pur-

suing the more serious nation-building policies during the postcolonial period. . . The Tanzanian nation-building approach has allowed ethnically diverse communities in rural Tanzania to achieve considerable success in fund-raising for local public goods, while diverse communities in the nearby Kenyan region typically fail. To illustrate, while Kenyan communities at mean levels of ethnic diversity have 25 percent less primary school funding per pupil than homogeneous areas on average, the comparable figure for the Tanzanian district is near zero (Miguel 2004).

Gaining public support for antipoverty programs

In addition to increasing the bargaining strength of the poor, stronger non-poor support for antipoverty policies can remove many of the political concerns public officials have in committing larger shares of resources to scaling up antipoverty programs. How can that support be generated? Program designers face a dilemma: since most LSAPs do not benefit the median voter, the median voter is less inclined to support politicians who wish to scale up antipoverty programs; but securing popular support for LSAPs may require that they be less "pro-poor," i.e., that greater shares of benefits go to the non-poor. Under ideal circumstances, antipoverty programs would be scaled up without fundamental changes to their (progressive) targeting. But this type of scaling up is often politically unfeasible because the non-poor (particularly the middle classes) do not benefit, and have little stake in seeing these programs survive and expand. Consequently, semi-inefficient targeting may be an appropriate means of securing support for scaling up.

Inefficient (regressive) transfers may be necessary in situations where more efficient targeting can jeopardize crucial support from the non-poor for poverty reduction, as political attitudes towards the size and type of antipoverty transfers can dramatically affect the survival of these programs. Opinion polls from Latin America, for example, show that those countries where the poor tend to be held partially responsible for their own poverty are less likely to support large antipoverty efforts (Graham 2002). Consequently many LSAPs deliberately target middle quintiles by, for example, tying eligibility for receipt of transfers to formal-sector employment in order to maintain legitimacy in the eyes of the public (Lindert, Skoufias, and Shapiro 2006). Some have advocated explicitly allowing "leakage" to the non-poor as means of shoring up broader political support for LSAPs (Pritchett 2005). Even Mexico's *PROGRESA*—widely praised for its progressive targeting—began passing on more benefits to less marginalized communities and urban groups over time despite being designed to insulate decision-makers from political pressures (Levy 2006, p. 65).

It is important to distinguish between inefficiently-targeted transfers, and the inefficient transfers themselves. While the former may be needed to ensure that LSAP are politically sustainable, the latter impose distortions on the economy. Pro-poor redistribution sometimes takes a highly distortionary form due to the lack of transparency in budgetary rules, or due to high levels of discretion in spending. Some of these extremely inefficient transfers to the poor are well-known—e.g., the "urban bias" in some countries whereby price subsidies for the urban poor (and non-poor) are implemented at the expense of poor farmers, or the use of "off-budget" funds that may have antipoverty components, but that constitute a contingent fiscal liability for governments. These distortionary transfers sometimes occur as a way of "masking" the true cost of the transfer (Acemoglu and Robinson 2001). Thus politicians rely on price subsidies rather than lump-sum transfers, or on off-budget funds rather than budgetary expenditures, in order to avoid revealing the true cost of the transfer and (more importantly) the political relationship between the politician and the beneficiary group, and above all, to avoid signaling to the median voter that the politician cares about the poor *to the exclusion of others*.

Integrating antipoverty policy into a social-policy regime

As mentioned above, the poor are not monolithic. They include urban residents and rural dwellers, young and old, the employed and the unemployed, informal and formal sector employees. And the poor themselves are vulnerable due to a number of factors: health, age, family situation, social status, or economic position. Similarly, social policy—usually having been built piecemeal—is often equally fragmented across programs, with each program addressing different and often overlapping categories of recipients, funding sources, institutions and agencies, and constituencies. A proposed framework for Africa identifies poor integration as a defining characteristic of social policy in African nations (African Union 2005).

In scaling up antipoverty programs, important questions of institutional design and incentives need to be addressed. LSAPs may require either a restructuring of incentives of participating agencies, or the creation of a new agency. If the former, incentives need to be compatible across governmental organizations such that the benefits of the LSAP are "internalized" equally across agencies (Levy 2006, pp. 148-149). If the latter, there may be additional considerations including potential resistance from other agencies due to turf-battles, the appropriate mix of discretion and rules in program administration, and the institutional fit of the new body into the existing social policy regime. A clear delineation of powers, including of revenue sources and expenditure responsibilities, combined with some system of checks and balances can facilitate a smoother integration of LSAPs into the existing social-program architecture.

Ensuring program survival

LSAPs can readily be employed to secure electoral advantages, a fact not lost on many politicians. The experiences of LSAPs in Latin America are replete with examples. In Peru prior to elections, Fujimori's government often poured money into the *FONCODES* public works and antipoverty programs (Schady 2000). In Mexico between 1989 and 1994, the national poverty-alleviation program (and precursor to *PROGRESA*), *Programa Nacional de Solidaridad* (*PRONASOL*) spent 1.2% of GDP annually on transfers heavily skewed towards municipalities dominated by the governing Institutional Revolutionary Party (PRI) (Diaz-Cayeros and Magaloni 2003). The fact that these programs yielded electoral returns to the political parties that started them did not prevent their scaling up—in fact, their political desirability may have contributed to the dramatic expansion of these programs. Rather, electorally-driven transfers in Latin American countries had a limited impact on actual poverty reduction; more commonly they merely worsened countries' fiscal stances and exacerbated business cycles (Gonzalez 2002; Schuknecht 2000; Mejía Reyes 2003).

As noted above, however, some electorally-driven transfers may be necessary to secure the public support needed for programs to be scaled up and survive. But there is a danger where the electoral returns to LSAPs outweigh the poverty-alleviation benefits, i.e., when LSAPs become an instrument of partisanship. Partisanship, as already mentioned, may not limit scaling up, but it can severely limit the sustainability of LSAPs programs, since partisan LSAPs are typically shut down during political transitions once the government of the program originators collapses or is voted out.

Thus there is an argument to be made for shielding LSAPs from political manipulation not only because that manipulation will erode the targeting effectiveness of these programs, but because greater partisanship in the administration of LSAPs reduced their chances of survival, since programs that are strongly associated with a particular group of politicians or political party are not likely to outlast the tenure of the politicians associated with the program.

Preventing elite capture

In addition to the use of LSAPs to engage in inefficient transfers, LSAPs are subject to other types of abuse by political elites. At the central-governmental level, one type of abuse is the kind of inefficient transfer mechanisms described above: where LSAP administrators allocate resources on the basis of loyalty, ethnic or linguistic solidarity, or other factors not related to need. These forms of patron-clientelism are well known to analysts of social service-delivery in developing countries. But at the sub-national level a different type of scaling-up problem has to do with the ability of local elites who control LSAPs to use them to extract private benefits.

In large part elite control over community-based projects is often pervasive. In large countries such as Brazil, China, India, and Indonesia, authority over the administration of antipoverty programs is often delegated to sub-national governments. Supporters have argued that decentralization is better suited to antipoverty programs for two reasons. First, better information is available at the regional or local level than to the center. Second, local institutions, being closer to program beneficiaries, are more accountable to citizens.

Field research on community-driven projects has shown that there does tend to be an informational advantage, but that the informational resource of locals is not always put to best use. Researchers have found that local community agents have better information on household characteristics and can therefore assess beneficiary eligibility better than outsiders who rely on cruder proxies (Cremer, Estache, and Seabright 1996). Among communities in Albania, for example, those using local information that was unlikely to be obtained on the basis of a questionnaire or formula demonstrated better poverty targeted than those that relying on proxy indicators alone (Alderman 2002a). In Bangladesh, despite the claims to the contrary, there is little evidence that the central government targets poor villages, but rather, that pro-poor targeting occurs within villages due to the informational advantages and better accountability of local community organizations (Galasso and Ravallion 2000). On the other hand, a study of Honduran communities questions the ability of group informants to assess their own level of food security (Bergeron, Morris, and Banegas 1998).

But any informational advantage of community-based programs can be compromised by its diversion to benefit local elites. Depending on the peculiar lineages of community power relations, local governments may be more prone to capture (and consequently, less accountable than the central government). Under these conditions, decentralization may simply shelter local elites, who use their position to over-provide essential services to themselves or their families, or otherwise expropriate wealth (Bardhan and Mookherjee 2006). The problems of elite capture, and the means to avoid it, are increasingly important as donor agencies enthusiastically adopt "participatory" approaches to scaling up.

A range of studies has revealed the number of mechanisms local elites can use to divert resources from the poor, and even engage in predatory behavior. The implementation of community-based projects can create an adverse-selection effect whereby those individuals who are more likely to obtain leadership roles are precisely those who are better able to extract rents (Gugerty and Kremer 2000), who are better able to convince donors that their motivations are based on the collective good of their community (Harrison 2002), or who are better able to create the façade of community participation (Conning and Kevane 2002).[10] In the words of one study, scaled up antipoverty projects—without fundamental changes to authority relations within affected communities—often constitute "nothing other than new 'structures' with which [elites] can seek to establish an instrumentally profitable position within the existing structure of neo-patrimonialism" (Chabal and Daloz 1999, pp. 24-25). The *Economist* noted that devolution in Indonesia produced a system in which provincial rulers:

> "[E]xercise their new administrative and financial clout so imperiously that locals refer to them as 'little kings.' Stories abound of reckless extravagance or outright corruption . . . fears of decentralization run amok are beginning to replace fears of Indonesia's disintegration" (quoted in Platteau 2004).

Note that the problem of capture is not limited to case where there is decentralization in the administration of antipoverty programs. All of the pathologies described above can occur with centrally-run programs. The case of the soup-kitchens projects within the Peruvian Food Assistance Program (*PRONAA*) illustrates what can happen.[11] Although the original soup kitchens were grassroots initiatives, the Belaunde and García administrations in the 1980s began to integrate the various *PRONAA* programs into the structures of the state, and by 1990, all grassroots initiatives had ceased, and the soup kitchen concept had become associated with the public sector. Secondly, whereas original soup kitchens had provided a means to achieve food security and secure a minimum level of nutritional consumption, soup kitchens under *PRONAA* became a means of food transfers to key non-poor groups. Thirdly, the political apparatus of the Fujimori regime used *PRONAA* for patronage: key positions were assigned to political supporters, and through the ruling party's own local office, authority over individual soup-kitchen associations was passed to party loyalists.

This is not to suggest that all local elites are opportunists eager to divert antipoverty resources from their intended beneficiaries, only that the nature of power structures can diminish the impact of scaled-up programs, particularly where significant devolution is involved.

CONCLUSION

This background paper has argued for an expanded view of scaling up—one that moves beyond what might be called a "functional" perspective that focuses on programmatic and resource issues towards a perspective that encompasses the political and institutional conditions under which poverty-agendas are set, policies are chosen, and programs are expanded. Examinations of the determinants of scaling up social-protection regimes more generally can potentially provide insights into the scaling-up processes for antipoverty programs.

The central obstacle, from this perspective, is not that program designers' lack knowledge, managerial skill, or fiscal resources, or that program adjustments and organizational capacity may not keep pace with program proliferation, but that the domestic politics of developing countries can restrict the scale and duration of redistributive programs. The poor may face high collective action costs, limiting their agenda-setting power. The median voter may not support programs that transfer wealth to the poor. Politicians face strong incentives to use redistributive programs for partisan purposes, limiting the likelihood that these programs will survive political transitions or changes of government. And politicians and public officials may also be prone to create institutional mechanisms that enable them to target different programs to specific groups, potentially limiting their ability to expand in coverage and scale. These interactions between the poor, non-poor, and public officials as well as the deliberate political calculations involved in the supply and demand of antipoverty policies often limit the scaling up of antipoverty programs or render them unsustainable. Consequently, successful scaling up will require a better understanding of the incentives faced by those responsible for delivering public goods, the preferences of important constituencies (including the poor but also groups beyond the poor whose support is necessary to sustain scaled-up interventions).

Further investigation and analysis of these political and institutional dimensions of antipoverty programs and policy can add to a growing body of analysis of the determinants of poverty and poverty reduction in poor nations, and can inform both theorists and practitioners of the feasibility of different categories of LSAPs, as well as of the effectiveness of different types of programs in highly diverse contexts.

Annex: Large Scale Antipoverty Programs around the World

Program	Country	Type	Year	Objective/ Conditionality	Scale	Impact	Political, institutional, operational issues
Food-for-Work	Afghanistan	SFW	2003	Food subsidies to fill "food gaps" to support construction/rehabilitation of community assets.	3,256,940 people; total of 78,974MT, 24 kg per person	Low effectiveness; weak targeting, poor connection with livelihood recovery; lack of attention to equity issues in irrigation rehabilitation; insufficient quantity of food.	
Trabajar	Argentina	PW	1996-2002	Provides low-wage work (min.6 hours/ day) for the unemployed on small-scale community projects on repairing and creating economic/social infrastructure.	464,102 temporary jobs. Self-selection. US$200 (1996-1998); US $160 (1999-2002)	80% received by the poorest 20% of families; average gain is half of the mean Trabajar wage; no significant income gain; low cost effectiveness; short-term unemployment reduction only.	Local political economy tends to protect program allocations to non-poor areas when program contracts.
Programa Nacional de Becas Estudiantiles	Argentina	CCT	1996	Transfers to poor student attending public secondary schools who are at risk of dropping out; conditional on school attendance and annual grade progression.	350,000 per year. Youth 13-19 in public schools from low income families; $600 scholarship/year.	Adequate targeting; significantly increased student attendance; reduced grade repetition; improved academic performance; no significant impact on drop-out probability.	
Plan Familias	Argentina	CCT	2006	Aims to reduce intergenerational transmission of poverty by expanding and consolidating a program of subsidies for poor, children, and those seeking formal employment. Conditional upon compliance with health and education requirements.	450,000 families. Poor families with min. 2 children under 19, and/or disabled; must not have completed secondary school. 156 pesos per family.		
Jefes de Hogar	Argentina	PW	2002	Temporary employment for unemployed heads of poor households; transfers conditional on labor supply and school attendance. Aimed at preservation of educational human capital and health.	1,341,258 (2006). Unemployed heads of household 60+, or with dependent children or disabled. US$50/month.	Good coverage; progressive targeting; relatively high unit transfers; provided needed services and small infrastructure; reduced poverty and inequality; insufficient to pull households above the poverty line; fraud proven in 15,000 cases.	Problems with implementation and supervision; reports of favoritism. Ministry of Education improved design and implementation after evaluation.
Programa Joven	Argentina	PW	1994	Offers 14-20 weeks long job training for young males and females and internships in firms to facilitate labor insertion of the trainees into the formal labor market.	Young unemployed people (16-24) from poor households. Training, transportation and lunch subsidy, insurance.	Significant impact on earnings for young males and adult females only; significant impact on employment for adult females only; effective self-targeting; high cost ($1,000 per graduate); complicated control mechanism; excessive centralization.	Requires an environment with strong economic growth and job creation; temporary intervention only; lack of functional links with local labor authorities.

Notes: UCT = unconditional cash transfer; CCT =conditional cash transfer; SFW = subsidy or fee waiver; PW = public works; ABP = asset-based program.

Program	Country	Type	Year	Objective/ Conditionality	Scale	Impact	Political, institutional, operational issues
National Bolsa Escola	Brazil	CCT	1995-2003	Cash transfers to poor households with children of school age conditional on school attendance. Aims to increase educational attainment, alleviate short-term poverty, and reduce child labor. In 2003, Bolsa Escola became part of the Bolsa Familia program.	5,545 municipalities, 8.2m children (2002). Geographic targeting of poor households with children 7-14. R$15 – R$45 (US$6-19) per family.	School attendance rates has risen by 0.4%; no strong evidence of reduced child labor; little impact on poverty and inequality due to the small transfer amount; transparent beneficiary identification and selection.	Local governance and politics has strong effect on implementation. Variation in the existence and effectiveness of social control councils; variation across municipalities in registration processes.
Bolsa-Familia (formerly Bolsa Escola)	Brazil	CCT	2003	Cash transfers conditional on school attendance and health check-ups; aimed at increasing human capital. Components: non-wage incomes, promotion of family and local community, institutional strengthening.	11.2 mil families (2006). Very poor households (1) and moderately poor with children (2). R$50/month plus R$15 per child (1); R$15 per child (2).	Proven efficiency gains; effective targeting; contribution to improved education outcomes; positive impact on children's growth, food consumption, and diet quality; 60% of poor 10-15-year olds previously not enrolled, enroll in school; 0.1% reduction in poverty.	Weaknesses in the targeting mechanism and in the monitoring of conditionalities. Furthermore, there is the issue of migration from previous programs.
Bolsa Alimentação	Brazil	CCT	2001	Transfers to very low income families with pregnant and lactating women, and/or young children under 6 to reduce infant malnutrition and mortality and increase health care usage. Conditional upon health care usage.	1.7 mil families (2003). Children 6-15 from poor families. Max. R$45 per month per family.	Increased caloric consumption and dietary diversity; increased marginal propensity to consume food; no improvement in vaccination coverage (it was already 98%); small but significant decline in the age-adjusted weight for children under 24 months.	
Child Labour Eradication Programme (PETI)	Brazil	CCT	1996	Transfer to households with children of school age working in hazardous or degrading occupations, and funding to schools offering an extended school day program. Conditional on school attendance and after-school program participation.	866,000 children (2002). Geographic targeting of poor households. US$11-17/child per month plus school lunch.	Reduced incidence of child labor from 19.6% in 1992 to 12.7% in 2001; increased school enrolment and schooling completion; lowered probability of children working in risky jobs; no change in probability of working over 10 hours; lack of uniformity in inclusion criteria, insufficient focus on poorest municipalities.	Some municipalities excluded from the program due to budget constraints. Child labor is more difficult to target in urban areas because occupations are much more heterogeneous than in rural areas.
Beneficio de Prestaçao Continuada/ Disability and Elderly Pension	Brazil	UCT	1993	Grants to elderly 65+ from rural or urban areas and to disabled unable to work. Aims to reduce poverty and vulnerability of poor older people excluded from social insurance scheme.	2 mil (2004). Individuals 65+ living in poor households. US$55 (2002) per month.	Fairly well targeted on poorer households; positive effect on poverty and vulnerability reduction among older people excluded from social insurance and their dependants.	
Female Secondary Stipend Program (FSSP) and Female Secondary School Assistance Project	Bangladesh	CCT	1994-2001	Pay school and exam fees and a stipend to all girls in secondary school conditional upon school attendance, exam performance and on the beneficiary remaining unmarried. Aims to increase girls enrollment and retention in school and improve quality of education.	4 mil beneficiaries (2001). Female students enrolled outside the metropolitan areas. Monthly transfers of US$3-6; book allowance and exam fee.	Increased girls' enrolment at the secondary level (by 2.5 times during 1991-2001); created more positive attitude towards female education; lowered drop- out rates due to marriage; slight reduction in school performance; cases of overwriting in school registers; inflated marks and attendance figures.	Concerns over the sustainability given ending of donor support; gender equity issues; community involvement is essential for enhancing project effectiveness.

Notes: UCT = unconditional cash transfer; CCT =conditional cash transfer; SFW = subsidy or fee waiver; PW = public works; ABP = asset-based program.

Program	Country	Type	Year	Objective/ Conditionality	Scale	Impact	Political, institutional, operational issues
Primary Education Stipend Project (PESP)	Bangladesh	CCT	2002	Cash transfer to poor families to keep children in primary education, conditional upon school attendance and performance. Aims to increase primary school enrolment and attendance; reduce the drop out rate; enhance the quality of education; reduce child labor.	65,000 schools, 5.5 mil students (2002). The poorest 40% of students enrolled in primary school in rural areas. US $1.45-1.8 per month per family.	Corruption in the management and administration of the program; students from poorer family backgrounds receive smaller stipend than others; participation selection bias; alteration of school records to meet eligibility; leakage issues.	Targeting methodology is not sufficiently well-defined; primary school admission costs are a barrier; weak monitoring system; excessive amount of paperwork and bureaucratic delivery mechanism.
Challenging the Frontiers of Poverty Reduction/ Targeting the Ultra Poor (CFPR/TUP)	Bangladesh	ABP/ SFW	2002	Builds up the asset base of the poorest (mainly women) though transfer of income generating assets, health and education support, training, social development and later integrating with microcredit programs.	25,000 (2005).Geographical and indicator based targeting. US$ 400-500 per household (2005).	Increased and more diversified nutrition; increased food security and health status; increased income; highly effective targeting; largely cost effective; reduced severe malnourishment among children under 5.	High cost per household prevents program from achieving national coverage in the medium term, despite good targeting; continued social exclusion.
Food for Education (FFE)	Bangladesh	SFW	1993-2002	Monthly grain rations to disadvantaged families conditional upon school attendance. Designed to combat poverty and malnutrition by developing long-term human capital.	2 mil families (2000). Poor households with primary-school age children with low literacy rates. Free monthly ration of food grains.	Increased primary enrollment and attendance rates (enrollment increase greater for girls); reduced dropout rates; high levels of leakage; high cost (16-20%); some issues with targeting; lack of teachers as enrollment increased; class size had no effect on student academic achievement.	Increased enrollment led to overcrowding of classrooms, but class size had no effect on student achievement; issues with distribution through private dealers rather than through school management committees.
Cash for Education (previously FFE)	Bangladesh	CCT	2002	Cash transfers to households with children in poor areas conditional upon school enrollment and attendance. Aims to increase primary school enrollment and attendance, reduce dropout rates, and enhance the quality of education.	2.1 mil (2000). Geographic and categorical targeting. Community selection. Monthly 15-20 kg of grains per household ($2.40 value).	Increased enrollment rate by 9-17%; nearly full attendance among beneficiaries; improved long-term opportunities for children; reduced incidence of child labor among boys (girls) by 1/4 (1/8); 40% of beneficiaries are non-poor; lifetime earning estimated to increase by up to 25%.	Limited reach to the extreme poor; due to small size of transfer relative to total expenditure (4%) and limited coverage, the program alone will not significantly reduce poverty.
Vulnerable Group Feeding (Vulnerable Group Development (VGD) since 1987)	Bangladesh	SFW	1975-1987	Food security intervention that provides in-kind wheat transfer to enable destitute rural women to improve their economic and social condition. Accompanied by health and nutrition education, literacy training, savings, and support in launching income-earning activities.	575,000 households. Geographic targeting, then beneficiary selection by local committees. Free monthly wheat ration of 31.25 kg for two years.	Significantly increased wheat consumption – by 70% for VGD households compared to 13.9% for its cash-based equivalent transfers, generating a greater calorie impact on its target group (16%) than an equivalent cash allocation (10%); no noticeable improvement in nutritional status of pre-school children.	Approximately 30% to 50% of grain is sold rather than consumed; 15% of grain did not reach intended beneficiaries. High cost of benefit delivery.

Notes: UCT = unconditional cash transfer; CCT =conditional cash transfer; SFW = subsidy or fee waiver; PW = public works; ABP = asset-based program.

Program	Country	Type	Year	Objective/ Conditionality	Scale	Impact	Political, institutional, operational issues
Income Generation for Vulnerable Group Development Program (IGVGD)	Bangladesh	SFW	1987	An integrated package of food distribution, savings, micro-credit provision, social awareness-building and skill development training and health care interventions; seeks to extend the outreach of poverty-reduction initiatives to the "extremely poor".	200,000 in 2000. The poorest and most vulnerable heads of households. Initial loans of US$50 to finance income-generation activities.	Successful and effective in targeting the ultra-poor; reached 1.6 mil destitute women since inception, 2/3 of these participants "graduated" from absolute poverty; increased incomes and material assets and decreased begging; increased quality of life and higher levels of confidence and well-being.	Scaling up the program with poor infrastructure and weak communication system proved to be difficult.
Rural Maintenance Programme (RMP)	Bangladesh	PW	1983	Aimed to establish a system throughout rural Bangladesh whereby farm-to-market roads receive year-round, routine maintenance, and to provide stable employment and income to the most disadvantaged and hard-to-reach group, destitute women.	90% of rural districts.10,000 per year. Destitute women, who are sole supporters of dependents and themselves. Tk.43 wage per day.	Very low leakage rate; important long-term economic and social developmental impact; introduction of bank accounts for poor women facilitated savings behavior (requires savings of 1/4 of the wage); provided access to formal financial institutions; 60% remain members of NGOs 3 years after graduation.	
Rural Development Program (RDP), previously known as Food-for-Work	Bangladesh	SFW	1975	Initiated in 1975 after famine; now an integrated rural development program. Provides wages in-kind (usually wheat) to rural laborers for public works (water, roads, forestry, fishery) during the dry season. Aimed at food insecurity reduction.	4 mil per year. Geographic and self-targeting of low-income beneficiaries, mostly men. US$4.5 per person.	Successful in reaching landless or near landless poor; 30-35% leakage rates to the non-poor; high costs - US$2.1 to transfer US$1; 85% of program resources used during December-May dry season; large increase in food consumption and calorie intake; improvements in household nutrition, but no significant improvement in nutritional status of preschool children.	
Old Age Allowance Scheme and Assistance Program for Widowed and Destitute Women	Bangladesh	UCT	1997	Cash transfer to poorest older people and to destitute widows to reduce poverty and destitution among them.	0.7 mil. Extremely poor and destitute. Monthly US$2 to 15 oldest and poorest members of each ward of the union.	Programs have been well received by local communities and they are reasonably well targeted; insufficient to cover all the poor groups targeted; allowance too small to pull beneficiaries above the poverty line.	No evaluation of the program is available. HelpAge International is gathering information from local networks to assess program implementation.

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Program	Country	Type	Year	Objective/ Conditionality	Scale	Impact	Political, institutional, operational issues
BONOSOL (Bono Solidario)	Bolivia	UCT	1997-1998, 2001	Universal cohort restricted non-contributory pension to elderly people who are outside the formal pension system. Aims to distribute the profits of the privatization program and to reduce poverty.	Universal. Categorical targeting of elderly 65+. US$248 per person per year.	Significant effects on poverty and livelihoods in rural areas, through lifting credit and liquidity constraints; significantly increased food consumption relative to transfer size (9.6% per month) in rural households; small increases of expenditures on medical services.	Politicized design and implementation; the fund might run out of funding earlier than expected given current rate of transfer amount; might not be the most efficient use of funds given large income disparity.
Priority Action Program (PAP)	Cambodia	SFW	2000	Partially compensates schools for the removal of registration, materials, and test fees, especially at the primary level. There are 12 PAPs in total. Aims to reduce the cost burden on the poorest families and to increase school enrollment.	Nationwide coverage of 24 provinces and 183 districts.	Improved primary net enrolment rates; effectiveness has been reduced by payment delays from the provincial treasury; schools report a lack of flexibility in using funds to address local needs; students received 20-25% more instruction during a school year; reduced direct household costs; improved availability of classroom materials.	Need to establishing a more efficient disbursement system from national to provincial/district levels, improve predictability and reliability of cash releases, and strengthen financial accounting and internal audit.
Familias en Acción (Families in Action)	Colombia	CCT	2000	Cash transfer to poor households with children conditional on school attendance and use of primary health centers. Aims to reduce poverty; raise school enrolments; and provide a safety net. Part of the Red de Apoyo Social (Social Support Network, RAS).	9 mil families (2005). Geographic and proxy-means targeting of poor households with children. Education: primary school US$6, secondary - US$12 per child per month; Health: US$20 per family per month.	Reduced nutritional, health and educational risks; good targeting; consumption increased by 15%; chronic malnutrition of children 0-2 dropped by 10% in rural areas; growth and development check-ups attendance by children increased from 42% to 54%; raised incidence of immunizations; significantly reduced child labor in rural areas; raised school attendance by 13% in urban and 5% in rural areas.	Requirement forcing households to choose between receiving the nutrition subsidy and sending children to day care centers should be re-examined since they are not direct substitutes.
The Empleo en Acción (Emergency Employment Program) - part of RAS	Colombia	PW	2000	Provides temporary employment to poor, unemployed, low-skilled workers by employing them in labor-intensive social and economic investment projects. Aimed at increasing temporary employment and incomes of the poor and creation of infrastructure. Part of the Red de Apoyo Social (Social Safety Net).	67,000 workers (2003). Unemployed adults not participating in training programs, from the poorest 20% of the population. $US 84.66 (2000).	Well designed to reach poor areas and intended beneficiaries; ineffective self-targeting due to the legal obligation to pay minimum wages; 39% income increase for participants and 36% increase in their labor supply, but participation did not displace other productive activities; 9% increase in household consumption; no measurable health or education effects.	Subsequent changes in evaluation methodology and unforeseen budgetary changes; non-priority projects received more funding; longer average project cycles; shorter duration of jobs; greater number of beneficiaries per project.

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Program	Country	Type	Year	Objective/ Conditionality	Scale	Impact	Political, institutional, operational issues
Jovenes en Acción (Job training program) - part of RAS	Colombia	PW	2001	A training/apprenticeship program for young adults based on competitive bidding among private firms and public entities. Includes class based training (3 months), and an apprenticeship with participating firms (3 months). Part of Red de Apoyo Social program.	35,000 (2002). Central selection of youth 18-25 from poor families. Training package, transportation and snack subsidy, collective insurance.	Adequate self targeting; program capable to be implemented counter-cyclically protecting minimum consumption levels during a time of crisis; presents a social assistance alternative to the National Training Service, SENA training institute that does not have a social assistance mandate.	Program is operating in parallel to National Training Service institute, which needs to be addressed if the youth training program is continued.
Programa de Ampliación de Cobertura de la Educación Secundaria (PACES)	Colombia	SFW	1992-1997	Secondary education vouchers subsidizing school fees for children from low-income households used to cover the costs of private schooling in the 6th and higher grades. Aimed at raising school enrolments among low income groups in private schools.	Total of 125,000 vouchers. Geographical targeting of students about to enter secondary school; final selection through lottery. $190 voucher per winner.	Winners showed 0.8 additional years of schooling compared to non-lottery winners and their probability of repeating a grade was 5-6% lower; winners showed higher mathematical, reading and writing test scores; they had significantly lower rates of early marriage; increased household expenditure on education.	The poorest students were often excluded from participation as municipalities better served by private schools were more likely to participate in the program
Subsidized health insurance program (SUBS) Régimen Subsidiado	Colombia	SFW	1993	Subsidy intended for low-income families unable to pay into the contributory regime. Municipalities select beneficiaries and contract private health insurance companies to provide a determined health package covering primary and basic hospital care and insurance for selected catastrophic illness for the family.	18 mil (2005). Pregnant women, rural residents. Proxy-means testing. A subsidy of US$67 per year per family.	Increased medical care utilization among the poor and uninsured; does not stimulate inefficient use of health care services; households face smaller financial burden in terms of lower expenditures for medical consultations and medicine; inefficient targeting mechanism; low take-up rates by the poor and inclusion of wealthier households.	Required coordination of all three government levels leads to greater institutional complexity and delays, especially with the transfer of funds; further expansion hampered by difficulties in restructuring of public hospitals.
Food Security Project in Northern Guéra (PSANG)	Chad	SFW	1991-2000	Loans and cash transfers for improving food accessibility and stability for vulnerable individuals and households, in a post-conflict context. Involves the setting up of food security funds and rural infrastructure; microfinance services; and creation of a food security association made up of representatives of village groups and NGOs.	15 000 households during 2nd phase. Vulnerable and disadvantaged households, farmers (especially female), livestock breeders and nomads.	Reached socially and economically marginalized groups in the Northern Guéra Region; improved food security funds and rural infrastructure; bottom-up approach, aimed at incorporating local know-how and technologies, that sought the direct involvement of new partners such as NGOs, worked well.	The "group approach" for the establishment of IGAs was not the most suitable, especially for young women, given their time constraints.
Programas de Empleo Directo (Direct Employment Programs)	Chile	PW	2001	Objectives include temporary employment and infrastructure creation and improvement of quality of life among the community.	Unemployed workers registered at municipal employment information offices.	Good targeting- 75% of jobs created by the program were taken by unemployed.	

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Program	Country	Type	Year	Objective/ Conditionality	Scale	Impact	Political, institutional, operational issues
Subsidio Unitario Familiar (Unitary Family Subsidy)	Chile	CCT	1998	Established in 1981 to serve as a family subsidy for mothers in eligible families with school-age children, or who were pregnant, or were caring for disabled. The education subsidy covers children up to age 18. A separate subsidy is in place for the newly born, for pregnant women with CAS cards, and for invalids.	5.56 mil (1999). Nation-wide coverage, participation is voluntary. In the subsidy to poor families,$60 per year per pregnant woman. In families with CAS cards, $6 per month per child.	Good targeting performance - 90% of benefits go to the bottom 40% of the population; subsidies increased the income of the poorest 20% by 84% and reduced the ratio of the income of the top to the bottom quintile from 15.5 times to only 8.5 times.	
Chile Solidario	Chile	CCT	2002	Brings integral social services to families in extreme poverty (psycho-social support, cash subsidies, access to skill development, work and social security programs). Must meet 53 minimum conditions seen as necessary to overcome extreme poverty.	165,000 poor families with school age children, in rural and urban areas. Social support, solidarity support, monetary subsidy.	Good vertical efficiency and coverage; 17.5% of targets had been achieved and 1.7% of households had overcome extreme poverty by 2002; small progress in terms of a successful exit rate; high compliance with the minimum conditions.	Problems with implementation; exclusion of eligible families; social work techniques that may not be appropriate for both urban and rural settings.
Chile Joven, Programa de Capacitación Nacional de Jóvenes	Chile	PW	1991	Training program for low-income unemployed youth that combines a scholarship for classroom training with a 3-month paid apprenticeship in a private firm.	164,456 (1991-2001). Low-income unemployed youth 16-24. Free courses, transportation/ lunch subsidy, insurance, tools.	Probability of employment increased by 8-13%; 50% found jobs after the project; highly concentrated targeting with 70% of participants in 18-24 age group, 63% from low-income households, 40% with complete secondary education.	Does not have an explicit gender focus; 37% of the participants did not belong to low-income families, 49% have completed high school.
Programa de Pensiones Asistenciales	Chile	UCT	1975	A non-contributory pension program supporting old or disabled individuals without other sources of income. The goal is to reduce poverty and vulnerability among old and disabled poor.	358,813 (2000). Categorical targeting of poor individuals 65+, or disabled aged 18+. US$60 per month per beneficiary.	Significant impact on poverty reduction; subtracting pension income from household income and recalculating poverty incidence would raise extreme poverty (indigence) by 7.5% from a base of 12.8%, and poverty by 2.5% from 25% base.	Rationing of entry into the program based on a budgetary cap reduces the insurance properties of the pension program.
Minimum Living Subsidy Scheme	China	UCT	1993	Pays the difference between the monthly income of poor households and a minimum level set at the city level. Aimed at assisting poor households in urban China, especially in the context of structural adjustment. Scaled up to cover all cities in 2000.	2.44% coverage in 2001 and 4.05% in 2004. Means test targeting. Benefits vary by benefit line (poverty line) and by depth of poverty.	The ratio of benefit recipients to the numbers estimated to be poor ranges from 4.9% in Shandong to 92.1% in Tibet, with 17.9% for the country overall. MLSS is an income supplement public assistance program, but the introduction of user charges in education and health and the fact that these are not included in the calculation of the benefit lines suggests that other important deficits are not addressed.	Decentralized implementation is essential given the heterogeneity of social economic conditions in China, but this also implies inequalities in assistance based on local financial capacity; problems with systems of registration and review of the means test.

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Program	Country	Type	Year	Objective/ Conditionality	Scale	Impact	Political, institutional, operational issues
Programa Superémonos (Let's Overcome)	Costa Rica	CCT	2000	Provides food coupons to poor families, conditional upon a commitment of these families to enroll all their children in school; does not have as an explicit goal the reduction of child labor.	12,234 families (2001). Poor families with children and adolescents 7-18, attending school. Means-based targeting. US $30 coupon per month.	Successful in increasing school attendance- beneficiaries are 3- 8.7% more likely to attend school; no evidence of child labor decrease; 2.4-5% increase in attendance for students 13- 16.	
Tarjeta Solidaridad (Solidarity)	Dominican Republic	CCT	2005	To help eliminate the inter-generational transmission of the causes which generate and instil poverty, by improving the investment by poor families on educational, health and food intake aspects. Conditional upon school attendance and health check-ups. Unifies the "Comer es primero" and "Ficha ILAE" programs.	230,000 families (2006); Population living in extreme poverty. Food income component: $17, school attendance incentive: $9 for 1-2 children, $14 for 3, $19 for 4+.	Not yet available.	
Tarjeta de Asistencia Escolar (TAE), now Incentivo a la Asistencia Escolar	Dominican Republic	CCT	1992	Designed to improve children's school attendance and retention rates. In 2004 transformed into School Assistance Incentive (Incentivo a la Asistencia Escolar).	100,000 extremely poor families with children 6-12. RD$300 per household per month.	Favored poorer individuals; 3.4% of households did not have any members in the age range of 1-25; coverage rates higher for poor quintiles; more effective reach of poor households than moderately poor; negative redistributive efficiency.	Increased savings and welfare gains could be achieved by improving targeting and decreasing leakages.
Programa de Alimentación Escolar (PAE), School Lunch Program	Dominican Republic	SFW	1992	Nationwide school lunch program for children 5-14 in public pre-school and basic education schools. Aims to increase school attendance, reduce drop out rates, increase community participation in school activities, and improve nutrition and living conditions.	About 1,600,000 students per year. Free lunches (RD$152.7 value per person per month)	Good targeting; coverage rates are higher for poor quintiles than richer quintiles; reach poor households more effectively than the moderately poor; positive redistributive efficiency.	Increased savings and welfare gains could be achieved by improving targeting and decreasing leakages.
Bono Solidario (Bono de Desarrollo Humano since 2004)	Ecuador	CCT	1998	Direct monthly benefits to poor households with children, elderly and disabled to broaden human capital and avoid inter-generational transfer of poverty, conditional on investments in education and health care.	1,060,416 households (2006). Means tested targeting. $15 per month to mothers, $11.50 to elderly/disabled.	2/3 of beneficiaries failed to meet household income means test; poor targeting- 1/2 of potential beneficiaries didn't receive the transfer; 10% improvement in school enrolment; 17% reduction in child labor; no significant improvements in nutritional status; good perception of program by beneficiaries.	Helps to close the schooling gap between children from the rich and poor households.
Meket Livelihoods Development Project (MLDP)	Ethiopia	SFW	2003	Cash relief to vulnerable households to help them meet essential food expenditure and to invest in assets. Goals: diversification of livelihood options, enhancement of community-level assets, and stimulation of rural economy.	46,600, approx 5000 receive cash relief. Food insecure rural households. US $3.50/person per month; seasonal transfer.	Enabled households to buy seeds or livestock for the farming season and keep their assets; helped diversify income sources; more frequent and diversified nutrition for children; increased access to health care.	This sub-district NGO pilot aims to engage with and influence a national scheme – the Productive Safety Net Program.

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Program	Country	Type	Year	Objective/ Conditionality	Scale	Impact	Political, institutional, operational issues
Public Works, Food Aid and Food for Work	Ethiopia	PW	1993	Provide unskilled workers with short-term, labor-intensive employment on community development projects. 80% of food aid is directed to food for work participants, 20% - to those who are not able to work.	600,000 (2002). Administrative targeting, self-targeting, community-based targeting. 15 kg of food per person per month.	Reduced vulnerability; improved nutritional health and child growth; wide gap in male and female participation rates- women accounted for 26% of the employment in public works projects, while they were targeted in 43% of the villages.	Lack of data and methodology for targeting; low female participation; need for improved communication between WFP, national and local governments.
Non-emergency food aid and food-for-work	Ethiopia	SFW	1980s	Food security program with a work component. Provided food either as an unconditional transfer or as a cash transfer conditional on work.	20% of households received either food-aid or participated in food-for-work. Categorical targeting. 3kg of wheat/day.	80% of household food security benefits were in cereals (1992 -1995); high leakage (78%) and low coverage (49%) rates for food aid; poor targeting, high percentage of the poor did not receive food aid.	Poor targeting may reflect high cost of setting up programs in face of shifting spatial distribution of insecurity over time.
Cash for Work in North and South Gonder Zone	Ethiopia	UCT/ PW	2002	Provides cash to households in need, either as unconditional transfer or with work requirement, to reduce poverty through asset-creation and improving food quantity and quality.	13,000 recipients. Households in need.	Cost-effective; over 65 % of participants preferred cash to food; cash payment promoted higher participation in employment schemes; increased asset creation; improved quantity and quality of food consumption; no misuse of cash; no effect on market prices.	
Urban Food for Work (UFFW)	Ethiopia	PW	1997	Provides short-term unemployment and basic roads and latrines to residents of marginal urban communities in Addis Ababa; enhances community participation in self-help activities.	Unemployed unskilled workers in extremely poor communities. Paid with food based on productivity.	A relief rather than a development program; not effective as a safety net; improved mobility for residents; food payments reduced food insecurity; long-term effects are limited, program failed to provide long term poverty alleviation or food security.	
Child Survival Project, Sesame Growers' Association Institutional Strengthening Project	Gambia	SFW	1990s	CGA: addresses access, availability and utilization of food by promoting sesame as a cash crop for women; CSP: focuses on improving health and nutrition.		Improved maternal and child health care and nutrition; reduced chronic malnutrition; more women received iron during pregnancy, attended antenatal consultations, and consumed more nutritional food; increased awareness of health issues.	
Programa de Asignación Familiar PRAF II (Family Allowance Program)	Honduras	CCT	1990	Cash transfers to poor households conditional on investment in health and education; supports institutional and financial provision of education and health. Bono Escolar for families who send their children to school; Bono Salud for children under 5 and pregnant/lactating women.	4.7% of population. Geographic targeting of poor households with children 0-3 and 6-12. Health: $34-136 and education $24-96 per household; $60/pregnant woman.	Protected poor households' welfare during coffee crisis; significantly affected the labor allocation decision of credit constrained coffee farmers while protecting children; additional liquidity allowed families to keep children in school, while increasing the time dedicated by adults to coffee farming.	

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Jawahar Rojgar Yohana (JRY)	India	PW	1989	Creates supplementary employment opportunities for the rural poor during agricultural crisis periods; improves rural economic infrastructure, creates community and social assets. Restructured to Jawahar Gram Samridhi Yojana.	1678 mil person days of employment. Geographic, demographic and self-targeting.	31% of beneficiaries were poor in 1987 and 24% in 1993; attracted non-poor because of higher than the market wage rate. 43% of budget went to poor rural households; high cost (US$1.87 to transfer US$1 in 1991); reduced total underemployment by 1/3; modest impact on household level.	
National Old-Age Pension Scheme (NOAPS)	India	UCT	1995	Provides cash payments to destitute elderly household. To provide security to elderly and destitute households through a cash transfers	1/4 of all elderly. Categorical and informal individual assessment. US$1.5 per month.	Poor understanding of eligibility criteria; complex registration and selection processes; erratic delivery of benefits; does make a significant difference to the lives of poor people.	Cash limits on funding provide a disincentive for officials to publicize the program.
Maharashtra Employment Guarantee Scheme (MEGS)	India	PW	1973	Gainful employment to all adults 18+ in rural areas and municipal councils in Maharashtra, willing to undertake unskilled manual work to build rural infrastructure. The long-term component facilitates asset creation, expansion of job opportunities, and poverty alleviation.	100-180 mil person days of employment per year. Self-targeting.	Increased earnings of poor by 18 - 40% and non-poor 18-33%; contributed to general political activism and coalition building among the poor; incorporated gender specific design features; lack of data on direct impact in terms of localized employment created; failed to provide job training.	Fully supported by the state government and involves all levels of society; complicated registration procedure; delays in payments; rampant corruption.
Kudumbashree (KDB) poverty alleviation program	India, Kerala	ABP	1998	A multisectoral program based on village-level micro planning, the formation of —thrift and credit societies, microenterprise, and women's empowerment through social mobilization and group formation			Involvement of state and local government in designing the pilots was considered one of the most important determinants for scaling-up the CDS approach.
Scholarships and Grants Programme (SGP)	Indonesia	SFW	1998	Scholarship and grants are distributed through post offices to keep poor children in school and to keep schools operational throughout the crisis.	4 mil. Poorest districts through poverty indices and a composite formula. US$16-40 per student per year, depending on grade.	Reduced leakage and benefit transfer time; poorest received a greater than proportional share of scholarships; 63% come from families in the lowest two expenditure quintiles, 18% from the highest two quintiles; enrolment rates remained the same; low coverage during initial implementation.	Coordination and cooperation between donors and government agencies contributed to program success.
Social Protection Sector Development Program	Indonesia	UCT	1998	Includes work creation programs, subsidized rice, free health care, healthcare subsidies, community and school grants, education scholarships.	Poor households. Employment opportunities, subsidized rice, free school, and health care.	Only half the funding directly benefited the poor; targeting problems, lack of transparency; unfair benefit allocation; leakage to non-poor or under coverage.	Implementation of the policy component was slower than expected; decentralized implementation led to administrative problems and capacity constraints.

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Kartu Sehat Program	Indonesia	SFW	1994	Distributes cards entitling recipients to free health care services. A single card per each recipient family, up to eight family members can be listed on the card.	Aims to cover all poor families. Priority is given to poorest villages.	Problems of usage and quality; card holders perceive the care received through the health card to be of a lower quality.	Lack of information by consumers, providers, and government officials as well as insufficient training. The public health facilities must bear the main costs.
Inpres Desa Tertinggal (IDT)	Indonesia	UCT	1994-96	Provision of small-scale credit to poor households in the poorest or most neglected villages. Participating villages received a block grant to be used as a base fund for small-scale revolving credit available to selected groups for self-employment activities.	2-stage geographic targeting of 20,000 poor villages. Rp 20 million per village.	Poverty incidence decreased by 4.4% a year (1993-1996); low targeting effectiveness; increased total per capita expenditure, although not on health care; positive impact on employment; small positive impact on school attendance; successful in fiscal decentralization; positive impact on reducing regional disparities.	Allocation involved political considerations; coordination problems between departments; lack of capital, limited participation by women.
PDM-DKE (Empowering the Regions to Overcome Impact of Economic Crisis)	Indonesia	Public works	1998-2000	Provides block grants through a decentralized disbursement process for either public works or revolving credit funds to poor and unemployed to support income-generating small-scale activities.	Geographic targeting. From Rp10 mil to Rp1 bil, depending on size and numbers of poor and unemployed.	Serious targeting issues; many of the selected infrastructure projects did not provide benefits to the poorest; large sums diverted into materials and equipment instead used for labor.	Allegations of corruption and "money politics".
Program of Advancement of Health and Education (PATH)	Jamaica	CCT	2002	Aims to increase educational attainment and improve health outcomes of the poor; increasing the value of transfer; reduce child labor; serve as a safety net for families in the event of adverse shock. Conditional on school attendance and health check-ups.	195,000 (2005); Island-wide targeting via proxy-means test of most vulnerable poor. Education: US$9 per child monthly; Health: US$9 per member monthly.	Brings together separate poverty programs considered to be underperforming (food stamps, outdoor poor relief, and old age incapacity); delays in registration; lack of conditionality monitoring.	A key element of the government's initiative to create a fiscally sound and more efficient system of social assistance for the poor and vulnerable by improving targeting measures.
Korea Public Works Program	Korea	PW	1998	Program to support the unemployed. Conditional on participants working 8 hours per day 5 days a week, and available for 3 months only.	795,000 in 2000.	Provided an effective short term safety net for skilled workers affected by the crises; well managed and subject to local oversight; high applicant rejection rate - 40% were rejected in 1998-99; duration of the projects is too short.	In 1999 a score system was introduced to determine priority for selection.
National Old Age Pension	Lesotho	UCT	2004	Public pension program to provide financial support to older people; not intended to support 'AIDS orphans' and other vulnerable children.	69,046 individuals; national coverage. Old people over 70. US$25 per month.	Improved household food security through increased food consumption for beneficiaries and children living with them; stabilized access to food; improved quality of food and nutrition.	Generated entirely by a domestic political economy agenda, and financed out of domestic resources.

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Improving Livelihood Through Public Works Programme (ILTPWP)	Malawi	PW	2003	Opportunities for vulnerable groups; including savings mobilization, group formation training, promotion of economic activities, capacity building for District Assemblies. Guaranteed min.10 months of employment.	Pilot districts of Lilongwe, Dowa, Ntchisi and Salima. Wealth ranking and mapping exercise. Average wage 3,920-6,657K.	Low wage rate and delays in payments; group formation training did not effectively facilitate community based groups development; savings used for food and durables; poor quality of built roads; positive effect on socio-economic status.	Limited District Authority capacity led to problems with reporting to CARE and MASAF, and timely payment of wages and savings.
Dedza Safety Nets Pilot Project (DSNPP)	Malawi	UCT/ SFW	2001-2002	The pilot program was designed to test a system of direct cash, vouchers, or in-kind goods transfers to the work-constrained rural poor to improve food-security.	7,150 people in 386 villages. Work constrained and disadvantaged people. Cash, voucher or in-kind transfer of MK550/person per month	Problems with transfers' delivery; effective in preventing extreme food insecurity; easy and cheap to administer; 60% of budget transferred directly to beneficiaries; seasonal variation of transfer value in commodity terms; vouchers were less effective and more expensive and complex to administer.	Logistics of the vouchers are more complicated than other types of transfer, especially for scaling up; lack of retailers who fulfilled the requirements to participate in a voucher scheme.
Starter Pack Program	Malawi	SFW	1998	Subsidized maize production through the distribution of "starter packs" containing hybrid maize seed, fertilizer, and groundnuts or soybeans to fill in transitory food gaps, promote crop diversification and soil fertility improvements.	2.7 mil households (1999-2001). All farming households. Since 2000 - geographical and community targeting. Fertilizer, maize seed and legume seeds worth US$15.	Ineffective targeting; improved food security (additional 100-150kg of maize per pack); no substantial contribution to national food security or sustainable agriculture; crowded out private supplies; didn't address priority needs of poor farmers; problems with beneficiary identification and selection; some leakage and "double-dipping"; high cost.	Funding was being constantly renegotiated; fertilizer and seed were inappropriate for local cropping; failed to reach a critical mass. Scaled down to a poverty-targeted safety net in 2000.
PROCAMPO (Programme of Direct Payments to the Countryside)	Mexico	SFW	1994	Compensated low-income farmers for anticipated negative effect of NAFTA on the price of basic crops with fixed payments per hectare of basic crops independent of production levies. Designed as a 15-year transition toward free trade.	3 mln producers per year. Participation of eligible households is almost universal. 875 Pesos per hectare.	Increased total consumption and caloric intake (larger impact on meat and vegetables consumption); increased food security and diversity; poor subsistence farmers received the same amount, per hectare, as wealthy modernized farmers.	

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PROGGRESSA-Oportunidades	Mexico	CCT	1997	Support to families in extreme poverty to develop their potential and expand their options, hence leading to better levels of well-being, through improved education, health and food intake. Conditional upon school attendance and health check-ups.	5 mil families in 2005. Geographic targeting and proxy means test. US$12.5 per family for consumption; max. US$75 per household per month for education; avg. benefit is 21% of household consumption.	More efficient and cost-effective than previous food subsidy programs; good targeting; increased consumption and more diversified nutrition; increased use of preventive health services, school attendance, and household purchasing power; improved school performance; reduced depth and severity of poverty and gender inequality and maternal and child mortality rates; may be triggering permanent changes in the income earning capabilities; increased potential for initiating micro-business activities.	Program's positive impacts helped prompt its expansion into urban areas. Moreover, the program has continued with relatively few alterations despite a change in government.
Programa de Empleo Temporal (PET)	Mexico	PW	1996	Initiated after the 1995 crisis; provides short-term employment up to 88 days at 90% of minimum wage on public projects in poor rural areas.	1 mil people (2000). 81.05$ (2004). Poorest population in rural areas with less than 2500 inhabitants.	Alleviated underemployment; 60% of participants ended up above the extreme poverty threshold; no evidence of effects on income in long term; good buffer against off-season rural unemployment; good targeting; participants are poorer than non-participants; did not reach smallest rural communities.	
Cash Payments to War-displaced Urban Destitute Households (GAPVU)	Mozambique	UCT	1990-1997	Launched after the civil war to support destitute groups in urban areas; aims to raise consumption to 1700 calories per day for households with malnourished children under five, pregnant women, and elderly and disabled.	80,000 households (1996). Categorical targeting. $US 1.14 per month, depending on the household size.	Positive impact on reducing urban poverty; large leakage rates (only 31% of transfers go to the poor); benefits received are 33% less than entitlements; reduced poverty headcount from 71% to 66%.	Exclusively urban coverage, whereas 85% of population and the vast majority of the poor live in rural areas.
INAS Food Subsidy Program	Mozambique	UCT	1997	The monthly cash transfer is intended to be used by poor Mozambicans to buy food. It aims to support entitlements to food through raising household income.	69,095 direct, 91,411 indirect beneficiaries (2005). Older people unable to work with no income; sick; pregnant women. US$3-6 per month per household.	Increased purchasing power, promoted investing in local saving schemes during the harvest season; very low transfer value; limited coverage due to and capacity/funding constraints; limited implementation capacity outside of urban centers; corruption and fraud.	Financed entirely through the state budget; implementing Ministry for Women and Social Action is weak and has limited bargaining power with the Ministry of Finance.
Resettlement Grant for Flood Affected Regions	Mozambique	UCT	2000-2001	Provision of time limited cash transfers to households affected by floods in 1999/2000 to recover their livelihoods.	106,000 rural households. Targeting based on location and damage to home and crops. US$92 per household.	Uncertainty over timing and size of transfers delayed planning and implementation; helped stabilize households affected by the floods, and jump-start economic activity.	

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Pension Program	Namibia	UCT	1949	Old-age universal pension to prevent poverty among older people.	96,767 (2001).Categorical targeting of individuals 60+. US$26 per month.	95% of eligible people received pension in 2001 (48% in 1993-94); lower coverage in remote northern provinces; 50% of eligible individuals are non-poor; costly; complicated access to pensions; constitutes 14% of rural and 7% of urban incomes.	Legislation to make pensions means tested has been approved but the Government has not implemented it.
Red de Protección Social "Mi Familia"	Nicaragua	CCT	2000	Incentives for human-capital accumulation among children from poor families in education, nutrition and health; focus on improvement of welfare of extremely poor segments. Conditional upon school and health centers attendance.	35,000 total. Children 0-13 from poor families; must be registered in school. Health, education and food bonuses (cash transfers).	Increase in school enrolment rates, same for boys and girls, greater among poorer and younger families; 5% child labor reduction (7-13 years); increase in immunization levels by 30%; but no reduction in anemia; improved and more varied diet; 55% received by poorest 20%, 81% by poorest 40%.	
Fondo de Inversion Social	Nicaragua	PW	1990	Compensation of the impact of structural adjustment programs and temporary employment. Components: educational infrastructure, health, social assistance, water and sewage, municipal and community services, environmental improvement.			
A Trabajar	Peru	PW	2002	Temporary employment for low income people affected by economic recession.			
Pakistan Bait-ul-Maal (PBM)	Pakistan	UCT/ SFW	1992	The program is a combined food subsidy (Food Subsidy Scheme) and cash transfer (Individual Financial Assistance Scheme). Aims to improve the welfare of widows, orphans, disabled, needy and poor.	5,000 under IFA (1997-98), 240,000 under FSS. Disabled, widows, orphans, households living below poverty line. Rs200/family per month.	Reached only a minority of target population; high leakage rate; time consuming and complicated benefit application procedure; limited coverage; poor transparency; misallocation of funds; very small impact on poverty.	The Prime Minister and other high-level functionaries can sanction amounts in public gatherings or elsewhere for individual financial assistance.
Social Pension	South Africa	UCT	1990s	Old-age pension for women over 60 and men over 65; extended to black population in 1980s and 1990s.	1.9 mil (2002). Means-tested categorical; almost universal. US$75 per month (2000)	Reduces poverty; improves nutrition and health status; facilitates household investment; improves school enrolment; reduces child labor; costly distribution to remote areas; lengthy registration process; well administered; significant impact on poverty among Africans; improved income redistribution.	The means-test excludes most of the elderly Whites (only 16% of whites receive pension) and a very small proportion of the elderly Black (90%).

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Program	Country	Type	Year	Objective/ Conditionality	Scale	Impact	Political, institutional, operational issues
National Public Works Program (NPWP)	South Africa	PW	1994	Generates income and productive infrastructure through job provision. Aims to create and maintain infrastructure; reduce unemployment and provide training; empower communities.	Chronically unemployed poor in remote rural areas, focus on women.	83-92% of projects outperformed an untargeted transfer scheme; 39% of job went to women and 12% to youth; poor targeting; women got more menial jobs, lower average wages, and were employed for shorter periods than men; 37% of men and 32% of women received training.	Project design and management is complicated by the involvement of numerous actors; multiple objectives complicate targeting.
Child Support Grant	South Africa	UCT	1998	Cash benefit for poor children between the ages of 0 and 14 years, located in the poorest provinces.	7 mil. Means-tested targeting. R110 per child per month (2002).	Implementation is not consistent within and across provinces; parents of beneficiaries are more likely to be unemployed and less educated than those not receiving the grant; girls are not at disadvantage for a grant; children who do not co-reside with their mothers are at risk for not receiving the grant.	Adult must apply and collect the grant; value is insufficient to cover the basic costs of childcare.
Gundo Lashu (Limpopo)	South Africa	PW	2000	Focuses on both employment creation and the training of contractors and consultants in labor-intensive road rehabilitation. Employment lasts -4 months.	1700 laborers. Unemployed or underemployed women, female-headed households, youth, disabled. R30.36 wage per day.	On average 51% of workers have been women, 58% youth and 1% disabled; contributed to poverty gap reduction; 79% used earnings for food purchase, 50% for clothing, 40% on transport; 36% reported increased financial assets.	
Food stamps	Sri Lanka	SFW	1979	Food and kerosene stamps to subsidize consumption of basic goods for poorest households.	Extensive coverage and high value of benefits. Means tested targeting. Equivalent to 15% of per capita expenditures of the poorest quintile (1982).	Reached the poorest, food stamps contribution to calories is 11.6% for the lowest quintile and 0.7% for the highest; well targeted; food stamp receipts are progressive; very costly-takes US$2.5 to transfer US$1; operational abuses; partly responsible for inequality reduction.	
Low Income Card Scheme (LICS)	Thailand	SFW	1975	Qualified beneficiaries are given a beneficiary card valid for three years, which specifies one or two designated health facilities usually local health centers or district hospitals.	Total 37% of population; Community-based identification of poor elderly, children below 12, veterans, handicapped, monks.	Limited coverage and high leakage; poor targeting- only 55% of beneficiaries were poor; negative perception of public service quality by the poor and by health workers; limited health care expenses of the poorest and provided a safety net for higher income groups.	

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Conditional Cash Transfer	Turkey	CCT	2001	Provides incentive to the poor to keep their children in school by covering the out-of-pocket expenses in the short-term; to get adequate health care and nutrition services for children 0-6 to reduce infant mortality rate and diseases; and to prevent pregnancy risks through checkups, vaccinations, birth and post-treatments.	2 mil beneficiaries. The poorest 6%; proxy means test. Education: US$13 -28; health: $12/child per month, $12 per month during pregnancy, $39 for birth giving	Improved asset accumulation and well-being; effective targeting; transparent identification of the poor; helped poor meet immediate needs during financial stress; increased enrollment rates and helped keep children in schools; narrowed development gap between richer and poorer regions; improved access to health and education.	
Uganda Nutrition and Early Childhood Development Project (NECDP)	Uganda	UCT	1998	Aimed at halving malnutrition among preschool children, raising primary school enrollment, reducing dropout and repetition rates, improving psycho-social and cognitive development, and increasing the number of mothers practicing appropriate childcare.	8,000 communities. Families with children under 6.	Improved child nutrition and health-malnutrition among children 0-36 months was reduced by 30%; effective delivery of services; increased demand for de-worming medicine and vitamin A; increased school enrollment, particularly for pre-school age children; participating children have higher school attainment by 12 than non-participating children.	A strategic communication program was designed to help mothers and other caregivers adopt new behaviors needed to achieve project outcomes. Parliamentary advocacy group was established to gain support within Parliament.
Basic Education Assistance Module (BEAM)	Zimbabwe	UCT	2001	Part of the Social Safety Net to support education of disadvantaged children in both primary and secondary education, reducing the number of children dropping out of school and reaching out to children who have never been to school due to economic hardships.	900,000 in 2006. Vulnerable children of school-going age (ages 6-19). US$3,3/child/term (3 times per year) paid directly to the school.		
Kalomo District Pilot Social Cash Transfer Scheme	Zambia	UCT	2004	Cash transfer for critically poor household to reduce extreme poverty, hunger and starvation. Focus on households headed by the elderly and caring from orphan and vulnerable children.	4,000 persons in 1,027 (2004). Community targeting of poorest 10% and those unable to work. US$ 6 (without children) US$ 8 (with children).	Non inflationary effects on input prices; implementation more difficult in remote rural areas; good delivery mechanism; transparent and participatory approval; improved access to food (quantity and quality); positive impacts on education and health; cost-effective; low leakage rate, but low coverage of the poor; high vertical but low horizontal effectiveness of targeting.	Started as pilot project, now scaled-up to other districts by government working with partners, including NGOs; requires strong field presence of district staff; based on voluntarism and a high level of engagement on the community level.
Public Welfare Assistance Scheme (PWAS)	Zambia	UCT	2000	Community-based; offers social assistance to the most vulnerable to meet basic needs (food, shelter, education, health, clothing) and promotes community capacity to develop local and externally supported initiatives to overcome the problems of extreme poverty and vulnerability.	Beneficiaries are people who are not capable of meeting their own basic needs, usually due to youth, old age, sickness or disability. In-kind, valued at US$1.33/ beneficiary per year.	Lack of information about selection criteria and types and amounts of help going to the community; supposed to provide support quarterly but in reality assistance is based on availability of resources; assistance is inadequate and has limited reach.	Low and erratic funding limits impact - PWAS needs more partners to increase support to target beneficiaries.

Notes: UCT = unconditional cash transfer; CCT =conditional cash transfer; SFW = subsidy or fee waiver; PW = public works; ABP = asset-based program.

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ENDNOTES

1. Definitions of "scaling up" range from simple "expansion" in membership, participants, or targeted individuals, to more diverse meanings covering organizational complexity, expanded functionality, and "intensification" of activities regardless of size. The definition adopted here—of expansion as well as transferability to other contexts—is adopted for the reason that it encompasses much of what is being debated within the international development community, e.g., of enlarging small-scale programs or of transplanting large-scale antipoverty programs across geography.

2. Note that the effect of political regime-type on pro-poor mobilization is unclear. Political-economic models of democratic decision-making, for example, assume that voters behave independently (in spatial-voting models) or in groups (in interest-group models), and politicians compete for office by offering policies or public goods (see, e.g., Meltzer and Richard 1981; Persson and Tabellini 2000). As such, it is commonly believed that the poor may be better represented in democracies than non-democracies where politicians do not compete for office. Yet recent work has demonstrated that the relationship between democratic governance and pro-poor representation is not straightforward (Diamond 2004). In non-competitive political systems, politicians also secure their tenure with policies and public goods targeted towards strategic individuals or groups (Bueno de Mesquita et al. 2003). Populist dictatorships, for example, rely heavily on the mobilization of the rural and urban poor for support.

3. That antipoverty programs can be politically misused, however, does not constrain scaling up as much as the effectiveness of LSAPs—in fact, that antipoverty programs can yield political rewards may encourage policymakers to increase their scale.

4. In-kind transfers could also be further divided between conditional and non-conditional programs. There are some programs in which in-kind transfers require recipients to undertake other actions (e.g., part of the original PROGRESA program involved nutritional supplements—an in-kind transfer—in return for having children regularly attend health clinics). Additionally, there are food-for-work programs. All subsidies and fee-waivers, of course, require individuals to consume specified goods (e.g., one cannot use food-stamps to pay utility bills) in exchange for in-kind payments, but these do not impose *ex ante* requirements on the recipients.

5. For a summary of the role of cash transfers in social protection, see Tabor (2002).

6. Extensive reviews of the impact of microfinance operations can be found in Armendariz de Aghion and Morduch 2005, Morduch, Hashemi, and Littlefield 2003, and Goldberg 2005.

7. These results are based on a probit model of school attendance, assuming that cash transferred is pooled within families and distributed to each member. Note that these simulations also assume that low school attendance is a demand-side problem, not a supply-side problem.

8. For a review, see e.g., Garfinkel 1982; Kanbur 1987; Sen 1995.

9. The Sri Lankan cash-transfer program also illustrates some of the other failures cited in this paper: *Sumurdhi* administrators have used the program to create 36,000 patronage jobs for their political supporters, and the program fails to reach approximately 40% of the eligible poor.

10. Conning and Kevane note the staging of rallies, the showcasing of labor-intensive activities, and the use of resources to build "Potemkin" community centers, all designed to mask the true intentions of the elites involved.

11. Much of the following description is taken from Mendizabal and Lavado 2005).

The views expressed in this working paper do not necessarily reflect the official position of Brookings, its board or the advisory council members.

ISSN: 1939-9383

Printed on recycled paper with soy-based inks.

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cover left to right: (#4) Ami Vitale, (#6) John Isaac

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202-797-6000
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