Policy Brief

Socio-Economic Outlooks

Understanding the Citizenship Implications of Targeted Social Welfare Expansion in the Global South

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Executive Summary

Cash Transfer programs have been one of the fasting growing antipoverty programs across the global south in the last two decades. While there is now an extensive policy evaluation literature on their positive welfare impacts for recipient households, the long-term political implications of these program in building stronger state-citizen engagements are less well studied. This paper reviews some of the literature in comparative politics on the political origins and citizenship impacts of Cash transfer programs.

Photo: World Bank

Cash transfer programs have been one of the fasted growing anti-poverty programs in the global south over the last two decades. A recent study has found that 130 low and middle-income countries have unconditional cash transfers (UCT) programs, and 63 have conditional cash transfer (CCT) programs (Evans, Holteymayer, Kosec 2018). Cash transfer programs across the global south vary significantly in design and size, ranging from large national safety nets with high levels of coverage to smaller more narrowly targeted programs spread across Latin America, Africa and the Middle East. A substantial body of research now provides evidence of the poverty alleviation and positive human development impacts of well-designed and transparently implemented programs (Schultz 2004, Fiszbein and Schady 2009 Banerjee et al 2017). Once viewed with skepticism by parties on the left as being neo-liberal handouts that stymie the expansion of the welfare state and by parties of the right as incentivizing welfare dependency amongst the poor, cash transfer programs have in practice been implemented by parties across the ideological divide as a cost effective way to target poverty and human development inequities (Garay and Fairfield 2017).Prominent conditional cash transfer programs such as Bolsa Familia in Brazil and Prospera in Mexico, which cover over a quarter of the entire populations, have been rigorously evaluated to show their welfare enhancing effects, particularly for poor households consumption and human development investments such as education, health and nutrition (Schultz 2004, Fiszbein and Schady 2009, Levy 2015).

Political scientists have also been interested in the wider political consequences of cash transfers, leading to important studies on the impact of cash transfer programs in influencing electoral outcomes (Zucho Jr. 2010, De La O 2013, Weitz-Shapiro 2012, Stokes et al 2013). These studies suggest variations in social policy design, implementation and oversight play a crucial role in determining a shift from personalist to programmatic distribution public goods and services. However, the focus on studying cash transfer programs through the lens of clientelism has resulted in fewer studies on the wider political impacts of non-discretionary programs with more objective forms of targeting and whether they enable citizens to make a wider set of rights claims, beyond the welfare objectives of the specific social policy program. A focus on citizenship outcomes, therefore allows us to study a broader set of intended or unintended consequences of expansion of targeted safety nets to previously marginalized populations, who in many instances are engaging with state services for the first time. Studying the citizenship impacts of poverty targeted cash transfer programs may also help shed light on how clientelistic linkages are gradually eroded and rights-based demands on the state are formed, particularly in the context of states where the social contract is weak and social welfare and public goods provision has been limited.

The Political Origins and Expansion of Cash Transfer Programs in Global South

Cash transfer programs trace their origins to the late 1990s in Latin America, a region with a single largest concentration of CCT programs in the world (Lomeli 2008, Fiszbein and Schady 2009). CCT programs such as Progresa established in 1997 (renamed Oportunidades in 2001 and subsequently Prospera in 2014) and in Brazil's Bolsa Escola (subsequently merged with other programs renamed Bolsa Familia in 2003), were originally domestically driven social policy programs that were designed and financed without the help of international donors. Emerging out of a debt crisis and privatization of state enterprises that impacted states across the region in the 1990s, many Latin American states faced serious challenges of concentrated poverty and rising levels of inequality. Poverty targeted cash transfer programs became a cost-effective policy option to expand safety nets to vulnerable populations that needed social safety nets most to make human capital investments in household nutrition, health and education. The first wave of cash transfer programs such as Mexico's pioneering program Progresa, were conditional cash transfer programs that made transfers to eligible poor household's conditional on health and educational investments. These transfers required a high level of oversight at the local level to ensure that transfer receiving households were in fact complying with the conditions of the program. In other states in the global south, where local government capacity for monitoring has been weak, unconditional cash transfers has been rolled out, to make up for deficiencies in local government administrative capacity.

Mexico's flagship safety net: Progresa, was distinct from previous social policy programs in the country in a number of key respects. The program was pioneering in its use of an objective criteria to determine household illegibility using a proxy means test (pmt)[1] . Scientist Ana De La O's (2015) research on variations between discretionary and non-discretionary cash transfer programs in Latin America, has argued that increased political competition challenged the ruling PRI party's dominance and increased opposition oversight in Progresa's design and subsequent expansion. De La O finds that in Latin American states such as Mexico a strong opposition in the legislature played a key role in transforming Progresa into a transparent and rule-based program and limiting incumbent politicians' discretion in beneficiary selection (De La O, 2015).

A key factor in the success and institutionalization of programs such as Progresa (currently named Prospera), which has survived several name changes and political parties in office, is also the rigorous third-party evaluations the program underwent to prove its effectiveness (Lomeli 2008). Progresa formed a partnership with the Washington DC based International Food Policy Research Institute (IFPRI) in 1997, to design a series of impact evaluations of the program's educational and health effects on beneficiary households. IFRI's evaluations which found Progresa increased school enrollment and had significant health impacts such increased nutrition amongst children, which helped bolster the program's domestic and international credibility (Skoufias and McClafferty, 2001).

By the early 2000s, conditional and unconditional cash transfer programs had been rolled out in numerous countries across Asia, the Middle East and Africa. The 'Progresa' model of using poverty targeting to determine eligibility group of the most vulnerable households particularly women, was endorsed by major donors, which had begun to support social protection by the 2000s. Key international donor agencies such as the World Bank, DFID, and USAID have financed the design, targeting and expansion of numerous poverty targeted cash transfer programs. Donors such as the World Bank have at times been criticized for promoting a narrow focus on poverty targeting, rather than more universal social welfare provision. However, in countries in the global south where the most significant expansion of safety nets has happened there have had strong domestic coalitions rather than donors that have been the driving force for program expansion. In Brazil, for example the leftwing PT (workers) party, which had initially been suspicious of cash transfer programs, was instrumental in the scaling up of cash transfers and the establishment of Bolsa Familia as Brazil's flagship social safety net for poor households (Garay 2017).

Differentiating Between Discretionary and Non-Discretionary Programs and the impacts State-Citizen linkages

Large national social welfare programs are often vulnerable to claims of corruption, which at best can be viewed as programmatic 'leakages' in beneficiary selection and at worst can result in programs being vulnerable to rent seeking and as a means to consolidate clientelistic political support. However, transparently designed and administered cash programs with strong monitoring and grievance redressal mechanisms, can eliminate or at least significantly reduce the role of 'middlemen' typically local politicians and brokers. In addition to third party audits and oversight, grass roots institutionalized grievance redressal systems and beneficiary community organizations can be powerful tools for both strengthening programs, increasing information about local government services and expanding spaces for local collective action and citizen rights claims.

An important strand of literature in the field of comparative politics now provides some insights on some of the key institutional features and conditions that enable non-clientelistic social welfare programs to develop (Hunter and Sugiyama 2014, De La O 2015, Garay 2017, Diaz-Cayeros, Estevez and Magaloni 2017). There is evidence to suggest the social welfare programs that are rules based and non-discretionary can also play a role in reshaping the social contract between citizens and the state by weakening clientelistic linkages and opening new and more direct avenues for citizens

[1] A proxy means test (pmt) is a measure of household welfare that typically uses housing, education and asset data as a proxy to estimate overall household welfare. The pmt has been used as an alternative way to estimate household income, particularly in states where means test data is unreliable or difficult to obtain.

to engage with and make rights claims on the state. In Brazil, Bolsa Familia, has been an important vehicle for women in remote regions to access national identity cards, and gain a greater understanding of citizenship rights (Hunter and Sugiyama 2014). Hunter and Sugiyama's research indicates that far from creating stigma amongst beneficiaries, due to poverty targeting and conditionalities, Bolsa Familia recipients showed greater positive affiliation to the state and recognition as citizens. Such studies open a wider analytical framework for social policy researchers to understand whether cash transfer programs can be vehicles for citizens to actually claim greater public goods, services and other fundamental rights from the state.

The Benazir Income Support Programme' and Women's Citizenship claims in Pakistan

Beyond the relatively well-known and studied cases of the major Latin American cash transfer programs, large cash transfer programs have also emerged in states in Africa, the Middle East and South Asia. Pakistan, has one of the largest unconditional cash transfer programs exclusively targeted at low-income women in South Asia. In 2008, the center left Pakistan People's Party established the Benazir Income Support Programme (BISP). Over a span of ten years the program has become Pakistan's largest social safety net, covering over 5.4 million female beneficiaries and their households.

Prior to the emergence of BISP, the Pakistani state's approach to social welfare was patchy at best, with public healthcare and pensions limited to all small number of formal sector and government employees. Non-contributory social assistance programs (both federal and provincial) for the poor and vulnerable populations such as the elderly, widows and disabled, were ad hoc and poorly targeted, with frequent claims of leakages and political patronage in beneficiary selection.

The rapid expansion of the BISP safety net over the last decade represents a number of institutional innovations for social policy expansion that are worth paying attention to for scholars of social policy. The initial role out of the program was done through members of parliament, who were given discretion in identifying 8000 beneficiaries in their constituencies, which were then validated by the country's national identity card registry (NADRA). The initial targeting mechanism led to criticism by opposition parties that the program was being a means to consolidate old patronage networks of the incumbent Pakistan People's Party (PPP). However, the subsequent shift towards pmt targeting, eliminated the role of politicians in beneficiary selection altogether and led to the creation of a national poverty registry. This registry, now provides invaluable household level socio-economic data to both the federal and provincial governments for more accurate poverty targeting of social welfare programs beyond BISP.

BISP's focus on the financial and social empowerment of low-income women also raises important questions about the gendered impacts of such cash transfer programs. Female beneficiaries enrolled in the program must have a valid biometric national identity card, which played a critical role in validating beneficiary enrollment. Gender disparities in identity card provision remains a significant challenge in Pakistan. However, since the establishment of BISP, an estimated four million women have entered the national identity card registry (NADRA), particularly women in rural districts. In many rural households in Pakistan, the male head of household typically had an ID card. BISP's emergence has resulted significant rise in women in rural women registering for ID cards to try to obtain eligibility for the program. A national identity card is a prerequisite for de jure citizenship in Pakistan, with basis rights such as marriage, divorce, issuance of a passport, registration of child birth, and voting not permitted through legal means without it. Whether this newfound legibility from the state has resulted in greater demand for citizenship rights for BISP beneficiaries needs to be empirically studied in greater detail. The experience of the intersection between social policy and rights expansion from states such as Brazil suggests that de jure rights may be a first and insufficient step, for a much wider process of rights claims, particularly in states with emergent democratic systems and a long history of authoritarian rule.

The literature on clientelism, largely assumes that patron-client linkages are a feature of poor countries and will gradually erode as states become more prosperous and a middle class with greater preferences for public goods emerges. Yet evidence from a variety of contexts in the global south including Brazil, Mexico and India suggests even in high poverty environments well-designed safety nets can be a catalyst for the gradual erosion of clientelism and the emergence of new forms as state-society engagement and rights claims (Kitschelt and Wilkinson 2007, De La 2015, Hunter and Sugiyama, Garay, 2017). The context of BISP, is even more striking as unlike the Latin American cases which are now largely middle-income states, Pakistan has significantly lower levels of human development and higher levels of poverty and circumscribed mobility for women, particularly in rural regions. Social policy programs like BISP, therefore offer a unique opportunity to study whether non-discretionary poverty targeted social safety nets can be catalysts for greater rights claims even in states with higher levels of poverty and weaker local state capacity.

Studying the political implications of the expansion of poverty targeted social welfare programs such as cash transfer programs, offers a new lens to understand how rights claims emerge in emergent democracies. The presumption that poverty targeted programs create beneficiary stigma and inhibit demands for a broader set of citizenship claims needs to be assessed in light of evidence of how citizens respond to such public policies. Studying whether cash transfer program have helped forge new linkages between the state and citizens, and understanding the underlying processes which may facilitate these engagements, therefore offers news avenues to understand the long-term political consequences of cash transfer programs.

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