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Non-Contributory Social Transfer Programmes in Developing Countries: A New Data Set and Research Agenda

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**Non-Contributory Social Transfer Programmes in
Developing Countries:
A New Data Set and Research Agenda**

Marina Dodlova, Anna Giolbas, and Jann Lay

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Non-Contributory Social Transfer Programmes in Developing Countries: A New Data Set and Research Agenda

Abstract

Social transfer programmes in developing countries are designed to contribute to poverty reduction by increasing the income of the poor in order to ensure minimal living standards.¹ In addition, social transfers provide a safety net for the vulnerable, who are typically not covered by contributory social security. The question of how effective such programmes are in achieving these aims has been the subject of numerous impact evaluations. However, the optimal design of such programmes is still unclear. Even less is known about whether the adoption and implementation of transfer programmes is really driven by poverty and neediness or whether other factors also have an influence. To investigate these and other research questions, we have developed a new data set entitled Non-Contributory Social Transfer Programmes (NSTP) in Developing Countries. One advantage of this data set is that it traces 186 non-contributory programmes from 101 countries back in time and presents them in panel form for the period up until 2015. The second advantage is that it contains all the details regarding the various programmes' designs as well as information on costs and coverage in a coded format and thus facilitates both comparative quantitative and in-depth qualitative analyses. While describing the data we discuss a number of examples of how the data set can be used to explore different issues related to social policies in developing countries. We present suggestive evidence that the adoption of social transfer programmes is not based only on pro-poor motives, but rather that social policy choices differ between political regimes.

Keywords: social protection, social assistance, social transfers, developing countries, data, political economy of social policy

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Marina Dodlova, Anna Giolbas, and Jann Lay

Article Outline

- 1 Introduction
 - 2 Data
 - 3 Research Agenda
 - 4 Conclusion
- Bibliography

1 Introduction

Social protection programmes can be an important instrument in fighting poverty and protecting the vulnerable. Since the beginning of the 1990s, the number of anti-poverty transfer programmes in developing countries has increased significantly. At the same time, the design and efficiency of such programmes remains subject to debate. The major areas of dispute involve the trade-off between current and future poverty alleviation; the selection and social exclusion problems involved in designing social protection programmes; and these programmes' regularity, duration, and budget size. Numerous studies have explored the efficiency and effectiveness of such programmes in different country contexts. However, to the

best of our knowledge, there is little work that takes a global perspective on social transfer programmes in the developing world. This paper introduces a new data set that provides such a comprehensive overview of social transfer programmes in developing countries.

Many scholars stress the gap in comparable data on social assistance for non-OECD countries (Grunewald 2014; Khan and Arefin 2013; Leisering 2009). The existing sources usually comprise data on one type of social policy or are focused mostly on one region or only on developed countries. Typically, the time span is not large and the information is available only for the most recent 10 to 15 years. One exception is the database by Barrientos et al. (2010), which combines the data on social assistance for developing countries; however, it presents only the descriptive profiles of social assistance programmes, which cannot be easily used in a comparative analysis and only provide coverage up until 2010. Our Non-Contributory Social Transfer Programmes (NSTP) Data Set significantly extends the work by Barrientos et al. (2010) in terms of both time and space. We have checked the existing information on social transfer programmes and included 102 additional programmes. In total, our database comprises 186 programme profiles in 101 countries. What is more important is that we encode all the details and characteristics of social transfer programmes in panel form so that the data can be used for any type of quantitative and qualitative analysis. We list elements of the design such as the type of transfer, type of conditions, targeting mechanism, delivery mode, donor involvement, and pilot status, as well as cost and coverage numbers where this information is available. This type of table format for the data allows for a closer look at social policies in the developing countries from a global perspective. It thus facilitates comparative analyses according to numerous characteristics of the programmes. Our database is intended to be an innovative tool to study worldwide trends in social assistance, evaluate the performance of individual schemes, and identify effective and efficient features of social transfer programmes.

On the one hand, the NSTP data set can be used to examine all transfer programmes in panel form in a cross-country quantitative study. On the other hand, it allows for a focus on specific programme characteristics such as different types of transfers, conditions, or targeting mechanisms. Such characteristics can easily be compared across regions or countries. The data set provides information on every programme profile, which can be used for a quick search of the details of any programme in operation. Thus, it can be used by qualitative scholars to identify those programmes with specific characteristics for further in-depth study.

After describing the data, we briefly review the main strands of the literature on the effectiveness/efficiency of social policy and suggest how the NSTP data set may be used to explore open questions. To provide a more specific example that demonstrates the possible applications of the data, we focus on a particular research question: To what extent is the expansion of social transfer programmes in the developing world driven by factors that are not related to pro-poor motives? We consider the political basis for the adoption of social transfer programmes using proxies from the Polity IV data set. We find that democracies have more

social transfer programmes on average. Also, democratic regimes more often adopt conditional cash transfers (CCTs). In contrast, unconditional family support programmes are significantly more widespread in non-democratic regimes, and public works programmes are slightly more common. Moreover, we find that non-democratic regimes employ more targeting methods that are prone to strategic misuse and lead to less objectivity in the allocation of benefits. These regimes appear to demonstrate more political than pro-poor targeting.

The paper proceeds as follows. The next section discusses the structure and sources of the new data set. Section 3 points out possible lines of research and proposes some insights from the literature that might be examined using the new data. We then present preliminary findings on the link between political regimes and particular programme characteristics. The final section concludes our discussion.

2 Data

The Non-Contributory Social Transfer Programmes (NSTP) in Developing Countries Data Set aims to provide a comprehensive overview of progressive and institutionalised social transfer programmes that are intended to mitigate poverty and, often, to incentivise households to invest in long-term development to escape from poverty. The programmes in the database are public, non-contributory, and rolled out on a large scale at the national level. In order to capture the redistribution efforts of governments, we include only public programmes and exclude private initiatives carried out by NGOs or religious entities. The focus on non-contributory programmes ensures that we capture progressive redistribution. In order to be truly pro-poor, social transfer schemes need to be available to informal sector workers and hence not be tied to formal employment. We further focus on large initiatives that have the potential to have a significant impact on poverty at the national level. Pilot programmes that are likely to be scaled-up to the national level have also been included. Thus, our database lists programmes that make regular transfers and that help the poor to meet their day-to-day consumption needs. We exclude one-time programmes for catastrophe relief, and we purposefully do not include information on contributory social insurance systems as they typically only benefit a small and privileged segment of society (or employees) in developing countries. On similar grounds we also do not include programmes that are solely available to a small group of the most destitute such as the disabled, widows, orphans, specific occupational groups, or ethnicities. We exclude such narrowly targeted programmes because they hardly have a poverty mitigation effect at the national level.¹ Although we include information on the number of beneficiaries, transfer size, and cost of programmes

1 An exception to this rule is orphan care programmes in countries with a high prevalence of HIV/AIDS where there is a large number of orphans. Information on pensions for the disabled and widows is included where the former are a part of general non-contributory old-age pensions.

where it is available, the lack of comparable data does not allow us to have more formal inclusion and exclusion criteria (such as cut-off points that refer to the size of the programmes). As we do not provide information on all elements of social security systems in developing countries, our database should not be used to assess all the contributory and non-contributory components of countries' social policy.

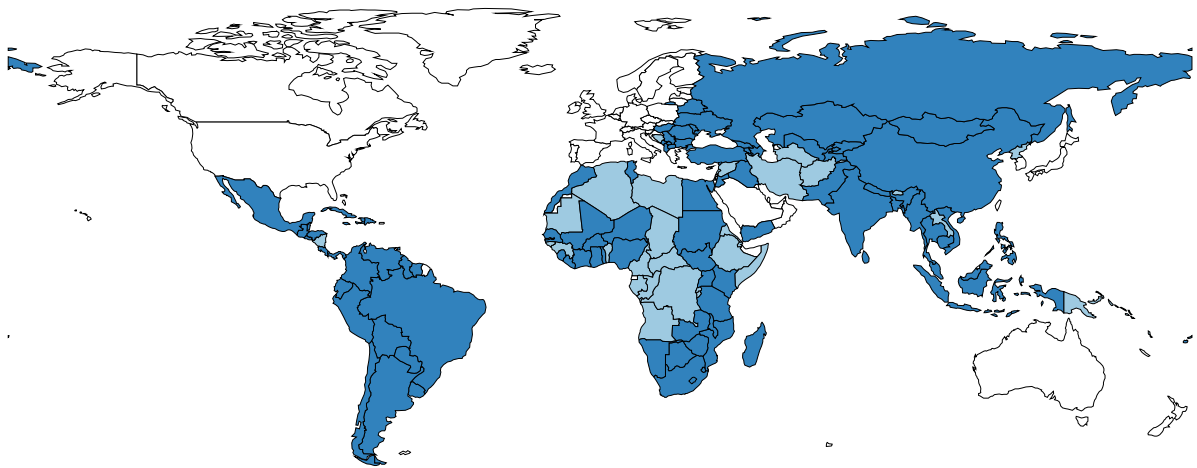
As already mentioned, the existing data sets do not cover all the available information on non-contributory social schemes in non-OECD countries (Grunewald 2014; Khan and Arefin 2013; Leisering 2009). In addition, they present information only for recent years. For example, the ILO Social Security Inquiry Database lists all the components of the social security system for 97 developed and developing countries. However, it comprises information on these varied social protection initiatives only for the period from 2000 to 2012. Another solid database is the World Bank Atlas of Social Protection – Indicators of Resilience and Equity (ASPIRE). It presents aggregated indicators of social protection systems' performance and expenditure for 117 developing countries from 1998 to 2014. The information, however, is available only for programme categories, not for individual schemes. The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) provides a database on non-contributory social protection programmes in 22 countries within one region only: Latin America and the Caribbean. Similarly, the Social Protection Index (SPI) of the Asian Development Bank compiles indices of aggregate social protection indicators for 42 countries in the Asian region for 2000 to 2010. Regarding non-contributory pension schemes, Pension Watch provides a large Social Pensions Database for 107 developed and developing countries. The only comprehensive data on social assistance in developing countries is the data provided by Barrientos et al. (2010). However, they focus more on the programme profiles and case study analyses, thereby disregarding a potential quantitative comparative perspective. These different data sources feed into our database, where they are complemented by further typically programme-specific sources such as programme evaluation reports and national social security boards. We have screened all of these and other sources to compile comparable information on non-contributory, large-scale, and pro-poor transfers that can be used for both qualitative and quantitative analyses of all developing countries.

Our data collection effort extends the work by Barrientos et al. (2010). This earlier database included information on 110 social transfer programmes in 55 countries up until 2010. We updated 84 of the earlier programme profiles and decided not to include 26 programmes because they either had been discontinued or did not meet our aforementioned criteria for inclusion. In addition, we collected new information on 102 social transfer programmes that were not reported by Barrientos et al. (2010). As a result, we present 186 programme profiles from 101 countries, covering the time up to 2015. We provide the data in two formats: a list and a table format. The list consists of descriptive programme profiles that provide information on programme characteristics and include further links to relevant programme impact evaluations in the literature. The table component of the database includes both country-

year and programme-period panels with encoded information on programme design, costs, coverage, and other elements from the descriptive programme files. Thus, the NSTP data set is organised so as to facilitate both quantitative and qualitative research.

Figure 1 presents all developing countries that had at least one social transfer programme in 2015 in dark blue. This corresponds to 101 countries in total or 70 per cent of developing countries. All developing countries that do not have a programme are coloured light blue, while all developed countries are left white. We can see that while almost all countries in Latin America, Europe, and Central Asia have at least one transfer programme, there are clusters of countries in Africa and the Middle East that do not have any transfer programmes.

Figure 1. Social Transfer Programmes Worldwide in 2015



Note: Countries with at least one transfer programme are coloured dark blue (101 countries in total or 70 per cent of all developing countries).

The share of countries per region with a programme are as follows: 91 per cent in Europe and Central Asia, 90 per cent in Latin America and the Caribbean, 80 per cent in East Asia and the Pacific,² 75 per cent in South Asia, 66 per cent in sub-Saharan Africa, and 54 per cent in the Middle East and North Africa.

Of the countries in our data set, 55 have more than one social transfer programme. Bangladesh, with eight programmes, has the highest number of individual schemes in operation. However, having a larger number of transfer programmes in operation does not necessarily imply broader coverage or greater spending on social assistance. In what follows, we describe the main features of the design of social transfer programmes and present the variables that we code on the basis of these features. In particular, we discuss the typology of transfers and conditions, the targeting mechanisms used for beneficiary selection, and cost and coverage details. We also review the modes of delivery, donor involvement, and the status of programmes (pilot or not). Other programme details and characteristics, such as transfer

² This share is calculated excluding small island states.

volume or detailed eligibility criteria, which are not easily comparable across countries, are presented only in the descriptive part of the database. We refer those scholars who wish to use this information to the qualitative programme profiles.

2.1 Typology of Transfers and Conditions

We distinguish between unconditional and conditional transfers. The important difference is that the recipient of unconditional transfers does not have to comply with any conditions to receive the transfer apart from meeting the targeting criteria. The beneficiary of conditional transfers has to make some kind of effort to receive the transfer, meaning that he or she usually has to comply with certain rules or types of behaviour. Of the 186 programmes in the data set, 101 are unconditional, 78 are conditional, and 7 combine elements of both conditional and unconditional schemes.

We further categorise transfers into unconditional family support schemes, social pension schemes, CCTs, and public works programmes. Under unconditional family support schemes, we subsume transfers targeted to low-income households or specifically to children that are not tied to school attendance or regular health check-ups. They range from a basic safety net for those below the poverty line to (universal) child support grants. We define social pension schemes as transfers to the elderly that are independent of a history of contributions by the beneficiary or his/her employer. CCTs are programmes that link the receipt of a transfer to investments in education and/or health. Health conditions usually aim to improve child and/or maternal health. Panama, however, has an old-age pension scheme that is paid conditional on regular health check-ups. Education conditions predominantly aim at improving the school enrolment and achievements of children from low-income households. Some CCTs specifically target girls or young adults. We provide information on whether the receipt of the benefit is conditional upon household investments in health, education, or both. Public works programmes give out transfers in exchange for work at public employment sites. "Below market" or minimum wages are supposed to ensure that only the needy self-select into these programmes. Table 1 shows all possible combinations of transfer types with percentages in brackets. The data set includes information on 70 unconditional family support programmes, 64 CCTs, 43 social pensions, and 23 public works programmes. Of these programmes, 14 are combinations of two types. For example, the Social Cash Transfer Programme in Malawi provides unconditional cash transfers to households living in poverty and an additional benefit for each child attending school. It is hence coded as both an unconditional family support scheme and as a CCT. Of all the CCTs, 23 require an education investment and 8 a health investment; 33 are conditional upon investments in both education and health.

Table 1. Types of Social Transfer Programmes

	<i>Unconditional family support</i>	<i>Social pension</i>	<i>CCT</i>	<i>Public works</i>
Unconditional family support	60 (32.26%)			
Social pension	4 (2.15%)	37 (19.89)		
CCT	3 (1.61%)	2 (1.08%)	57 (30.65%)	
Public works	3 (1.61%)		2 (1.08)	18 (9.68%)

2.2 Targeting

Another characteristic of social transfer programmes is the targeting mechanism used to determine eligibility for a programme. We follow the classifications by Barrientos (2013) and Coady et al. (2004) and distinguish between six types of targeting – namely, categorical, geographical, means tests, proxy means tests, community-based targeting, and self-targeting.

The simplest mechanism is *categorical targeting* based on categories defined ex ante. Benefits are given conditional on belonging to a certain age group, gender, or social category – for example, the elderly, children, women-headed households, etc. If categorical targeting is employed without any additional targeting mechanism, the transfers are in effect universal instead of poverty targeted.

A special form of categorical targeting is based on *geographical location*. In particular, the transfers are allocated to the regions identified as the poorest within a country using one or several indicators associated with a high level of poverty – for example, literacy rates, nutritional status, or consumption measures. Eligibility for a programme is dependent on residence in these areas. While we do not include the transfer programmes of federal states (or other decentralised governing units), we do include programmes that are allocated to districts or regions defined as the poorest by the central government.

Means testing refers to a form of targeting that involves the assessment of the income of a household or individual by an official. If the income falls below some cut-off level, the individual or household becomes eligible for programme benefits. Ideally, this implies the existence of documentable and verifiable information on income in the form of tax records, wage information from employers, or financial information from banks. However, in contexts of weak administrative capacity and/or a high share of informal labour, documenting and verifying income is not straightforward. Hence, there are large differences in the complexity and accuracy of means tests. In some cases, an officer assesses the income of a potential beneficiary in their home; in other cases the applicant is interviewed in an office with the information taken at face value.

Proxy means tests are similar to means tests, but instead of using information on income, they use information on observable household characteristics that are strongly correlated

with poverty to calculate a score for the households' economic situation. The information typically collected for proxy means tests in poor countries includes the quality of the dwelling, the ownership of durable goods, household composition, education level, and occupational sector. The score is then used to determine eligibility for benefits.

In *community-based targeting*, a group of community members or a community leader decides on eligibility for a programme. This targeting method takes advantage of social capital – that is, the fact that local actors have more information available or at a lower cost than programme officials.

Self-targeted programmes are in principle open to all but use strong incentives to discourage use by the non-poor. Public works programmes that use self-targeting based on a work requirement typically pay wages that are below the market wage for unskilled labour or the minimum wage. The low wages ensure that only the really needy self-select into the programme. However, when the number of applicants exceeds the number of jobs in the programme, additional targeting or selection methods need to be implemented (e.g. means tests or proxy means tests). In the latter case, the programme is no longer self-selected.

Many of the programmes in our sample use more than one targeting method. In fact, only 40 per cent of all programmes employ a single targeting method. We therefore define a binary indicator for every targeting mechanism. Table 1 shows the frequency of targeting choices across all programmes in 2015 with the percentages in brackets. In addition to the combinations displayed, approximately 12 per cent of all programmes apply a combination of three or more targeting methods. The most frequent choices of targeting methods are categorical criteria only, a combination of a means test and categorical criteria, a combination of geographical and categorical criteria, and a means test or proxy means test only.

Table 2. Frequency of Targeting Methods in 2015

	<i>Categorical</i>	<i>Geographical</i>	<i>Means test</i>	<i>Proxy means test</i>	<i>Community-based</i>	<i>Self-targeting</i>
Categorical	38 (20.43%)					
Geographical	15 (8.06%)					
Means test	33 (17.74%)	1 (0.54%)	14 (7.53%)			
Proxy means test	10 (5.38%)	3 (1.61%)		12 (6.45%)		
Community-based	8 (4.3%)	6 (3.23%)	3 (1.61%)	3 (1.61%)	5 (2.69%)	
Self-targeting	2 (1.08%)	7 (3.76%)				4 (2.15%)

Note: In total Table 2 includes 164 (88%) programmes, whereas the remaining 22 (12%) programmes use a combination of three or more targeting mechanisms. In total, 124 programmes (66%) use categorical targeting, 57 (31%) use means tests, 54 (29%) use geographical targeting, 40 (21%) use proxy means tests, 35 (19%) use community-based targeting, and 15 (8%) are self-targeted.

2.3 *Cost and Coverage*

The most important characteristics of social assistance programmes are their budget and coverage – that is, how expensive they are and how many beneficiaries they have. Along with effective and efficient targeting, the budget and coverage of social programmes are principal components that contribute to structural changes in inequality and poverty levels. We report only the original source data and only if the year of the respective coverage or budget information is indicated by the source.

Depending on the programme, coverage is measured in terms of individuals or households or both. We provide information on coverage of individuals for 110 social transfer programmes and coverage of households for 55 programmes.

We report programme budget data according to two dimensions, depending on availability. The first dimension is the absolute value of programme costs in either USD million or the local currency. If the programme budget is presented in the local currency, we assume that these costs are in the current prices for the year as provided in the source. If the USD measure for the programme budget is presented, we assume that local currency costs have been transformed into USD using the current exchange rate for the year of the source. The second dimension is the budget as a share of the country's GDP. The database includes information on the cost in USD million of 54 programmes and on the cost as a percentage of GDP of 47 programmes. Hence, our indicators of the cost and coverage of the programmes are encoded according to the availability of data on the different measures.

2.4 *Other Elements of the Programmes' Design*

Delivery

The benefits provided by social transfer programmes are predominantly distributed in cash. Of all the programmes in our database, 155 (84 per cent) give out cash only. Cash in combination with other services such as trainings is provided by 21 programmes (11 per cent). Public works programmes are also counted as being among these programmes. Six programmes (3 per cent) give out cash in combination with food. Only four programmes (2 per cent) are pure food transfers.

Donors

Since the 1990s the expansion of social transfer programmes has been actively promoted by international donors (Farrington and Slater 2006). In 2015 at least one donor was involved in more than 26 per cent of programmes. The donors contribute to both programme funding and programme design and implementation. The most influential donor is the World Bank,

which supports 30 programmes, followed by UNICEF (11 programmes), DFID UK³ (11 programmes), and the World Food Programme (5 programmes).

Pilots

The database captures information on nine social transfer programmes that were being piloted in 2015. We have also coded the years in which now-large-scale programmes were pilots.

3 Research Agenda

In the following, we briefly review some of the main strands of the literature on the effectiveness and efficiency of social policy in developing countries, highlighting gaps that could be addressed using the NSTP data. We then provide examples of how the data can be used to examine the political motivations behind the adoption of transfer programmes.

3.1 Effectiveness and Efficiency

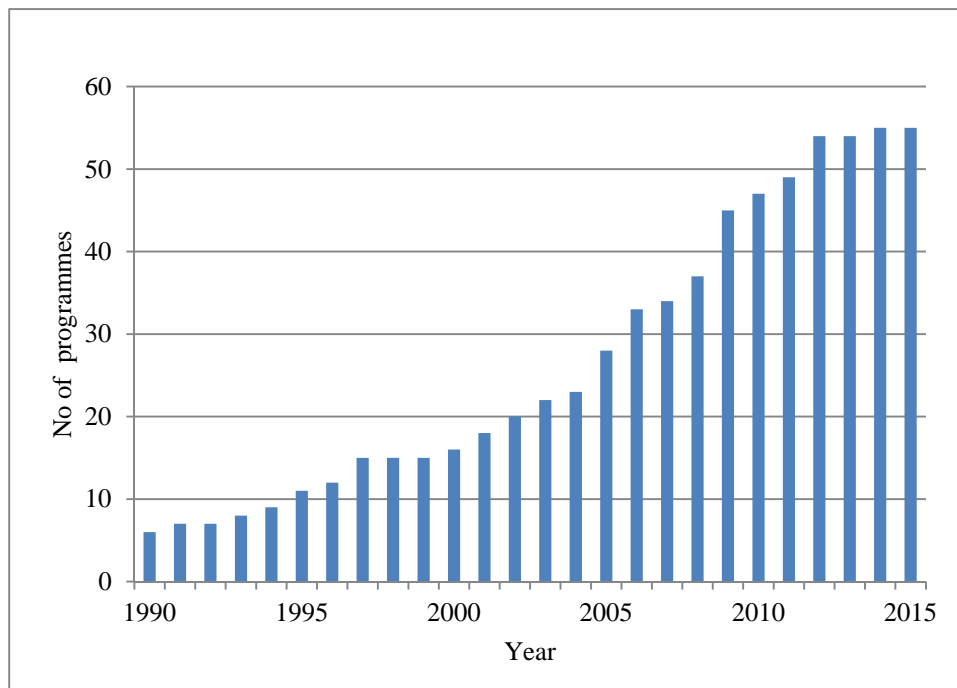
Figure 2 illustrates the increase in the adoption of transfer programmes in the Latin American and Caribbean (LAC) region. While there were six social transfer programmes in 1990, the number had risen to 47 in 2010 and 55 in 2015. Other regions demonstrate similar patterns. This makes it evident that social policy diffusion plays a major role in poverty reduction (see Brooks 2008; Leisering 2009).

Scholarly interest in transfer programmes has risen accordingly in recent decades, resulting in a literature that is quite broad and interdisciplinary. One strand centres on questions related to the conceptualisation, design, and implementation of social policy. The scholars consider the methodological and theoretical aspects, with the debates focused particularly on selection and social exclusion problems, the types of transfers, programme scale, and other technicalities (e.g. Barrientos 2013; Grosh et al. 2008; Hanlon et al. 2010). The classical questions relate to the efficiency and effectiveness of unconditional versus conditional transfers, the different targeting methods, and graduation out of transfer schemes. There is strong evidence in the empirical literature that both unconditional and conditional transfers have a poverty-reduction effect. Regarding the effect of cash transfers on school attendance, there seems to be agreement that CCTs with explicit education conditions and penalties for non-compliance have a stronger effect than unconditional transfers (Baird et al. 2013; De Brauw and Hoddinott 2011). Studies that focus on CCTs provide evidence of increased health service use and improved health outcomes (Fiszbein and Shady 2009; Ranganathan and Lagarde 2012). And recent studies that compare conditional and unconditional transfers suggest that health conditions do indeed matter (Attanasio et al. 2015; Robertson et al. 2013). Devereux et al. (2015) have recently reviewed the targeting effectiveness of social transfer

3 Department for International Development – United Kingdom.

programmes. The authors acknowledge that all the targeting mechanisms generate inclusion/exclusion errors and costs and they hence conclude that the appropriate choice of targeting mechanism is context-specific. Not surprisingly due to the complexity of the relationships, the evidence is weakest for a positive effect of social transfer programmes on women's empowerment, social inclusion, and economic growth (Browne 2015). The NSTP data could, for example, be used to analyse the link between (certain types or design characteristics of) social transfer programmes and human development outcomes.

Figure 2. Number of Social Transfer Programmes in LAC, 1990–2015



Regarding the affordability of social assistance, one strand of literature stresses a moral argument for assisting the poor and reducing risk by providing a minimum safety net (Barrientos and Hulme 2005; Dercon 2005; Holzmann and Jorgensen 2001). Another line of research focuses on modelling the cost of basic social protection (Pal et al. 2005; Mizunoya et al. 2006; UNICEF 2009). The third perspective on affordability concerns the sources of finance (Barrientos 2007; Holmqvist 2012). This debate also centres on whether and how people working in the informal sector can be made to contribute financially to social protection (Van Ginneken 1999; Townsend 2007). Further questions include the political acceptance of certain types of assistance (Fiszbein and Schady 2009; McCord 2012) and the labour market effects of extensions to social security (Freeman 2009; Jung and Tran 2012). An interesting application of the NSTP data could therefore be to examine the effects of the adoption of (specific types of) social transfer programmes on labour supply or the productive capacity of the poor.

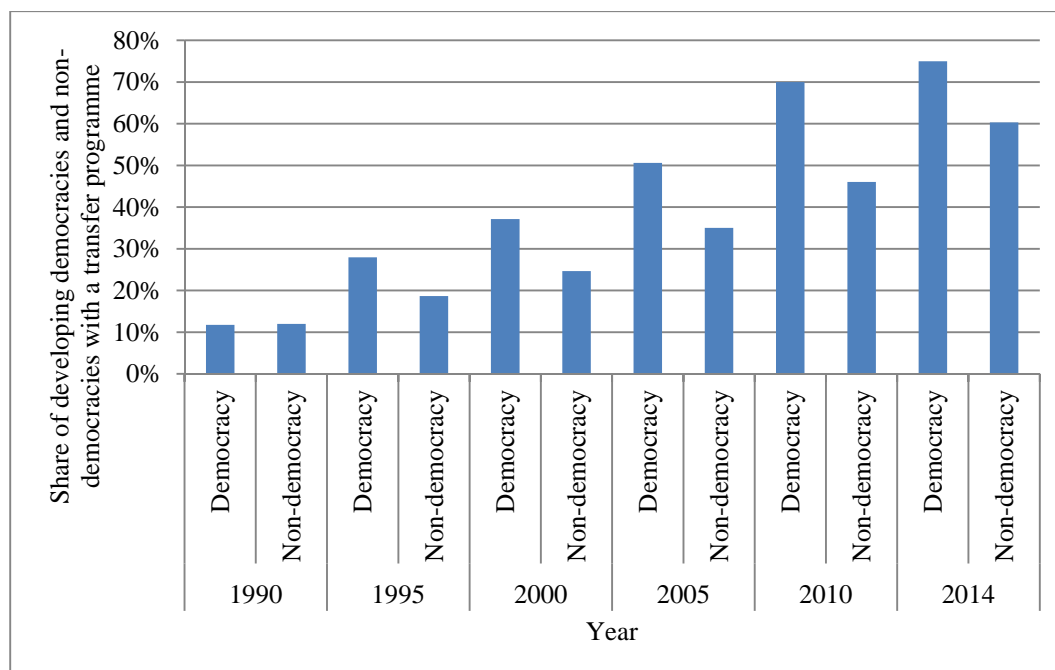
3.2 *The Politics of Pro-Poor Policies*

Another important part of the literature is the research on the politics of social assistance. In this emerging subfield the main questions involve how social transfer programmes promoted by international donors contribute to building state capacity and how the design and implementation of such programmes are eroded by corruption, clientelism, and other political motives. Indeed, a number of interesting insights emerge from the analysis of the motivations for adopting social transfer programmes in developing countries. The recent studies show that social transfer programmes are not chosen primarily because of poverty reduction but are also driven by other mechanisms not related to pro-poor motives (Dodlova and Giolbas 2015; Hickey 2009; McCord 2012). In particular, political leaders may use social policy in order to strengthen their rule. In democratic regimes, social benefits can be a tool to gain or reward voters (De La O 2013; Manacorda et al. 2011; Nupia 2011; Zucco 2011). Autocracies may use transfers to mitigate social unrest by increasing the standard of living of the poor or they may channel benefits to their supporters (Knutsen and Rasmussen 2014; Leon 2014; Mejia and Posada 2007). There is an emerging literature on how social transfers decrease non-electoral forms of political participation such as protests and demonstration attendance (Beath et al. 2016; Dodlova 2016). In addition, leaders in both regime types may enact social policies as a response to pressure from international donors or neighbouring countries (Brooks 2008; Gilardi 2005; Leisering and Barrientos 2013; Weyland 2007).

In what follows, we use the NSTP data set to provide suggestive evidence on the political economy of social transfer programmes. We consider whether political motives or institutions affect the design of transfer programmes. Political regimes particularly influence the scope and structure of social policy. Hence, we focus on additional factors not related to purely pro-poor motives that shape social policy in developing countries. First, we explore the prevalence of transfer programmes in democracies versus non-democracies. Figure 3 shows the percentage of developing democracies and non-democracies⁴ that had at least one transfer programme between 1990 and 2014 in five-year intervals. Of all the developing countries, 12 per cent of democracies and 12 per cent of non-democracies had a transfer programme in 1990. We see that starting in the mid-1990s, the share of countries with at least one social transfer programme increased steadily in all regime types, though significantly more in the case of democracies. In 2014, 75 per cent of countries classified as democracies and only 60 per cent of countries classified as non-democracies had at least one transfer programme.

4 We use the polity score from the Polity IV Project by Marshall and Jaggers (2010) to distinguish between polity types. The polity score classifies countries on a scale of -10 to 10. Countries with a score above 5 are classified as democracies, countries with a polity score between -5 and 5 are classified as anocracies, and countries with a polity score below -5 are classified as autocracies. Information on the polity score only extends until 2014.

Figure 3. Share of Developing Democracies and Non-Democracies with a Transfer Programme, 1990–2014

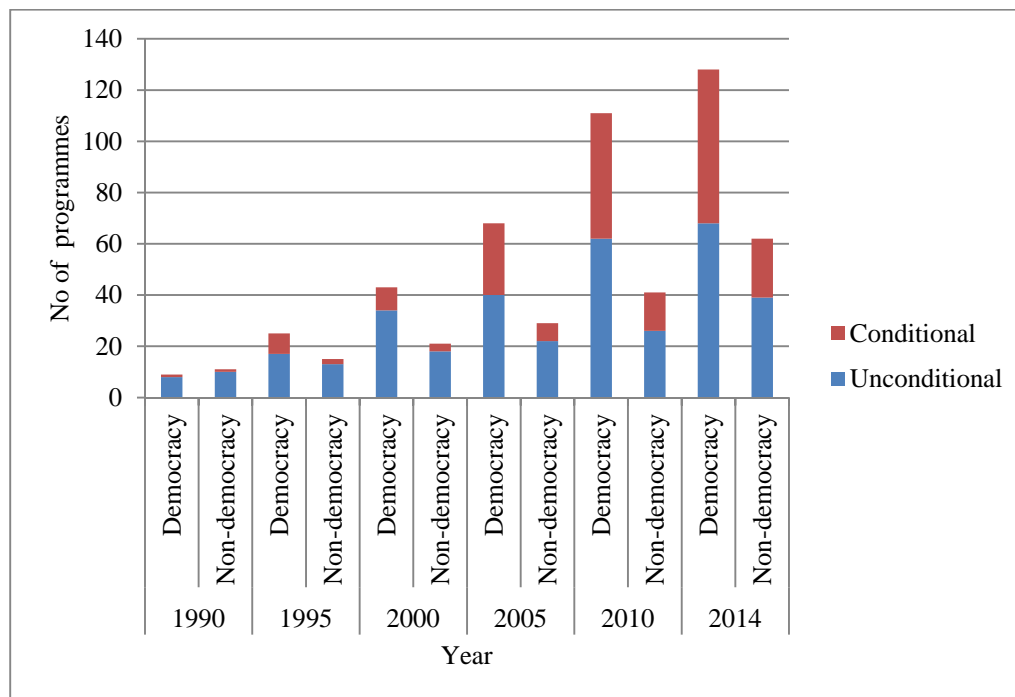


Note: The data on the polity score extends until 2014.

Of the 162 programmes for which we have information on the polity type in the year of adoption of a programme, 81 (50 per cent) were adopted by democratic countries, 58 (36 per cent) were adopted by anocracies, and 23 (14 per cent) by autocracies.

Second, we explore systematic differences in the types of transfer programmes according to regime type. Figure 4 shows the increase in the number of unconditional and conditional transfer programmes between 1990 and 2014 in democracies and non-democracies in five-year intervals. We see that starting from the mid-1990s, the number of both types of programmes increased steadily in both regime types. In total, more transfer programmes were adopted in democracies, with the total number in 2014 being roughly twice the number of programmes in non-democracies (128 versus 62)⁵. Moreover, in democracies more conditional programmes were adopted than in non-democracies. In 2014, democracies had 60 (47 per cent) conditional programmes and 68 (53 per cent) unconditional programmes, while non-democracies had 23 (37 per cent) conditional programmes and 39 (63 per cent) unconditional ones. Regarding the subcategories of programmes in 2014, democracies had 40 unconditional family support programmes (30 per cent), 30 pension schemes (23 per cent), 47 CCTs (36 per cent), and 14 public works programmes (11 per cent). Non-democracies had 28 unconditional family support programmes (45 per cent), 11 pension schemes (19 per cent), 14 CCTs (22 per cent), and 8 public works programmes (13 per cent).

⁵ The figure includes the seven programmes that are coded as both conditional and unconditional. Hence, the numbers given here exceed the total number of 182 programmes in 2014.

Figure 4. Transfer Programme Types in Democracies and Non-Democracies, 1990–2014

Note: The data on the polity score extends until 2014.

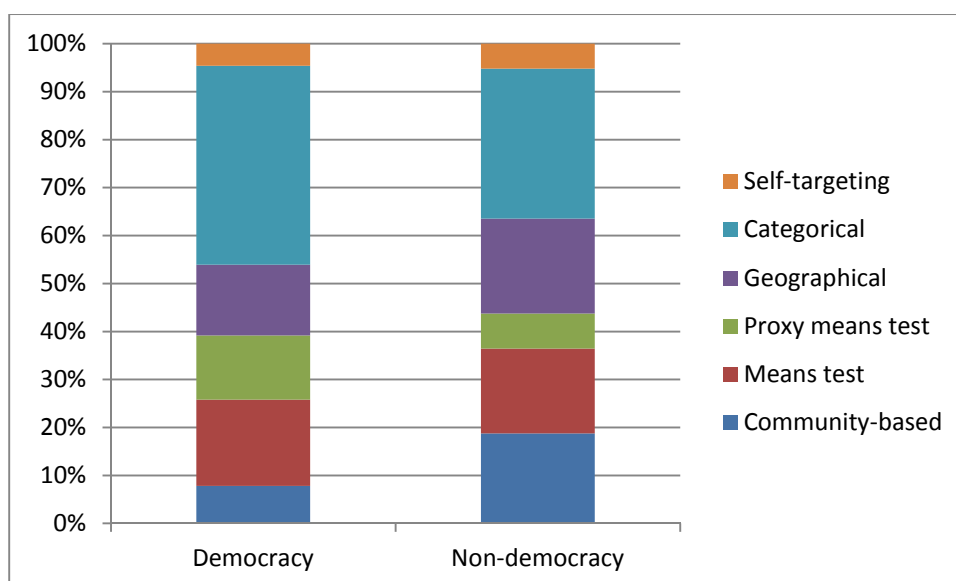
There thus appears to be a correlation between a higher score on the polity scale and having a social transfer programme. This is in line with the literature on the link between regime type and redistribution, according to which democratic countries are more likely to have social transfer programmes (Acemoglu et al. 2014; Dodlova and Giolbas 2015). Moreover, we see that democracies apply more programmes with human capital investments. This is very probably connected to the fact that democracies care more about the long-term developmental effects of pro-poor policies (Dodlova and Lay 2015). We can assume that non-democracies are interested in more unconditional transfer programmes because the latter provide faster short-term effects, which help regimes to sustain power and decrease civil unrest in a society.

Finally, we are interested in the choice of targeting mechanisms, and specifically their potential to be used for political reasons in different regime types. It appears that programmes with a certain type of targeting are promoted more in non-democracies because they may be more easily manipulated in the interest of local elites or politicians. Figure 5 shows the share of each targeting method by regime type in 2014. We see that geographical targeting is used by 20 per cent of programmes in non-democracies and 13 per cent in democracies. Community-based targeting is also more prominent in non-democracies: 19 per cent of programmes there use this method versus 8 per cent of programmes in democracies. Proxy means tests are used more frequently in democracies, where they have a share of 13 per cent as opposed to a share of 7 per cent in non-democracies. Categorical targeting is also applied more in democracies, with this method used by 41 per cent of programmes versus 31 per cent in non-democracies. Means tests and self-targeting are equally present in both regime types and

represent approximately 18 and 5 per cent of all programmes, respectively. These shares indicate systematic differences in the choice of targeting mechanisms between regime types.

As already mentioned, two targeting mechanisms are particularly dominant in non-democracies: community-based targeting and geographical targeting. When beneficiary selection is undertaken by a third party, it can be expected that this third party will act according to motives that are not in line with providing the most accurate pro-poor targeting. As a result, a possible explanation for why community-based programmes are applied more often in non-democracies is that they leave room for subjective or politically motivated decisions in the allocation of benefits (Conning and Kevane 2002). Local leaders/elites have a greater degree of discretion and their subjective considerations may impact the selection of beneficiaries into a programme. The rent-seeking and clientelistic motives of community leaders may distort the efficiency of such targeting in non-democracies, while also making this type of targeting more attractive. Moreover, this form of targeting can perpetuate local power structures, and certain minorities can be systematically excluded. Geographical targeting is likely to be dominant in non-democracies because the incumbent leaders/parties can use it to reward loyal districts or, on the contrary, avoid social unrest in certain districts (strongholds versus swing voters). Especially in combination with other targeting mechanisms, geographical targeting may become more political than pro-poor. From our perspective, other interesting applications of the NSTP data could include analyses of the diffusion of (certain types of) social transfer programmes across regions or the relationship between transfer programmes and state capacity.

Figure 5. Targeting Mechanisms by Regime Type in 2014



Note: The data on the polity score extends until 2014.

4 Conclusion

Social transfer programmes have been increasingly expanded in developing countries all over the world, especially in the last 20 years. In order to review this global trend in social policy development, we have developed a new database on non-contributory social transfer programmes that operate at the national level and contribute to progressive redistribution in developing countries.

Our Non-Contributory Social Transfer Programmes (NSTP) in Developing Countries Data Set provides 186 profiles of programmes in 101 countries, covering a large time span that extends up to 2015. While the earliest programme started in 1912, most programmes were adopted starting in the 1990s. The transfers include all types of unconditional and conditional benefits to the poor – specifically, family support schemes, pensions, CCTs, and public works programmes. In this paper we have also reviewed elements of the programmes' design such as conditions, targeting mechanisms, cost and coverage, delivery mode, donor involvement, and programme status. We have highlighted potential lines of research and discussed some examples of questions that might be addressed using our database. As we have noted, the data set is constructed so as to facilitate any type of quantitative comparative and in-depth qualitative analysis according to the multiple design characteristics of such programmes.

The fact that there are systematic differences between the number and type of programmes as well as the targeting mechanisms employed in democratic versus non-democratic regimes demonstrates that social transfer programmes are likely to be misused in certain situations. Our evidence should be added to the list of arguments against considering such programmes as a panacea to poverty. When introducing new pro-poor policies, policymakers should attempt to anticipate and offset distorting political effects through the use of policy design elements such as programme type, selection basis, and targeting mechanisms, among others. All political constraints to social policy formulation and implementation should be taken into account. For example, the international donors and funds might provide more support in favour of conditional cash transfers requiring investments in education and health or limit the fungibility of aid to avoid the “evaporation” of money due to rent-seeking.

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