2. Social transfers

Esther Schüring

2.1 INTRODUCTION

Social transfers are on the rise in the Global South but they have also been in the centre of discussion in the Global North as an attractive instrument to buffer new risks and uncertainties in a changing world. They have experienced a dramatic change since the beginning of the new century, starting off as a revolutionary programmatic intervention in countries such as Mexico and Brazil or as a fledgling pilot programme in countries such as Zambia, Kenya and Malawi. They have now become a standard intervention across the globe, a truly global social policy as Hickey and Seekings (2019, 249) coined it. This global trend has been facilitated by donors' strive to move away from ever recurring humanitarian actions, by increased pressure on donors to show aid effectiveness with the money finally reaching the most vulnerable as well as by international concerted actions such as the United Nations initiative of a global social protection floor. The policy refocus through the Millennium Development Goals and Sustainable Development Goals initiatives to fight the multiple dimensions of poverty, a growing realization that extreme poverty was not simply being eradicated through economic growth and the occurrence of pandemics such as HIV/AIDS, economic crises and increasing disaster shocks, equally propelled change.

Whereas social transfers are often the first institutionalized layer of protection for the majority of the population in many low- and middle-income countries, social transfers in terms of family support and rights-based social assistance were only integrated into the Western welfare state after World War II (Leisering 2019, 68), once statutory coverage of health, old age and accidents for the workforce had been guaranteed. Social transfers in the form of social assistance were initially seen as a transitory component in many Western welfare states, one that would vanish with a more stable economy and people being in employment. Up to this point, even the more mature welfare states have come to notice that social assistance has not obviated itself, even though it has been subject to different reforms over time, in particular in reaction to shocks such as the financial crisis in 2008 (ILO 2017). The COVID-19 crisis will also leave important footprints in this regard. Social transfer schemes in the West have generally become more selective and punitive over time, turning universal programmes into means-tested support and tying minimum income benefits to stricter conditions. Another reform option that countries worldwide have discussed though more recently is a universal basic income grant, a transfer without any strings attached (see Case Study B). Different reform scenarios have been tested but political commitment towards a national roll-out has been scant.

While social transfers have been (re)discovered and increasingly proven by evidence as a suitable social protection instrument in contexts marked by informality and/or non-standard labour market relations, there is a need for greater clarity when it comes to the core functions of social transfers, their place in the overall social protection systems, the critical design parameters and ways to sustain social transfers over time. This chapter therefore starts off by presenting a conceptual framework for social transfers that highlights the various functions

Schüring, E. (2021). Social transfers. In Handbook on Social Protection Systems (pp. 40–53). Edward Elgar Publishing. https://doi.org/10.4337/9781839109119.00014

and forms that social transfers can assume. It continues by placing social transfers into the overall social protection system and reviewing whether social transfers are an integral or subsidiary instrument. This is followed by a discussion of the different design parameters as well as the evidence base on social transfers, which is meant to guide policy decisions. The chapter concludes by reflecting critically on what it takes to sustain social transfers in the future.

2.2 CONCEPT

Social transfers encompass a wide array of transfers with different functions and features, almost too wide to do justice to in a single chapter (see Chapter 1, Figure 1.4). A common definition is that social transfers are regular, reliable, state-provided, non-contributory transfers whose main function is to prevent poverty and help mitigate vulnerable phases in life. It is widely accepted that social transfers are paid irrespective of someone's employment and contribution history and that they are not provided as a charitable hand-out but as a binding and reliable transfer by the state. Controversies arise, however, when it comes to the main function, the duration of benefits and the scope of interventions covered. Those features are now discussed in greater detail and a categorization of tax-financed transfers is attempted.

2.2.1 Main Function

Social transfers are often synonymously used for social assistance and social safety nets, which in other handbooks on social policy represent the other main component of a social protection system next to social insurance. It is therefore not surprising to find in most definitions (Frazer and Marlier 2016, 5–6; Midgley 2019, 352; UNDP 2019, 53) a clear focus on poverty and on providing means-tested assistance. Social transfers in this definition are deliberately selective and not universal in nature. Other definitions (UNDP 2019, 26; World Bank 2018) allow for a broader definition of social transfers aiming to help people in vulnerable phases of their life, irrespective of their capacity to handle this risk, such as social pensions or child grants that are not means tested.

Social transfers differ in those definitions with respect to their main function and, with it, in their normative basis for providing the transfer and in the principles for targeting and paying benefits. It is therefore important to clearly distinguish between different types of social transfers (Table 2.1).

Tax-financed transfers can be broadly categorized into three different models:

1. *'Universal' programmes* are available to all citizens such as a universal health service, a universal basic income grant or 'quasi-universal' programmes which are available to all members of a group regardless of their financial means. Transfers are provided on the basis of citizenship and the transfer, which is uniform, mainly serves an insurance function. Citizens know that when confronted with the typical life-cycle risks such as having a child or being elderly, they have better means of managing.
2. *Social assistance* is available to those in society who lack the necessary means to cope. Transfers are provided on the basis of need with the aim to reduce poverty and ensure that every citizen in society receives a socially defined minimum. What this minimum entails differs across societies. Some mainly consider the necessary means to survive whereas

others pursue a more multi-dimensional concept of poverty that also factors in access to education, health and critical social services. Even more ambitious are those who expect that the transfer should be economically empowering and transformative so that the minimum is not undercut in the future (see Chapter 14).

3. *Allowances* offer compensation for victims of war for instance or additional benefits to the public sector. This is not usually a category which is prioritized in low- and middle-income countries but it has played a role in the reintegration of ex-combatants in Congo or, more recently, when it comes to compensating civil servants for COVID-19-related duties in the Philippines (Gentilini et al. 2020). It is paid on the basis of merit to reward efforts for the general public. Either a pre-fixed minimum or a benefit equivalent to previous income is paid out.

Table 2.1 Categorization of tax-financed social transfers

Models of tax-financed transfers	**'Universal' programmes**	**Social assistance**	**Allowances**
Examples	Child benefit, social pension, national health service	Means-tested benefits	Compensation for war victims, benefits for the public sector
Function	Insurance	Poverty	Public reward
Targeting principle	Categorical/universal	Selective	Categorical
Normative basis	Citizenship	Need	Merit
Benefit rate	Uniform	Individualized, minimum	Equivalence or minimum

Benefit type	**Income supplements**				**Measures to lower the price for goods and services**		
	Cash transfers		In-kind transfers	Near cash: vouchers/ coupons	Price subsidies	Fee waivers	Free access
		Public works					
Conditionality of support	**Unconditional**	**Conditional**	**Indirectly conditioned**				

Benefit scope	**General subsistence**	**Tied benefits**
	General allowance for living expenses	Housing allowance, health insurance, legal aid, educational support
	Cash plus	
	Combined benefits, tailored to the needs of the benefit recipient	

Source: Author's own.

2.2.2 Duration of Benefits

While the definition spells out that transfers should be regular, there is little agreement as to how regular they ought to be, at least for social assistance programmes. It is therefore contested as to whether social transfers should be paid out for a 'pre-specified period of time' (Barrientos 2019b, 385) or for an unspecified period and whether only long(er)-term assistance or equally short-term assistance qualifies. Practices vary around the world, depending again on the underlying logic of the social transfer scheme. Most Latin American programmes started off with a specific timeframe as they were set up as a response to crisis management and not for structural poverty (Barrientos and Villa 2016, 424). Other schemes like Temporary

Assistance for Needy Families in the United States are limited in order to send out a clear message that people need to resume responsibility for their life at the earliest point possible. A needs-centred approach of social assistance ties the duration of support to the actual need. This can be short or long term and could be a response to a regular life-cycle risk but also to an emergency that arises. Regular implies that there is an in-built response mechanism that lasts as long as support is required. Any predetermined end could therefore be seen in a critical light.

2.2.3 Scope of Interventions Covered

There is disagreement as to which benefit types are covered. Typically social transfers comprise income supplements as well as measures to lower the price for goods and services (see Table 2.1). Income can be supplemented through cash transfers, in-kind transfers such as school feeding and asset transfers as well as through near-cash transfers such as vouchers and coupons which can be exchanged for certain goods. The price for goods and services can be reduced through price subsidies for selected goods, through fee waivers or even through free access for certain groups in society. Databases on social transfers use different combinations of interventions and it is important to be aware of which interventions are included before the data is analysed. The recent database on social assistance for Africa excludes food emergency aid and school-feeding programmes, the social assistance database by Manchester University excludes any type of emergency response and the World Bank status report on safety nets in Africa (2018, 4) excludes consumer price, energy and food subsidies. The World Bank Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE; World Bank n.d.) database on social assistance includes all of these interventions, next to further subsidies, tax exemptions and social services.

Despite these differences in categorization, some common trends are discernible: we can see a move away from indirect transfers such as universal in-kind subsidies (Jorgensen and Bennett 2019, 12–13), even if the spending on subsidies still largely exceeds any other social transfer programme in many countries, in particular in the oil-exporting ones (World Bank 2015, 26). Cash transfers have been on the increase and have over time replaced many in-kind responses, even in emergency situations (see for instance UNDP 2019, 21). The responses to the COVID-19 crisis show that cash transfers are the most commonly used instrument to help people cope with close to 60 per cent of programmes captured delivering cash (Gentilini et al. 2020). In-kind support such as school feeding, however, still forms an important component of the social transfer portfolio of most countries (see also Chapter 35). Close to 80 per cent of countries captured in the ASPIRE database had a school-feeding programme running (World Bank 2018).

2.3 ROLE IN THE OVERALL SOCIAL PROTECTION SYSTEM

In line with the different functions that social transfers can potentially fulfil, social transfers do not have a pre-fixed position in the social protection system. While allowances do not play a big role in most low- and middle-income countries, the place of 'universal' programmes and social assistance varies and their overall role in a rights-based universal system can be controversially debated.

2.3.1 Are Social Transfers First or Second in Line?

In order to do justice to the complexity of this question, we need to distinguish between social assistance and 'universal' programmes. Countries across the world accord different roles depending on the underlying logic of the social protection system in place (Leisering 2019). Broadly, four different models can be distinguished.

Social transfers being subsidiary
For some states, social assistance is a mechanism of last resort, with other systems such as social insurance kicking in first as the dominant social protection mechanism (Germany or France). Social assistance is however institutionalized and not seen as a placeholder for more universal transfers, which exist but are not regarded as the first level of social protection.

Universal programmes come first, social assistance second
States focusing on the provision of universal services and transfers and the assumption of full employment (Scandinavian countries) deprioritize social assistance even if access to it is guaranteed. Health and care services are universal in nature and not predominantly organized through social insurance.

Social assistance as the main instrument
Some states rely on social assistance as their main instrument for risk management and poverty reduction (Australia). Transfers are however not tightly targeted and kept to a minimum, which is an important difference to the last category.

Social assistance as the only instrument
The last category of states limits the role of government in social protection and restricts provision of social protection to the poor with social assistance having a residual character (United States).

Viewing social assistance in isolation and not as part of a broader system when comparing expenditure, coverage and effects across countries is therefore bound to lead to mistakes. Unsurprisingly, donors also allocate a different role to social transfers in the Global South, which is aligned with their own institutional and historical logic (see Chapters 1 and 29).

2.3.2 Is Social Assistance a Legitimate Component of a Rights-Based Social Protection System?

Some authors have contested that social assistance can translate into an entitlement or a social right (see for instance Kidd 2017). They critically allude to the discretion that the welfare administration has over claimants, to the means-test which is often erroneous and to beneficiaries who are sometimes stigmatized to an extent that they refrain from taking up the transfer. Leisering and Barrientos (2013, S53–4) argue that a right to social assistance does not depend on the instrument as such but mainly on how social assistance is designed, institutionalized and contextualized. A society can ensure by law, practice and norms that every citizen who falls into a situation of need will be supported. Even administrative mistakes that deny this right can be corrected if accountability mechanisms are in place.

Many low- and middle-income countries are still far away from granting this right of citizenship due to inadequate finances, limited legal grounding and weak law enforcement or complaint resolution mechanisms. But one should not overlook that social transfers are also a fairly recent policy in many low- and middle-income countries and that progress is being made with greater efforts towards institutionalization (UNDP 2019, 33).

A rights-based approach mandates the state to provide social transfers that meet the *individual* needs of a particular person (see Chapter 11). Social transfers and in particular cash plus programmes which provide multiple benefits and services (see Table 2.1) are without doubt a much more personalized approach than the social action funds which were propagated by the World Bank prior to the arrival of social transfers (Jorgensen and Bennett 2019). While even individual social transfers generate important spill-over effects for the household, more caution is advised at policy-making level not to brand an individual social transfer such as a social pension as a poverty reduction transfer for the entire household. This distorts the objective, the benchmark against which success is measured and might also be a disadvantage for the individual originally targeted (see Chapter 19).

2.3.3 How Can a Selective Scheme Still Contribute towards Universality?

A selective social assistance scheme might at first sight run counter to efforts towards universal social protection. If granted as a social right that is guaranteed to everyone in poverty, however, social assistance also offers universal protection to anyone who is poor. Social assistance is equally an integral measure in every social protection system to guarantee universal protection. While 'universal' transfers reach out to every citizen, they don't necessarily guarantee that everyone's needs are met (see Chapter 8). Poverty can be partly prevented through 'universal' programmes but in particular people in poverty require approaches that are individualized and respond to multiple problems at a time (see Chapter 5). This is difficult to achieve through uniform transfers and services alone. It is therefore the interplay of programmes that ensures universality.

2.4 DESIGN PARAMETERS

When designing social transfer schemes, the main decisions to be taken are on the target group, the transfer size and the extent to which the programme is supposed to be conditioned (for an illustration, see Case Study A). Further important considerations are to design the transfer programme in an inclusive way and to think through exit strategies.

2.4.1 Target Group

The target groups differ according to the function of the social transfer scheme. As social assistance is means tested, the main target group is people whose income or well-being is below a defined minimum. This group is often not easily defined or identified. Numbers of social assistance recipients cannot be as easily projected as with a pension scheme as they depend on changes in the labour market, in the family constellation as well as in the inclusiveness of other social protection programmes (Bahle et al. 2010, 449). Another complication of poverty targeting is of course where to set the minimum and how to measure poverty in a context where poverty is not only fluid but difficult to capture in precise and comparable numbers (see Chapter 8 for more details on targeting).

'Universal' programmes are either open for all citizens or for all citizens of a particular group such as the elderly, children, single parents, people with a disability, etc. Even if the target group for 'universal' programmes is more easily defined, the decisions on the detailed eligibility criteria are not trivial. The choice of cut-off points such as the entry year of pension receipt or the last year of eligibility for a child grant, the verification procedure for a disability as well as the type of product and service for which prices are reduced all have implications on the poverty and inequality effects of the transfer. The better off usually live longer, they have means to even manoeuvre complicated assessment procedures and they consume higher-quality products, fuel and tertiary education. Hence, a 'universal' scheme with a high age cut-off, a complicated medical procedure for disability assessment as well as a fuel subsidy or a fee exemption for tertiary education can have regressive effects (see Chapter 19).

2.4.2 Transfer Size

When defining the optimal transfer size, different considerations matter for policy-makers. Ideally, the primary objective of the transfer scheme should be the guiding principle. A child grant should reflect the costs of raising a child, a school-feeding scheme should offer a nutritious meal for every child and a general subsistence grant should cover living costs. The costs for a subsistence grant could be determined through a basket of goods approach which lists and quantifies items and services that everybody should have access to. Identified by expert(s), this choice remains normative. An alternative represents the statistical method of basing consumption needs on actual expenditure of the bottom income group which is currently not benefiting. This estimation is less subjective but runs the risk of being the real rather than the ideal expenditure.

The reality in many countries, even in the European Union, is that the main objective is not the sole driver behind the calculation of the benefit size (Frazer and Marlier 2016, 17). This is for instance shown by the fact that social assistance transfers rarely bring recipients up to the poverty line, which should be the main objective of a poverty-centred intervention. Policy decisions around the transfer size are also driven by concerns around affordability, disincentives and policy coherence with other social policies, which might motivate policy-makers to keep the transfer size lower than what the fulfilment of the objective requires.

Affordability is of course not only defined by the transfer amount but jointly determined by target group and transfer amount. Countries with limited financial resources have pursued different ways to progressively realize social protection entitlements: countries like Nepal started with very modest amounts across different societal groups, South Africa and Lesotho initially limited the budgetary allocation through respective favourable age cut-offs, Zambia's child grant started in the worst-off districts (see Case Study A) and countries like Ghana and Malawi first addressed the destitute. Disincentives play out in two ways: both those who are eligible as well as ineligible are not supposed to change their behaviour in order to benefit or continue benefiting from the scheme. Social assistance should for instance not discourage work, the accumulation of assets or savings.

While amounts for 'universal' programmes are often standardized, amounts for social assistance are individualized, varying with the available resources as well as the specific needs of the household. A single-person household typically receives less than a family whereas a household with multiple deprivations receives different transfers and services than a household who experiences a temporary income shortage. While the size of the household or the number of children is more often reflected in the transfer size in low- and middle-income countries, the individualization at the level of household resources is often not administrable for the same reasons that a means test proves challenging (Davis and Handa 2015; Ibarrarán et al. 2017).

The transfer size is also not just determined once but needs to be updated over time. Transfer adjustments range from complex procedures such as the amount being tagged to the price as well as to the wage and salary index in Germany to transfers being adjusted according to the index of national pensions in Finland or the statutory minimum wage in Spain to transfers being politically renegotiated in Latvia (European Commission n.d.). Low- and middle-income countries often lack standards for transfer determination and adjustment, hence the amounts are not inflation-adjusted and risk to lose value over time (Leisering 2019).

A particularly challenging update is how future income from work and assets is considered in the calculation of the transfer size as this directly concerns recipients' incentive to take up work. The take-up of work and the build-up of assets can be incentivized through a flatter taper rate at which social transfers are withdrawn, the introduction of a disregard for the accumulation of certain assets, the payment of boni when work is resumed again or through factoring in activity supplements in the means test. However, care must also be taken to treat people of similarly low income in the same way and to not overly advantage the person on benefits.

2.4.3 Conditionality

Transfers can be conditioned to various degrees, as illustrated by Table 2.1. Some transfers such as in-kind transfers, vouchers and price reductions are indirectly conditioned in the way they steer recipients' consumption choices. Conditional cash transfers (CCTs) are not as restrictive but they also intend to guide recipients' consumption, investment and work behaviour. CCTs commonly ask households for regular health check-ups of children, regular school attendance and participation in training courses in exchange for the transfer. These conditions are put in place in order to ensure that transfers not only lead to increased consumption but also investment in health and education though a substitution effect towards societally favourable goods. Public works programmes are cash or in-kind benefits that are paid out on the condition that the recipients work. Next to optimizing recipients' behaviour, conditionality is also supposed to increase the political acceptability of social transfers.

CCTs are more widespread in Latin America than in Asia or Africa, which is at least partly related to the additional administrative complexities that CCTs introduce. But conditionality is not only a phenomenon of the Global South. Even European countries have made social assistance conditional over time, requiring for instance job seekers to increase their employability and modify their job-seeking strategies.

The evidence base shows that this type of nudging is not always necessary and that conditionality often only leads to marginal improvements (Schüring 2012). Better effects can often only be achieved under for instance stricter monitoring and enforcement (Baird et al. 2014; Paiva et al. 2016), which many low-income countries struggle with. Consideration should also be given to potential side effects such as reduced consumption (Heinrich and Knowles 2020), increased stress levels and a lower likelihood of reducing early marriages and childbearing activities (Baird et al. 2016) as well as higher administrative costs associated with conditionality. Despite this unpersuasive evidence base, the political attractiveness of conditionality remains unbroken. With the new challenges ahead (see Part VIII), time will tell whether conditionality will be swept away with a new wave of basic income grants in response to automation and worldwide future crises or whether it actually increases in importance with the focus on climate-friendly behaviour adjustments.

2.4.4 Inclusive Design

More recently, greater efforts have been made to ensure that differing needs and constraints of women or people with disability are mainstreamed into social transfer policy design (see Chapter 18 on gender and Chapter 19 on disability). There is still a long way to go but there is at least greater recognition that certain behavioural requirements place for instance a higher burden on women (Molyneux 2006), that women have to master caring obligations and need child-care facilities, more flexible work hours and less strenuous work during pregnancy and that the amount, the reliability and even the payment method can trigger different gender effects (Peterman et al. 2019). Interestingly, simply targeting transfers at women does not automatically translate into transformative impacts, neither for the women nor for the children.

In a similar way, people with disability also need a more nuanced approach when it comes to social transfers. Countries might either opt to have a separate disability grant scheme, to deliberately include people with disabilities into existing programmes or have a combination of the two. In a population-wide scheme, attention should be paid that expenditure and consumption needs for people with disability are different and hence means tests and benefit amounts have to be adjusted accordingly. People with disability also have constraints in registering for transfer schemes, in accessing transfers and services and complying with certain conditions.

2.4.5 Exit Strategy

Whereas universal programmes often have a natural end for support such as the end of childhood or the end of life, social assistance programmes need to define more carefully the end of poverty and which measures are suitable to empower recipients to eventually master life on their own (see Chapter 14). This can be done by combining a suitable range of transfers and services, by setting and adjusting the transfer rate in a conducive way over time, by attaching meaningful conditions and by creating mechanisms that flexibly respond to changes. It is, however, an extremely challenging task that even for European Union countries has not proven fully effective and where suboptimal labour market policies, high opportunity costs for recipients and limited information technology interconnectivity between programmes have thwarted graduation plans (Frazer and Marlier 2016).

While in many countries graduation programmes are standardized and allow little room for individualization, support packages eventually have to be tailor-made to be effective: a chronically poor person needs a different type of support than someone who is transiently poor (Packard et al. 2019, 34–5). In countries where social transfers are still in an initial phase with transfers not being regular, timely and too far below the minimum, it remains questionable whether interlinking transfers further and concentrating resources on the lucky few should be the first priority. This might eventually have a negative effect on social relations (Ansell et al. 2019, 23) and challenge an already overtaxed administration. Exit strategies therefore still remain a work in progress (Barrientos 2019a, 378).

2.5 PERFORMANCE

As stated earlier, social transfers have experienced an unprecedented growth. It is however important to analyse whether it has been equal for all, in particular those who need support the greatest, whether the growth is also visible when it comes to adequate transfer amounts and whether it has been overall effective. This section will therefore focus on the coverage and adequacy of social transfers, drawing on data from the World Bank's ASPIRE database, as well as on impact. The discussion on impact takes a narrower focus on cash transfers as cash has now turned into the preferred modality.

2.5.1 Coverage

Despite the growth of social transfer schemes and the fact that by 2015 every country in the world had a social transfer programme in place (Beegle et al. 2018, 4), coverage in terms of people reached is still largely inadequate. According to the World Social Protection Report 2017–19 (ILO 2017), close to half of the population worldwide doesn't have recourse to any social protection scheme. Far more people are reached through social transfer programmes than through social insurance programmes in most low-income countries but large shares of the poorest still remain uncovered.

In low-income countries only 16 per cent of people in the poorest quintile receive social transfers according to data from the ASPIRE database. Coverage increases with the income status of the country but 42 and 35 per cent of the poorest quintile are still left without assistance in lower- and upper middle-income countries, respectively. Social transfers are often uncoordinated, the spread is uneven across countries (UNDP 2019, 22) and the financial resources allocated fall short of the actual demand. Even with perfect targeting, not all poor households in Africa could for instance benefit (Beegle et al. 2018, 9).

Coverage varies according to the type of social transfer scheme being administered. In South Asia, for instance, in-kind transfers are most successful with close to 82 per cent of the poorest 20 per cent being reached, in Latin America CCTs (44 per cent) and in Europe and Central Asia unconditional cash transfers (27 per cent). Even in Europe coverage greatly varies according to country context but also target group. Only 12 per cent of those at risk of poverty are reached by social assistance in Croatia and half of the poorest adults in France (at 40 per cent of median income) are without minimum income support (Frazer and Marlier 2016, 23). In Germany, the United Kingdom and Switzerland roughly a third of eligible individuals don't take up the benefit due to shame, stigma, inadequate information, too much effort required or corruption (Frazer and Marlier 2016, 26).

2.5.2 Adequacy of Transfers

Data from ASPIRE shows that transfer sizes are also inadequate and further dampen poverty reduction effects. South Asia's successful coverage rate of 88 per cent of the poorest quintile is undone by the extremely low transfer size to recipients of 0.1 United States dollars daily per person. This is the average amount for people coming from low-income countries. Upper middle-income countries pay on average three times more to the poorest quintile, which still amounts to no more than 10 United States dollars per month. The richest quintile benefits from social transfers by far more, even 10 times the amount of the poorest quintile in low-income countries. None of these schemes help on average to bring recipients up to the poverty line. In Africa, for instance, the average cash transfer makes up 10 per cent of the national poverty line (Beegle et al. 2018, 9). The inadequacy of benefits is, however, not only a low-income country phenomenon. Even in most European Union countries, social transfer amounts fall short of the poverty line: in the weakest schemes, social transfer payments for a single person are only in the range of 24 and 29 per cent of the 'at-risk-of-poverty' line and benefits in the more generous schemes are between 71 and 91 per cent (Frazer and Marlier 2016, 23).

2.5.3 Impact

The evidence based on the effects of cash transfers, impact chains and factors of success has experienced an unprecedented growth (Niño-Zarazúa 2019), which has not been mirrored by the Global North (Frazer and Marlier 2016). Next to the largely positive and significant effects of cash transfers on consumption, nutrition, access to health and education (Bastagli et al. 2019; World Bank 2015), which are illustrated in greater detail in Part VII of the handbook, the following findings are noteworthy for policy-making:

1. Main impact of social transfers is on the poverty gap rather than the poverty headcount (World Bank 2018). This even holds true for EU countries (Frazer and Marlier 2016, 26–7) and is related to the design of the transfer size (Chapter 34).
2. Some of the common concerns around cash transfers fuelling dependency, inflation, fertility and greater expenditure on demerit goods can be refuted (Handa et al. 2018). Even in contexts with higher transfer amounts, dependency seems overstated (Immervoll et al. 2015).
3. Cash transfers don't just benefit the individual or household but have significant spill-over effects. In Ghana every dollar spent on transfers generates 2.5 dollars of nominal income (World Bank 2015), while the average multiplier effects of the GiveDirectly project in Kenya is at 2.6 (Egger et al. 2019, 30). So even targeted interventions lead to more universal benefits (Chapter 37).
4. Cash transfers can have productive effects such as an increase in labour supply in desired work (beyond wage labour) or an increase in livestock and agricultural assets but effects are heterogeneous, depending on the size, regularity and duration of the transfer, the demographic profile of the household and the constraints and opportunities households face in local communities (Daidone et al. 2019).
5. The effects of cash transfers are far-reaching with even more subtle effects on dignity and self-worth (Fisher et al. 2017), reductions in intimate partner violence (Buller et al. 2018), improved mental health for youth (Angeles et al. 2019) and greater happiness (Natali et al. 2018). Social transfers in isolation are, however, no silver bullet to increase agricultural production, resilience, better coping mechanisms and social transformation at the same time.

Further research needs to shed more light on the factors of success (UNDP 2019), on how generational as well as political and economic power relations are impacted (Ansell et al. 2019, 4), on cash plus effects as well as on long-term impact. Initial evidence on long-term impact exists (Molina-Millan et al. 2016; Niño-Zarazúa 2019) but it has not been sufficiently explored, partly because of methodological challenges or too short differences in exposure between treatment and control.

2.6 CONCLUDING REMARKS

Social transfers are an important and very versatile social protection tool which can have different functions for different groups in society. In order to avoid wrongful comparisons across social transfer schemes and misleading policy recommendations, it is crucial that each and every scheme is clear about the main objective and components and is also measured accordingly. A social pension is not a household poverty grant and categorical transfers don't automatically cancel out the need for more targeted interventions to those in poverty. A single-issue transfer such as school feeding by nature generates different effects than a multi-purpose cash plus programme. If a cash transfer's primary purpose is to assist a household in living a decent standard of life, then it should not be characterized as ineffective if it fails in other dimensions.

For social transfers to do justice to growing expectations, they need to be politically, financially and institutionally sustained. Political support has definitely grown over time but its future hinges on the place and design of social transfers being in line with social norms and preferences and people's understanding of poverty (see Chapter 30). Greater political support will trickle greater financial sustainability.

It is not trivial, however, to identify the resources required for a social transfer scheme with decent coverage (see Chapter 7), in particular since this is not the only social policy demand placed on government. Foreign aid is only a temporary solution and might thwart ownership, legitimacy and a long-term government commitment to social transfers. A reform of the tax system and a reallocation of budgets for regressive programmes could be one option (UNDP 2019, 43–6), the curtailment of illicit financial flows another (Beegle et al. 2018, 39), if politically feasible. Contingency funds for emergencies could be considered and the diaspora as well as companies could potentially also bear a greater responsibility (Beegle et al. 2018, 39). Financing mechanisms at a global level are also under discussion, which could ensure a more effective and fair risk pool (see Chapter 12).

Long-term financing strategies would also help with better institutionalization. Looking at the lack of qualified staff at local level – with no more than three social workers in charge of 100,000 inhabitants in Tanzania, Zambia, Senegal, Ghana and Kenya, for instance (UNDP 2019, 96) – at high turnover in administrative staff as well as corruption, institutionalization of social transfers remains a big challenge. A social protection policy in place and a growing commitment of the national government to take over funding will not ensure institutionalization alone.

REFERENCES

Angeles, G., J. de Hoop, S. Handa, K. Kilburn, A. Milazzo and A. Peterman (2019). Government of Malawi's unconditional cash transfer improves youth mental health. *Social Science and Medicine* 225, 108–19.

Ansell, N., L. van Blerk, E. Robson, F. Hajdu, E. Mwathunga, T. Hlabana and R. Hemsteede (2019). Social cash transfers, generational relations and youth poverty trajectories in rural Lesotho and Malawi. Brunel University London.

Bahle, T., M. Pfeifer and C. Wendt (2010). Social assistance. In F.G. Castles, S. Leibfried, J. Lewis, H. Obinger and C. Pierson (eds), *The Oxford Handbook of the Welfare State*. Oxford: Oxford University Press, 448–61.

Baird, S., F.H.G. Ferreira, B. Özler and M. Woolcock (2014). Conditional, unconditional and everything in between: A systematic review of the effects of cash transfer programmes on schooling outcomes. *Journal of Development Effectiveness* 6 (1), 1–43.

Baird, S., E. Chirwa, J. de Hoop and B. Özler (2016). Girl power: Cash transfers and adolescent welfare: Evidence from a cluster-randomized experiment in Malawi. In S. Edwards, S. Johnson and D.N. Weil (eds), *African Successes*, Volume 2. University of Chicago Press, 139–64.

Barrientos, A. (2019a). Conditional income transfers, social policy and development. In J. Midgley, R. Surender and L. Alfers (eds), *Handbook of Social Policy and Development*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing, 373–92.

Barrientos, A. (2019b). The role of social assistance in reducing poverty and inequality in Asia and the Pacific. Asian Development Bank.

Barrientos, A. and J.M. Villa (2016). Economic and political inclusion in human development conditional income transfer programmes in Latin America. *Social Policy and Society* 15 (3), 421–33.

Bastagli, F., J. Hagen-Zanker, L. Harman, V. Barca, G. Sturge and T. Schmidt (2019). The impact of cash transfers: A review of the evidence from low- and middle-income countries. *Journal of Social Policy* 48 (3), 569–94.

Beegle, K., A. Coudouel and E. Monsalve (2018). *Realizing the Full Potential of Social Safety Nets in Africa*. Washington, DC: World Bank.

Buller, A.M., A. Peterman, M. Ranganathan, A. Bleile, M. Hidrobo and L. Heise (2018). A mixed-method review of cash transfers and intimate partner violence in low- and middle-income countries. *World Bank Research Observer* 33 (2), 218–58.

Daidone, S., B. Davis, S. Handa and P. Winters (2019). The household and individual-level productive impacts of cash transfer programs in Sub-Saharan Africa. *American Journal of Agricultural Economics* 101 (5), 1401–31.

Davis, B. and S. Handa (2015). How much do programmes pay? Transfer size in selected national cash transfer programmes in sub-Saharan Africa. *Innocenti Research Brief 2015-01*. Florence: UNICEF Office of Research.

Egger, D., J. Haushofer, E. Miguel, P. Niehaus and M. Walker (2019). General equilibrium effects of cash transfers: Experimental evidence from Kenya. Unpublished Working Paper.

European Commission (n.d.). Comparative tables: Mutual information system on social protection. www.missoc.org/missoc-database/comparative-tables/

Fisher, E., R. Attah, V. Barca, C. O'Brien, S. Brook, J. Holland, A. Kardan, S. Pavanello and P. Pozarny (2017). The livelihood impacts of cash transfers in Sub-Saharan Africa: Beneficiary perspectives from six countries. *World Development* 99, 299–319.

Frazer, H. and E. Marlier (2016). Minimum income schemes in Europe: A study of national policies 2015. Brussels: European Commission.

Gentilini, U., M. Almenfi and I. Orton (2020). *Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures*. Washington, DC: World Bank.

Handa, S., S. Daidone, A. Peterman, B. Davis, A. Pereira, T. Palermo and J. Yablonski (2018). Myth-busting? Confronting six common perceptions about unconditional cash transfers as a poverty reduction strategy in Africa. *World Bank Research Observer* 33 (2), 259–98.

Heinrich, C.J. and M.T. Knowles (2020). A fine predicament: Conditioning, compliance and consequences in a labeled cash transfer program. *World Development* 129, 104876.

Hickey, S. (2014). Relocating social protection within a radical project of social justice. *European Journal of Development Research* 26, 322–37. https://doi.org/10.1057/ejdr.2014.9

Hickey, S. and J. Seekings (2019). Who should get what, how and why: DFID and the transnational politics of social cash transfers in sub-Saharan Africa. In S. Hickey, T. Lavers, J. Seekings and M. Niño-Zarazúa (eds), *The Politics of Social Protection in Eastern and Southern Africa*. Oxford: Oxford University Press, 249–75.

Ibarrarán, P., N. Medellín, F. Regalia and M. Stampini (2017). How conditional cash transfers work: Good practices after 20 years of implementation. Inter-American Development Bank.

ILO (2017). World social protection report 2017–19: Universal social protection to achieve the Sustainable Development Goals. Geneva.

Immervoll, H., S. Jenkings and S. Königs (2015). Are recipients of social assistance 'benefit dependent': Concepts, measurement and results for selected countries. *OECD Social, Employment and Migration Working Papers No. 162*. Paris: OECD.

Jorgensen, S.L. and P. Bennett (2019). Social protection in an era of increasing uncertainty and disruption: Social risk management 2.0. Washington, DC: World Bank.

Kidd, S. (2017). *Citizenship or Charity: The Two Paradigms of Social Protection*. Orpington: Development Pathways.

Leisering, L. (2019). *The Global Rise of Social Cash Transfers: How States and International Organizations Constructed a New Instrument for Combating Poverty*. Oxford: Oxford University Press.

Leisering, L. and A. Barrientos (2013). Social citizenship for the global poor? The worldwide spread of social assistance. *International Journal of Social Welfare* 22 (2–3), S50–S67.

Midgley, J. (2019). Social assistance, poverty and development. In J. Midgley, R. Surender and L. Alfers (eds), *Handbook of Social Policy and Development*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing, 352–72.

Molina-Millan, T., T. Barham, K. Macours, J.A. Maluccio and M. Stampini (2016). Long-term impacts of conditional cash transfers in Latin America: Review of the evidence. Inter-American Development Bank.

Molyneux, M. (2006). Mothers at the service of the new poverty agenda: Progresa/Oportunidades, Mexico's conditional transfer programme. *Social Policy and Administration* 40 (4), 425–49.

Natali, L., S. Handa, A. Peterman, D. Seidenfeld and G. Tembo (2018). Does money buy happiness? Evidence from an unconditional cash transfer in Zambia. *SSM: Population Health* 4, 225–35.

Niño-Zarazúa, M. (2019). Welfare and redistributive effects of social assistance in the Global South. UNU-WIDER.

Packard, T., U. Gentilini, M. Grosh, P. O'Keefe, R. Palacios, D. Robalino and I. Santos (2019). *Protecting All: Risk Sharing for a Diverse and Diversifying World of Work*. Washington, DC: World Bank.

Paiva, L.H., F. Veras Soares, F. Cireno, I. Azevedo Vitelli Viana and A.C. Duran (2016). The effects of conditionality monitoring on educational outcomes: Evidence from Brazil's Bolsa Familia Programme. Brasilia: International Policy Centre for Inclusive Growth.

Peterman, A., N. Kumar, A. Pereira and D.O. Gilligan (2019). Toward gender equality: A critical assessment of evidence on social safety nets in Africa. In A.R. Quisumbing, R.S. Meinzen-Dick and J. Njuki (eds), *Gender Equality in Rural Africa: From Commitments to Outcomes*. Washington, DC: International Food Policy Research Institute, 140–8.

Schüring, E. (2012). To condition or not – is that the question? An analysis of the effectiveness of ex-ante and ex-post conditionality in social cash transfer programs. Maastricht University.

UNDP (2019). The state of social assistance in Africa. New York.

World Bank (2015). The state of social safety nets 2015. Washington, DC.

World Bank (2018). The state of social safety nets 2018. Washington, DC.

World Bank (n.d.). The atlas of social protection indicators of resilience and equity. datatopics.worldbank .org/aspire/indicator/social-assistance