Reducing poverty in countries of the global South has been an overriding concern of development politics from the beginnings in the 1950s. But in the early decades, this referred to the collective poverty of countries, to be overcome by economic growth and rising national income. Only from the 1990s did development politics zoom in on individual poverty. This new perspective led to the idea of tackling poverty, among others, by way of individualized welfare benefits to poor persons and households. The idea ‘just give money to the poor’ (Hanlon et al. 2010, title) had been rejected by international organizations from all political leanings well into the 1990s. From the late 1990s, continuing till the present day, ‘social cash transfers’—regular non-contributory monetary public transfers to poor persons or households in view of general subsistence, mostly means-tested (that is, a variety of social assistance)—have mushroomed in the global South and on agendas of international organizations. Social cash transfers—in short, cash transfers—extend social security to informal workers and rural populations who had been excluded from public provisions.

This chapter enquires: What ‘are’ social cash transfers (first section), how widespread are cash transfers in the global South (second section), how inclusive are they (third section), what varieties of cash transfers can be identified (fourth section), what effects do they have (fifth section), and how does the new instrument transform poverty policy, and, as we argue, the very concept of poverty (conclusion)?

The chapter is based on a major study of cash transfers, FLOOR (summary monograph, Leisering 2019), and the database FLOORCASH, which was the first to cover all countries in the global South and all identifiable programmes. Social cash transfers have rarely been theorized, and then mostly from the perspectives of welfare economics (Barrientos 2013) and political economy (Lavinas 2013). By contrast, the FLOOR study adopts a sociological approach, which emphasizes processes of social construction, complementing the extant approaches. The first monographs on social cash transfers were based on data from other publications (Leisering et al. 2006) or on exemplary evidence (Hanlon et al. 2010; Barrientos 2013).

**Concepts**

Since the turn of the millennium, the number of social cash transfer programmes has increased more than any other type of social protection across the global South. For example, cash transfers
account for the bulk of the rise of pension coverage in the South since 2000 (ILO 2017: 82–84). The term ‘social protection’, which has increasingly superseded the older term ‘social security’ (see ILO 2017), refers to individualized rights-based provisions, mainly social insurance, social assistance, and non-contributory allowances, and also to labour rights. There are four normative models of social protection (see Figure 25.2): provisions for civil servants, which are legitimated by merit; social insurance for formal workers, legitimated by achievement; ‘universal’ benefits, based on the notion of citizenship; and social assistance for the poor, based on the principle of need and means testing. The four ways of legitimizing public provisions indicate different notions of deservingness. The term ‘social cash transfers’ has become common currency in the development community since 2005 (von Gliszczynski 2015: 28–30; DFID 2005), mainly denoting varieties of social assistance, but also including some non-means-tested non-contributory programmes (e.g. for older persons); such programmes are often called ‘universal’ (e.g. by Kidd 2015). Social cash transfers are ‘social’ since they involve redistribution rather than market principles. ‘Conditional cash transfers’ (CCT) have received most attention in public debates, but they only account for less than a fifth of all programmes.

While the literature analyses single programmes (programme approach), this chapter also looks into ‘national cash transfer regimes’ (Leisering 2019: 153f.), that is, the ensemble of all social cash transfer programmes in a given country. Such a systemic approach measures the contribution of cash transfers to fighting poverty or, more generally, to social inclusion more adequately than a programme approach. We speak of ‘national inclusiveness profiles’ to denote the coverage of the poor under national cash transfer regimes.

Besides programmes, we take ‘target categories’—persons who are legally designated as entitlement-bearers under cash transfer programmes—as units of analysis (entitlement approach). While the systemic approach addresses the macro configuration of cash transfer programmes, the entitlement approach reflects a micro perspective on programmes. Programme names like ‘social pensions’ and ‘Child Support Grant’ seem to suggest the target categories they address, but there is no full match between programmes and target categories. A programme may cater for more than one target category and, vice versa a target group may be served by more than one programme in a country. Moreover, as we argue, the range of target categories is much broader than the categories commonly discussed.

The spread of social cash transfer programmes in the global South

Since the 1990s, social cash transfer programmes have been mushrooming in the global South. The spread has been massive, and it has been fast and in waves, already suggesting that diffusion processes, flowing from international organizations and/or from other states, might have played a role. The programmes have spread to all types of states—poor and better-off, democratic and authoritarian—suggesting that the introduction of the new instrument cannot be attributed to the economic resources of a country. Rather, international diffusion processes as well as domestic politics have played a role. Still, democracies and middle-income countries have been more likely to install cash transfers than authoritarian regimes and low-income countries. The coverage of Southern populations is significant; up to 1 billion people are estimated to receive benefits (Barrientos 2013: 4). Around 9.5% of the populations in Africa receive benefits, 16.4% in Asia and the Pacific, and 39.2% in Latin America and the Caribbean (Leisering 2019: 310, compiled from imperfect data for 2015 by ILO 2017). Referring to the broader concept of ‘social safety nets’ of the World Bank (which includes cash transfers and other programmes such as school feeding, fee waivers, and in-kind transfers), spending increased from 0.4% of GDP in 2003 to 1.3% in 2015 in Latin America and the Caribbean; across the global South, spending averaged 1.5% of GDP in the mid-2010s (World Bank 2018: 26, 17).
Social cash transfers reach the majority of countries in the global South, namely 113 countries, as of 2012/2013, that is 76.4% of Southern countries, with 282 programmes (data from the FLOOR project). The biggest rise occurred after 2002. However, the spread of programmes is uneven, with regional patterns already hinting at heterogeneous determinants of the spread. Africa has 31 countries with cash transfer programmes (which is 57.4% of all 54 African countries); Latin America has 32 programmes (which is 97% of the 33 Latin American countries); Asia has 44 programmes (91.7% of the 48 Asian countries); and Oceania has six programmes (46.2% of 13 Oceanian countries). In short, cash transfers are found almost everywhere, but with limited spread in Africa.

There seems to be no unitary explanatory model that would explain the rise of all types of cash transfers and in all regions (Leisering 2019: 283–84). For social pensions across the global South, a complex model has been tested successfully (event history analysis, Böger and Leisering 2019). The African countries without cash transfer programmes tend to be non-democratic and former French, rather than British, colonies. Moreover, donor-driven programmes are particularly widespread in Africa, as are pilot programmes. In Africa, one out of four programmes is a pilot. Pilot programmes make up 9% of all programmes in the global South, and 64% of all pilot programmes are in Africa. So the colonial past and the presence of donors matter.

The spread of programmes in Latin America has been strongly influenced by policy diffusion between countries and by ideas from international financial institutions, especially the World Bank. The former Soviet Union member states in Central Asia adopted cash transfer programmes during the 1990s that responded to problems of post-socialist transformation. This is another instance of historical legacies. Asia as a whole is too heterogeneous to give overarching explanations of the spread of cash transfers.

How inclusive are social cash transfer programmes?

We investigate three dimensions of the inclusiveness of programmes: coverage, conditions of access, and benefit levels and standards. We measure inclusiveness in terms of entitlements laid down in legal regulations. While legal entitlements do not necessarily result in actual receipt of benefits, entitlements reflect ascriptions of deservingness and indicate political commitments. That is, entitlements reveal the normative basis of programmes, irrespective of deficiencies in the administration and delivery of benefits.

Coverage

With the spread of cash transfer programmes across the global South, coverage has increased massively. Social cash transfers cover six main target categories, on which entitlements are bestowed: children, persons of working age, older persons, persons with disabilities, various ‘small groups’, and ‘poor people’. Some countries have only programmes for some of these categories or no programmes at all. If a country has established a programme for a certain category, we interpret this as an attribution of deservingness to this category, while categories not covered are seen as undeserving (for deservingness as reflected in targeted benefit programmes in European countries, see van Oorschot et al. 2017). The ensemble of categories covered in a country can be interpreted as an order of deservingness, reflecting political priorities of governments, the influence of external donors, and political struggles between marginal groups, NGOs, and ruling elites. Figure 25.1 shows the overall order of deservingness in income security across the global South. For each target category, the figure shows the number of programmes that target the category, as a percentage of all programmes in the South. Multiple references are possible, since programmes may target more than one category (this applies to 38.8% of all programmes).
Children and older persons are the most frequently targeted categories, both are life-cycle groups. By contrast, persons of working age are much less frequently covered. They may profit from other welfare benefits shared in their households, such as child benefit, but our analysis refers to own entitlements of persons of working age. The exclusion of (non-disabled) persons of working age is a major entitlement gap in the global South, indicating that the workers’ question is not at the forefront of Southern social security agendas—contrary to social assistance in Northern welfare states which focuses on the unemployed. Adults with disabilities score only slightly lower than older persons. ‘Small groups’—such as war veterans, divorced women, pregnant women, martyrs, discharged prisoners—figure fairly frequently, testifying further to the diversity of the world of cash transfer programmes between and within countries.

‘Poor people’ as beneficiaries refers to programmes that define their target group as poor persons or households, without singling out specific categories of persons like children or older persons, i.e., these are non-categorical programmes. Poor people programmes operate in one way or other according to ascribed need, based on a means test, but half of these programmes define their target populations only vaguely, and only 20% come close to need orientation for everybody.

How is need assessed in cash transfer programmes? In the European ideal type of social assistance, the means test is an income test (plus an asset test), and it is also a needs test, since need is defined as the difference between the means of the applicant and the minimum standard defined by law. Considering the low degree of monetarization and limited administrative capacities in many countries of the global South, Southern means testing rarely works this way, and benefits (reflecting ascribed need) may only be loosely related to means. ‘Ascribed poverty targeting’ (Leisering 2019: 234–35) is widespread, that is, local elites designate persons or households as poor or non-poor by applying pre-defined broad or informal selection criteria; or, more formally, eligibility depends on how applicants score in a questionnaire that covers 13 dimensions of welfare or deprivation (in India); or fixed quotas limit the range of persons to be recognized as needy. Regarding older persons, 15 countries have universal social pensions, and 20 have pension-tested pensions, that is, only income from a prior pension is counted as means.

Zooming in on world regions, we find distinct patterns. For example, South Asia and South East Asia do not attend much to the income needs of older persons, whereas East Asia and Oceania are heavily biased toward older persons, in conjunction with a striking scarcity of programmes for children. Latin America’s order of deservingness is roughly similar to the global order described above. Sub-Saharan Africa stands out by a strikingly even pattern of entitlements: most of the six main target categories are addressed to a similar extent. However, programmes for persons of working age are rare in all regions, except in the Middle East and North Africa (MENA).

The uneven coverage of the main target categories—uneven already in law, not only benefit receipt—demonstrates that cash transfer programmes involve inclusions as well as exclusions already at the programme level. If we look more closely, we even find that ‘categorical’ benefits are often restricted to a sub-category of the target category, such as orphaned children. We call this ‘within-target category exclusions’. That is, national cash transfer regimes may fall short of universal coverage not only by excluding certain target categories, but also through exclusions within target categories. These exclusions may make a big difference, but in the political discourse they tend to be hidden.

To measure these micro exclusions (within target categories), we define an inclusion index which measures for each target category the restrictions on entitlements, in three dimensions: social characteristics of the members of the target group (e.g. do child grants cover all children or only orphaned, disabled, or single-parent children?), age of the addressees (e.g. age of retirement in the case of social pensions), and geographic range (Weible 2016: 180f.;
Social cash transfers in the global South

Children, for example, are the most frequently targeted category, as shown in Figure 25.1, but have a very low inclusion score. That is, the political rhetoric of attending to children may eclipse the exclusion of substantial sections of the group of children and families with children. Programmes for children also score low with regard to institutionalization. For some social pensions, the legal age of retirement is so high that most persons die before qualifying.

Access

Two conditions may constrain access to benefits. First, CCTs, which are widespread in Latin America and have been advocated particularly by the World Bank, require the recipients to show a certain kind of behaviour, mostly sending children to school and to regular health check-ups. Of these programmes, 29% impose behavioural conditions (including programmes not normally grouped as CCT). Second, around 80% of all programmes apply a means test, and the percentage is similar across programme types. Countries with universal social pensions are mostly small or very small (in terms of population). ‘Poor people programmes’ are, by definition, means-tested. The issue of means testing vs. ‘universalism’ is hotly contested in the development community (for advocacy of universalism see, e.g., Kidd 2015; UN 2018: 114–15).

Benefits

Benefit levels under cash transfer programmes tend to be low, mostly far below a subsistence minimum, and programmes are not even designed to secure a minimum. Moreover, benefit standards are rare. Mainly social pensions tend to have comparatively high benefits,
often based on benefit standards. If standards exist, they are often defined as a percentage of a more general standard such as the minimum wage. International organizations rarely refer to or even specify benefit levels, let alone benefit standards—calls for ‘universalism’ refer mainly to coverage.

How inclusive are national cash transfer regimes (the ensemble of all cash transfer programmes in a country)? National cash transfer regimes are even more diverse than cash transfer programmes. The general picture is that most cash transfer regimes are far from being comprehensive, that is, relevant sections of the population are excluded. Only 16 national social cash transfer profiles, making up 11% of the 148 Southern countries in our data set, are fully inclusive by design, that is, they include all life-cycle categories (children, persons of working age, older persons) and disabled adults, with a maximum inclusion score, or they include ‘poor people’ with a maximum inclusion score. Such inclusive basic protection can be found in several former Soviet Union member states, such as Armenia and Azerbaijan, in a few Latin American countries, such as Brazil, Chile, and Jamaica, in some East Asian countries and territories, especially South Korea and China, with qualifications also in Hong Kong, and in Mauritius in Africa. Uruguay comes close. A second general finding is that most cash transfer regimes in the global South are highly fragmented, ramifying into categorical programmes, sometimes complemented by poor people programmes.

Looking at continents, we find distinct national inclusiveness profiles (Leisering 2019: 196–99). Even in the group of low-income countries, which all have a weak inclusiveness profile, we find considerable variation (Leisering 2019: 202–04). Poorer countries not only have fewer cash transfer programmes, but these programmes also tend to be less inclusive than in better-off countries.

**Varieties of social cash transfer programmes**

There is a bewildering variety of cash transfer programmes, even more than in the global North, which has more standardized programmes. In debates, three big models are commonly referred to—CCTs, child grants or family allowances, and ‘social’ (non-contributory) pensions—but these labels eclipse the diversity of the programme types found in the global South. Many writers focus on CCT and only distinguish CCT and ‘non-conditional cash transfers’ (e.g. Brooks 2015). National cash transfer regimes, that is, the ensemble of all programmes in a country, are even more variegated.

There are many more than the three common programme types—a maze of entitlements. First, there are at least seven main types rather than three. Out of a total of 275 programmes in the global South (plus seven with missing values), 53 programmes are CCT, 27 are non-conditional family allowances, and 78 are social pensions (plus three mixed programmes that include a social pension; Leisering 2019: 176–77). The four types that come on top of these three types include: transfers related to work or employability (17 programmes; not to be mixed up with public work programmes, which do not provide regular cash payments irrespective of employment); programmes for persons with disabilities (22); programmes for various ‘small groups’ (21); and cash transfers for ‘poor people’ (54).

Second, some programmes only address sub-categories of the main target categories. Third, several programmes are hybrid, addressing more than one target group, and these target groups may be treated differently under the same programme. So the broad label of a programme, e.g. ‘child benefit’, may be misleading, because the programme may have fairly different sub-programmes or programme components. Inclusive rhetoric that highlights a certain target group may be decoupled from the actual range of entitlements. Similarly, under a CCT, some target groups covered by the programme may not be subject to conditions.
Effects of social cash transfers

Most studies give an overall positive evaluation of the effects of cash transfer programmes. Some programmes miss their target: persons who ought to be covered are not covered—called ‘exclusion errors’ in the literature—while persons outside the designated target population may receive benefits—referred to as ‘inclusion errors’. But many programmes work to the benefit of the recipients and of society at large.

First of all, cash transfers may reduce extreme poverty. Studies on the effects of social safety nets (which include cash transfers) show that these transfers lifted 36% of households out of extreme poverty (measured by the $1.90/day threshold of extreme poverty), and the poverty gap was reduced on average by 45% (World Bank 2018: 60, referring to a sample of 79 Southern countries; mid-2010s). Relative poverty, defined as the poorest 20% of the welfare distribution, was also reduced to a degree. However, poverty reduction is smaller in poorer countries. In some countries the redistributive effects are diminished by regressive taxation.

Second, cash transfers also have immaterial effects on people’s lives—they are not only about resources, but also about the social recognition of the poor. Entitlements to benefits indicate that older persons, children and parents, persons with disabilities, and various other social groups are considered worthy of public support. Cash transfers may help them to participate in social life, to become social citizens at least to a degree. Millions of poor persons have turned from objects of charity into individual rights-holders. Studies found that cash transfers enhance the social status of the beneficiaries in their families, in the local economy, and in society (Leisering 2019: 311). For example, beneficiaries are seen as credit-worthy, and the status of older persons is enhanced if they can support their children or grandchildren from their social pension. Cash transfers also help grandparents in Southern Africa to look after their grandchildren whose parents have died of AIDS. Studies have shown positive effects of cash transfers on school attendance and grades of the children, on economic and political inclusion, on women’s empowerment, and on health (for a literature review see ODI 2016, for sub-Saharan Africa see FAO and UNICEF 2016).

Third, social cash transfers may have wider effects on the local and national economy and on social development, by enabling the poor to contribute to society. The idea of cash transfers rests on the new notion of the poor as agents rather than victims of economic development. Some programmes provide more than cash. Barrientos (2013: 108f.) distinguishes pure income transfers, income transfers combined with asset accumulation, and integrated poverty reduction programmes. Barrientos argues that the former are only geared to reducing monetary poverty and alleviating consumption deficits of the poor, while the latter two address broader dimensions of poverty and deficits in productive assets. But in discourses by international organizations, pure cash transfers were also advocated on grounds of developmental effects (von Gliszczynski 2015: 34f., 132f.), and studies of cash transfer programmes suggest likewise. Linking poverty and cash transfers to economic growth and development emphasizes a collective utility of cash transfers. In the history of Northern social policy, reference to the collective, mostly economic utility of social security, rather than just doing good to the beneficiaries, was a major driver of social policy expansion.

Conclusion: the individualization of poverty policies

Over the last 25 years, social cash transfers have emerged in most countries of the global South and on agendas of international organizations as a new instrument for combatting poverty. The massive expansion of the new instrument across the global South has brought a modicum of welfare and dignity to sizeable sections of Southern populations that had been left behind—persons
who had been excluded from even the most basic public provisions. This was a significant, if limited, step toward extending the scope of human rights in the field of social security. Cash has come to be recognized as a useful instrument by most international actors and has even been spreading to humanitarian aid and to support for migrants.

Besides diminishing poverty, the programmes have enhanced the social recognition of the poor, including the view that the poor can contribute to the collective advance of society. Apart from the collective utility of cash transfers, cash also creates a space of autonomy and freedom for the beneficiaries, in contrast to benefits in kind. Hanlon et al. (2010: 10–11) even see cash transfers as a road to self-determination of the poor, challenging development strategies imposed from above by donors and international organizations (similarly, Ferguson 2015).

Bestowing individual entitlements to social security benefits on the poor reflects an individualization of poverty policies, which contrasts with earlier approaches to poverty (Figure 25.2): with poor relief without a rights base; with claims under traditional arrangements of charity or patronage, even if these claims may be quasi-rights-based (Simmel 1965: 119–20); with community development and infrastructural policies; and with strategies of economic development that seek

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**Figure 25.2  Strategies for fighting poverty in the global South.**

*Note:* Italics: normative basis.

*Source:* the author.
to reduce the collective poverty of countries by macroeconomic policies rather than by individual welfare rights. Means-tested social cash transfers are sometimes criticized for ‘targeting’ the poor, entailing inclusion and exclusion errors and stigmatization of the poor (e.g. Kidd 2015). But our analysis suggests that targeting is just an aspect of the more fundamental process of individualizing poverty policies, which basically means to bestow individual entitlements to (means-tested or non-means-tested) public social security provisions on the poor.

The individualization of poverty policies is predicated on a redefinition, reframing and retheorizing of poverty: For one, the emphasis has shifted from the collective poverty of states (as measured by GDP) to the poverty of individuals (as measured by person-related indicators, especially the $x/day indicator which was introduced in 1990; Berten and Leisering: 154–56). This amounts to an ‘individualization of poverty’. For another, a new conception of individual poverty has emerged since the 1990s. Poor persons are no longer conceived merely as victims of social change or as objects of charity, but as agents who can use public transfers responsibly and who have the potential to contribute to economic growth and development (see the analysis of changing discourses of international organizations by von Gliszczynski 2015: ch. 4.1). This is linked to a new, individualized concept of development (von Gliszczynski 2015: ch. 4.2; Leisering 2019: 255–60). From this point of view, it makes sense to kindle the potential of the poor through individualized public payments of cash. ‘Individualization’ does not mean that the household contexts are disregarded; rather, bestowing entitlements on individuals may take account of the households in which poor persons live, to identify need, e.g. the absence of labour capacity in a household (Schubert 2018).

Still, cash transfers are limited and may have negative impacts. They only help to alleviate extreme poverty and mostly do not provide a minimum and are not even designed to do so. Many programmes exclude sizeable large and small groups from entitlements and even create new social divisions ensuing from categorical fragmentation. Limitations of policy designs hint at limitations of politics (for the key role of domestic politics see Niño-Zarazúa et al. (2012) and Ulriksen (2012); for the limitations of the consensus on cash transfers among international organizations see von Gliszczynski and Leisering (2016: 339f.)). Regarding the delivery of benefits, cash transfers have become a new playground for clientelism in some places. Moreover, there may be opportunity costs of cash transfers. Hall (2017: 156), for example, raises the question if investments in social infrastructure could be more productive than increasing spending on cash transfers.

What future for social cash transfers? There is ample space for enhancing cash transfers in terms of coverage, generosity, and implementation. But cash transfers remain attached to a poverty agenda. In view of the renewed concern about social inequality, the next step could be to conceive of cash transfers as the bottom tier of a more comprehensive and composite arrangement of social protection programmes that would also address the near-poor and the emerging middle classes.

Notes
1 For other publications by the FLOOR project see www.floorcash.org. The research group FLOOR-B, Bielefeld University, Germany, was funded by the German Research Council (Deutsche Forschungsgemeinschaft; principal investigator Lutz Leisering). I am indebted to the research team, especially to Katrin Weible, John Berten, and Tobias Böger for constructing the database FLOORCASH, and to Katrin Weible, Tobias Böger, and Moritz von Gliszczynski for the data analyses on which this chapter is based.
2 FLOORCASH (www.floorcash.org) focuses on the structure of legal entitlements to cash transfers (for first analyses see Böger 2013; Weible 2016). Other comprehensive databases have been created by
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Barrientos (2018), as yet unanalysed, by UNU-WIDER (2018; similar to Barrientos), and by Dodlova, Giolbas, and Lay (2018). For various other, less comprehensive databases see Leisering (2019: 151–53). FLOOR.CASH also includes qualitative data on the discourses of international organizations (for analyses, not reported here, see von Gliszczynski 2015; von Gliszczynski and Leisering 2016; Leisering 2019: chs 4 and 7).

3 For a fourth dimension (institutionalization—how benefits are administered and delivered to the beneficiaries) see Leisering (2019: 158, 165–66).

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