

Human Development Income Transfers in the Longer Term

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In the remarkable expansion of anti-poverty transfer programmes in developing countries in the last decade, human development income transfer programmes, popularly known as conditional cash transfers, have played a very significant role. Their core feature combines income transfers to households in poverty with measures to facilitate investment in human development, particularly among children.

From their humble beginnings in Mexico and Brazil as interventions responding to crises, they have evolved into flagship institutions leading national anti-poverty strategies. They have now spread to countries in Africa, the Middle East and Asia.

Bolsa Família's 10th anniversary provides an opportunity to speculate on their future role.

Current debate on the post-2015 international development agenda helps identify some parameters of their future role. Trends in global extreme poverty suggest that the Millennium Development Goal target to halve the share of the world's population living on less than US\$1/day will be achieved by 2015.

Projecting these trends into the future suggest that a zero target for 2030 can be achieved.

Sustaining poverty reduction trends into the future will not be easy; it will require high and sustained economic growth as well as effective social policies to ensure a fair distribution of the opportunities and benefits generated by growth.

For middle-income countries in Latin America, and elsewhere, a zero target for extreme poverty is within reach. However, sustaining zero poverty will prove challenging. It will prove just as challenging as the efforts to drive poverty towards zero rates—if not more so.

The central challenge for middle-income countries is to equip their emerging welfare institutions with the capacity to transition from a primary focus on (extreme) poverty reduction to a focus on sustaining poverty eradication.

Maintaining poverty at zero or near zero levels requires strong, innovative and dynamic welfare institutions, in addition to economic growth and the provision of quality basic services.

In the context of human development income transfer programmes in the region, this involves managing two key progressions and satisfying one condition.

First, it requires a progression from flagship programmes aimed at driving poverty to zero to stable and permanent institutions capable of sustaining zero poverty.

Second, it entails a shift in perspective, placing greater emphasis on the role of social assistance in ensuring human development and opportunity as a means of achieving social and economic inclusion for disadvantaged groups.

A condition for these two progressions is the presence of positive policy-to-politics feedback effects capable of sustaining political support for social assistance.

The evolution of Bolsa Família in its first decade provides important lessons for other countries regarding these two transitions.

The growing institutionalisation of Bolsa Família, and social assistance more broadly, including the formation of the Ministry of Social Development and Zero Hunger in 2004, point in the direction of stable and permanent institutions capable of sustaining zero poverty.

Debates around the role of social assistance, including Bolsa Família, identify the options ahead in terms of extending social and economic inclusion in Brazil. Human development income transfer programmes have a promising future at the centre of emerging welfare institutions in the South.

Reference:

Barrientos A. (2013). 'Human Development Income Transfers in the Longer Term', IPC-IG Working Paper No. 116, Brasília, International Policy Centre for Inclusive Growth.