

# ARE MEXICO'S CONDITIONAL CASH TRANSFERS MISSING THE TARGET?

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COMMENTARY

Conditional Cash Transfers aim to reduce poverty by making benefits conditional on specific behavior changes by recipients, a program design requiring technical targeting techniques to identify qualified recipients. Transplanting Conditional Cash Transfers from their original rural environment to urban areas significantly complicates attempts to “objectively” identify the poor. The author critically analyzes the social and political implications of targeting, focusing on Mexico’s well-known program Oportunidades.

## INTRODUCTION

Conditional Cash Transfers (CCTs) are an increasingly popular strategy to address poverty. This paper considers two issues related to CCTs, the implications of expanding CCTs from their traditional rural domain to urban environments and the politics of targeting. I use the exemplar CCT program, Mexico’s Oportunidades, as a case study to explore the ramifications of targeting techniques that “tag” the poor as being an observable group, distinct and separate from the non-poor. I argue that targeting techniques are never neutral and objective procedures but rather political processes through which society draws boundaries between “deserving” low-income individuals, who qualify to receive public support, and those who do not. I also argue that citizens must possess a minimum level of economic security to exercise full citizenship rights, and I use this broad definition of citizenship to critique the social implications of CCTs.

## POVERTY AND URBANIZATION IN LATIN AMERICA

Poverty and inequality remain persistent problems in Latin America. Urbanization, migration patterns, economic restructuring, and reform in state responsibilities all impact urban poverty.[1] Over the past decade, global urban poverty rates rose despite modest drops in poverty rates overall.[2] In Latin America, poverty declined slightly between 1990 and 2004,[3] but most of these gains were driven by the regional powerhouses Brazil and Mexico.[4][5] National-level poverty rates also fail to capture inequality and the spatial dispersion of poverty. Today, Latin America is the most urbanized region of the developing world with three-quarters of Latin Americans residing in cities. Most population growth is projected to occur in urban areas,[6] particularly in peri-urban zones [7] on the periphery between urban and rural areas. The centrality of urban life suggests that traditional development strategies aimed at alleviating rural poverty require reconsideration.

## CONDITIONAL CASH TRANSFERS: ACHIEVEMENTS AND LIMITATIONS

CCTs are public-sector programs designed to correct market failures responsible for the poor’s under-consumption of certain services and to incentivize mothers to invest in the long-term human capital development of their children—thus breaking the intergenerational transmission of poverty.[8] CCTs achieve this by providing cash transfers to select groups of poor people conditional on their participation in certain activities, usually linked to education, health, and nutrition. For example, CCTs commonly condition program eligibility on school attendance for girls. Mothers receive transfers and are charged with ensuring compliance with CCT conditionalities.[9] CCTs use targeting to restrict program participation and utilize relatively low-value cash transfers, lowering the overall cost of the program. Low transfer values and time limits on benefits are intended to reduce the likelihood of fostering dependency on CCTs.

CCTs typically have a quantitative evaluation mechanism built into their program design, and to date evaluations have demonstrated significant positive impacts on well-being outcomes for recipients and efficient program administration.[10][11] Quantifiable results have prompted political support for CCTs within countries using the programs and have led some to laud CCTs as a “magic bullet.”[12] Despite significant success, CCTs do have limitations. Impact evaluations find minimal reductions in poverty—at least in the short term.[13] CCTs also assume adequate supply-side services, such as local medical care providers, that participants must access to meet the program requirements. Additionally, CCTs do not protect the near-poor from shocks that may push them into poverty, and CCTs exclude many who live outside the familial structures sanctioned by the program, most notably homeless children.

Another contentious component of CCTs is their gendered impact. Women play a central role in CCT implemen-

tation: mothers receive transfers, are charged with monitoring compliance with the program conditions, and are often required to log community service hours or participate in activities aimed at their empowerment.[14][15][16] CCTs explicitly assume women are more likely than men to use the transfer in ways that will benefit child and household well-being. Some view CCTs as the road to women's empowerment, while others argue it is state-sanctioned retrenchment of traditional gender roles that places the burden of poverty reduction squarely on women's shoulders.[17][18][19] While the effort of women is central to CCT success, their own well-being is sometimes secondary. For example, some programs provide mothers with nutritional supplements only when they are pregnant or breastfeeding.[20] Some argue that women are being used as "conduits of policy" to increase the future labor productivity of children without sufficiently attending to women's poverty or how program requirements burden women.[21][18]

### MEXICO'S OPORTUNIDADES

Mexico's Oportunidades is an archetypal Conditional Cash Transfer program. Quantitative studies have documented several positive impacts of Oportunidades,[22] including substantially increased nutrition rates among infants, improved health status across age groups, and increased school enrollment.[15] Evaluations have found these gains may be permanent, with measurable benefits persisting after the cash transfers have ceased.[23] Oportunidades began expanding to urban areas in 2001;[24] by 2004 it reached 20 percent of Mexico's population.[25] The mean cash transfer, \$30 per month, represents a significant contribution to household income, about 25 to 30 percent of an average rural household's monthly expenditures.[26] Recipients are only eligible for a fixed number of years, varying based on when they began receiving benefits.[27]

### SORTING OUT THE POOR AND INSTITUTIONALIZING TARGETING IN SOCIAL POLICY

CCTs utilize a variety of complex means-testing schemes intended to accurately and objectively identify households which meet program criteria.[28] A 1990 World Bank report on poverty identified "well-targeted transfers" as central to poverty reduction, illustrating how targeting is promoted as an essential component to poverty management.[29] CCT proponents have identified complex targeting methods as themselves generating positive externalities in the form of increased administrative capacity to run highly technical social programs.[30] While targeting has been used in Mexico since 1988, the proliferation of CCTs has transformed targeting from an anomaly into a "best practice," with countries like Paraguay, El Salvador, and Ecuador transferring CCT targeting practices to other social programs. CCTs thus act as "key detourers" in institutionalizing technical, expertise-based

methodology as an important component of social programs.[30]

But targeting is more than a way to direct benefits to select groups. It also serves as a mechanism by which society articulates which groups are deemed to be deserving of such transfers. For example, targeted CCTs exclude some households who self-identify as poor such that many households facing deprivation do not meet eligibility criteria: "Only in some places and during specific short periods [are self-identified poor households] able to actively claim incorporation." [20] Targeting is also a strategy to limit the resources directed to social policy programs. Additionally, the current political mood favors limited government intervention, which further informs decisions about the appropriate level of social-sector public spending. Finally, values about which poor populations qualify as most deserving of social-sector programming are deeply integrated into targeting criteria. Because of this active identification of a "deserving poor" and overt limitation of welfare expenditure, the targeting mechanism of CCTs implicitly conveys societal values about who among the poor deserves public support.

### THE RATIONALES OF TARGETING

A number of factors influence the decision of governments administering CCT programs to include targeting mechanisms that limit eligibility. Pragmatic concerns about budget constraints drive the spread of targeting to limit spending on social programs. Public perceptions of programmatic legitimacy are fragile in contexts which have been marked by clientelism and systems of patronage, as in many Latin American locales. Thus, transparent and predetermined targeting criteria increase the political feasibility of social protection programs by enhancing "perceptions of effectiveness and fairness." [31] Assuming a fixed budget, targeting can increase the transfer size to recipients by limiting the number of beneficiaries. Targeting is also a way to avoid creating a minimum guaranteed income by conditioning program eligibility on narrow targeting criteria.

### THE LIMITS OF TARGETING

Targeting mechanisms have technical limitations, social consequences and political implications.

#### *Technical Limitations*

Targeting excludes households that face deprivation if they do not meet the program's eligibility requirements, including the transitory poor. Geographical targeting can exclude those who meet other program criteria but who live outside CCT jurisdiction: for example, Progresa, the precursor to Mexico's Oportunidades, was initially restricted to geographical areas with established health and education services, excluding many remote communities. CCTs also target specific household formations; those outside conventional family

structures, notably homeless children or childless adults, are excluded.[32]

Information problems also challenge sorting the poor from the non-poor. Potential recipients must apply for CCT benefits, and with self-selection comes the temptation to cheat (more technically termed “moral hazard” by economists). Methods that consistently identify the poor based on observable characteristics are associated with another set of problems, including the fallibility of using income as a proxy for poverty and the difficulty of accurately determining income. Inevitably, there are errors of exclusion (type II) in which eligible households are misidentified as failing to meet programmatic criteria. Van Oorshot calls this the “tragedy of selectivity”—sincere attempts to direct benefits to the truly poor necessarily result in the exclusion of some of the eligible poor.[33] CCT targeting procedures highlight the tradeoff between avoiding errors of exclusion and minimizing the leakage of benefits to the non-poor.

### Social Consequences

Invoking Rawls’s assertion that self-respect is “perhaps the most important primary good,” Amartya Sen argues that the stigma associated with programs that pivot on the signifiers of “poor” and “needy” has significant individual-level impacts.[34][35] This can contribute to high rates of non-participation among the eligible.[36] While households commonly underreport the goods used as proxies for poverty in eligibility determinations, researchers have been surprised to also find significant over-reporting, perhaps due to the social stigma associated with signifiers of need.[26]

Another adverse effect at the individual level is what Sen terms “invasive losses” which flow from the “losses of individual privacy and autonomy... involved in the need for extensive disclosures.”[35] Invasive losses vary based on how “fine” the means-testing requirements are. Applied to CCTs, these losses may be considerable, given the extent of conditionality reporting required to maintain eligibility.

Errors of inclusion and exclusion (type I and II errors, respectively) can have negative effects on “community cohesion and solidarity.”[37] Some communities report discontent with the targeting process, especially when targeting criteria are not well understood, perceived as unfair, or even intentionally kept secret from potential program participants to curtail cheating. The lack of adequate mechanisms to appeal inclusion decisions can also lead to dissatisfaction.[37]

Finally, Sen notes that the language of targeting “does not at all suggest that the recipient is an active person, functioning on her own, acting and doing things.”[35] The appropriate role for the agency and participation of the poor in CCTs cannot be thoroughly discussed here, but it is important to consider that time-consuming conditionalities and participation requirements may impede the ability of the poor to exercise agency in other (perhaps more political) realms.

### Political Implications

CCT benefits are not an entitlement or a right; targeting and conditionality requirements restrict benefits to households that meet specific criteria. CCTs thus differ from social protection programs which guarantee a minimum level of support for households with incomes below a certain threshold. The implications of this shift are explored in the concluding section. Focusing on poverty reduction as the primary goal of social policy also deflects attention away from income inequality and social equity. In fact, targeting is functionally easier and “better” in situations of extreme inequality; as the income gap lessens, targeting becomes increasingly error-prone.[36]

Targeting also has budgetary effects: policymakers may be pressured to reduce overall spending on social programs if narrowly targeted transfers only benefit a small slice of the population.[38][39] This deleterious budget-shrinking may offset one of the main advantages of targeting, namely, increased transfer size for program recipients. Additionally, targeting is not necessarily pro-poor; some poverty programs employing targeting are actually regressive.[40]

### EXPANDING THE DOMAIN: THE RURAL-TO-URBAN TRANSITION IN OPORTUNIDADES

Expanding CCTs designed for rural areas to urban environments is the next frontier of social protection policy. Currently, only Mexico and Brazil include urban areas in their CCTs, but both Colombia and Honduras have planned expansions into urban zones. Mexico’s expansion of Oportunidades to cover 5 million urban dwellers illustrates the challenges of urban incorporation.[41] To date, most rural CCT features—including conditionality requirements and transfer amounts—are not altered when transferring the program to urban areas, although the Inter-American Development Bank (IDB) is evaluating urban targeting strategies.[42] Many of the human capital benefits attributed to Oportunidades are attenuated in urban areas. Participation rates are lower in urban areas than in rural ones, and dropout rates are higher.[41] The actual rate of participation amongst the urban eligible in Oportunidades is uncertain and disputed; the IDB reports 70 percent[41] while other researchers cite 50 percent[43] and 35 percent participation rates.[44][45] Low participation in urban areas could be due to a lack of information about program benefits, eligibility requirements, and procedures, a lack of attractiveness of the program to the urban poor, or urban-specific barriers that hinder participation amongst the eligible.[46] Enrollment procedures are also more complex in urban areas.[47] One study found that participation dropped to original low levels shortly after a registration drive temporarily increased participation rates, suggesting that a lack of information is not the main problem.[43]

Urban areas are, of course, heterogeneous, but some characteristics tend to distinguish urban from rural areas. Clarify-

ing this difference, without assuming an easy rural-urban dichotomy, is particularly important for policy makers who seek to expand the domain of CCTs.

#### *Labor markets and human capital investment decisions*

Cost of living is higher in cities than in rural areas, meaning that the real value of CCT benefits is less for urban beneficiaries. In Mexico, the value of the transfer was 25 percent of average household income in rural areas, but only 15 to 20 percent of average urban income.[48] Labor market characteristics and opportunity costs also vary spatially. In urban areas, employment in the informal sector[49] has emerged as an increasingly important strategy among citizens to cushion the impact of economic restructuring and the loss of manufacturing jobs. Marginally better informal and formal employment opportunities for city dwellers mean that the opportunity costs of sending a child to school are higher. Rural CCTs consistently increase school enrollment rates, but near-universal urban enrollment leaves little room for improvement in that particular arena.[8]

#### *Spatial heterogeneity*

Urban areas are characterized by spatial heterogeneity, with clusters of poverty of varying concentrations spread throughout the urban zone and often confined to peripheral or segregated spaces. An increasing number of the poor in Latin America are living in peri-urban environments at the blurry edges of the urban and rural, where inadequate infrastructure, environmental problems, and unregulated housing development are common.[50] Peri-urban zones typically have lower demographic density, poor sanitation, inadequate infrastructure, and mixed land use.[51] In Latin America, peri-urban areas also tend to be occupied by low-income families,[52] although enclosed, wealthy neighborhoods are also spreading across some peri-urban zones.[53] Transportation to employment and administrative centers can be time-consuming and expensive in many metropolises and peri-urban zones. Spatial heterogeneity complicates standard methods of CCT targeting, which often employ geographical methodologies.

#### *Vulnerabilities*

Urban communities face a varying set of vulnerabilities, somewhat distinct from those faced by rural populations. The urban poor are often more vulnerable to shocks in food prices.[41][54] Rural and urban populations may also experience economic shocks differently. Rural farmers, where they can meet basic household needs without relying on wage-labor, are less susceptible to decreases in labor demand or fluctuation in wages. An “urban advantage” may mean city dwellers have more access to services and financial infrastructure, although spatial segregation associated with the geographic dispersion of poverty may offset these potential gains.

#### *Household dynamics and mobility*

Migration dynamics, urbanization rates, and population growth impact urban settlement patterns. Throughout Latin America, new centers of population concentration are rapidly emerging. Migration and intra-city mobility impact household dynamics and complicate program administration. Migration can influence household size as urban families welcome newly-arrived relatives or friends from rural areas. Mobile populations are harder for program administrators to find, incorporate, and monitor—an important dynamic in light of CCTs’ strict conditionality compliance requirements.

#### *The invisible poor*

Spatial segregation and other factors may render certain eligible households invisible to program administrators. As CCTs expand to large urban centers, the scale of the city itself becomes a challenge, as does the rapidity of urban growth. This is of particular concern given the high information requirements of targeting and conditionality monitoring. Informality complicates targeting in new and peripheral settlements where land tenure claims are irregular, the attendant real estate and tax records are lacking, and unruly streets spring up without official plans or recognized names.[50] The poor often lack identity documents and birth records. Information from education and health personnel determines conditionality compliance, but public-sector employees, already facing constraints imposed by tight budgets, may struggle to collect and maintain high-quality data. Geographical targeting components require spatially-differentiated data, but detailed census data is often missing for new urban zones. Planners often predict urban growth based on demographics, ignoring the impact of policy decisions like road and infrastructure construction, which can lead to holes in social service maps.[50] Factors associated with high poverty in urban areas—poor infrastructure, record-keeping, data administration, and service coverage—complicate the administration of CCTs.

### **TARGETED TRANSFERS AND SOCIAL CITIZENSHIP**

Whether CCTs will be able to interrupt the intergenerational transmission of poverty will remain an open question for some time. Another open question is how CCTs intersect with citizenship rights. I argue there is a tension between CCTs—which embody an expertise-based policy response to acute needs among select observable populations—and a rights-based entitlement approach which prioritizes poverty eradication among all as an essential component of social citizenship.

Here I draw on T.H. Marshall’s formulation of social citizenship which includes “the right to a modicum of economic welfare and security, [and] the right to share to the full in the social heritage and live the life of a civilized being according to the standards prevailing in society.”[55] Poverty is more than insufficient income: it is persistent hardship, constant struggle

to meet basic needs, and the “tyranny of emergency” in which minor income or health shocks can have disastrous consequences.[56] Poverty impedes the full exercise of citizenship rights. While CCTs support the acquisition of minimal levels of human capital among select populations, they also narrow the interpretation of social rights to a “minimum threshold of survival” detached from a broader conception of citizenship entitlements.[19] If we recognize the link between poverty and an individual’s capacity to engage in society as a full citizen, we must imagine more robust and less exclusive social protection programs.

CCTs are part of an important effort to reassert the legitimacy of social spending after the retrenchment trends of structural adjustment. Yet CCT features such as geographic implementation, technical targeting schemes, low value transfers, and time-limited benefits point to poverty reduction conceived of as the management of social risk, not the elimination of poverty. Claiming targeting as a neutral, objective procedure obscures the ways in which targeting is a value-laden process though which society articulates which groups of the poor are considered worthy of public aid. The emphasis on incentivizing behavior changes among the poor deflects attention away from the political and socioeconomic structures which stubbornly reproduce poverty and deprivation. Finally, more attention should be paid to how participation and community service requirements might additionally burden poor

women and how conditionalities monitoring impinges on the privacy rights of the poor.

## CONCLUSION

As CCTs expand to urban areas, there will be technical challenges due to spatial heterogeneity, mobility, migration, household dynamics, and labor market structures, complicated by informality in urban settlements. Because the urban environment presents additional targeting challenges, it also provides the opportunity to examine the structures of CCTs—particularly targeting schemes and conditionalities requirements—and what they reveal about our shared values of citizenship. The challenge is to build on CCTs’ proven strengths of increasing human capital accumulation and support their optimistic agenda to interrupt the intergenerational transmission of poverty, while simultaneously demanding a more serious investigation into their impact on the exercise of citizenship by the poor.

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## ENDNOTES

[1] While poverty is both multi-dimensional and subjective, this paper relies on standard poverty-line methodology of \$2 per day for moderate poverty and the revised \$1.25 per day for extreme poverty.

[2] Using a poverty line of \$1 per day, the number of rural poor fell by 150 million between 1993 and 2004, while in urban areas the number classified as poor rose by 50 million during the same period. Martin Ravallion, Shaohua Chen, and Prem Sangraula, “New evidence on the urbanization of global poverty,” World Bank, *Policy Research Working Paper Series*, 4199 (2007).

[3] In Latin America, rates of moderate poverty fell slightly to 22 percent, while extreme poverty fell by one percentage point to 9 percent. World Bank, *World Development Report 2004: Making services work for poor people* (World Bank and Oxford University Press, 2004).

[4] Region-wide analyses mask country-specific trends. In fact, re-calculating poverty rates without Mexico and Brazil indicates that rates of moderate and extreme poverty increased for the rest of the region during the same time period. A. Helwege and M.B. Birch, “Declining poverty in Latin America? A critical analysis of new estimates by international institutions,” *Global Development and Environment Institute Working Paper No. 07-02* (2007).

[5] Helwege and Birch 2007.

[6] United Nations Population Fund, *State of the world*

*population. Unleashing the potential of urban growth* (United Nations, 2007).

[7] Although there is no precise definition of peri-urban areas, they are generally understood to be located in between consolidated urban regions and rural ones.

[8] Benedicte de la Briere and Laura Rawlings, “Examining conditional cash transfer programs: A role for increased social inclusion?” in *Social Protection and Inclusion: Experiences and Policy Issues* (International Labor Organization: 2006).

[9] David Coady, Margaret Grosh, and John Hoddinott, “Targeting outcomes redux,” *World Bank Research Observer* 19(1)(2004).

[10] CCT program successes have been well documented elsewhere. Quantifiable improvements have been demonstrated in school enrollment, health and nutrition outcomes, reductions in child labor, and reductions in long-term negative impacts that result from short-term shocks. De la Briere and Rawlings 2006; E.V. Lomeli, “Conditional Cash Transfers as social policy in Latin America: An assessment of their contributions and limitations,” *Annual Review of Sociology* 34(2008), 475-499; M. Adato and J. Hoddinott, “Conditional Cash Transfer programs: A “magic bullet” for reducing poverty?” in *2020 Focus Brief on the World’s Poor and Hungry People* (2007); M. Adato, D. P. Coady, and M. Ruel, *An operations evaluation of Progreso from the perspective of beneficiaries, promotoras, school directors, and health staff*

(Washington, DC: International Food Policy Research Institute, 2000); Coady et al. 2004; A. de Janvry and E. Sadoulet, *Conditional cash transfer programs for child human capital development: Lessons derived from experience in Mexico and Brazil* (World Bank Development Economics Research Group, 2005); S. Levy, *Progress against poverty: sustaining Mexico’s Progreso-Oportunidades program*, (Washington, DC: Brookings Institution Press, 2006); Laura Rawlings and G. G. Rubio, *Evaluating the impact of Conditional Cash Transfer programs: Lessons from Latin America* (SSRN eLibrary, 2001); F. Rodriguez-Oreggia, *Evaluación laboral de jóvenes beneficiarios del programa Oportunidades en el largo plazo. Evaluación externa del programa de desarrollo humano Oportunidades 2007-2008* (Mexico City: Instituto Nacional de Salud Pública, 2008).

[11] Here, efficiency is defined as reaching stated program goals at the lowest possible cost while minimizing the leakage of benefits to the “non-poor.” De la Briere and Rawlings 2006; K. Lindert, “Reducing poverty and inequality in Latin America: The promise of Conditional Cash Transfers” (guest lecture, American University, Washington, DC, 2005).

[12] Nancy Birdsall, President of the Center for Global Development, says, “I think these programs are as close as you can come to a magic bullet in development...” C.W. Dugger, “To help poor be pupils, not wage earners, Brazil pays

- parents," *New York Times*, January 3, 2004.
- [13] Lomeli 2008.
- [14] Adato et al. 2000.
- [15] Coady et al. 2004.
- [16] David P. Coady and Susan W. Parker, "Program participation under means-testing and self-selection targeting methods," *Discussion Paper Brief* 191 (2005), Food Consumption and Nutrition Division of the International Food Policy Research Institute.
- [17] Sarah Bradshaw, "From structural adjustment to social adjustment: A gendered analysis of Conditional Cash Transfer programmes in Mexico and Nicaragua," *Global Social Policy* 8:188(2008).
- [18] Maxine Molyneux, "Family reform in socialist states: The hidden agenda," *Feminist Review* 21(1985), 47-64. Maxine Molyneux, "Mothers at the service of the new poverty agenda: Progres/Oportunidades, Mexico's conditional transfer programme," *Social Policy and Administration* 40(4)(2006):425-449.
- [19] Constanza Tabbush, "Is Latin America sacrificing poor women in the name of social integration?" *Global Social Policy* 9:29(2009).
- [20] Agustín Escobar Latapí, "Progres – Oportunidades: Where do we go from here?" (paper prepared for Poverty and Poverty Reduction Strategies: Mexican and International Experiences, Monterey, Mexico, January, 2005).
- [21] This is especially concerning given research suggesting that women bore the brunt of hardship inflicted by structural adjustment as women struggled to deal with decreasing household incomes and state welfare services.
- [22] Oportunidades was originally named Progres.
- [23] Migueel Székely, "Where to from here? Generating capabilities and creating opportunities for the poor," International Development Bank, *Research Network Working Papers*, R431 (2001).
- [24] Sergei Suarez Dillon Soares, Rafael Guerreiro Osório, Fabio Veras Soares, Marcelo Medeiros, and Eduardo Zepeda, "Conditional Cash Transfers in Brazil, Chile and Mexico: Impacts upon inequality," *International Policy Centre for Inclusive Growth, Working Paper* 35 (2007).
- [25] Rawlings and Rubio 2001.
- [26] César Martinelli and Susan W. Parker, "Mexico's Oportunidades: The challenges of self-selection for targeted poverty programs" (speech given at Woodrow Wilson School for International Scholars, Princeton, NJ, 2002).
- [27] *Programa Oportunidades. Programa de desarrollo humano Oportunidades. Reglas de operación 2007* (México: Secretaría de Desarrollo Social, 2007).
- [28] Common targeting mechanisms include (1) geographical targeting, (2) consumption or income measures of poverty, either self-reported or observed, (3) proxy measures which employ a composite of characteristics assumed to be correlated with poverty (like a lack of running water), and (4) community decision methods which solicit input from the community to identify the poor.
- [29] World Bank, *World Development Report 1990: Poverty* (Washington, DC: World Bank, 1990).
- [30] Julia Johannsen, Luis Tejerina, and Amanda Glassman, *Conditional Cash Transfers in Latin America: Problems and opportunities* (Inter-American Development Bank, Social Protection and Health Division, 2009).
- [31] Lant Pritchett, *The political economy of targeted safety nets* (Washington, DC: The World Bank, 2005).
- [32] Tatiana Britto, *Recent trends in the development agenda of Latin America: An analysis of Conditional Cash Transfers* (Brazil: Ministry of Social Development, 2005).
- [33] Wim van Oorschot, "Targeting welfare: On the functions and dysfunctions of means testing in social policy," in *World poverty: New policies to defeat an old enemy*, Peter Townsend and David Gordon, eds. (Bristol: Policy Press, 2002).
- [34] John Rawls, *A theory of justice* (Cambridge, MA: Harvard University Press, 1971).
- [35] Amartya Sen, *Inequality reexamined* (New York: Oxford University Press, 1995).
- [36] Thandika Mkandawire, "Targeting and universalism in poverty reduction, social policy and development," United Nations Research Institute for Social Development, *Programme Paper* 23 (1995).
- [37] Adato et al. 2000.
- [38] Jonah B. Gelbach and Lant H. Pritchett, *Does more for the poor mean less for the poor? The politics of tagging* (Washington, DC: World Bank, 1995).
- [39] Karl Ove Moene and Michael Wallerstein, "Targeting and political support for welfare spending," *Economics of Governance* 2(2007):3-24.
- [40] A World Bank study of 122 poverty reduction programs found that 25 percent of poverty-reduction programs were *regressive*. This means a random selection of beneficiaries would have better served the poor (Coady et al. 2004).
- [41] Inter-American Development Bank (IDB), *Extendiendo las barreras a la acumulación del capital humano en zonas urbanas: Una agenda de ajustes al programa Oportunidades* (2008).
- [42] The IDB is funding an evaluation of urban targeting strategies and design features to "improve efficiency" (IDB 2008).
- [43] Orazio P. Attanasio, Costas Meghir, Ana Santiago and Andrew Shephard, "Improving the education component of Conditional Cash Transfers in urban settings," Inter-American Development Bank, *Working Paper* #1 (2008).
- [44] Manuela Angelucci and Orazio Attanasio, *Evaluating the urban component of Oportunidades: Which methods for which parameters?* (Berkeley, CA: UC Berkeley Economics Department, 2008).
- [45] Enrollment rates in rural areas were much higher: Adato et al. (2000) report participation rates of 97%
- [46] E.g., overcrowded urban public health clinics, reduced support from familial networks due to migration, the reduced value of the transfer in high-cost cities, or the presence of other subsidies (IADB 2008).
- [47] Targeting procedures in urban areas are twofold and distinct from the rural protocol. First, administrators use census data to limit geographic scope to areas of high concentrations of poverty. Second, household eligibility is based on proxy criteria for poverty. Jeff L. Leroy, Heleen Vermandere, Lynnette M. Neufeld, and Stefano M. Bertozzi, "Improving enrollment and utilization of the Oportunidades program in Mexico could increase its effectiveness," *The Journal of Nutrition* 138(2008):638-641; Attanasio et al. 2008. Self-selection is clearer among those participating in urban CCTs than in the rural prototype (Coady and Parker 2005).
- [48] Levy 2006.
- [49] The informal sector captures all economic activity occurring outside the realm of government regulation, taxation, or monitoring. It is not included in a country's Gross National Product.
- [50] Haroldo da Gama Torres, "Social and environmental aspects of peri-urban growth in Latin American megacities" (paper prepared for United Nations Expert Group Meeting on Population, Distribution, Urbanization, Internal Migration and Development, 2006).
- [51] Asian Development Bank, "Asian Development Bank on megacities," *Population and Development Review* 3(2)(1997):451-461.
- [52] Bryan R. Roberts and R.H. Wilson, eds., *Urban spatial differentiation and governance in the Americas* (New York: Palgrave Publishers, 2008).
- [53] F. Sabatini, *Medición de la segregación residencial: reflexiones metodológicas desde la ciudad latinoamericana - Barrios cerrados en Santiago de Chile: entre la exclusión y la integración residencial* (Chile: PUC, 2004).
- [54] Urban residents lack access to farmable land, although vulnerability to food shocks is not limited to urban areas, especially as shifts in agriculture production transform many of the rural poor into net food buyers.
- [55] T.H. Marshall, *Citizenship and social class and other essays* (Cambridge: CUP, 1950).
- [56] Jérôme Bindé, "Toward an ethics of the future," *Public Culture* 12: 51-72, 2000).