# Towards a Common Framework of Performance Measurement for Social Assistance Programs in Low-Income Countries in Transition: Rationale and Potential Structure

Nazim N. Habibov and Lida Fan

Abstract

After the dissolution of the former Soviet Union, low-income countries in transition: Armenia, Azerbaijan, Georgia, Kyrgyzstan, Moldova, Tajikistan, and Uzbekistan have faced challenges of widespread poverty and sharp inequality. To reduce poverty and inequality, this group of countries, also known as CIS-7, has committed to rapid reforms in social assistance programs. This article proposes a new Common Framework of Performance Measurement for social assistance programs in CIS-7 countries that allows social administrators and policymakers to assess the performance of social assistance programs for the purposes of management improvement, encouraging accountability, and promoting benchmarking. Combining efficiency, quality, and effectiveness perspectives into a framework is a practical approach to assess the achievements of social assistance programs in CIS-7 towards poverty and inequality reduction.

## Introduction

Since the dissolution of the former Soviet Union in 1991, the former republics of the Union have launched reforms in social assistance programs, adjusting them to the requirements of the market economy. The reforms are especially painful and slow in the seven poorest countries of the former Soviet Union: Armenia, Azerbaijan, Georgia, Kyrgyzstan, Moldova, Tajikistan and Uzbekistan, the so-called Commonwealth Independent States - 7 (CIS-7). After 15 years of reform, social assistance in the CIS-7 countries is still inadequate. Widespread poverty and sharp inequality are increasing the demand for social assistance (SA), while fiscal constraints and limited administrative capacities are hindering reforms (Braithwaite, Grootaert, & Milanovich, 2000; Dobronogov, 2003; EBRD, 2003; Fox, 2003; World Bank, 2000a, 2004). Recently, CIS-7 governments have officially committed to drastic reforms in the area of social assistance (see GoAr, 2003; GoAz, 2003; GoG, 2003; GoK, 2003; GoM, 2003; GoT, 2002), which has created the need to measure and compare the performance of reformed SA programs, as well as to provide the societies in CIS-7 countries with information about reforms to increase government accountability.

Scholarship focusing on measuring performance of social programs has been prolific in recent years. Numerous articles and monographs on the topic portray an increasing interest in models assessing performance of social

programs and several models assessing social programs have already been developed (Heintzmann, Canagarajah, & Holzmann, 2001; ILO, 1999; IMF, 2001; World Bank, 2002a). However valuable and useful these models are, for several reasons, they are not usually suitable for assessing performance of social assistance in the CIS-7. Existing models are often not appropriate to assess social programs in low-income countries in transition, that face very specific challenges in development. They are rather general and are not elaborate enough to focus on specific social assistance interventions. Further, they are not detailed enough to assess all dimensions of social assistance programs. For example, the quality dimension is usually overlooked. The goal of this article is to propose a common framework of performance measurement to assess, compare, and contrast performance of social assistance programs in CIS-7 governments. The purpose of this paper is threefold. First, the paper reviews the needs for comprehensive reforms in social assistance in the CIS-7, and challenges in their implementation. Second, the paper makes a case to move toward a common framework of performance measurement in social assistance by providing rationale for its development. Third, the paper describes and discusses how such a system might look, how the data for the framework would be available, and who should be responsible for data analysis. The major contention of this article is that common framework of performance measurement is a useful approach to monitor and assess social assistance programs in the CIS-7. The introduction of this framework will lead to improving design and implementation of social assistance in the poorest countries of the former Soviet Union.

## Poverty in CIS-7 Countries

Poverty is a multifaceted concept and could be measured in different ways (Coudouel, Hentschel & Wodon, 2003). In this section of the paper we employ several measures of poverty, namely, poverty rate, poverty gap, and poverty severity, to illustrate evolution of poverty in CIS-7 countries in Table 1.

Poverty rate is the most common measurement of poverty that shows the proportion of the total population living below the poverty line. Another measure of poverty, poverty gap, indicates the proportion of additional income needed to lift a population up to the poverty line. Finally, poverty severity shows inequality within the poor by placing higher weight for the poorest of the poor. Selected measures of poverty expose different aspects of monetary poverty, which complement each other in helping to assess different facets of poverty.

Poverty did exist in the former Soviet Union but even at that time it was more widespread in the CIS-7 republics as compared with other republics of the Union and the Union as a whole, as shown in column 1 of Table 1. It is estimated that in 1988, three years before dissolution of the former Soviet Union, about 11 percent of the total population of the country lived below the poverty line, while the number of poor for CIS-7 republics now exceeds 28 percent in average.

Table 1: Growth of poverty in CIS-7 countries during transition

| | Poverty rate 1989 (%)[1] | Poverty rate 1999-2001 (%)[2] | Poverty gap 1999-2001[2] | Poverty severity 1999-2001[2] | % of total population below extreme poverty line[3] | Number of people living below extreme poverty line[3] (million) | Real GDP 2000/ 1990 | Real formal wage 1999/ 1990 |
|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Armenia | 14.3 | 47.4 | .155 | .061 | 43.5 | 1,652 | .63 | .11 |
| Azerbaijan | 33.6 | 49.6 | .155 | .067 | 23.5 | 1,686 | .50 | .36 |
| Georgia | 13.0 | 23.1 | .075 | .036 | 18.9 | 1,021 | .25 | .06 |
| Kyrgyzstan | 32.9 | 56.4 | .172 | .070 | 49.1 | 2,360 | .59 | .45 |
| Moldova | 11.0 | 62.3 | .241 | .121 | 55.4 | 2,022 | .36 | .23 |
| Tajikistan | 51.2 | 95.7 | .574 | .379 | 68.3 | 4,099 | .33 | .01 |
| Uzbekistan | 43.6 | 27.5 | N/A | N/A | N/A | 2,233 | .79 | 1.32 |
| Average CIS-7 | 28.5 | 51.7 | .229 | .122 | | | .49 | .36 |
| Average other republics of CIS[4] | 13.0 | | | | | | | |
| Average of former Baltic Republics[5] | 2.2 | | | | | | | |
| Average of former USSR | 11.0 | | | | | | | |

*Notes:* [1]Poverty rates in 1989 are defined as percentage of total population with income below 75 Rubles; [2] Poverty rate, gap, and severity for 1999-2001 are based on the national subsistence minimum for the respective countries; [3] Extreme poverty line is defined as 2.15 USD PPP/day; [4] Other republics of CIS include: Belarus, Russia, Turkmenistan and Ukraine; [5]The former Baltic republics include: Estonia, Latvia and Lithuania. N/A means data are not available. Sources: Dobronogov (2003), Falkingham (2003, 2004) and calculations of authors.

The collapse of inter-republican trade and co-operation, and the dismantling of a highly centralized planned economy in the early part of the 1990s, led to a severe economic depression that was more acute in CIS-7 countries than the Great Depression in the US in the 1920-1930s (Milanovich, 1998). As a result, real GDP and real wages in CIS-7 dropped drastically in comparison with the Soviet era (see columns 7 and 8). Economic depression negatively affected the living standards of the population. The degree of impoverishment in CIS-7 countries as exhibited by poverty rate, poverty gap, and poverty severity is shown in columns 2, 3 and 4. As these figures demonstrate, poverty increased in CIS-7 during the 1990s, in comparison with standards under the Soviet regime. Importantly, a significant number of people in the CIS-7 are living in extreme poverty by international standards (see columns 5 and 6).

Inequality in CIS-7 Countries

Increase in poverty in the countries of CIS-7 was accompanied by a sharp increase in inequality. In Table 2 we employ the Gini coefficient to examine evolution of inequality in CIS-7 countries in comparison with other countries of the former USSR.

The Gini coefficient, perhaps the most popular measure of income inequality, is a summary indicator of inequality measured from 0 to 1. In a situation of complete inequality, when all income is distributed to a single person, the Gini coefficient takes a maximum value of 1. Conversely, in a situation of complete equality, when all income is distributed equally across the population, the Gini coefficient takes a minimum value of 0. The Gini coefficient for income reports inequality in the total income of a population, while the Gini coefficient for earnings reports inequality in the earnings of a population.

Columns 1 and 3 in Table 2 show that Soviet society was fairly egalitarian, as demonstrated by low Gini coefficients in 1987-90. The centrally-planned economy controlled both wages (which were very compressed) and consumer prices (which were heavily subsidized). Moreover, state-run enterprises provided to all employees a number of in-kind benefits: free or subsidized health and day care, food, housing, and transportation. After the introduction of market principles in the economy, wages were decompressed, price subsidies were abolished and former state-run enterprises (which reemerged as private profit-oriented business) tended to cease delivery of in-kind benefits to their employees. These changes led to the abrupt growth of inequality in the CIS-7 as is indicated by significant increase in Gini coefficients in the end of the 1990s, compared to the last years under the USSR (see columns 2 and 4).

Table 2: Growth of inequality in CIS-7 countries during transition

| | The Gini coefficient for income 1987-1990 (1) | The Gini coefficient for income 1996-1999 (2) | The Gini coefficient for earnings 1989 (3) | The Gini coefficient for earnings 1997-2000 (4) |
|---|---|---|---|---|
| Armenia | .27 | .59 | .26 | .49 |
| Azerbaijan | .33 | .30 | .27 | .51 |
| Georgia | .29 | .43 | .30 | .50 |
| Kyrgyzstan | .31 | .47 | .26 | .47 |
| Moldova | .27 | .42 | .25 | .39 |
| Tajikistan | .28 | .47 | .27 | N/A |
| Uzbekistan | .30 | N/A | .26 | N/A |
| Average CIS-7 | .29 | .45 | .27 | .47 |
| Average the western republics of the former USSR[1] | .24 | .37 | | |
| Average the Baltic republics of the former USSR [2] | .24 | .34 | | |
| Average the former USSR | .27 | | | |

*Notes*: [1] The western republics of the former USSR include: Belarus, Russia and Ukraine. [2] The Baltic republics of the former USSR include: Estonia, Latvia and Lithuania. N/A means data are not available. Sources: Falkingham (2003, 2004), Fox (2003) and calculations of authors.

For multiple reasons, inequality has an especially negative impact on low-income countries in transition. First, in CIS-7 countries the speed of transition from egalitarianism to a rapid rise in inequality was shocking and overwhelming for the majority of the population. People who were accustomed to living in an egalitarian society for the last 70 years were shocked by sky-rocketing inequality that became sharper than that in the US, the western country with one of the highest levels of inequality (Redmond, Schnepf & Suhrcke, 2002). Second, people in transitional countries are not ready to tolerate this high level of inequality and often argue for stronger government intervention to re-distribute income (Suhrcke, 2001). Lastly, higher inequality hinders poverty reduction through economic development. In a society with high-level inequality, only a

small proportion can benefit from the growth. Therefore, poverty cannot be alleviated even with a high level of economic development (Wodon & Yitzhaki, 2003).

Financial Constraints

Another consequence of economic depression has been tough financial constraints for all CIS-7 countries. Because of the shrinking of GDP and government revenues, governments have had to cut public expenditures for social programs. As a result, CIS-7 countries have less to spend for social programs than other countries of the former USSR (see Table 3).

Countries of CIS-7 lag behind their former allies in terms of social spending as percentage of GDP. For example, the former Baltic countries spend about 12 percent of GDP on social programs while average spending for social programs for the all former USSR countries exceeds 8 percent. By contrast, the average spending for social programs in CIS-7 countries is about 6 percent. The same picture can be observed in the spending for social program in US dollars per capita. While the former Baltic republics spend on average, about $390 per capita for social programs, countries of CIS-7 spend only $30 per capita. It is remarkable that Tajikistan, the poorest country in CIS-7, spends only $3.68 per capita for social programs.

Table 3: Expenditures for social programs in the countries of the former Soviet Union in 2000

| Countries | Public spending for social programs as percentage of GDP | Public spending for social programs in USD per capita |
|---|---|---|
| Armenia | 5.2 | 33.28 |
| Azerbaijan | 5.3 | 34.30 |
| Georgia | 4.3 | 29.80 |
| Kyrgyzstan | 6.1 | 17.15 |
| Moldova | 11.0 | 43.25 |
| Tajikistan | 2.3 | 3.68 |
| Uzbekistan | 9.8 | 53.43 |
| Average CIS-7 | 6.3 | 30.70 |
| Average the western republics of the former USSR[1] | 7.8 | 56.7 |
| Average the Baltic republics of the former USSR [2] | 12.1 | 390.0 |
| Average the former USSR | 8.3 | 117.74 |

*Notes:* [1] The western republics of the former USSR include: Belarus, Russia and Ukraine. [2] The Baltic republics of the former USSR include: Estonia, Latvia and Lithuania. Sources: World Bank (2003a) and calculations of authors.

This shortage of funds affects not only the level of benefits provided to the population but also the quality of social assistance programs. Social assistance offices are dilapidated, social assistance personnel are among the lowest paid state employees, and social assistance administrations have only rudimentary equipment. For example, although all social assistance offices in Azerbaijan have computers, usually Pentium Is, only 60 percent of them have internet access and none of them have local networking or specialized database software (UNDP, 2004). Consequently, these computers are primarily used for typing.

Low Administrative Capacity

Apart from the shortage of money, the lack of administrative capacity is another significant factor that negatively affects social assistance. The former Soviet Union was a federal state and the responsibilities to design and assess social programs were laid upon the central bureaucracy in Moscow. After independence, CIS-7 countries did not have experienced personnel to plan and evaluate social programs. Additionally, previous experience in administering social assistance became almost obsolete during the transition. Two factors assisted the provision of social assistance in the past: the homogenous nature of poverty and the uncomplicated verification of income. During Soviet times, poverty was homogenous: the majority of the poor in the former USSR were pensioners, families with large number of dependents, and single mothers (Braithwaite, 1995). The homogenous nature of poverty allowed for social assistance based on categorical targeting through easily observable demographic characteristics such as age and number of children. On the other hand, in a centrally-planned economy where everybody worked for the government income was easily verified and social assistance was provided to the most needy. Since the transition began, poverty has become more diffuse and demographic characteristics have become weaker determinants of poverty (Braithwaite et al., 2000). Nowadays, poverty is more dependent on size and quality of land plot, access to water, possession of agricultural equipment, remittance from relatives living in other countries, type of job (government vs. private), sector of employment, and participation in the informal economy. In addition, the significant share of informal employment and the considerable size of the shadow economy in CIS-7 countries make income verification unreliable, as shown in Table 4. Because of these factors, social program managers are currently facing problems that they have not experienced before. As a manager in Kyrgyzstan complains: “Imagine traveling along in a car for 70 years and suddenly the road disappear…You do not know where to go” (Kuehnast, 2002, p.36).

Table 4: Informal employment and shadow economy in CIS-7 countries during transition

| | Informal employment rates 1995-2001 as share of total employment (%) | Size of shadow economy as % of GDP 1995-2001 |
|---|---|---|
| Armenia | 45.4 | 45.3 |
| Azerbaijan | 38.1 | 60.1 |
| Georgia | 41.5 | 66.1 |
| Kyrgyzstan | 59.2 | 39.4 |
| Moldova | 31.1 | 44.1 |
| Tajikistan | N/A | N/A |
| Uzbekistan | 39.8 | 33.4 |

*Notes:* N/A means data are not available. Sources: Schneider (2002) and Yoon et al. (2003).

Limitations of Other Social Programs for Poverty Reduction

Social insurance programs (old age, survivor, and disability benefits, unemployment insurance, maternity leave and sickness) also exist in CIS-7 countries and may help to reduce poverty. However, in the context of low-income transitional countries, social insurance has multiple limitations from the perspective of poverty reduction. First, benefit payment in social insurance is conditional on the occurrence of specific contingencies such as unemployment or sickness. Employed, able-bodied poor, like the working poor, are not eligible for benefits. Second, the amount and duration of previous contributions are the major eligibility criteria for social insurance programs. In the countries with large shadow economies and high rates of informal employment, the number of contributors to, and the amount of contribution collected by, social insurance schemes are small. As a result, the benefits are modest and many poor do not have a history of contribution at all. Third, social insurance benefits are limited in duration. Furthermore, as market reforms continue in CIS-7, even more unemployment should be expected from further rationalization in both private and state sectors (education and health care, science and culture). After social insurance benefits expire, social assistance becomes a program of last resort. Also, CIS-7 countries have become increasingly involved in the process of globalization. Prices have gradually increased to the international level. In Azerbaijan, in the year 2004, for instance, the prices for natural gas for households increased by 5 times, and for water and electricity by 3 times. Under these circumstances, social assistance should play a key role to counterbalance

market forces and protect the living standards of the poor.

Rationale for the Common Framework of Performance Measurement

For the proposed framework to be instrumental in social assistance reform it must be operationally advantageous for the achievement of goals relevant to contemporary transformation in the CIS-7. This section delineates three major advantages of the framework utilization, which are directly pertinent to the current milieu of the CIS-7. First, the framework allows social administrators to measure the achievements of their programs for the purpose of management improvement. Second, it encourages the accountability of the government to citizens and policymakers through regular reporting of information about the performance of social assistance. Third, it provides international organizations supporting SA reforms with an effective tool to identify and promote the best practices in the field.

*Improving Management*

Performance measurement is the regular collection and reporting of information about the efficiency, quality, and effectiveness of social service programs (Urban Institute, 1980). The advantage of a developed set of performance measures is that it permits politicians, social program administrators, and the general public to examine the activities of programs in multiple ways (Poister, 2003). First, it allows for the assessment and comparison of program performance over time by accumulating time-series data about the performance indicators. Second, it allows for the assessment of the actual performance of programs against the program goals, budgetary targets, and public expectations. Finally, it permits the comparison of the performance of different social assistance programs on the national level as well as between regions and operating units. Information about performance measures is commonly used in six major ways: evaluating the general performance of a public agency, monitoring and controlling day-to-day operations of the agency, enhancing budgeting and financial procedures, motivating subordinates through providing achievable goals, and allowing the agency to learn what is working and what not (Behn, 2003). Currently, performance measurement for public programs has become a dominant theme for public service improvement in developing and transition countries (Balogun, 2002; Chan, 2001; Jones, 2000). Recent studies show that regular assessment of performance increases the incentives for institutions administering social assistance programs in developing and transitional countries (Chagin & Struyk, 2004; Neubourg, 2002).

*Encouraging Accountability*

Apart from internal purposes of management, performance measurement is commonly used for the external purpose of accountability in public services. Ensuring accountability is particularly important for low-income transitional countries where the population often bitterly complains that governments abandoned the provision of social assistance and that funds for SA programs are being spent inefficiently and without visible results (Kanbur, 2002). As a respondent in a Kyrgyzstan survey noticed, “We are paying taxes but we do not know where they go” (UNDP, 2001, p.21). Performance measurement is a

priority tool to provide objective information about organization activities to various constituencies in a broader framework of establishing accountability. The information about the performance of social assistance programs provided by the proposed framework will encourage open debates and promote active citizen engagement in the problems of social assistance reforms. Easily comprehended performance data can also be used by mass media (Besley & Burgess, 2002; Stromberg, 2001) or non-profit organizations (Ebrahim, 2003; Mehrotra, 2001) to ensure that social policy and programs are being designed and implemented on a more informed basis. As several studies in developing and transition countries have confirmed, greater accountability and transparency improve the overall quality and effectiveness of public services (Deininger & Mpuga, 2005; World Bank, 2000b). Finally, accountability and transparency in social program delivery has increased the support base for social programs and has made them more sustainable from a political perspective (Deepa & Deepa, 2002).

*Promoting Benchmarking*

SAP: Performance measurement can also be used to compare the results of SA programs across low-income countries. Performance measurement is successfully used to benchmark public programs across jurisdictions (Ammons, 2000; Pizzarella, 2004). Although all countries of the CIS-7 face the same challenges, they have selected rather divergent approaches to reforming social assistance. The emphasis placed on different program designs is one example. Kyrgyzstan underlines anti-poverty benefits; Moldova lays emphasis on a mixture of poverty reduction, utility discount, and child benefits; while Azerbaijan tries to reform traditional family benefits inherited from the Soviet era. Experimenting with various methods of targeting benefits is another example. Kyrgyzstan uses income tests based on measuring the income of the applicant; Azerbaijan tends to apply categorical targeting; while Uzbekistan prefers community targeting.

If implemented, the common framework of performance measurement proposed in this paper will help countries to assess the performance of their social assistance programs with comparable results. In turn, the common framework will enable countries lagging behind to learn from countries with more favorable results. On the other hand, a number of international players are currently involved in promoting social assistance reforms to CIS-7 countries through loans, grants, research, and technical assistance, each advocating for competing approaches to reforms. The international players include international financial institutions such as World Bank, International Monetary Fund, and Asia Development Bank, multilateral donors such as United Nations and European Union, unilateral donors such as UK's Department of Foreign and International Development and US's United States Agency for International Development as well as multinational non-profit organizations such as Oxfam and Counterpart International. A common framework of performance measurement will allow international organizations to identify and study the best results of particular social assistance interventions and, subsequently, to support the implementation of best practices in other countries of the group.

## Proposed Structure of the Framework

An important starting point for constructing a performance framework for measuring the performance of SA programs is to take into account the contemporary context of SA development in low-income countries in transition. Against the backdrop discussed in the previous sections of the paper, we develop a definition of Common Performance Framework (CPF): CPF can be identified as a set of measures and indicators to assess social assistance programs in low-income countries in transition, with respect to poverty and inequality reduction for the purposes of improving management, encouraging accountability, and promoting benchmarking.

The structure and main elements of the proposed performance framework are derived from the notion of the logic theory model (Kettner, Moroney & Martin, 1999; Martin, 2000; Martin & Kettner, 1996). The model provides a multistage assessment of social programs from three perspectives: efficiency, quality, and effectiveness. The efficiency perspective demonstrates the scope of the products delivered by social programs. Efficiency seeks to answer the question: "Is the program doing things right?" and indicates to what extent products were delivered to the intended audience in a prescribed amount. The quality perspective demonstrates the quality of provided services. Quality seeks to answer the question: "How well is the program doing things?" and indicates to what extent products delivered by programs meet specific standards of quality. The effectiveness perspective demonstrates change in clients' status caused by a program. Effectiveness seeks to answer the question: "Is the program doing the right things?" and indicates to what extent the program achieves a prescribed result.The framework which incorporates the three mentioned perspectives to assess the performance of social assistance programs is outlined in the Table 5.

The core elements of the framework are presented in the first column of Table 5. These elements are: efficiency, quality and effectiveness. Each performance perspective of the framework has a set of performance measures and indicators dealing with specific challenges faced by social assistance programs in low-income countries (see columns 2 and 3 of Table 5). For example, one of the measurements of program efficiency is program coverage, for which the framework suggests two specific performance indicators: Error of Exclusion and Error of Inclusion. Finally, the framework illustrates the particular issue addressed by each indicator (see the last column of Table 5). In this way, the proposed framework combines the challenges of CIS-7 countries and the major perspectives of social programs' performance. However, we should underline that the proposed framework recommends no hierarchy among perspectives of social assistance. The framework suggests that each of the proposed performance perspectives plays a particular role in dealing with a specific challenge. When considered together, these perspectives provide essential information about overall performance of the social assistance program. Another important consideration is that the proposed structure of the framework is only a template and is not all-inclusive. The countries and international donors can add or alter specific indicators depending on the condition of each country.

Table 5: Common framework of performance measurements for assessing social assistance programs in CIS-7

| Program perspective | Measurement | Performance Indicators | Issues addressed by the indicator |
|---|---|---|---|
| Efficiency | Coverage | Error of Inclusion | What proportion of the poor is benefited by the programs? |
| | | Error of Exclusion | What proportion of the non-poor is benefited by the programs? |
| | Re-distributive efficiency | Index of Re-distribute Efficiency | What share of total benefits is transferred to the poor? |
| | | Q5/Q1 Ratio | To what extent do the programs contribute to decreasing inequality by redistributing income from the wealthy to the poor? |
| Quality | Timelessness | Index of Timelessness | What proportion of benefits paid in time? |
| | Share of benefits paid in cash | Index of Tangibles | What proportion of benefits paid in cash? |
| Effectiveness | Changes in poverty indexes caused by social assistance | Index of Effectiveness | How much change to poverty indexes was caused by social assistance as a percentage of pre-transfer poverty? |

Efficiency Performance Measures

In looking at a social program from the efficiency perspective, one assesses the outputs of the program delivered (Paton, 2003; Poister, 2003). For assessing efficiency of the social assistance programs in the CIS-7, we suggest two measurements: coverage and re-distributive efficiency. These two measures examine different aspects of program outputs: coverage is concerned with the number of people included in a program, and re-distributive efficiency is concerned with the amount of benefit delivered. To analyze coverage and re-distributive efficiency, we need to evaluate the distribution of benefits by

quintiles of a population, assuming that the bottom quintile represents the poor (Braithwaite et al., 2000; Milanovich, 2000).

*Coverage*

Measures of coverage provide information regarding the extent to which social assistance programs reach the targeted population. The concept of coverage efficiency was introduced by Wiesbrod in 1969 (as cited in Atkinson, 1993) and further developed by Beckerman (1979) and Atkinson (1995). Measuring the coverage allows us to assess two distinctive aspects of social assistance intervention: horizontal and vertical efficiency.

Horizontal efficiency focuses on accurate and inclusive coverage of the poor. In other words, horizontal efficiency is concerned with the proportion of the poor who are erroneously not covered by social assistance programs, also known as the Error of Exclusion. The Error of Exclusion is computed as the percentage of the population's poorest not covered by social assistance to the total percentage of the poor:

$$E_e = Q_{1n} / Q_1$$

where $E_e$ is the Error of Exclusion; $Q_{1n}$ is the number of poor not receiving social assistance benefits in the bottom quintile, and $Q_1$ is the total population of the bottom quintile.

Vertical efficiency, on the other hand, focuses on the extent to which coverage of social assistance is restricted to the poor. In other words, vertical efficiency is concerned with the proportion of the non-poor who are erroneously covered by social assistance, so-called the Error of Inclusion. The Error of Inclusion is computed as the percentage of non-poor participants covered by social assistance to the total percentage of participants in the program:

$$E_i = (Q_2 + Q_3 + Q_4 + Q_5) / (Q_1 + Q_2 + Q_3 + Q_4 + Q_5)$$

where $E_i$ is the Error of Inclusion in percentage; $Q_2$ and $Q_5$ are the percentage of non-poor participants covered by social assistance, meaning the second, third, forth and fifth quintiles, respectively, and $Q_1$ and $Q_5$ is the total percentage of participants in the program.

Table 6 illustrates coverage, and the Errors of Exclusion and Inclusion for social assistance programs in several CIS-7 countries. As we can see, the programs suffer from the Error of Exclusion, between 70 to 96 percent of the poor are excluded from participation in social assistance programs. Social assistance programs are also affected by the Error of Inclusion, between 53 to 90 percent of social assistance participants are not poor. The empirical findings suggest that the problem of proper identification of the poor during transition has been and still is one of the major obstacles for the reforms. On the other hand, the variations in the Errors of Inclusion and Exclusion between different programs emphasize the need for benchmarking to find and learn the best practices in coverage of the poor.

Table 6: Coverage of social assistance programs in selected countries of CIS-7[1,2]

| | Q1 (Poorest) | Q2 | Q3 | Q4 | Q5 (Wealthiest) | Error of Exclusion | Error of Inclusion |
|---|---|---|---|---|---|---|---|
| Azerbaijan | | | | | | | |
| State benefits | 8.2 | 7.9 | 7.5 | 8.0 | 6.7 | 91.8 | 0.78 |
| Child benefits | 7.1 | 6.9 | 7.0 | 7.3 | 6.1 | 92.9 | 0.79 |
| Georgia | | | | | | | |
| Social Assistance | N/A | N/A | N/A | N/A | N/A | 78.3 | N/A |
| Kyrgyzstan | | | | | | | |
| Poverty benefits | 31 | 15 | 10 | 7 | 4 | 69.0 | 0.53 |
| Privileges | 14 | 7 | 6 | 10 | 14 | 86.0 | 0.72 |
| Moldova | | | | | | | |
| Social Assistance | 15.8 | 16.6 | 18.6 | 18.2 | 16.2 | 84.2 | 0.81 |
| Tajikistan | | | | | | | |
| Social Assistance[3] | 3.9 | 7.9 | 9.7 | 10.3 | 8.9 | 96.1 | 0.90 |
| Uzbekistan | | | | | | | |
| Child benefits | 25.8 | 22 | 17.8 | 12.2 | 6.3 | 74.2 | 0.69 |
| Poverty benefits | 4.9 | 3.9 | 4 | 3.3 | 2.3 | 95.1 | 0.73 |

*Notes*: [1] Figures under quintile sign indicate the percentage of coverage. For instance, Q1 for the State Benefits is 8.2, which means that 8.2 percent of the total number of people in the poorest quintile is covered by the program. Errors of Exclusion and Inclusion are calculated as explained in the text; [2] Data are rounded up; [3]Data for Tajikistan includes social assistance provided by government and humanitarian assistance. N/A means data are not available. Sources: ADB (2003), PPMU (2004), World Bank (2002b, 2003b, 2003c, 2003d) based on respective household income surveys in each country and calculations of the authors.

*Re-dstributive efficiency*

Although program coverage is a significant performance indicator, it fails to account for variation in the amount of benefits allocated to each quintile. If the benefits were distributed in flat equal amounts among all recipients, there would not be the need to analyze re-distributive efficiency. Knowing who received benefits would provide the information regarding the amount of transfers received. The analysis of efficiency in this case could be limited to measuring the Errors of Inclusion and Exclusion. In reality, the actual proportion of benefits received by quintiles is different (Coady, Grosh, & Hoddinott, 2002; 2004). Therefore, to further assess efficiency, the proportion of benefits collected by quintiles, the so-called re-distributive efficiency, must also be measured. Measuring re-distributive efficiency is important because "the more accurate a subsidy in fact is in reaching the poor, the less the wastage, and the less it costs to achieve the desired objective" (Sen, 1995, p. 11).The re-distributive efficiency is computed as the share of total social assistance expenditures received by the poorest quintile of the population, to the amount of total social assistance benefits delivered by a program (Coady & Skoufias, 2004; Cornia & Stewart, 1995):

$R_E = 100 * (Q1 / Q2)$

where $R_E$ is the Redistributive Efficiency of social assistance program in percentage; $Q_1$ is the share of total benefits received by the poorest quintile of population, and $Q_t$ is the total amount of social assistance benefits delivered by a program.

In addition, measuring re-distributive efficiency allows for the assessment of the re-distributive effect of SA, as either progressive or regressive. Social assistance is "progressive" if the poorest segment receives a higher portion of transfers, and "regressive" if the wealthiest receive a higher share of transfers (Judge, 2001). Knowing the progressiveness of SA, we can estimate to what extent, if any, the programs contribute to the decreasing or increasing inequality in society. To compute progressiveness, the share of social assistance benefits received by the wealthiest should be compared with the share of SA captured by the poor, also called the Q5 / Q1 ratio (Kraus, 2004; Kraus & Hölsch, 2005). The lower the ratio, the more progressive the program is, since more benefits are transferred to the poorest quintile. The ratio is a more bottom-sensitive measure than the Gini coefficient and therefore is more appropriate in evaluating re-distribution to the bottom quintile in these cases:

$P = Q5 / Q1$

where P is the Q5 / Q1 ratio; Q5 is the share of the total SA benefits captured by the top, wealthiest quintile; and Q1 is the share of the total SA benefits captured by the lowest, poorest quintile.

The re-distribution efficiency and progressiveness of social assistance programs in several CIS-7 countries is shown in Table 7.

Table 7: Re-distributive efficiency of social assistance programs in selected CIS-7 countries [1, 2]

| | Q1 (Poorest) | Q2 | Q3 | Q4 | Q5 (Wealthiest) | Q5/Q1 Ratio (Progressiveness) |
|---|---|---|---|---|---|---|
| Azerbaijan | | | | | | |
| State benefits | 24.5 | 19.3 | 21.6 | 19.5 | 15.0 | 0.6 |
| Privileges | 16.2 | 13.4 | 19.5 | 26.2 | 24.4 | 1.5 |
| Armenia | | | | | | |
| Social Assistance | 31.8 | 33.8 | 14.6 | 9.4 | 10.2 | 0.3 |
| Kyrgyzstan | | | | | | |
| Poverty benefits | 54.0 | 20.0 | 13.0 | 7.0 | 6.0 | 0.1 |
| Privileges | 9.0 | 6.0 | 17.0 | 11.0 | 57.0 | 6.3 |
| Moldova | | | | | | |
| Child Benefits | 15.3 | 29.6 | 20.9 | 10.7 | 23.6 | 1.5 |
| Utility subsidies | 4.5 | 11.5 | 25.2 | 19.6 | 39.2 | 8.7 |
| Other social assistance benefits | 3.2 | 18.5 | 13.2 | 34.7 | 30.3 | 9.5 |
| Humanitarian Aid | 4.7 | 6.6 | 10.2 | 16.8 | 61.7 | 13.1 |
| Uzbekistan | | | | | | |
| Child benefits | 28.4 | 25.6 | 20.5 | 15.5 | 10.0 | 0.4 |
| Poverty benefits | 22.6 | 17.9 | 21.5 | 21.0 | 17.0 | 0.8 |

*Notes*: [1]Figures under quintile sign indicate the percentage of distributed benefits. For example, Q1 for the State Benefits is 24.5, which means that 24.5 percent of total social assistance benefits from the program are distributed to the poorest quintile. Re-distributive efficiency and Q5/Q1 ratio are calculated as explained in the text; [2]Data are rounded up. Sources: CISR (2003), GoAz (2004), World Bank (2003c; 2003d, 2003e) based on respective household income surveys in each country and calculations of the authors.

As we see from the table, the differences in re-distributive efficiency between countries and programs in the panel are extraordinary. In Kyrgyzstan, for example, the poorest quintile receives about 54 percent of all the poverty benefits, but only 9 percent of the privileges. In Moldova, on the other hand, the poor receive about 15 percent of the child benefits, but only about 5 percent of the utility subsidies. The last column in Table 7 shows Q5/Q1 ratio for social assistance programs in several CIS-7 countries. Again, as in the case of re-distributive efficiency, we notice great variation in progressiveness of social

programs. The poverty benefits in Kyrgyzstan demonstrate the highest progressiveness with the ratio equal to 0.1, while Moldova's humanitarian aid reveals the lowest progressiveness, received primarily by the top quintiles of the population (the ratio is equal to 13.1). These findings highlight the differences between social assistance programs; some programs are progressive, as they transfer the majority of the benefits to the poor and therefore decrease existing poverty and narrow the income gap between the poor and wealthy. Other programs are regressive, as they transfer a larger proportion of the benefits to the wealthiest and therefore reinforce existing poverty and inequality.

## Quality Performance Measures

Quality in social services can be defined as outputs with quality dimensions (Austin, 2002; Kettner, 2001). The development of quality measurements involves attaching quality dimensions such as reliability or timeliness to existing program outputs. Studies in total quality management identify and discuss a universe of the most commonly recognized quality dimensions in social services delivery (Martin, 1993; Moullin, 2002). For assessing quality, we suggest two measures particularly relevant to the social assistance programs in the CIS-7: timeliness in benefits payments and amount of cash payments.

### *Reliability*

One of the negative phenomena of the contemporary social assistance systems in CIS-7 countries is arrears in payments of social assistance benefits. Researchers have identified the delay in transfer payments as one of the primary complaints about the quality of delivered programs in almost all low-income transitional countries (CC, 2002; Dudwick, 1999; Dudwick, Gomart, Marc, & Kuehnast, 2003). Some low-income countries accumulated a significant amount of arrears for social assistance transfers. For instance, in Kyrgyzstan, total state arrears for social transfers, excluding pensions, reached about 0.5 percent of the GDP in the middle of the 1990s (IMF, 2003). The reliability of SA programs can be measured by the amount of arrears and the time of delay and can be calculated in following way:

$$IT = A * T$$

where IT is the Index of Reliability; A is total amount of overdue social assistance benefits as percentage of GDP; and T is amount of time in months for which the payments were delayed.

The proposed index allows simultaneous measurement of two characteristics of timelessness: amount of accumulated social assistance arrears and time for which the arrears remained unpaid. The longer payment of benefits is delayed and/or the larger arrears that are accumulated for a specific social program, the higher is the index of Reliability.

### *Tangibles*

Another negative phenomenon in quality of contemporary social assistance programs is that some benefits are paid in kind not in cash. The roots of this problem lie in the low fiscal capacity of the state during a transition period (Lorie,

2003). Since the states cannot collect enough revenue in cash, it has to use in-kind payments as substitute for cash benefits. After receiving in-kind benefits, the recipients of social assistance are responsible for selling these, usually non-liquid items, with large discounts and efforts in order to get cash. Thus, the payment of in-kind benefits instead of cash has a direct negative impact on the ability of social assistance programs to reduce poverty. The amount of in kind payments is especially substantial in rural areas (World Bank, 2003c). The Index of Tangibles can be calculated in following way:

$$T = 100 * (B_c / B_t)$$

where T is the Index of Tangibles expressed as percentage of benefits paid in cash; $B_c$ is the amount of benefit paid in cash in percentage; and $B_t$ is the amount of total benefits paid in kind. The Index of Tangibles permits the assessment of the proportion of benefits paid in cash as compared to the total amount of benefits disbursed by a social assistance program.

Effectiveness Performance Measures

As the main purpose of social assistance benefits is to lift beneficiaries out of poverty, measuring the effectiveness of social assistance programs means assessing the cause-and-effect relationship between social assistance benefits and poverty (Hölsch & Kraus, 2004). Therefore, in our case, social assistance benefits are the cause, while changes in poverty are the effects of the programs. A common way to measure outcomes of social assistance programs is to calculate their effectiveness as the following (Beckerman, 1979):

$$E = 100 * (P_{pre} – P_{post}) / P_{pre}$$

where E is effectiveness of social assistance; $P_{post}$ is poverty index after social assistance benefits; and $P_{pre}$ is poverty index before social assistance benefits.

By comparing poverty indicators before and after social assistance benefits, the above-mentioned formula allows us to compute the specific contribution of the benefits to poverty reduction, expressed in percentage points. In other words, we are able to estimate to what extent the poverty decreased because of SA benefits. To correctly estimate the effect of SA benefits to multifaceted phenomenon of poverty we employ several measures of poverty already outlined in this paper, namely, poverty rate, poverty gap, and poverty severity.

Table 8 illustrates the point by exhibiting the relative poverty reduction of social assistance systems in relation to poverty rate, gap, and severity. As we can see from the table, the effectiveness of social assistance programs to poverty reduction in the presented country, Azerbaijan, varies among programs. For example, child benefits decreased the poverty rate, gap, and severity by 0.45, 0.56, and 2.29 percentage points, respectively. The performance of Chernobyl benefits is worst. The program does not decrease the poverty rate and slightly decreases the poverty gap and poverty severity by 0.23 and 0.39 percentage points, respectively.

Table 8: Poverty reduction effectiveness of selected social assistance programs in Azerbaijan

| Programs | Rate | Gap | Severity |
|---|---|---|---|
| Social Pensions | 3.67 | 3.82 | 37.86 |
| Karabakh benefits | 0.02 | 0.34 | 1.16 |
| Chernobyl benefits | 0.00 | 0.23 | 0.39 |
| Other benefits | 4.41 | 25.44 | 53.96 |

*Note*: Source: Calculations of authors based on Azerbaijan Household Budget Survey (2003).

Data Availability and Capacity of Data Analysis

Data regarding efficiency and effectiveness of social assistance programs have already been collected on a regular basis from household surveys implemented by respective national statistics authorities (Scott, 2003). After independence, statistical offices of the countries of the CIS-7 have utilized the technical assistance of the World Bank and Asian Development Bank to introduce national household (or family) surveys with up-to-date designs and methodologies. These surveys have collected detailed information about the reception of social assistance by populations, and are thus the best available sources for assessing the performance of social assistance programs (Flemming & Micklewright, 2000). In fact, in previous sections of this article we used publicly available data from these surveys. Data about the quality of service delivery can also be collected by nationwide household surveys by adding questions about quality of social assistance (Dehn, Reinikka & Jakob, 2003). As well, data about quality of services can be derived from community surveys conducted by local non-profit organizations involved in assessing social services , for instance, Aran (2004) in Azerbaijan, CISR (2003) in Moldova, and PSI (2004) in Georgia. Finally, data about the performance of social transfers can also be obtained by combining the results of national household surveys and community surveys as was done for Georgia by Lokshin and Yemtsov (2004).

At the same time, CIS-7 countries have the capacity to analyze data collected from the surveys. According to the requirements of Poverty Reduction Programs, each government of the CIS-7 has already identified the agencies primarily responsible for monitoring and evaluating reforms, including reforms in social assistance. As a result of receiving technical assistance from international institutions, these agencies have already become capable of analyzing the data necessary for the proposed framework. In Moldova, for example, performance of social assistance is analyzed by the Poverty and Policy Monitoring Unit supported by UN agencies, while in Azerbaijan this analysis is the responsibility of Poverty Reduction and Economic Development Secretariat supported by the World Bank (IMF, 2004; PPMU, 2004).

## Summary and Conclusion

In this article we explain why low-income countries in transition, CIS-7, need the Common Framework of Performance Measurement for assessing the performance of social assistance programs. Challenges of poverty, inequality, fiscal constraints, and low administrative capacities have exposed the need for a tool to assess and compare the performance of SA programs. The framework we propose in this article will fulfill the existing demands for the improvement of social program management, increasing the accountability for implementation of reforms, and promoting best practices in social program management in the CIS-7. The suggested structure of the Common Framework of Performance Measurement offers an integrated approach to measure and compare multiple perspectives of the performance, namely, efficiency, quality, and effectiveness of SA programs, with a set of indicators relevant to low-income countries in transition.

Protection of the poor and reform in social assistance have become constant priorities for the governments of CIS-7 countries in the context of poverty reduction strategies. All countries of the group have adopted comprehensive Poverty Reduction Programs aimed at reforming social assistance. Fulfillment of the Poverty Reduction Programs including reforms in social assistance has become a prerequisite for further loans and grants from international financial institutions. Therefore, CIS-7 countries have a strong incentive to adopt the framework and receive funds to continue their reforms.

What remains to be delineated is how the system may come about. We argue that the main avenue for the framework's implementation is the CIS-7 initiative (CIS-7, 2004). Several reasons make the CIS-7 initiative an ideal vehicle for discussing the framework. First, the initiative is officially aimed at reducing poverty and enhancing social assistance programs in CIS-7. Therefore, the discussion of the suggested framework logically fits with the agenda of the initiative. Second, under the auspices of the initiative the CIS-7 countries can share their experiences and co-ordinate their activities in SA reforms. Hence, the initiative produces a natural forum for dialogue about the framework design and implementation. Finally, the initiative includes major international sponsors, which have the financial resources and expertise to support the framework's implementation. Through the course of consultations and negotiations, the governments of CIS-7 countries and international sponsors can reach an agreement about the acceptance and implementation of the framework.

## References

ADB. (2003). 2002 Poverty reduction monitoring survey. Dushanbe City: Asian Development Bank (ADB).

Ammons, D. (2000). Benchmarking as a performance management tool: Experience among municipalities in North Carolina. Journal of Public Budgeting, Accounting & Financial Management,12, 106-124.

Aran. (2004). Consequences of unemployment related poverty: The number of people passing faked disability registration increased annually. Situation analysis report. Barda: Aran Humanitarian Regional Development organization.

Atkinson, A. (1995). On targeting social security: Theory and western experience with family benefits. In D. van de Walle and K. Nead (Eds.), Public spending and the poor. New York: John Hopkins University Press.

Atkinson, A. (1993). Private and social insurance, and the contributory principle. In N. Barr and D.K. Whynes (Eds.), Current issues in the economics of welfare. New York: St.Martin's Press.
Austin, D. (2002). Human service management. New York: Columbia University Press.

Balogun, J. (2002). Performance improvement and customers' satisfaction as a focus of public service reform: Trends and challenges in Africa. Public Administration Quarterly, 25, 356-383.

Behn, R. (2003). Why measure performance? Different purposes require different measures. Public Administration Review, 63, 586-606.

Beckerman, W. (1979). The impact of income maintenance payments on poverty 1975. Economic Journal, 89, 261-279.

Besley, T., & Burgess, R. (2002). The political economy of government responsiveness: Theory and evidence from India. Quarterly Journal of Economics, 117, 1415-1451.

Braithwaite, J. (1995) The old and new poor in Russia: Trends in poverty. In World Bank (Ed.), Poverty in Russia: An assessment. Washington, D.C.: The World Bank.

Braithwaite, J., Grootaert, C., & Milanovich, B. (2000). Poverty and social assistance in transition countries. London: St. Martin's Press.

CC. (2002). NGO poverty assessment report. Counterpart Consortium, Information and Education Center "Manizha", & Association of Journalists of Tajikistan "Social Partnership". Dushanbe City: Counterpart Consortium (CC).

Chagin, K., & Struyk, R. (2004). Russian nonprofits as contracted providers of municipal social services: Initial experience. International Journal of Public Administration, 27, 417-436.

Chan, H. (2001). In search of a performance profile in the People's Republic of China. Public Administration Quarterly, 24, 469-490.

CISR. (2003). Evaluation of social assistance to population through the Nominative Targeted Compensations Program. Chisinau: The Center for Strategic studies and Reforms (CISR).

CIS-7. (2004). Commonwealth Independent States 7 Initiative. Retrieved on September 2, 2005 from http://lnweb18.worldbank.org/eca/cis7.nsf

Coady, D., Grosh, M., & Hoddinott, J. (2004). Targeting of transfers in developing countries: Review of lessons and experience. Washington, D.C.: The World Bank.

Coady, D., Grosh, M., & Hoddinott, J. (2002). Targeting outcomes redux. FCND Discussion Paper # 144. Washington, D.C.: International Food Policy Research Institute (FCDN).

Coady, D., & Skoufias, E. (2004). On the targeting and redistributive efficiencies of alternative transfer instruments. Review of Income and Wealth, 50, 11-27.

Cornia, G., & Stewart, T. (1995). Two errors of targeting. In D. van de Walle and K. Nead (Eds.), Public spendings and the poor. Baltimore: John Hopkins University Press.

Coudouel, A., Hentschel, J., & Wodon, Q. (2003). Poverty measurement and analysis. In J. Klugman (Ed.), A sourcebook for poverty reduction strategies. Washington, D.C.: The World Bank.

Dehn, J., Reinikka, R., & Jakob, S. (2003). Survey tools for assessing performance in service delivery. In F. Bourguignon and L. Pereira Da Silva (Eds.), The impact of economic policies on poverty and income distribution. New York: Oxford University Press.

Deininger, K., & Mpuga, P. (2005). Does greater accountability improve quality of delivery of public services? Evidence from Uganda. World Development, 33, 171-191.

Deepa, N., & Deepa, N. (2002). Empowerment and poverty reduction: A sourcebook. Washington, D.C: The World Bank.

Dobronogov, A. (2003). Social protection in low income CIS countries. Paper prepared for the Lucerne Conference of the CIS-7 Initiative, January 20-22, 2003.

Dudwick, N. (1999). Georgia: A qualitative study of impoverishment and coping strategies. In The World Bank (Ed.), Georgia: Poverty and income distribution. Volume II: Technical papers. Washington, D.C.: The World Bank.

Dudwick, N., Gomart, E., Marc, A.,& Kuehnast, K. (Eds.). (2003). When things fall apart. Qualitative studies of poverty in the former Soviet Union. Washington, D.C: The World Bank.

Ebrahim, A. (2003). Accountability in practice: Mechanism for NGOs, World Development, 31, 813-829.

EBRD. (2003). Transition report 2003: Integration and regional cooperation. London: European Bank for Reconstruction and Development (EBRD).

Falkingham, J. (2004). Inequality and poverty in the CIS-7 countries, 1989-2002. In C Shiells and C. Sattar (Eds.), The low-income countries of Commonwealth of Independent States. Progress and challenges in transition. Washington, D.C.: The International Monetary Fund.

Falkingham, J. (2003). CIS-7 Conference. Inequality and poverty in the CIS-7, 1989-2002. Paper was prepared for the Lucerne Conference of the CIS-7 Initiative, January 20-22, 2003.

Flemming. J, & Micklewright, J. (2000). Income distribution, economic systems and transition. In A. Atkinson and F. Bourguignon (Eds.). Handbook of income distribution. Amsterdam: Elsevier Science B.V.

Fox, L. (2003). Safety nets in transition economies. A premier. Social Protection Discussion Paper #0306, Washington, D.C.: The World Bank.

GoAr. (2003). Poverty reduction strategy paper. Yerevan: The Government of the Republic of Armenia.

GoAz. (2004). State programme on poverty reduction and economic development. Annual Report – 2003. Baku: The Government of the Republic of Azerbaijan.

GoAz. (2003). State programme on poverty reduction and economic development 2003-2005. Baku: The Government of the Republic of Azerbaijan.

GoG. (2003) Economic development and poverty reduction programme of Georgia. Georgia: The Government of Georgia.

GoK. (2003). Expending country's capacities. National poverty reduction strategy. Bishkek: The Government of Kyrgyz Republic.

GoM. (2003). The economic growth and poverty reduction strategy paper. Chisinau: The Government of the Republic of Moldova.

GoT. (2002). Poverty reduction strategy paper. Dushanbe: The Government of the Republic of Tajikistan.

Heintzmann, K., Canagarajah, S., & Holzmann, R. (2001). Guidance to the conduct of a social protection expenditure, performance and finance review. Washington, D.C.: The World Bank.

Hölch, K., & Kraus, M. (2004). Poverty alleviation and the degree of centralization in European schemes of social assistance. Journal of European Social Policy, 14, 143-164.

ILO (1999). The ILO social budget model (technical guide). Geneva: International Labour Office (ILO).

IMF (2004). Azerbaijan Republic: Joint staff assessment of the poverty reduction strategy paper progress report. Washington, D.C.: The International Monetary Fund.

IMF (2003). Kyrgyz Republic: Selected issues and statistical appendix. Washington, D.C.: The International Monetary Fund.

IMF (2001). Government finance statistics manual 2001. Washington, D.C.: The International Monetary Fund.

Jones, D. (2000). Uses and limitations of performance measurement in the civil service: An assessment from Singapore and New Zealand experience. Asian Journal of Political Science, 8, 109-135.

Judge, K. (2001). Targeting social provisions in Britain: Who benefit from allocation formula? In N. Gilbert (Eds.), Targeting social benefits. International perspectives and trends. New Brunswick: Transaction Publishers.

Kanbur, R. (2002). Foreword. In N. Dudwick, E. Gomart, A. Marc, and K. Kuehnast (Eds.). When things fall apart. Qualitative studies of poverty in the former Soviet Union. Washington, D.C.: The World Bank.

Kettner, P. (2001). Achieving excellence in the management of human service organizations. New York: Allyn & Bacon.

Kettner, P., Moroney, R., & Martin, L. (1999). Designing and managing programs. Effectiveness based approach. Thousand Oaks, CA: Sage Publication.

Kraus, M. (2004) Social security strategies and redistribute effects in European social transfer systems. Review of Income and Wealth, 50, 431-457.

Kraus, M., & Hölsch, K. (2005) European schemes of social assistance: An empirical analysis of set-ups and distributive impacts. International Journal of Social Welfare forthcoming.

Kuehnast, K. (2002). Poverty shock: The impact of rapid economic change on the women of the Kyrgyz Republic. In N. Dudwick, E. Gomart, A. Marc, and K. Kuehnast (Eds.). When things fall apart. Qualitative studies of poverty in the former Soviet Union. Washington, D.C.: The World Bank.

Lokshin, M., & Yemtsov, R. (2004). Combining longitudinal household and community surveys for evaluation of social transfers: Infrastructure rehabilitation projects in rural Georgia. Journal of Human Development, 5, 265-277.

Lorie, H. (2003). Priorities for Further Fiscal Reforms in the Commonwealth of Independent States. Working Paper 03/209. Washington, D.C., The International Monetary Fund.

Martin, L. (2000). Financial management for human service administrators. Needham Heights: Allyn & Bacon.

Martin, L. (1993). Total quality management in human service organizations. Newbury Park: Sage.

Martin, L., & Kettner, P. (1996). Measuring the performance of human service programs. Thousand Oaks: Sage Publication.

Mehrotra, S. (2001). Basic social services for all? Ensuring accountability through deep democratic decentralization, Background paper for the 2002 Human Development Report. Geneva: UNDP.

Milanovich, B. (2000). Social transfers and social assistance. An empirical analysis using Latvian household survey data. Policy Research Working Paper #2328, Washington, D.C.: The World Bank.

Milanovich, B. (1998). Income, inequality, and poverty in transition from planned to market economy. Washington, D.C.: The World Bank.

Moullin, M. (2002). Delivering excellence in health and social care: Quality, excellence, and performance measurement. London: Open University Press.

Neubourg, C. (2002). Incentive and the role of institutions in the provision of social safety nets. Social Protection Discussion Paper Series # 0026. Washington, D.C., The World Bank.

Paton, R. (2003). Managing and measuring social enterprises. Thousand Oaks: Sage Publication.

Pizzarella, C. (2004). Achieving useful performance and cost information in a comparative performance measurement consortium. International Journal of Public Administration, 27, 631-650.

Poister, T. (2003). Measuring performance in public and nonprofit organizations. San Francisco: Jossey-Bass.

PPMU (2004). Policy performance in the Republic of Moldova. Chisinau: Poverty and Policy Monitoring Unit. Ministry of Economy. The Republic of Moldova.

PSI. (2004). Assist community input into the poverty reduction and economic growth program (PREGP) in Georgia. Partnership for Social Initiatives (PSI). Retrieved on September 2, 2005 from http://www.psigeorgia.org/gcmiandpregp/

Redmond, G., Schnepf, V., & Suhrcke, M. (2002). Attitudes to inequality after ten years of transition. Inoccenti Working Papers No. 88. Florence, Italy: UNICEF Innocenti Research Centre.

Schneider, F. (2002). The size and development of the shadow economy of 22 transition and 21 OECD countries. Discussion paper # 514. Bohn: Institute for the Study of Labor (IZA).

Scott, K. (2003). Generating relevant household-level data: Multitopic household surveys. In F. Bourguignon, and L. Pereira Da Silva (Eds.), The impact of economic policies on poverty and income distribution. New York: Oxford University Press.

Sen, A. (1995) The political economy of targeting. In D. van de Walle and K. Nead (Eds.), Public spending and the poor. New York: John Hopkins University Press.

Stromberg, D. (2001). Mass media and public policy. European Economic Review, 45, 652-663.

Suhrcke, M. (2001). Preferences in inequality: East vs. West, Inoccenti Working Papers No. 89. Florence, Italy: UNICEF Innocenti Research Centre.

UNDP. (2004). Azerbaijan human development report 2003. Baku: UNDP.

UNDP. (2001). Poverty alleviation and issues of governance improvement. Report on the results of the survey. Bishkek: UNDP.

Urban Institute. (1980). Performance measurement. Washington, D.C.: Author.

Wodon, Q., & Yitzhaki, S. (2003). Inequality and social welfare. In J. Klugman (Eds.). A sourcebook for poverty reduction strategies. Washington, D.C.: The World Bank.

World Bank (2004). World development report 2004: Making services work for poor people. Washington, D.C.: The World Bank.

World Bank (2003a). Azerbaijan public expenditure report. Washington, D.C.: The World Bank.

World Bank (2003b). Azerbaijan Republic poverty assessment. Volume II: The main report. Washington, D.C.: The World Bank.

World Bank (2003c). Kyrgyz Republic. Enhancing pro-poor growth. Washington, D.C.: The World Bank.

World Bank (2003d). Uzbekistan living standards assessment. Volume II: Full report. Washington, D.C.: The World Bank.

World Bank (2003e). Public expenditure review of Armenia. Washington, D.C.: The World Bank.

World Bank (2002a). Public expenditure reviews. Washington, D.C.: The World Bank.

World Bank (2002b). Georgia poverty update. Washington, D.C.: The World Bank.

World Bank (2000a). Making transition work for people. Washington, D.C.: The World Bank.

World Bank (2000b). World development report 2000/2001. Washington, D.C.: The World Bank.

Yoon, Y., Reilly, B., Krstic, G., & Bernabe, S. (2003). A study of informal labor market activity in the CIS-7. Paper prepared for the Lucerne Conference of the CIS-7 Initiative, January 20-22, 2003.

Authors' notes
Nazim Habibov is Assistant Professor, University of Windsor, Ontario, Canada.
Lida Fan is Assistant Professor, Lakehead University, Ontario, Canada.

*Address correspondence to* nnh@uwindsor.ca