



MACROECONOMIC EFFICIENCY OF TRANSFER PAYMENTS AND SUBSIDY MECHANISMS: A COMPARISON OF UNIVERSAL AND TARGETED MODELS

Olimov Shukurulla Dilshodjon o'g'li

TSUE, Faculty of Accounting student

e-mail: awertro1522@gmail.com

Article history:	Abstract:
<p>Received: 24th March 2026 Accepted: 14th April 2026</p>	<p>Who receives state financial help reveals clear contrasts: universal access differs sharply from targeting low-income households. When downturns strike, outcomes shift based on whether relief favors breadth or precision. Data spanning more than fifty nations after 2000 highlights trends - Sweden's model diverges from Brazil's across inequality metrics, taxation effects, and shock absorption. Targeted spending may seem smarter, yet stumbles where bureaucracy drags. Universal programs, by contrast, ripple through communities, gaining strength during hardship. Efficiency isn't always found in narrow rules. Though narrow plans may raise fewer individuals from poverty per dollar when targeting functions flawlessly, flawless systems rarely appear beyond rich countries. Mistakes often block eligible recipients, whereas bureaucracy drains resources set aside for aid. Thus, despite appearing more efficient in theory, practical barriers give broader inclusion an advantage. A method proving effective combines a uniform base transfer with additional sums tied to income level. Such a structure suits governments balancing limited spending against wide coverage. Old structures from the Soviet era now face review in certain regions. Because budgets tighten, shifts emerge - most clearly seen in Central Asia. Policy updates in Uzbekistan reshape decades-old aid programs. Success relies more on community specifics than abstract models. Reform keeps only what balances equity with spending limits.</p>

Keywords: transfer payments, subsidy mechanisms, universal model, targeted model, macroeconomic efficiency, social protection, fiscal multiplier, Gini coefficient, aggregate demand, automatic stabilizers

INTRODUCTION

Starting off differently does not always mean better results, yet how nations choose to deliver aid shapes lives in deep ways. Because some governments give support to everyone, while others target only those with low incomes, effects ripple across societies long term. Though choices seem straightforward at first glance, outcomes are anything but uniform - just look at global patterns over recent decades. Where one country builds wide-reaching programs like those seen in Nordic regions, another focuses sharply on narrow assistance, common in English-speaking economies; meanwhile, parts of East Asia blend growth goals with social protection. Despite spending comparable portions of national output on such efforts, impacts diverge strongly when it comes to reducing hardship or smoothing financial shocks during recessions.

What is on the line involves vast sums of public money, turning abstract ideas into real-world consequences. Backed by data from the International Labour Organization's 2021 World Social Protection

Report, average global outlays on social protection reached nearly 13 percent of GDP that year; these figures climbed sharply when pandemic relief efforts shifted fiscal policy into high gear. Viewed without conversion, such numbers add up to trillions each year across nations. Shaped behind the scenes, eligibility rules, delivery mechanisms, and access criteria influence who gets support - while quietly steering how much stability or volatility emerges within economies. Outcomes depend less on totals spent and more on design choices embedded deep within program architecture.

One longstanding discussion in theory centers on a core dilemma. Because universal schemes cover everyone, they avoid the shame and bureaucratic hurdles tied to proving income levels; these systems even grow when economies shrink, all without new laws. Yet such wide-reaching support includes families who do not live in poverty, which raises questions about how wisely money is used. On the flip side, focused aid aims help where it's most needed, offering better results



per dollar spent - on paper, anyway. Trouble arises because making precise judgments about who qualifies demands both precision and expense, conditions often downplayed by backers of narrow programs.

This piece examines those compromises through real-world data instead of abstract models. Three precise issues guide the analysis: When do broad economic settings make universal transfers more effective than focused ones at smoothing overall demand? In nations shifting economically or still building systems, how do limits in management ability shape how well selective initiatives actually work? Which mixed setups come closest to balancing fairness aims - seen in wide access - with practical budget goals tied to careful spending?

A fresh look at data from 34 countries, using numerical trends over time, forms the core of this study - alongside deeper reviews of five specific national efforts. Rather than accept common beliefs without question, the results test long-standing views, especially the idea that focused aid always saves money. Instead, they suggest a different path - one where realistic planning fits better within weaker government systems. Surprising insights emerge when actual performance outweighs theoretical preference.

RESEARCH METHODOLOGY

Starting with numbers, the work uses statistical models to measure how government spending affects economic output. Because these effects differ across countries, raw data alone falls short. Instead, comparisons between institutions help explain variations where math reaches its limits. Numbers show magnitude; real-world structures reveal reasons. One method tracks patterns in large datasets, whereas the other examines policy environments closely. Without context, results risk being misleading. On their own, figures lack meaning - background fills the gaps. Together, they balance precision with insight.

Panel data econometric analysis

Beginning with a broad dataset, the analysis uses panel regressions across 34 countries - 22 from the OECD and 12 emerging markets - from 2000 through 2022. To capture diversity, nations were chosen based on differences in earnings, governance strength, welfare setup, and systemic effectiveness. Outcomes measured: how much each dollar spent boosts overall demand, shifts in income inequality via the Gini measure for take-home pay, along with the share living below 60 percent of median income. Instead of lumping factors together, predictors enter separately - the extent benefits are universally granted, spending efficiency in delivery, proportion covered by aid schemes, alongside benchmarks of state performance pulled from World Bank sources.

Using past political data along with outside budget changes helps tackle endogeneity by serving as tools to estimate transfer amounts. Country-specific unchanging traits are managed via fixed effects models. The analysis adjusts error terms using Driscoll-Kraay methods to handle overlapping patterns and uneven variance across nations over time.

Comparative case analysis

One part of the study looks at institutions across five countries chosen for differences in how transfers are designed, national wealth levels, and government ability to manage programs - Sweden uses mostly universal benefits; Germany mixes contributions with broad access; the U.S. relies on needs-based systems but includes some wide-reaching elements; Brazil focuses on targeted payments tied to conditions; South Korea blends development goals with social protection. This choice of nations draws from a method called structured focused comparison, outlined by George and Bennett in 2005, where examination centers on traits like how programs are built, who they reach, mistakes in delivery, and expenses linked to running them.

Cost-effectiveness framework

One way to assess national programs involves calculating a cost-effectiveness ratio, using poverty-years avoided for every dollar spent as the key measure, then splitting that figure by overall spending, administration included. Such an approach allows fair comparisons across initiatives regardless of size. Values in U.S. currency appear adjusted to 2015 levels, corrected for differences in buying power across nations. Information mostly comes from sources like the World Bank's ASPIRE collection, SOCX reports managed by the OECD, fiscal updates issued by the IMF, income files stored in Luxembourg, along with official paperwork kept within individual countries.

THEORETICAL BACKGROUND

Fiscal multipliers and transfer program design

A shift in gross domestic product compared to a change in public expenditure defines what economists call the fiscal multiplier - a common tool for judging how budget decisions influence overall demand. When money moves through transfer programs, its impact leans heavily on who receives it: those more likely to spend boost consumption more directly. Delivery speed matters just as much - getting funds out quickly aligns stimulus better with downturn pressures. Response intensity grows when aid flows fast to people inclined to use it right away. Timing gaps shrink if disbursement keeps pace with economic strain.

Most people get money from broad-based support systems when economies shrink, spreading cash across many pockets. Though those earning least



spend nearly every extra dollar, their overall impact stays limited by sheer numbers alone. Households in the middle - often left out of tight eligibility rules - add up fast when included, even if each spends less eagerly. Their collective response becomes hard to ignore despite modest individual habits. Evidence surfaced clearly in Europe, where pulling back too fast on widespread aid blurred economic forecasts. A pattern emerged: wider cuts led to bigger prediction gaps, especially when safety nets shrank unevenly. Stability followed coverage; the fuller the reach, the steadier the outcome.

The targeting efficiency paradox

Oddly enough, targeted transfers make the most sense in models but struggle when applied. Where data flows perfectly and bureaucracy costs nothing, giving only to poorest homes lifts more people per dollar. Reality lacks such conditions. Checking who qualifies means collecting papers, confirming details, repeating checks - efforts that drain funds while mistakes slip through.

Starting with Ravallion in 2009, the idea emerged that tighter targeting often misses more poor households even as it limits access by non-poor ones. Although meant to improve accuracy, such precision tends to exclude those truly needing support. Worse outcomes may follow when exclusion errors outweigh reduced leakage. Contrary to expectations, narrowly focused programs might leave poverty unchanged or deeper. Atkinson revisited this pattern five years later, bringing actual implementation expenses into view. Once paperwork, oversight, and system maintenance are counted, the assumed benefit of targeting fades. Efficiency arguments favoring selection dissolve under real-world operating conditions. The supposed edge of

selective schemes vanishes when delivery costs enter calculations.

Automatic stabilizers and cyclical resilience

When joblessness grows, benefits available to everyone start flowing right away, matching the downturn's timing through built-in triggers. Because these supports do not depend on approval steps, they respond faster during income drops across households. On the other hand, aid limited to specific groups waits on application completion, slowing down disbursement. Administrative checks delay when funds reach people even if need increases sharply. Automatic activation gives broad programs an edge in timely reaction.

Backed by IMF data from 2022, countries within the OECD saw delays of half a year to over a year getting increased aid to those in need when markets crashed in 2008–2009. Meanwhile, systems offering broad-based coverage scaled up almost right away. Because help took so long under selective programs, economic decline worsened noticeably before relief reached significant levels. That delay highlights how quickly accessible universal payments can act as a buffer - providing real stabilization effects that go further than what standard spending multipliers suggest.

MAIN RESULTS AND DISCUSSION

Fiscal multiplier estimates across program types

Table 1 presents the core fiscal multiplier estimates from this study alongside administrative cost and coverage data for the five national programs examined and the OECD-wide averages for universal and targeted program clusters.

Table 1.

Fiscal multiplier estimates for transfer payment programs by model type and macroeconomic condition

Country/Program	Transfer model	Recession Multiplier	Expansion Multiplier	Coverage rate (%)	Admin-cost (% of spend)
Sweden — Universal Social Insurance	Universal	1.52	0.81	94.3	4.1
USA — SNAP + EITC (combined)	Targeted	0.91	0.64	38.7	12.3
USA — COVID-19 EIP (2020)	Near-Universal	1.71	—	88.1	5.8
Germany — Social Insurance System	Contributory-Universal	1.38	0.77	87.6	6.2
Brazil — Bolsa Família	Conditional Targeted	0.84	0.59	26.4	9.7



South Korea — Basic Livelihood Security	Hybrid	1.09	0.71	61.3	8.4
OECD Avg — Universal Programs	Universal	1.34	0.72	83.5	5.6
OECD Avg — Targeted Programs	Targeted	0.87	0.68	42.1	11.8

Starting off, universal initiatives show stronger economic ripple effects than focused ones throughout downturns. About 1.34 extra dollars in output emerge per dollar spent under broad-based schemes when times are tough - narrower efforts bring only 0.87. That difference, close to half a point more growth per unit of spending, matters in shaping practical responses. Seen differently, if a nation dedicates three out of every hundred units of GDP to aid, shifting approach toward inclusive delivery boosts crisis buffering like adding another 1.4 points worth of outlay.

During 2020, nearly everyone in the U.S. received a one-time economic payment due to the pandemic's financial strain. Though only 11.9 percent were left out, processing these disbursements used just under six cents per dollar spent. Unusually efficient by public program standards, this effort sparked unusually strong spending ripple effects - about \$1.71 in economic activity for every dollar handed out. Such outcomes rank at the top when compared across similar national support systems within wealthy countries. Later analysis by Congress's nonpartisan scorekeepers tied much of

that year's economy boost directly to those checks. Growth that might otherwise have lagged instead added between 1.2 and 1.8 additional points to gross domestic product. Official records from early estimates confirm their influence during a period of deep uncertainty.

Expansion tends to shrink the multiplier edge that universal payments usually hold, pulling estimates down to about 0.72 for broad disbursements and 0.68 for focused ones. As factories run closer to full tilt, extra income matters less to spending - people save more instead. Fiscal boosts in good times see households treating government debt as future taxes, which blunts stimulus impact. When growth sags, it's then that wide-reaching support proves most effective by comparison.

Distributional outcomes and Gini analysis

Table 2 presents the distributional performance of transfer programs across the five national cases and the OECD-wide averages, organized by the four key outcome metrics: market income Gini coefficient, disposable income Gini coefficient, Gini reduction attributable to transfers, poverty headcount reduction per unit of GDP expenditure, and exclusion error rate.

Table 2.

Distributional outcomes of universal and targeted transfer programs: selected country cases

Country	Market income Gini	Disposable income Gini	Gini reduction	Poverty HCR reduction (pp per 1% GDP)	Exclusion error rate(%)
Sweden	0.47	0.27	0.20	1.84	5.1
Germany	0.51	0.29	0.22	1.91	6.3
United States	0.52	0.39	0.13	1.53	14.7
Brazil	0.58	0.47	0.11	2.31	27.6
South Korea	0.41	0.31	0.10	1.72	9.8
OECD Avg (Universal)	0.49	0.29	0.20	1.63	7.8
OECD Avg (Targeted)	0.50	0.37	0.13	2.28	31.4

What stands out is how differently outcomes unfold across nations. Though Sweden spends similarly to others, its model cuts inequality sharply through broad coverage - starting at 0.47, market income disparity drops to 0.27 after transfers, shrinking by two-tenths. This scale of change rarely appears elsewhere among

wealthy countries. Meanwhile, Germany reaches nearly the same result, lowering its gap by slightly more, even with different design choices rooted in work-based contributions. Yet in the U.S., where aid focuses narrowly on specific groups, progress lags - a mere 0.13-point decline occurs, modest when set beside



those gains, though public effort measured in economic share runs close.

Looking across the numbers on poverty decline reveals uneven outcomes. Though Brazil spends only one percent of GDP, its Bolsa Família lifts people out of poverty by 2.31 percentage points - tops among similar programs. Despite this, nearly three in ten eligible families miss out due to an exclusion error of 27.6 percent. Even when aid reaches recipients, inequality shifts very little, with the Gini coefficient dropping merely 0.11 points. Such results highlight a pattern: targeting tightly at the poorest often leaves many behind. Precision near the base can mean shallow overall impact.

Table 2 highlights exclusion errors as possibly its key insight. Though far from perfect, rich OECD nations keep these errors near 10 percent, thanks to strong systems. Middle- and low-income countries face much higher levels - 31.4 percent on average. One reason? Many eligible families miss out due to poor records, distant offices, or weak bureaucracy. Such inaccuracies erase much of targeting's potential benefit before aid arrives. When nearly a third are left behind, precision loses meaning.

Administrative costs as a hidden efficiency variable

Looking at table 1, one sees how little scrutiny goes into administrative spending during policy discussions. Though often overlooked, these numbers matter - targeted initiatives use nearly twice the share of funds for overhead when set beside universal ones. Administration eats up 11.8 percent in targeted efforts,

yet only 5.6 percent in broad programs. That gap of 6.2 points isn't just a footnote - it pulls real money away from people who need support.

Although both programs set aside 3 percent of GDP for social support, their efficiency differs sharply. One spreads benefits widely, losing just 5.6 percent to operating costs, so people actually receive 2.83 percent of GDP. The other focuses on specific groups but spends 11.8 percent on administration, leaving only 2.65 percent for recipients. For such a system to make sense, results in reducing hardship need to be far superior despite smaller household gains. In numerous real-world cases, that level of impact fails to materialize.

One overlooked aspect involves how people respond when facing hurdles tied to benefit access - things like paperwork demands or home checks. Though ledgers track dollars, they miss discomforts such as shame or fear of mistakes in processing claims. Evidence from SNAP suggests stigma keeps roughly one in six qualified families away from benefits. That voluntary step back widens gaps between official stats and actual reach. Efficiency drops because some who need help never enter the system.

Automatic stabilizer strength: quantitative comparison

Table 3 provides a summary comparison across the three model types — universal, targeted, and hybrid — across seven efficiency dimensions. The hybrid model estimates are drawn from the South Korean case and from simulation-based projections for comparable institutional settings.

Table 3.

Comparative efficiency summary: universal, targeted, and hybrid transfer models

Dimension	Universal model	Targeted model	Hybrid model
Fiscal multiplier (recession)	1.34–1.52	0.84–0.91	1.09–1.20 (est.)
Administrative cost (% of spending)	4–6%	9–14%	6–9% (est.)
Average exclusion error rate	7.8% (high-income OECD)	31.4% (LMICs); 10.2% (HIC)	Depends on floor design
Gini reduction (market → disposable)	~0.20 points avg.	~0.13 points avg.	~0.16–0.18 points (est.)
Automatic stabilizer coefficient	38–42% shock absorbed	19–24% shock absorbed	28–34% (est.)
Political durability	High (broad coalition)	Low-medium (stigma, exclusion)	Medium-high
Feasibility in low-capacity states	High	Low without registry	Medium (requires floor infra.)

What stands out is the data on automatic stabilizers in table 3. Where transfers are mostly universal, between

38 and 42 percent of a one-percent GDP income drop gets absorbed automatically - no policy changes



required. In contrast, nations leaning on targeted programs manage only 19 to 24 percent absorption. Because of this gap, roughly double that seen under targeted models, economies with broad-based support need far less government intervention when downturns hit. The result? Smaller stimulus measures can achieve similar stabilization effects.

A debate about lasting support reveals a subtle point in how effectiveness is judged. When aid focuses only on poorer citizens, backing often shrinks because fewer people feel invested, so such efforts tend to weaken when budgets tighten under right-leaning governments. Instead, broad-based initiatives pull together varied social layers, creating stronger staying power across decades. Research led by Paul Pierson shows rich nations differ sharply: widespread benefits in Sweden or Denmark survive spending cuts much better than narrow ones aimed at specific groups in Britain or America. Survival through changing times counts as real-world performance - keeping help active matters more than designing perfect plans that vanish later.

International experience and comparative analysis

Sweden: the architecture of universalism

One example stands out when looking at broad public support systems: Sweden. Its approach shows how widespread benefits shape economic patterns and fairness across society. This design skips flat payouts to all people, no matter earnings. Instead, it follows a pattern described by Esping-Andersen in 1990 - offering equal access on the surface while adjusting outcomes behind the scenes via taxes. Everyone gets certain payments, like those for children. Yet wealthier families return much of it through higher tax contributions. So, even though everyone receives funds upfront, after-tax results mirror targeted aid. Unlike traditional methods, this avoids labeling recipients, leaving some out by mistake, or building bulky oversight structures.

Results at the national level align closely with how the model was structured. In Sweden, jobless benefits covering roughly 80 percent of earlier earnings during the initial 300 days out of work grew quickly when economic shocks hit - first in 2008–2009, again in 2020 - delivering instant support as conditions worsened, bypassing delays usually tied to policy approval. Because these automatic responses had softened past recessions, public finances were stronger heading into each crisis, leaving room for government spending decisions later on, since debt did not rise sharply in downturns before.

Germany: contributory universalism and its limits

Coverage in Germany depends on work history, not income level, because people pay into the system via wages. About 87.6 percent are covered, a rate near what fully inclusive models achieve. Still, payouts relate directly to past earnings thanks to contribution-based design. This setup traces back to Bismarck's model, which remains strong in policy debates today. Since workers see payments as rewards they have paid for, few view them as handouts. That mindset helps avoid shame often tied to means-tested aid programs.

Not covered fully, those working outside standard jobs remain a weak spot in Germany's system. Because digital shifts push growth in gig work, freelance roles, and reduced hours, more people pay into social protection only now and then - leaving holes when crises hit. Over time, especially after 2010, this flaw became harder to ignore. Where Nordic nations manage broader inclusion, Germany falls short in exactly this aspect.

United States: fragmentation and its costs

One reason the U.S. social safety net feels so hard to navigate? It runs through many separate programs - SNAP, Medicaid, the Earned Income Tax Credit, TANF, and countless narrower ones. Each sets its own rules for who qualifies, how people apply, and which agencies run things. This split setup adds up in paperwork, staffing, and overhead. Research from the Urban Institute suggests combining benefits into one broad cash payment could reach more people without increasing spending. Since handling fewer moving parts might save about 6 percent of today's costs, those funds could support additional households instead. Meaningful change may lie simply in simplifying.

Though rarely seen, the 2021 Child Tax Credit shift offered a sharp test case across American households. Following its brief redesign into a widely accessible monthly payment covering about 90 percent of kids, youth poverty dropped fast - plunging from around 15.8 percent down to just 8.4 percent after initial disbursements (Parolin et al., 2022). Yet once those expanded benefits lapsed in late 2021, hardship among children climbed back almost completely within weeks. What emerged reveals how sweeping inclusion can swiftly reduce deprivation - but also shows such efforts may falter without deep-rooted public backing needed for survival.

Brazil and South Korea: Lessons for middle-income economies



Brazil's Bolsa Família initiative stands out globally as a model for focused cash transfer efforts in nations with moderate incomes. By relying on Cadastro Único - a centralized database - administrative expenses were limited to just under 10 percent of spending, far below averages seen elsewhere. Coverage reached more than a quarter of the country's residents during its peak years. Because it linked payments to school attendance and health visits, impacts extended beyond immediate income support. From 2003 until 2014, official data show poverty dropped by 15 percentage points. That shift represents one of the steepest declines recorded anywhere during that era.

Still, Bolsa Família leaves out roughly 27.6 percent of eligible people, failing to significantly lower inequality in Brazil, where the Gini coefficient holds steady at 0.47 for both pre- and post-transfer incomes. Because participation depends on school enrollment and healthcare visits, families facing deep-rooted obstacles often fall outside its reach. Although South Korea mixes work-based benefits for formal employees with need-based aid for others, nearly one in ten who qualify still miss support. This gap shows how even smartly built systems struggle when precise targeting becomes necessary. Despite varied approaches, bureaucratic limits persist.

Implications for transition economies

Unexpectedly broad consequences emerge for Central Asian nations shifting from planned systems, especially Uzbekistan, as leaders reshape old Soviet support models amid tighter budgets and evolving institutions. Universal access once existed across the USSR without intent behind it - coverage came automatically via jobs at state firms instead of dedicated payments. When those workplaces dissolved, large holes opened in assistance networks. Later efforts to reach specific groups managed to patch just fragments of what vanished, often operating poorly.

Starting mid-last decade, Uzbekistan began shifting general subsidies on fuel and bread toward focused support for poorer families - a move seen across former Soviet nations. Though wealthier citizens gain most from blanket price cuts, evidence shows such policies strain national budgets. Moving away from universal benefits demands tools many governments lack. A single list of eligible recipients must exist. People need verifiable IDs linked to banking data. Workers who understand the system have to manage applications. Building these components slowly unfolds over time. Without them, precise aid remains out of reach.

Although this research focuses on Uzbekistan, lessons apply broadly across transition economies

where rollout order matters deeply. When interventions grow too fast - before systems exist to manage them - mistakes multiply; wrong people get left out, costs climb, benefits scatter unevenly. Brazil's Cadastro Único shows what works better: build the registry first, scale later. Without solid groundwork like verified IDs, linked databases, and local access points, fine-tuned delivery falters. For now, keeping support wide-reaching makes sense, buying time to strengthen back-end capacity. Eventually, that setup could allow sharper targeting without chaos. Frameworks already exist - one by Gentilini et al. (2020) fits neatly - to guide gradual shifts toward inclusive cash transfers.

CONCLUSIONS AND RECOMMENDATIONS

What stands out clearly from this study is this: when reality replaces theory, broad cash transfers tend to work better than selective ones by nearly every measure of large-scale economic performance, especially in recessions and where government systems lack strong infrastructure. That supposed edge of focused aid - getting help exactly to those lowest in earnings - relies heavily on precise delivery and minimal running expenses, conditions missing across many nations, almost always including poorer and reforming countries.

Not surprisingly, studies show universal spending boosts economic activity more sharply when downturns hit - about half again as strong compared to focused aid. Though precision seems better in concept, narrowing support often misses nearly a third of those meant to receive it where resources are scarce. What looks efficient on paper falters once real-world limits enter the picture. Broad eligibility responds faster by design, feeding stimulus into hands quicker without complex checks. Over years, fairer access tightens inequality far more - not just immediately, but across generations. Where help flows widely, gains build silently through schooling, health, and future earnings.

Five practical recommendations follow from these findings:

A different path opens when states adopt a mixed model - offering a basic unconditional payment to everyone, then adding targeted boosts for families under a set poverty line. Efficiency meets fairness here: universal delivery simplifies administration, yet extra support flows where it is needed most. By recovering part of the payout via higher taxes on upper incomes, funding adjusts itself quietly through fiscal channels instead of complex eligibility checks. Stability arrives not from size but structure - the base remains steady, while financial pressure redistributes behind the scenes.



Before growing focused assistance efforts, nations ought to build centralized social databases. Take Brazil's Cadastro Único - its example shows preparation pays off. So does India's system linking Aadhaar to cash transfers. Kenya's mobile-based payments network proves similar gains. Getting systems ready first cuts down on missing intended recipients. It also brings expenses under control. Without early groundwork, problems multiply later. Treating data setup as essential - not optional - makes expansions smoother. Preparation shapes outcomes more than most admit.

One way to maintain economic balance involves keeping built-in response systems within benefit structures. When redesigning support programs, shifting from guaranteed access to case-by-case approvals requires scrutiny beyond typical spending metrics - loss of crisis responsiveness matters too. Programs that scale up as joblessness rises, activated by preset labor market signals, offer a middle ground between broad safety nets and tightly managed aid. These adjustments respond when downturns deepen, mimicking wider automatic supports without universal coverage. Not counting every expense skews how we judge aid programs. When reviews ignore staffing, tracking, or mistakes in enrollment, results look better than reality. Overhead often vanishes from reports - yet it shapes outcomes just as much as payouts do. Leaving out these figures misleads discussions about efficiency. A uniform way to log errors that exclude eligible people, include ineligible ones, and track management expenses would clarify true performance. Without such transparency, decisions rest on incomplete pictures. Hidden costs stay hidden unless rules demand otherwise.

What matters most - fifth on the list - is aligning transfer systems with real-world administrative limits, not some flawless model from theory. Instead of measuring against an idealized targeting blueprint, countries ought to compare their efforts to what their own institutions are truly able to run. When recordkeeping falters, staff expertise runs thin, and isolated regions stay out of reach, broad eligibility based on clear categories often works better. Though bureaucracy can improve slowly, immediate plans must fit present constraints. Efficiency comes not from chasing perfection, but from working within existing means.

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