Do Conditionalities Increase Support for Government Transfers?

---Supplemental Information---

Appendix A. The implicit behavioural model

Our theory and hypotheses are motivated and justified by an explicit behavioural model. The features of our hypothesis are built into this model by construction, so we do not pretend to be discovering here-to-fore unanticipated implications. Rather, we simply show that the hypothesis is internally logically consistent.

The individual of interest is a non-beneficiary of government transfers and can be thought of as being among the better-off in a given society. We seek to assess her preferences over different types of government transfers that have the same 'redistributive content.' In other words, our goal is to describe this individual's preferences among transfers that cost the same and imply the same amount of redistribution towards the 'worse-off', but that differ with respect to whether they are conditional or not, and what type of conditionality they impose on beneficiaries.

We begin with the simple proposition that the utility that individual derives from a government transfer is a positive function of the worthiness of the representative beneficiary (as perceived by her). We define worthiness as a function of a one-dimensional summary of differences between and (as perceived by ) in any dimensions that are relevant in the given polity , and of a general perception of merit , which can be thought as capturing how industrious and/or vulnerable beneficiaries are perceived to be.

\[
\text{worthiness} = -e^{r-m}.
\]

Conditionalities affect worthiness by increasing perceived merit . Defining as a measure of conditionalities (more stringent conditionalities have higher values), we have that . The key expression of interest is the derivative of relative to .

\[
\frac{\partial U_i}{\partial c} = \beta e^{r-c}
\]

This expression is always positive: increasing to impose or strengthen conditionalities on transfers should always yield greater utility to non-beneficiaries. Conditionalities, however, have declining marginal utility: their effects are larger when moving from a completely unconditional to a conditional transfer than from further strengthening of the conditionalities. The otherness hypothesis is motivated by this model because...
for larger values of perceived differences between $r$, the effects of $c$ are larger; that is, when perceived differences are minimal ($r = 0$), the effects of conditionalities will be smallest. Figure A1 illustrates this point.

Appendix B. Results for Attentive Respondents

The results reported in the main body of the article excluded respondents that failed the attention screener. As Figure B1 shows, the substantive conclusions do not change if we include those respondents. For ease of interpretation, we report only pooled results for Studies 2 and 3, which can be easily compared with Figure 3 in the main body of the paper. Treatment effects for the regional and racial manipulations are slightly smaller than what we found for attentive respondents, which makes sense given that inattention adds noise to the estimates.

Results for each study are available upon request, in both studies in both countries the conditionality premium for respondents that received the regional manipulation is statistically significant and considerably larger than those in the otherness control group. In the control group, the conditionality premium is almost never statistically significant. For the racial manipulation, results are again less clear. We observed increases in the conditionality premium in Study 2, but not in Study 3.

Appendix C. The Exploratory Brazil Study

As a first approach to effect of conditionalities on support for transfers, we designed a simple experimental item that was embedded in a nationally representative survey fielded in Brazil just after the 2010 presidential election. We
Figure B1. Estimates of the effects of the conditionality manipulation (i.e. the conditionality premium) without excluding non-attentive respondents and 95 percent confidence intervals for the different otherness conditions, after pooling the data from Studies 2 and 3, by country. Effects are reported in standard deviations of the outcome variable.
sought to identify whether stressing the conditional aspect of Brazil’s Bolsa Familia Program affected support for the program. The experiment had the simplest possible design, with a single treatment and a single control condition, randomly assigned to each respondent. Respondents in the treatment group were presented with the full statement, below. Respondents in the control group did not receive the clause in italics.

Bolsa Familia is a social program that pays monthly allowances to low income families, and requires, among other things, that the families keep their children in school, and pay regular visits to the doctor. Do you approve or disapprove of the Bolsa Familia program?

To our surprise, there was very little variation between the treatment and control groups with respect to approval of the program, as shown in table C1. The average treatment effect was to increase support for CCTs by 1.4 percentage points after excluding all self-reported beneficiaries in the sample, and this effect was not statistically significant. The effect was even smaller if we kept Bolsa Familia beneficiaries in the sample. In short, the treatment did not lead to any change in opinion about Bolsa Familia.

However, when we disaggregated the data by levels of income, an interesting pattern emerged. Among ‘high income’ respondents—defined as those in the top 15 percent of the income distribution—support was 16.1 percentage points higher in the treated group than in the untreated group. In contrast, there was no treatment effect among those in the lower 85 percent of the income distribution; in some income brackets, the point estimates were actually negative.

Table C1. Average and Heterogenous Treatment Effects — Exploratory Study

|                     | Full Sample | Non CCT beneficiaries |
|---------------------|-------------|------------------------|
| Treatment (Conditional) | 0.002       | 0.914                  |
|                      | 0.917       | 0.576                  |
| p-value              | 0.895       | 0.854                  |
|                      | 0.955       | 0.955                  |
| p-value              | <0.001      | <0.001                 |
| Intercept            | 0.121       | 0.410                  |
|                      | 0.443       | 0.443                  |
|                      | <0.001      | <0.001                 |
|                      | 0.161       | 0.161                  |
|                      | <0.001      | <0.001                 |
|                      | 0.035       | 0.035                  |
|                      | 0.035       | 0.035                  |
|                      | 0.035       | 0.035                  |
|                      | 0.035       | 0.035                  |
|                      | 0.035       | 0.035                  |

The table shows shares of respondents supportive of Bolsa Familia across treatment conditions implemented in the BEPS 2010 survey, by income brackets [Ames et al. (2010)].

Appendix D. Work/Training Conditionalities

The complete Study 2 included another conditionality manipulation, one in which the conditionalities attached to the hypothetical transfer required beneficiaries to attend work training and household budgeting courses. For ease of presentation and symmetry between with Study 3, we did not report these results in the main body of the article.
In Figure D1, below, results are presented in the same format as the results for the child-related conditionality were presented in the main body of the article. As observed with child-related conditionalties, for Brazil and Turkey the conditionality premium for those in the otherness manipulations is either larger or equal to what we observe in the control group. Results for Brazil are, in fact, very similar to what we observed with the child-related conditionality: the conditionality premium is larger and significant in the regional manipulation and the racial manipulation showed no effect on the conditionality premium.

In Turkey the conditionality premium is larger in both manipulations of otherness relative to the control group with this work-based conditionality. In this sense, results do corroborate the otherness hypothesis, however, the are somewhat anomalous because this larger premium is driven by the fact that we observe a negative premium in the control group. The negative premium was such an outlier relative to all the other results we observed in all studies, in both countries, that we later performed some qualitative research to attempt to identify its origins. We leave a more detailed exploration of this issue for future work.