Integrating transfers and services to address child poverty: Human development programmes in middle-income countries

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The presentation in brief

Child poverty in low- and middle-income countries

Growth of human development conditional income transfer programme in developing countries

Integrating transfers and services - design, outcomes, challenges

Insights for high-income countries?
In one way, child poverty gets worse with economic development: poverty becomes concentrated among children.

[In low- and middle-income countries poverty is measured against a minimum living standard: minimum food consumption level + minimum services expenditure. Global poverty lines: one-dollar-a-day in LICs four-dollars-a-day in MICs. Latest estimate: 902 million below US$1 in 2012 (US$1.9 2011 PPP) 12.8% world pop.]

Consumption/income poverty overlaps with a range of deprivations: malnutrition, poor access to basic services, insecurity, poor health, limited voice.
Age-poverty link is weak in low-income countries

Under- and over-representation of persons 5-10 and 60+ in poverty in selected countries in sub-Saharan Africa

Age-poverty link is stronger in middle-income countries ... in part due to social policies

![Extreme poverty headcount rates by age - Chile 1990-2009](image)

Data Source: CASEN
..age-poverty link might not necessarily weaken with poverty reduction

Extreme poverty headcount rate Chile 1990-2009

Data Source: CASEN
Poverty (and deprivation) reduces with economic development

...global extreme poverty fell by one half 2000-2015

But becomes more concentrated among children

...in part because of social policies

Child poverty is a key issue for middle- and high-income countries
How are middle-income countries rising to the challenge of addressing child poverty?

Rapid growth of social transfer programmes providing direct transfers in cash and in kind to families in extreme poverty with the aim of facilitating exit from poverty

Pure income transfers

Social pensions, child grant, family allowances
[South Africa’s Child Support Grant and Old Person Grant]

Income transfers and asset accumulation

Human development
[Mexico’s Oportunidades, Brazil’ Bolsa Família]
Infrastructure and asset protection [India’s National Rural Employment Guarantee]

Integrated poverty reduction programmes
[Chile’s Chile Solidario]

Focus on human development conditional income transfers to families with children (HDCITs) and on Latin America
Reach of Human Development Income Transfer Programmes in Latin America (millions)

Data Source: Stampini and Tornarolli [2012]
Main design features

Targeted on families in extreme/moderate poverty

Selection based on socio-economic status and demographics

Provide regular transfers in cash and in kind to participants

Transfers in cash are assessed on the basis of number of children and their age

Transfers are conditional on children attending school and families accessing primary health care on a regular basis, especially expectant mothers and infants

Entitlements are reviewed at specified intervals (2/4 year)

Quasi-experimental evaluation of programme outcomes and implementation monitoring
Context - Three examples:

Brazil - 1995 handful of municipalities introduce HDCITs to mitigate impact of the economic crisis - spread to other municipalities with federal support - 2001 becomes federal programme as Bolsa Escola - 2003 five transfer programmes are merged into Bolsa Família - 2004 Ministry of Social Development is established to manage it

Mexico - 1997 PROGRESA [Health and Nutrition Programme] is introduced in marginalised rural municipalities - renamed OPORTUNIDADES and extended to urban areas in 2006 - Social Development Office at federal level manages it - 2015 renamed PROSPERA

Chile - 2004 commitment to eradicating extreme poverty - main issue is identified as social exclusion compounded by response mode (modelo de espera) - intermediation - multidimensional - decentralised delivery - 73 targeted minima - 2010 Ethical Family Income adds transfers encouraging employment and school achievement - Ministry of Social Development
Outcomes
Difference in difference estimates of the poverty reduction effectiveness of Progresa/Oportunidades in Mexico two years after its introduction

<table>
<thead>
<tr>
<th>Poverty headcount</th>
<th>Poverty gap</th>
<th>Poverty gap squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.36</td>
<td>36.13</td>
<td>45.63</td>
</tr>
</tbody>
</table>

Medium run effect on human development (nutrition)

Difference in height for age between OPORTUNIDADES treatment (joined 1998) and control (joined 2000) groups in 2000 and 2003 for 2-6 year olds

- Height for age after 2 years: 1 difference (cm)
- Height for age after 6 years: 0.65 difference (cm)

Gertler and Fernald [2006] Vol III ch. 2 Impacto de mediano plazo del programa Oportunidades sobre el desarrollo infantil en areas rurales
Child labour outcomes from selected child-focused programmes

![Graph showing the relation between the value of transfers as a percentage of total household income and the reduction in child labour (percentage points).](image)

Key:
- Bono desarrollo Humano (Ecuador)
- CSG (S. Africa)
- RPS (Nicaragua)
- PRAF (Honduras)
- Familias Accion (Colombia)
- Tekopora (Paraguay)
- Oportunidades (Mexico)
- SCT (Malawi)
- PATH (Jamaica)
Integrating transfers and services
Two dimensions:

integration and coordination across (public) agencies - horizontal and vertical integration at the individual/household level

Interventions differ in the extent to which they require integration

access to goods and services vs developing capabilities or behaviour

HDCITs generate challenges as regards integration: the role of conditions; institutionalisation; and the role of intermediation
Conditions

Typically, HDCITs include conditions on school enrolment and attendance (85% of school time), annual health check up for all household members, more regular check up by expectant mothers and full immunisation for infants

Conditions require agreement and collaboration from the relevant ministries and agencies

In some programmes, non-compliance triggers additional interventions and support, in this case conditions provide a context for integration [Brazil]

In other programmes, non-compliance leads to suspension of transfers

Note that conditions can help manage the intensity of coordination across agencies
Institutionalisation

The growth in HDCITs has gradually led to new institutions responsible for managing the programmes - usually a Ministry of Social Development

Leading to improvements in capacity, budget certainty, and streamlined interventions - but the experience in Latin America suggests inter-agency coordination remains a problem: formal structures have turned out to be less effective than informal 'social protection networks'

Information systems provide a stimulus for innovation and integration - common database of 'users' of public programmes generates spaces for integration of services and identification of programme participants: Colombia's SISBEN, Chile's Ficha de Proteccion Social, Brazil's Cadastro Unico
The role of intermediation
What about integration at the household level?

Before the introduction of Chile Solidario a survey identified 143 separate antipoverty interventions from over 30 agencies - social workers ensure they reach participants

Figure 3. *Chile Solidario*: timelines and outcomes

- Eligible households join PUENTE programme (BRIDGE)
- Households work with support on 7 dimensions and 53 thresholds
- Plus cash transfer
- Households exit Chile Solidario
- Cash transfer

...but how to evaluate the impact of intermediation?
Insights for high-income countries?

Opportunity NYC - Flemish School Allowances and truancy
Opportunity NYC

 Introduced and privately funded by Mayor Bloomberg in NYC in 2007

 'Influenced' by Mexico's Oportunidades programme

 But two key differences:

 The NYC programme was designed as a system of rewards/cash incentives for specific behaviour/activities - no integration of transfers and services

 It explicitly excluded case management and social services - 'incentives only'

# The Opportunity NYC Demonstration: Family Rewards

## Table ES.1

### Schedule of Rewards

<table>
<thead>
<tr>
<th>Activity</th>
<th>Reward Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education incentives</strong></td>
<td></td>
</tr>
<tr>
<td>Elementary and middle school students</td>
<td></td>
</tr>
<tr>
<td>Attends 95% of scheduled school days <em>(discontinued after Year 2)</em></td>
<td>$25 per month</td>
</tr>
<tr>
<td>Scores at proficiency level (or improves) on annual math and English language arts (ELA) tests</td>
<td></td>
</tr>
<tr>
<td>Elementary school students</td>
<td>$300 per math test; $300 per ELA test</td>
</tr>
<tr>
<td>Middle school students</td>
<td>$350 per math test; $350 per ELA test</td>
</tr>
<tr>
<td>Parent reviews low-stakes interim tests <em>(discontinued after Year 1)</em></td>
<td></td>
</tr>
<tr>
<td>$25 for parents to download, print, and review results (up to 5 times per year)</td>
<td></td>
</tr>
<tr>
<td>Parent discusses annual math and ELA test results with teachers <em>(discontinued after Year 2)</em></td>
<td></td>
</tr>
<tr>
<td>$25 (up to 2 tests per year)</td>
<td></td>
</tr>
<tr>
<td><strong>High school students</strong></td>
<td></td>
</tr>
<tr>
<td>Attends 95% of scheduled school days</td>
<td>$50 per month</td>
</tr>
<tr>
<td>Accumulates 11 course credits per year</td>
<td>$600</td>
</tr>
<tr>
<td>Passes Regents exams</td>
<td>$600 per exam passed (up to 5 exams)</td>
</tr>
<tr>
<td>Takes PSAT test</td>
<td>$50 for taking the test (up to 2 times)</td>
</tr>
<tr>
<td>Graduates from high school</td>
<td>$400 bonus</td>
</tr>
<tr>
<td><strong>All grades</strong></td>
<td></td>
</tr>
<tr>
<td>Parent attends parent-teacher conferences</td>
<td>$25 per conference (up to 2 times per year)</td>
</tr>
<tr>
<td>Child obtains library card <em>(discontinued after Year 2)</em></td>
<td>$50 once during program</td>
</tr>
</tbody>
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Flemish Family Allowances and truancy

Low-income families receive family allowances to support children in school, but truancy could lead to the suspension of transfers or the application of administrative fines [Netherlands, France and the UK among others]

The Flemish family allowances allow for the recovery of the transfers if school aged children show unauthorised absences of 30 half days in two consecutive years or are not registered for more than 15 consecutive days

2008-2011 351 allowances recovered ranging fro euro 100 to euro 2854

administrative issues: delay in recovery around 2 years; not effective as deterrent

substantive issue: "Holding parents accountable for the absenteeism of their children does not take account of the ...complexity of the concept of responsibility"

Conclusions

Middle- and high-income countries need to pay special attention to child poverty

Middle-income countries are addressing child poverty by expanding programmes providing transfers to families in poverty

Human development conditional income transfer programmes combine transfers in cash to families with children with schooling and health service utilisation, in Latin America they reach a quarter of the population

Generally considered successful in reducing poverty, integrating transfers and services has been particularly challenging for these programmes. Conditions, agency networks, and intermediation can support effective integration

Human development conditional income transfer programmes have not been well understood from a high-income country perspective, but can provide useful insights if considered in their proper context