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**ISBN: 978-85-88201-04-0**



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Brasília, Brazil — December, 2019





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# FOREWORD

In celebration of its 15th anniversary in 2019, the International Policy Centre for Inclusive Growth (IPC-IG) has produced a compilation of one of its most popular research publication formats. This fourth volume compiles One Pagers numbered 300 to 399. Over the last decade and a half, people have downloaded these highly successful publications millions of times in over 180 countries.

One Pagers are short and succinct pieces that help familiarise readers with complex policy discussions. They represent an effective knowledge-sharing tool, calling on policymakers, researchers and development practitioners to rethink inclusive growth policies and poverty alleviation strategies.

The IPC-IG would like to extend a very special thanks to the remarkable authors of these One Pagers, as well as to the institutions to which they are affiliated—these publications are often the result of collaborations with external partners—for having so generously and graciously contributed to expanding the Centre's portfolio.

We hope that this volume helps readers reflect on social development issues from fresh perspectives. Happy reading!

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**The International Policy Centre  
for Inclusive Growth (IPC-IG)**



# Evaluation of the Kenya Hunger Safety Net Programme pilot phase

Fred Merttens, Oxford Policy Management

## The Kenya Hunger Safety Net Programme (HSNP) Pilot

The HSNP is an unconditional cash transfer that aims to reduce poverty in four counties<sup>1</sup> in the arid and semi-arid lands of northern Kenya. The pilot phase (2007–2013) was operated under the Ministry of State for the Development of Northern Kenya and funded by the UK Department for International Development (DFID) and AusAid. During its pilot phase, the HSNP delivered regular cash transfers every two months to around 69,000 beneficiary households, targeted using three distinct methods: community-based targeting, dependency ratio, and a social pension (which targets individuals rather than households). The transfer started at a value of KES2,150 (USD21.48)<sup>2</sup> and rose to KES3,500 (USD34.97) by the end of the evaluation period.

## The pilot phase evaluation

An independent evaluation of the HSNP pilot phase was conducted to provide a rigorous assessment of the programme's impact and performance. The evaluation utilised a mixed-methods approach, with the quantitative component underpinned by an experimental randomised controlled trial design. Quantitative data collection took place over three rounds across the four counties between August 2009 and November 2012. Qualitative research was conducted periodically across a number of sites throughout the four counties during each year of the evaluation period. The evaluation included an assessment of the programme's operational performance and targeting, alongside an estimate of its impact. The evaluation measured impacts across a wide variety of domains. The results presented here represent two years of programme operations.

## Evaluation results

The evaluation found strong evidence of positive impacts in some areas, clear evidence of no impact in other areas, and in yet other areas the evidence was more mixed or ambiguous.

There was strong evidence of **positive programme impact on consumption and poverty**, with beneficiary households 10 percentage points less likely to be extremely poor than control households<sup>3</sup> and the programme reducing both the poverty gap and severity of poverty by seven percentage points. In addition, the programme improved **food expenditure** for beneficiary households (by KES213 per adult equivalent), while 87 per cent of beneficiary households reported eating more and/or larger meals as a result of the programme. **Health expenditure** also increased, as did households' propensity to **save money and access loans**.

The evaluation also showed that the HSNP did not have impacts across all possible domains. There was clear evidence of **no programme impact on: child nutrition** (it was shown that stunting and wasting are determined by factors beyond the HSNP); **receipt of food aid** (households were not deprioritised for food aid as a result of the programme); **health status** (HSNP did not reduce incidence of illness or injury); **livelihoods** (HSNP did not cause dependency or disrupt pastoralist livelihoods); **local prices** (HSNP did not cause inflation or stabilise prices over time); and **social tension** within or between communities.

At the same time, the evidence of the programme's impact on a number of areas was more mixed or ambiguous; evidence either suggested that it had differing degrees or types of impact across heterogeneous groups,

or was indicative of impact or lack of it but not fully conclusive. Some of the key areas in this regard included:

- **Dietary diversity:** The HSNP may have improved dietary diversity for poorer and smaller households.
- **Educational attainment:** The HSNP did not increase enrolment, attendance or expenditure on education, but it did improve educational performance for those children in school.<sup>4</sup> This result was strongly linked by the qualitative research to improvements in the psychosocial well-being of children.
- **Assets:** The HSNP may well have enabled retention of livestock assets (especially for poorer and smaller households), but did not aid retention or accumulation of non-livestock productive assets.
- **Access to credit:** The HSNP improved access to credit for some households.
- **Vulnerability to shocks:** The HSNP helped households to avoid certain negative coping strategies (e.g. sale of household assets).
- **Local economy:** Evidence suggested that the HSNP was having a positive impact on the local economy.

## Policy implications

The quantitative and qualitative evidence showed that different households respond in different ways to the programme. Specifically, analysis showed that impacts were more pronounced on smaller and poorer households, and households that received a greater cumulative per capita value of transfer. These results indicated that targeting the poorest households and/or appropriately calibrating the value of the transfer (e.g. to household size) could maximise impact. In addition, the evidence showed that, at its current value, the HSNP alone will not impact all aspects of well-being. Other complementary interventions are necessary.

## HSNP phase 2

Evidence from the HSNP pilot evaluation fed directly into the design of the second phase of the programme. The HSNP is now scaling up to cover 100,000 households with payments every two months, plus a facility to scale up the transfer to cover up to 75 per cent of the population with one-off emergency payments in case of severe drought. The HSNP is now attempting to target the poorest households through a combination of community-based wealth ranking and proxy means testing. HSNP phase 2 includes an independent Monitoring and Evaluation component, results from which will start to become available from late 2016.

## Notes:

1. Mandera, Marsabit, Turkana and Wajir.
2. As of 6 July 2015, 1 Kenyan Shilling (KES) = 0.009 USD.
3. Extreme poverty is conditioned on the likelihood of falling into the bottom decile of national consumption.
4. HSNP children were more likely to have passed Standard Grade IV than their control counterparts.

For more information, see: <<http://www.opml.co.uk/projects/h SNP-project-evaluation-kenya-hunger-safety-net-programme>> (accessed 10 August 2015).

This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

## Brazil without extreme poverty: New perspectives for Brazilian social protection

Tiago Falcão, Special Secretary for Overcoming Extreme Poverty, MDS and  
Patricia Vieira da Costa, Director of Institutional Relations for the Brazil Sem Miséria plan, MDS

**Reducing poverty has been a signature** of the Brazilian government for over a decade. The *Bolsa Família* (BF) conditional cash transfer programme, launched in 2003, enhanced the country's existing social protection system, adding a new focus on poverty—especially poor children. Its success spurred the development of the Single Registry for Social Programmes, which made the characteristics and needs of the poorest populations in the country visible to the State for the first time, thus allowing federal, state and municipal governments to provide them with services.

Innovative and effective social investments, along with increases in employment and in the minimum wage, have led to an unprecedented reduction in poverty and inequality over the last decade. Even so, by 2011 there were still millions of Brazilians living in extreme poverty. Overcoming that situation was the main goal of the Brazil without Extreme Poverty (*Brasil Sem Miséria*, BSM) plan, led by the Ministry of Social Development and Fight against Hunger (MDS), conceived to improve existing social programmes and create new ones in an orchestrated, multidimensional fashion that went beyond income to tackle the many manifestations of poverty and reach various groups in different regions and contexts.

The plan is a threefold strategy comprising one pillar dedicated to income transfers, a second to improving the perspectives, opportunities and integration of adults into the labour market (both in urban and rural areas), and a third to bringing better public services<sup>1</sup> to those who need them the most. Since the plan's first period of implementation was short (2011–2014), it was necessary to devise large-scale goals—most of which were met or surpassed before the 2014 deadline—reflecting the success of an articulated strategy combining the efforts of federal, state and municipal governments, with support from the private sector, non-governmental organisations and academia.

The active searching strategy allowed the State to identify and include 1.4 million extremely poor families in the Single Registry and immediately enrol them in BF. BSM improved the design of BF's benefits to ensure that the per capita income of families would surpass a threshold of BRL 77.<sup>2</sup> The value of the cash transfer is now determined by the poverty gap: if the sum of a family's declared income and the benefits they already receive does not reach the threshold, the family receives a special benefit of the amount needed to bridge the gap; there are currently 22 million beneficiary families. This change has made BF more pro-poor, since the additional resources are distributed to the poorest of poor households, marking the end of extreme poverty—in terms of income—for BF beneficiaries.

In terms of productive inclusion, over 1.75 million people from the Single Registry—mostly women—enrolled in professional training courses; almost half a million BF beneficiaries went on to formalise their own businesses, undertaking 3.9 million microcredit operations with publicly owned banks.

In rural areas, 830,000 cisterns were built or installed for poor families in the semi-arid region; 300,000 BF families previously not connected to the power grid now have electricity at home; and 346,000 family farmers with very low income from the semi-arid region received technical assistance, tools and financial resources to improve productivity.

*Brasil Carinhoso* (BC), a new strategy aimed at reducing extreme poverty during early childhood, managed to close the gap between children and other age groups in terms of incidence of extreme (income) poverty. The main health-related goal of this strategy is to prevent and treat the problems that most hinder early childhood development, such as anaemia and asthma.

The construction and renovation of health care units and the *Mais Médicos* programme—which allocates doctors to the poorest areas of the country—are also examples of recent efforts to bring public services to every Brazilian, no matter how poor they are or how far away they live.

In terms of education, BC has helped enrol 702,000 BF beneficiary children (0–48 months old) in free nurseries, narrowing the gap between lower- and upper-income families in terms of access to early childhood services. There are currently 35,700 full-time schools across the country whose majority of students are BF beneficiaries.

Data from the latest national household sample survey show that in 2013 the Brazilian extreme poverty rate in terms of income was close to 3 per cent, under which threshold the World Bank considers extreme poverty to be eradicated (World Bank 2014). Indicators for multidimensional measures of poverty are even better: 2.8 per cent, using the UNDP Human Development Report methodology, and 0.5 per cent, using the World Bank methodology. All of the results mentioned here are described in full by Campello, Falcão and Vieira da Costa (2014), who also highlight the most important characteristics and programmes of the BSM plan.

Having just reached its fourth year, BSM is now entering a new phase of its development, maintaining all the programmes that have produced sound results in reducing poverty and inequalities as well as promoting new, creative initiatives. The active searching strategy—in which the State seeks out those living in poverty, instead of waiting for poor people to seek out programmes and services—has become a more permanent part of the public-service culture, and is definitely here to stay; so too is the focus on early childhood, plus new policies for the youth and specific vulnerable populations, along with even more support and incentives for micro-entrepreneurship. The struggle to overcome prejudice against poor people also continues, as do efforts to help municipalities offer services to poor households. The commitment to generate ever-increasing opportunities and better public services for poor people and the lower middle class of Brazilian society has also been renewed.

#### References:

Campello, Tereza, Tiago Falcão, and Patricia Vieira da Costa. 2014. *O Brasil sem Miséria*. Brasília: Ministry of Social Development and Fight against Hunger.

World Bank Group. 2014. *Prosperity for All/Ending Extreme Poverty: A Note for the World Bank Group Spring Meetings 2014*. Washington, DC: World Bank. <<http://goo.gl/dr7tse>> (accessed 7 August 2015).

#### Notes:

1. Especially free health, education and social assistance services provided by the State.
2. Around USD 21.88 as of August 10, 2015.

# Integrated data and information management for social protection

Valentina Barca, Oxford Policy Management

In recent years there has been great focus on coordinating and harmonising systems for social protection. This has led to growing interest in exploring ways to integrate data and better handle information management across multiple programmes. The most cited example of such integration is Brazil's celebrated *Cadastro Único* (Single Registry, the term we will be using to describe such poverty databases), yet several other countries have been recently adopting innovative solutions and defining best practices that are still widely undocumented in the literature.

Of course, the level and quality of integration across the social protection sector that a country can achieve strongly depends on political will and contextual constraints and opportunities, more than technical 'fixes'. Nevertheless, a core set of lessons do emerge based on countries' experience in building integrated databases and management information systems in this field. This One-Pager sets out to summarise such evidence, based on a thorough review of the literature and country case studies (Barca and Chirchir 2014).

## Administrative and institutional structure

**Governance and institutional arrangements:** The governance of an integrated system for data and information management is crucial to its success. Best practice internationally (e.g. Argentina, Chile, Indonesia, Mexico) stresses the importance of maintaining coordination and management independent from the management of individual programmes (e.g. within an independent agency or unit) and high enough in the government hierarchy to effectively coordinate with all stakeholders (including relevant Ministries such as Finance, Education and Health). It is also essential to clearly identify all stakeholders (data providers and users) and formalise their roles and responsibilities, possibly through legally binding agreements (e.g. Memorandums of Understanding, MoUs), carefully designed incentives and mutually agreed terms of reference.

**Administrative structure and decentralisation:** Coordinating the collection and processing of vast amounts of data from every administrative unit within a country is a challenging task, especially in highly decentralised contexts (e.g. Brazil, Indonesia). Best practice in these cases has been to decentralise implementation (e.g. data collection) while maintaining design and control functions at a central level (including verifying and validating data and targeting functions). Where possible, this can be facilitated by setting up web-based data sharing, including guaranteeing secure access of consolidated data to decentralised levels of government for their own use (thus increasing ownership).

## Operational structure

**Collecting data:** Two main methods are prevalent for data collection: on-demand registration and census methods. Best practice is to combine the two to gain maximum benefits (e.g. Chile). However, data for Single Registries do not necessarily need to be collected ex novo. Where possible, countries have either 'piggy-backed' on existing data from national social protection programmes (e.g. *Bolsa Familia* in Brazil and *BISP* in Pakistan), consolidated information from the databases of several programmes (e.g. Kenya) or virtually consolidated data from other sources (e.g. tax authorities and other ministries, as in Argentina and Turkey). Each approach has significantly different costs and benefits and should be adopted based on each country's specific constraints and opportunities.

**Transforming data into information:** Even complete, high-quality data are of no value unless they can be converted into information that is useful for making

decisions and improving programmes and policies. This entails clear processes for verifying, validating, updating and reporting on data—managed at central level and ideally based on virtual cross-checks with other databases (especially the Civil Registry) and in-the-field supervisions.

**Targeting:** Where targeting is pursued as an objective of the Single Registry, best practice has been to score and rank households at central level by the agency or unit responsible for the Single Registry, to avoid political interference. Programme implementers then use the national list as a base and adapt it to their purposes by adding further criteria, validating lists provided, and choosing what percentage of households ranked nationally are to be included locally.

**Updating data:** Given the transitory nature of poverty, it is obvious that any snapshot taken at a given point in time is likely to quickly become obsolete. International best practices to maintain the currency of Single Registry data include:

- scheduling deadlines for updating data through the census survey every two to three years—though many countries have found this hard to uphold due to budgetary reasons;
- integrating data online, including from local to central levels and across other institutions such as the Civil Registry (e.g. Argentina, Chile, Turkey); and
- integrating on-demand data collection approaches with census approaches.

**Linking data:** Integrating individuals' (and household) information across different databases can be incredibly simple but is only possible in the presence of a 'unique identifier': a number that uniquely identifies each citizen. In countries with robust systems of national identification (e.g. Pakistan, Turkey), this is not an issue. Other countries' solutions to providing such an identifier have included working with Civil Registry offices (e.g. Kenya, Uganda), assigning social identification numbers (e.g. Brazil, Mauritius, Mexico) and assigning new identification numbers for new applicants (with risks of duplication—Colombia).

## Technological infrastructure

The technological infrastructure needed for a Single Registry can be created from scratch, at a cost. The key issues to consider include:

- data privacy: adhering to international protocols;
- transfer of information: ensuring effective transfer to different segments and levels of government—either web-based or batch processes;
- hardware: enough memory, processing capacity, sufficient number of servers etc.;
- back-up and security: must conform to ISO 27001—an approach to managing confidential or sensitive information so that it remains secure and confidential and retains its integrity; and
- software: ideally non-proprietary (open source) and built with iterative prototyping, whereby a system model is designed and customised based on user feedback.

## Reference:

Barca, Valentina, and Richard Chirchir. 2014. *Single Registries and integrated MISs: De-mystifying data and information management concepts*. Oxford: Oxford Policy Management.

This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

# The importance of having an indicator for vulnerability to poverty: An empirical analysis of Brazilian metropolitan areas (2002–2011)<sup>1</sup>

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Many studies have cast light on the dynamic character of the poverty phenomenon—poverty cycles propagate themselves, and individuals as well as households both enter and exit a situation of deprivation. However, most anti-poverty policies are based on indicators constructed with cross-sectional data, which simply reflect the situation of individuals at a particular moment. If an anti-poverty policy aims to ensure minimum income and welfare for a family, static measures may underestimate the poverty rate and exclude potential beneficiaries that have frequent deprivation cycles with intervals of non-poverty in between. Thus, efforts to monitor and evaluate programmes geared towards overcoming poverty should be based on dynamic poverty measures and panel data that take into account not only the current poverty situation but also the risk of future poverty. Therefore, studies about vulnerability are important.

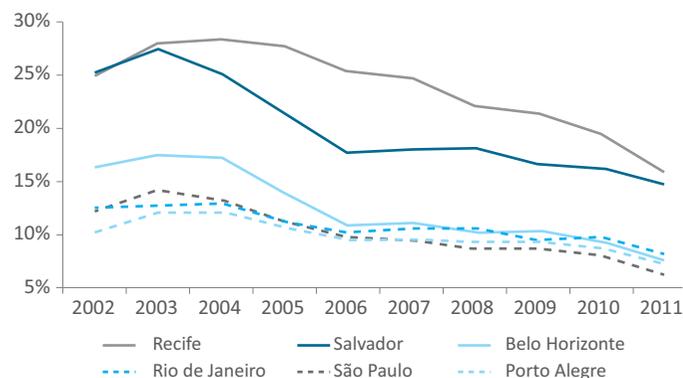
Although there is no theoretical or methodological consensus regarding the concept of vulnerability, the most widespread approach has been employed here, which defines vulnerability to poverty as the likelihood—calculated in the present—of individuals or households undergoing a decrease of their well-being in the future.

The main difference between studies that aim at comprehending the phenomenon of poverty and those that attempt to measure household vulnerability lies in the intrinsic properties of their respective objects of study. The observed level of poverty can be seen as an *ex post* measure of well-being, and is not necessarily a good indicator of a household's expected poverty; it does not allow one to analyse whether currently non-poor households are likely to become poor or whether, alternatively, currently poor households might leave this condition of deprivation in the future. Measures of vulnerability are in turn seen as an *ex ante* assessment of well-being, for they are mainly built to offer future perspectives, as opposed to shedding light on a household's current situation.<sup>2</sup>

This work estimates the probability, in a given period, of households entering poverty in the subsequent year, based on data from the Monthly Employment Survey (*Pesquisa Mensal de Emprego*, PME) for 2002–2011 (IBGE 2015). A panel database was built with information on the households at two different times, with a 12-month interval between observations. An absolute, administrative poverty line was used—the federal government-defined eligibility threshold for the *Bolsa Família* programme (*PBF*).<sup>3</sup> Estimations were carried out for the six metropolitan regions covered by the survey—Belo Horizonte, Porto Alegre, Recife, Rio de Janeiro, São Paulo and Salvador—and the households' monthly income was used as an indicator of well-being.

The research results indicate that the percentage of vulnerable households in the sample is 13.4 per cent, when non-labour earnings are also considered, and 25.2 per cent when the dependent variable only measures labour income, without imputations. They also reveal a decrease in vulnerability over the period analysed in all metropolitan areas covered by the survey. Regarding regional disparities, it can be seen that most of the vulnerable households are in the metropolitan region of Recife, followed by Salvador. The smallest proportions are to be found

Vulnerability to Poverty by Metropolitan Area, Brazil, 2002–2011 (Total Income)



Source: Author's elaboration, based on data from the PME 2002–2011 (IBGE).

in the metropolitan region of Porto Alegre; nonetheless, there is evidence of regional differences in the factors related to household vulnerability—the decrease was more pronounced in the metropolitan areas of the northeast of the country.

Vulnerability was found to be more prevalent when the head of household was female. The highest percentages of vulnerability were registered for the households whose heads had no formal education or had not finished primary education. The labour market segment of the household heads is also related to the degree of vulnerability—households whose heads are engaged in the informal labour market are proportionally more vulnerable.

Results suggest that public policies set up over the last decade, targeting the reduction of poverty and inequality as well as an increase of the well-being of Brazilian households—such as larger cash transfers (*PBF*), consecutive increases of the minimum wage, higher employment levels and credit facilitation policies—might have played a vital role in alleviating vulnerability to poverty.

#### References:

Gonçalves, Solange Ledi. 2015. *Vulnerabilidade das famílias à pobreza: uma análise empírica para seis regiões metropolitanas (2002 a 2011)*. Rio de Janeiro: National Bank of Economic and Social Development (BNDES).

Instituto Brasileiro de Geografia e Estatística (IBGE). 2015. "Pesquisa Mensal de Emprego." <<http://goo.gl/r1M3>>. Accessed 7 August 2015.

#### Notes:

1. This One Pager is based on the author's Master's thesis, which won the 34<sup>th</sup> BNDES Economics Prize. For further information, see Gonçalves (2015).

2. For further information about the comparison between poverty measures and vulnerability indicators, as well as for other results about vulnerability to poverty in Brazil, see Gonçalves (2015).

3. As the *PBF* was only implemented in 2004, for 2002 and 2003 we use the eligibility criteria for the *Programa Bolsa Escola*. These values are corrected on a monthly basis by the National Consumer Price Index (INPC), available at: <<http://www.ipeadata.gov.br>>. We highlight the fact that the government readjusted the *PBF* eligibility criteria in 2007, 2009 and 2014.

## Supporting the Sustainable Development Goals: Priorities for a global evaluation agenda

Ariane Cassoli Alvarenga,<sup>1</sup> Ana Rosa Soares<sup>2</sup> and Livia Maria da Costa Nogueira<sup>1</sup>

From 27 April to 22 May 2015 the National Evaluation Capacities (NEC) Community of Practice (COP), with support from the UNDP International Policy Centre for Inclusive Growth (IPC-IG) and the UNDP Independent Evaluation Office (IEO), promoted an online discussion<sup>3</sup> linked to the upcoming NEC conference in Bangkok, on 'How the 2015 NEC Conference in Bangkok: 'Blending Evaluation Principles with Development Practices' can enhance national evaluation capacities and help to develop and achieve the Sustainable Development Goals:<sup>4</sup> The following is a series of key ideas shared by participants regarding what the priorities for a Global Evaluation Agenda to support the Sustainable Development Goals (SDGs) might be.

A participant from **Israel** outlined the importance of discussing National Evaluation Policies (NEPs). Institutionalised evaluation can be categorised into formalised and non-formalised NEPs, and both can be routinely conducted. Systems and guidelines can be applied to help standardize evaluation in countries which have not yet developed NEPs, and also to enable coordination among agencies and government departments. Independent Evaluation Offices should be able to inform governments to make evidence-based decisions, taking into consideration the spending and allocation of funds, as well as operations and programming. The first step towards developing an NEP is to promote a culture of evaluation. Although it is not always the case, an efficient and clear NEP can help sustain good evaluation practices.

A participant from **Cameroon** raised the need to develop statistical information systems to help assess the implementation of the SDGs, and to strengthen national capacities in Monitoring and Evaluation (M&E) so evaluation capacities to assess all SDGs is developed effectively at the national level. These aspects should be considered in the Global Evaluation Agenda.

An evaluator from **Guatemala**, calls attention to the fact that indicators are means rather than ends. There are two main aspects to indicators: the balance between validity and reliability of the indicators, and, on the other hand, the usefulness of information or data for decision-making by different actors. A lesson learned from Millennium Development Goals (MDGs) is that assessments have to 'build bridges' to bring partners (population, civil society organisations etc.) together and demand more of the government.

For a participant from **Kenya**, the main priorities for a Global Evaluation Agenda should be: 1) data-driven growth through the implementation of a stronger national M&E policy; and 2) the strengthening of linkages between the government and Voluntary Organisations for Professional Evaluation (VOPEs) to make evaluation a priority, through the implementation of NEPs.

According to a participant from **Morocco**, the importance of evaluating activities undertaken to achieve the SDGs is part of a global and strategic vision which comprises five main ideas: to promote the popularisation of the SDGs; to reinforce a legal framework across three levels (government, parliament, civil society); to create information systems and indicators for M&E; to implement a country level evaluation in which States must set goals, targets and indicators; and to link the assessment of sustainable development to environmental assessment.

The Agenda 21 initiative has stimulated reflection on the issue of evaluation. This movement has led to the creation of analytical tools for project evaluations, but the issue of programme and policy evaluation remains largely unresolved.

In **Tunisia**, political reforms have allowed for the assurance of evaluation mechanisms and a generalisation across different sectors at local and regional levels. Strengthening the national statistics institutes was key to producing consistent data and having a solid evaluation system. There are three essential requisites to ensure successful evaluation: first, a clear vision of the objectives, and also of the quantifiable results and tangible, precise formulas; second, having data on indicators available and the possibility of comparison with past evaluations; and, third, evaluations should be carried out by independent institutions. Indicators should follow an international framework, to facilitate comparisons and build on the lessons learned from the MDGs with the necessary improvements. They should be disaggregated by gender and by spatial dimensions, and should measure both outcomes and processes. It is recommended to promote the participation of all stakeholders, to ensure transparency, accountability and the allocation of roles. Investments in national statistical systems and in strengthening national capacities for M&E are necessary to acquire the knowledge, techniques and proper approaches needed to improve the results of M&E and their use in decision-making.

According to comments of a discussion participant from **Spain**, when building evaluation capacities, a gender perspective should be integrated into the M&E system, with the goal of improving overall policymaking. Intersectoral perspectives should also be included, to analyse how different inequalities interact with each other in different contexts. By focusing development policies on people, other aspects should also be taken into consideration, such as the consumption of natural resources.

The priorities according to a participant from **Mexico**, should be: to consider the evaluation results for subsequent planning; to ensure that M&E systems provide easy-to-process information; to enhance M&E capacities across different government bodies, not only within agencies responsible for official evaluations; to achieve evaluations that take into consideration the participation of beneficiaries; and that events and CoPs on evaluation should be jointly organized, avoiding duplication of efforts and initiatives.

The priority that was most widely agreed on was to promote evaluation policies across the national level, to ensure reliable assessment of the SDGs. Therefore, improvements would be incorporated into the national public policy agenda and not focus only on the SDGs. Another consensus that emerged was that during the evaluation process, particular attention should be paid to the most vulnerable populations and to gender.

### Notes:

1. UNDP/IPC-IG.
2. UNDP Independent Evaluation Office.
3. See: <[www.unteamworks.org/nec](http://www.unteamworks.org/nec)>.
4. Indran Naidoo, Director of UNDP IEO; Ana Rosa Soares, Evaluation Advisor from UNDP IEO; and Haroldo Machado Filho, Programme Specialist and SDGs Specialist from UNDP Brazil, were content moderators for this e-discussion.

# Scale of public procurement of food and its implications for promoting inclusive agricultural growth

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**Despite the drastic reduction of poverty in Brazil**, its incidence and severity is still greater for families living in rural areas, even more so when the head of the household works in agricultural activities.<sup>4</sup>

Family farming encompasses 84 per cent of rural establishments in the country yet represents only 24 per cent of total agricultural land. In 2013, for instance, 9 per cent of the people living in rural areas were extremely poor, in contrast to 4 per cent for the entire population. Where the head of the household was considered to work primarily in agriculture, this percentage increased to 11 per cent (Schwengber et al. 2015). Structured demand policies use government resources as a tool to provide a stable market and price benchmarks for family farmer production.

The International Policy Centre for Inclusive Growth estimated the scale of government-based structured demand for food in Brazil as a whole, including all levels of the government. It also measured the federal government's food purchases exclusively from family farmers through the Food Acquisition Programme (PAA) and the National School Feeding Programme (PNAE), which are the most important food procurement programmes, with earmarked funds targeting family farmers and their organisations.

The scale of institutional public procurement (IPP) was established using data from the National Accounts of the Brazilian Institute of Geography and Statistics (IBGE) from 2003 to 2009. Figures were then extrapolated to generate estimates for the 2010–2013 period. Total direct and indirect domestic IPP purchases from all agricultural producers were estimated at over BRL6 billion in 2013. Total domestic IPP purchases from the food industry were estimated at about BRL12.5 billion in 2013. This amounted to 1.37 per cent of total agricultural output and 1.49 per cent of the food industry's total output.

## The role of indirect purchases

The government buys semi-processed and processed agricultural products, classified as food industry outputs; these require agricultural-sector production and inputs. The study estimated the amount of institutional procurement resources that revert to agriculture, using constant input requirements for food industry outputs. For each BRL1 million spent in food purchases, the demand for agricultural inputs is around BRL400,000 to BRL500,000. This figure varies over time due to changes in demand profiles and technological changes. While direct food purchases from agriculture represent around a sixth of the total of direct purchases from the food industry (BRL970 million), total direct and indirect purchases reach BRL6 billion, highlighting the role of processed food in the government procurement process.

Structured demand is meant to connect small farmers to large, predictable sources of demand for their agricultural products, which reduces production risks, allows producers to improve the quality of their products, and leads to positive impacts on agricultural income and poverty reduction. Government purchases represent less than 2 per cent of the total domestic agricultural output. However, the two key institutional procurement programmes in the country—the PAA and PNAE—are responsible for the direct purchase from family farmers (or their organisations) of around BRL1 billion yearly for the period 2011–2013, according to programme records. There are mechanisms in place to boost resources for government purchases, though performance improvements are necessary to widen the market access of family farmers to structured demand. The coverage of family farmers by both programmes can be perceived as modest in comparison to the size of the targeted group. Increasing coverage may require setting up a two-tiered system integrating smallholders into markets: one for established farmers who can provide a steady supply of products, and one for subsistence farmers who still need to create surplus.

The impact of structured demand on farmers goes beyond direct purchases of produce. In fact, in Brazil a much greater impact of government procurement on agriculture is indirect, through demand for processed food. This indirect effect could be larger if farmers—through cooperatives—participated in basic food processing, such as rice peeling, bean extraction and packing. An important issue raised by the study is the capacity of small farmers to reach the food industry; this could be very important to generate sustainable income. On the other hand, if only large and medium farmers supply the food industry, a very significant opportunity for structured demand to reach small farmers is being missed. The potential for income generation from structured demand can be significant for small-scale agricultural producers.

## Reference:

Schwengber, Rovane et al. 2015. *Scale of Institutional Food Procurement in Brazil*. IPC-IG Working Paper No. 134. Brasília: International Policy Centre for Inclusive Growth and Centre of Excellence against Hunger of the World Food Programme.

## Notes:

1. International Policy Centre for Inclusive Growth (IPC-IG).
2. Institute of Economics, Federal University of Rio de Janeiro (IE-UFRJ).
3. Institute for Applied Economic Research (Ipea).
4. 'Rural population' refers to households in rural areas according to the Brazilian National Household Survey. Poor households (with an income of below BRL140 per capita) and extremely poor households (with an income of below BRL70 per capita) are defined by the administrative poverty line and used as eligibility criteria for the *Bolsa Família* programme.

# Strengthening national evaluation capacities to evaluate sustainable human development

Ariane Cassoli Alvarenga,<sup>1</sup> Ana Rosa Soares<sup>2</sup> and Livia Maria Da Costa Nogueira<sup>1</sup>

From 27 April to 22 May 2015 the National Evaluation Capacities (NEC) Community of Practice (COP), with support from the UNDP International Policy Centre for Inclusive Growth (IPC-IG) and the UNDP Independent Evaluation Office (IEO), promoted an online discussion<sup>3</sup> linked to the upcoming NEC conference in Bangkok, on 'How the 2015 NEC Conference in Bangkok: 'Blending Evaluation Principles with Development Practices' can enhance national evaluation capacities and help to develop and achieve the Sustainable Development Goals.<sup>4</sup> The following is a series of key ideas shared by participants regarding how governments can develop and strengthen the necessary national evaluation capacities to evaluate sustainable human development, and what the most effective process might be for the identification of indicators related to cross-cutting issues.

According to experts on the Sustainable Development Goals (SDGs) from UNDP Brazil, governments will need to be able to negotiate the final parameters of the post-2015 SDG agenda, guided not only by the aspirational nature of goals and targets but also by the reality of their societies as translated into indicators (either already available or to be constructed).

A monitoring and evaluation (M&E) specialist from Cameroon stated that evaluation networks that already exist in the country should spread across the national level, and there should be efforts to build capacities and engage more members. Indicators for cross-cutting issues should collect data considering gender, vulnerability, human rights, governance etc. and identify and engage beneficiaries in participatory activities. There should also be a specific mechanism in place, dedicated to the post-2015 agenda, to differentiate goals and target indicators.

Participants from Kenya mentioned, regarding indicator selection, that it is critical to understand the wider context that affects changes in individual and institutional attitudes, practices and behavior. The first step is to articulate the purposes of the sustainable development component of specific programmes/projects and the Theory of Change (ToC). The second step is to select one or more core purposes for the monitoring of any SDG-related ToC and set clear goals. Strengthening research and evaluation capacities of government collaborators and partner institutions is crucial to achieving the SDGs. Capacity assessment approaches and the design of strategic investment plans should be recognized as key strategic pillars with which governments can increase impact, learning and the adoption of innovation for sustainable development. An all-inclusive, multi-stakeholder approach allows for organisations specialised in certain areas to identify indicators. A key aspect is that data must be easily and cheaply available, and that will be a significant challenge.

In a more straightforward manner and from a short-term perspective, a contributor from Algeria wrote that countries should target SDGs related to the MDGs that they have failed to achieve. This means setting clear priorities for development, since the SDGs are interdependent. To monitor progress, developing capacities to collect and process disaggregated data would be helpful to establish targeted policies.

According to a participant from Sri Lanka, the SDGs need to be localised and contextualised according to each country, and countries' national evaluation systems need to be strengthened by establishing national evaluation policies and linking evaluation to planning, budgeting and policymaking. The Key Performance Indicators need to meet the SMART<sup>5</sup> criteria. Appropriate interventions, programmes and strategies to achieve the SDGs need to be well designed and objectively described, with strong ToC and intervention logic. Project, programme and public policy evaluations are vital to guide whether the intervention logic and ToC work as envisioned. Evaluation should expand beyond projects and programmes to cover thematic areas so that the SDGs will be monitored and evaluated at outcome and impact levels. Managing for Development Results (MfDR) should be introduced to complement evaluations. Sri Lanka's national budget will need to be aligned to locally contextualised SDGs and national development strategies (as defined by the National Development Framework).

According to a participant from the Dominican Republic, the country needs to strengthen its MfDR tools—especially the M&E sector—to achieve the SDGs. The National Development Strategy 2030, which also proposed the creation of the national M&E system as part of the National System of Planning and Public Investment (SNPIP), has been established in law. The Ministry of Public Administration leads the implementation of the Development model, while the Ministry of Economic Affairs, Planning and Development conducts M&E.

From Jamaica, it was mentioned that there is a need for countries to strengthen their civil registries, as they can be useful in the M&E process for the planning and implementation of development projects.

A participant from Niger outlined how essential it is to convince policymakers—especially in developing countries—of the importance of evaluation in the programme/project cycle.

A contributor from Mexico stated that, regarding cross-cutting issues, the path forward is to clearly define objectives and results. Indicators should be able to reflect changes in each one of the thematic components in holistic interventions.

Overall, COP participants agreed on the importance of setting clear goals for each national context to properly assess results. National capacities for evaluation need to be strengthened if the SDGs are to be achieved.

## Notes:

1. UNDP/IPC-IG.
2. UNDP Independent Evaluation Office.
3. See: <[www.unteamworks.org/nec](http://www.unteamworks.org/nec)>.
4. Indran Naidoo, Director of UNDP IEO; Ana Rosa Soares, Evaluation Advisor from UNDP IEO; and Haroldo Machado Filho, Programme Specialist and SDGs Specialist from UNDP Brazil, were content moderators for this e-discussion.
5. Specific, Measurable, Achievable, Results-focused, and Time-bound.

## Education and human rights for sustainable human development

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**The 1986 Declaration on the Right to Development** defines development as a comprehensive economic, social, cultural and political process aiming to improve the well-being of populations and individuals, in the present and the future. Development is considered both a 'process' and a 'level of attainment' encompassing various elements that constitute well-being. From this premise, it can be asserted that one element that can serve as a driver of development is **education**. However, it is alleged that the international community and governments rarely recognise and invest in the full potential and transformative power of education as a catalyst for human development (UNESCO 2014).

Sustainable human development and a quality and inclusive education are both human rights. This means that humans are inalienably entitled to them. Conversely, not everyone is actually able to exercise and benefit from them. Worldwide, there are population groups that tend to suffer more from discrimination, prejudice and violations based on their race, colour, sex, sexual orientation, language, religion, political or other opinions, national or social origin, economic or physical condition. They in turn become excluded from mainstream society and are more vulnerable to poverty and discriminatory acts.

This situation concerns development, because discrimination-based exclusion can produce inequalities. A society with discrimination-based inequalities cannot be considered developed, since its population does not have equal and fair opportunities to broaden its choices or enjoy a long, healthy life and decent standards of living. Today, the factor that most challenges the sustainability of development is **vulnerability** — i.e. individuals not being equipped with enough resilience and resources to overcome inequalities and discrimination.

The more vulnerable certain groups of a population are, the higher the chance of development being hindered. Vulnerability can compromise the levels of development already achieved, especially in places where poverty is an everyday reality. Against this reality, how can these groups be empowered to deal with vulnerability and become both active agents in and benefactors of sustainable human development? Education is a fundamental right for ensuring sustainability in human development for present and future generations, because its impacts are long-term and it can benefit other variables that are crucial for development. However, there are several external factors (institutional and/or environmental) that could hinder that potential—such as repressive governments, human rights violations and climate change.

The report that formed the basis for integrating the Sustainable Development Goals (SDGs) into the post-2015 development agenda affirms that economic stability, sustained economic growth, the promotion of social equity, the protection of the environment, the enhancement of gender equality, women's empowerment, equal employment for all, and the protection, survival and development of children to their full potential can be achieved mainly, though not exclusively, through **education** (UNGA 2014, paragraph 11). UNESCO (2014) also sheds light on each of the 17 SDGs and the role and benefits of education towards their achievement.

The SDGs rely on education as a means towards their achievement. The main elements that comprise these means are skills training, transferring knowledge and raising awareness among individuals, institutions and regional and national governments, hence empowering and equipping them to act as the central active agents for sustainable human development. Education is both a means and an end, having a domino effect of triggering the intertwining realisation and enjoyment of other human rights, which is a crucial and differential factor for sustainable human development. Nevertheless, inequalities and discrimination challenge the realisation and enjoyment of human rights, education and development included.

If the realisation and enjoyment of human rights is crucial to human development, then those same inequalities and discrimination that hinder human rights also hinder human development. If a quality and inclusive education is a crucial human right for the realisation of all human rights, then education is also a fundamental key to human development. Education is thus key to sustainable human development, provided that development needs (as a process) and allows for (as an environment) the realisation of human rights.

Education must be both inclusive and non-discriminatory to avoid the exclusion of some groups from mainstream society—ideally one that tolerates diversity. Discriminatory acts exercised, directly or indirectly, against some groups within educational systems can lead to negative socio-economic effects in the labour market and society—for example, a poor and weak labour force, underemployment, unemployment, labour and wage injustices, less competition in and diversification of markets, intensification of violence, crime and insecurity etc.

Education implies the development of human aptitudes, capabilities, capacities, competencies, knowledge and skills, thus enabling a person to think, process and act, making humans the main driver of development. If development is defined as a human-centred process and environment, then education is its engine, pumping the fuel of knowledge, information and skills into people, so they can be active agents throughout the process and benefit from its environment. Without a quality and inclusive education, sustainable human development is impossible. It is, therefore, vital that education be given the prominent position it deserves in overall sustainable human development strategies worldwide.

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- UNGA. 2014. *Report of the Open Working Group of the General Assembly on Sustainable Development Goals*. Document A/68/970. New York: United Nations General Assembly. <[http://www.un.org/ga/search/view\\_doc.asp?symbol=A/68/970](http://www.un.org/ga/search/view_doc.asp?symbol=A/68/970)>. Accessed 27 September 2015.

## Fiscal conditions of Brazil's public sector: an analysis of the States in the north and northeast regions and funding for rural development

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**The analysis in this study shows that** Brazil's improved fiscal condition—coupled with rekindled economic growth in the middle of the last decade—enabled sufficient headroom for a shift in fiscal policy as of 2006, giving rise to a period marked by fiscal expansion (Schettini et al. 2011). This shift led to a loosening of the restrictions on state and municipal indebtedness and a reduction in the public administration's primary balance, which changed from a surplus of over 3 per cent of Gross Domestic Product (GDP) into a deficit of 0.59 per cent of GDP in 2014.

During most of this period, the gradual lowering of the primary balance did not prevent the public sector's net debt from continuing its decline, eventually reaching 31.5 per cent of GDP in 2013 (compared to 58.9 per cent of GDP at end of 2002). It was only in 2014—under a strong economic downturn and a sharp drop in primary balance—that the debt level would rise back to 34.1 per cent of GDP, which, in historical terms, is quite low and similar to the levels seen in the early 1990s. The problem is the cost of stabilising the debt—that is, the primary surplus required to prevent it from rising relative to GDP—which has become exceedingly high in recent years, due to another factor related to debt composition: namely, the simultaneous accumulation of assets and liabilities by the public sector and the interest rate differential between them.

With lower primary balances and a higher interest account, the debt returned. The Brazilian government's response to this challenging scenario was a fiscal adjustment (starting in 2015), which interrupted the period of greater fiscal flexibility to reclaim the credibility of economic agents in the sustainability of public finances and, in doing so, endeavour to resume growth. At least in the medium term, this type of policy will involve severe restrictions imposed by the Federal Government when authorising new loans to states and municipalities, greater control of expenditures (and investment cuts), as well as a review of a number of tax exemptions and subsidies put in place during the preceding period.

Since 1997, large states and municipalities have become debtors to the federal government, through an agreement under which the central government took over the debt securities of these entities, which, in turn, found themselves unable to continue issuing public bonds and were forced to channel a portion of their revenues to settle their debts with the National Treasury. Through this and other institutional arrangements—as well as a more favourable economic scenario—the net debt of states and municipalities fell 6.3 percentage points of GDP between 2002 and 2008.

This context has changed since 2008, not only due to the deterioration of the macroeconomic landscape as a whole but mainly to newly contracted loans from banks and abroad, with approval from the federal government. Between 2008 and 2014, renegotiated debt maintained its downward trend, dropping 4.2 percentage points of GDP and initially surpassing newly contracted loans. This trend in net indebtedness would only cease in 2011, when new loans began to offset or even exceed the Federal Government acquittances. The net debt of regional entities—which had decreased by 2.5 percentage points between 2008 and 2011 (to 10.8 per cent of GDP)—grew more stable between 2011 and 2013, rising to 11.6 per cent of GDP in 2014.

As such, the rising levels of bank and external indebtedness of regional governments should be seen as a change in debt composition, rather than as an upward trend of indebtedness. This phenomenon was more intense in the North and Northeast regions of the country, where the share of banking and external debt has become prevalent (79 per cent of the debt in the North and 66 per cent in the Northeast); the debt to the Federal Government has become secondary.

A breakdown by creditor institution shows that this phenomenon was driven primarily by loans taken by states from public banks and multilateral organisations. Although a portion of the loans has been used to restructure liabilities—replacing the debt contracted with the federal government by loans borrowed more 'cheaply'—the funds were allocated mostly to urban infrastructure projects and new Federal Government programmes to support investments. These credit operations were also used for other purposes, such as for funding rural development.

The assessment of indicators on the degree of indebtedness and payback capacity, as well as the credit risk rating assigned in accordance with the methodology developed by the National Treasury, show that the fiscal condition of most states in the North and Northeast regions is not a concern. However, indicators are likely to evolve unfavourably, as they begin to reflect the more recent trends of fiscal deterioration. This does not point to an explosion of indebtedness, partly because the fiscal adjustments carried out by the federal government will involve tightening the control over new loans, and also because the accumulated debt to the federal government should benefit from the restructuring measures recently approved by the Congress.

The influence of these factors will prevent the level of debt from becoming unsustainable. From a fiscal stance, however, the most alarming aspect is the deterioration of the primary balances of state governments, down from a surplus of 1.3 per cent of GDP in 2008 to a deficit of 0.2 per cent of GDP in 2014. This deterioration is due almost exclusively to increased expenses (primarily with personnel), seen in nearly all state governments.

Paradoxically, public investments—the main targets of fiscal easing and the main destination of new loans contracted by states and municipalities—remained relatively stable between 2008 and 2010, bringing the prevailing trend of expansion to a halt when the downturn in the primary balance first began. This occurred at the federal, state and municipal levels. Evidence suggests that state governments substituted funding sources, thereby releasing funds (previously committed to investments) to, instead, pay for personnel and, in many cases, maintenance.

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# Climate change impacts: response options for family farmers in Brazil

Amanda Barroso Lima, Isadora Cardoso Vasconcelos and Pedro Vasconcelos Rocha, United Nations Development Programme (UNDP)

**Through the lens** of the three dimensions of sustainable development—social, economic and environmental—it is possible to assess the options for family farming to respond to the adverse impacts of climate change in Brazil. As the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report indicates, climate change and/or extreme weather events such as severe droughts, heat waves and heavy rains could intensify the problems faced by family farmers.

The food and agriculture sector lies at the heart of the development process and is both a main cause of and solution to the world's environmental and social problems. Those countries that have achieved better results in this sector have done so by supporting family-based activities over agribusiness, while those countries that have separated management from labour have been faced with social inequalities. Nevertheless, small-scale food producers around the world face enormous challenges in meeting their food needs and contributing to the food security of their communities and countries.

Extreme weather events are becoming more frequent and severe, threatening the reliability and productivity of agriculture, exacerbating already existing extreme levels of poverty and reinforcing continuing inequality and chronic undernutrition. The more efforts are made to address and adapt to climate change, the less vulnerable small producers are to erratic weather—which results in, for instance, better chances to overcome yield losses for the basic staple grains (FAO 2014). Coping with the spreading global climate crisis requires focusing on small-scale food producers as a driving force towards socially fair and ecologically sustainable agricultural systems.

Brazil is often cited as an example of a country that has successfully implemented effective policies to reduce vulnerability and build resilience. Three factors are linked to the sharp decline in poverty and extreme poverty in Brazil: the increase in the number of formal jobs; income growth (especially for the lower classes); and the effects of cash transfers. However, there are still great regional disparities within the country, especially in the North and Northeast regions, where the rural areas have the lowest Human Development Index.

In Brazil, family farming is the main activity for generating the most food consumed domestically. In this sense, family farming is a way of minimising acute social problems. Thus, it is fundamental that producers increase their resilience so that they are able to face the adverse effects of climate change—whether through economic instruments or the diffusion of new technologies and programmes provided by the private and public sectors. The strengthening of family farming depends on the implementation of specific tools, of qualified public policy and the capacity of representative organisations to have effective control over implementation of the tools and to resist any takeover by large-scale farmers.

The perspectives of environmental and natural resource management introduce some strategies that explore adaptive response options.

As economic alternatives for the families, they can be encouraged by policies that promote technical assistance and economic empowerment of family farmers, such as incentives for cooperatives and access to credit and insurance. The adoption of managing practices and other technologies that improve natural resource management in the Semi-arid, Cerrado and Amazon biomes are an attractive alternative for the families.

Good examples of these strategies are: (i) agroforestry and integrated crop-livestock forestry (ICLF) systems, which present an effective control of insects, diseases and weeds, leading to lower pesticide use and a huge capacity to adapt to climate change; (ii) organic production, which forgoes the use of synthetic fertilisers, pesticides, growth regulators or synthetic additives in animal feed; and (iii) cisterns, which are a good option for managing water in dry ecosystems and biomes such as Caatinga and Cerrado—only during some seasons of the year for the latter. These strategies could help family farmers under different IPCC scenarios<sup>1</sup> for climate change. They are cheap, sustainable, viable and easy to incorporate into the realities of small producers and family farmers. Moreover, they represent sound strategies for climate change adaptation for the social and economic sectors of smallholder farmers.

Across Brazil's North and Northeast regions, the main difficulty affecting family farmers is how to access productive lands due to the unequal concentration of land tenure. Overcoming rural poverty in Brazil requires considering initiatives such as income generation transfers, productive inclusion and universal access to essential services, in combination with effective and serious land reform and supporting family farmers and traditional peoples, who should be a priority for all levels of government to foster sustainable and solidary rural development.

The adoption of the Sustainable Development Goals (SDGs) by all UN Member States provides a greater incentive for governments to build the resilience of small producers in Brazil. As the focus of the 2030 development agenda shifts to measures and means, discussion is mounting on innovative ways to address rural poverty, most notably regarding indicators for SDG2: "End hunger, achieve food security and improved nutrition and promote sustainable agriculture". With smart solutions increasingly sought by decision-makers, policies targeting family farmers have the potential to produce long-lasting effects on the economies of developing countries, by empowering people to invest in and steward the environment.

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#### Note:

1. For the IPCC's Fifth Assessment Report, AR5 (2013), the scientific community has defined a set of four new scenarios, denoted Representative Concentration Pathways (RCPs). For more information, see: <<https://www.ipcc.ch/report/ar5/>>.

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# Policies for rural development: an analysis focusing on the North and Northeast regions of Brazil

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**This One Pager synthesises the key findings of a study** regarding the main programmes aimed at rural development and rural poverty reduction, most notably in the North and Northeast regions of Brazil. The resources allocated by public social policies—welfare and labour benefits (retirement pensions, grants), cash transfers (*Benefício de Prestação Continuada*, *Bolsa Família*, *Bolsa Verde*)—and those targeting family farmers (PRONAF, *Garantia Safra*, *Programa de Aquisição de Alimentos* (PAA), *Programa Nacional de Alimentação Escolar* (PNAE) and *Cisternas*) add up to almost BRL350 billion a year, of which BRL140 billion targets rural areas and producers (which reflects the increased social importance of family farmers and the rural population as a whole). For methodological reasons, this budget does not include expenditures related to land reform, public health, education or infrastructure.

The set of policies and programmes under analysis has mobilised resources amounting to BRL18 billion in the North and BRL78 billion in the Northeast (representing 7 per cent and 18 per cent, respectively, of each region's Gross Domestic Product (GDP), and 27 per cent and 82 per cent, respectively, of primary-sector products).

In the Northeast, there are over 4 million rural recipients of retirement pensions and benefits, in addition to 800,000 micro-investment contracts for poor family farmers, almost 1 million rural producers under the *Garantia Safra* (Harvest Guarantee) programme, 500,000 artisanal fisherfolk, 6.5 million retirement pensions and grants, 7 million *Bolsa Família* beneficiary families (almost 2.5 million in rural areas alone) and 1.5 million beneficiaries of the *Benefício de Prestação Continuada* programme.

## Effects and impacts of these policies

Between 1990 and 2014 the North and Northeast regions represented, respectively, 44 per cent and 33 per cent of the total number of agrarian reform settlers; 76 per cent and 12 per cent of the total area obtained; and 23 per cent and 46 per cent of all national settling projects. Settlements, however, were mostly established through non-onerous acquisition, which does not alter the landholding structure.

**PRONAF**, a family farming credit programme, presents itself as a policy for the protection of employment in smallholder agriculture; however, its regulations for credit loans incentivise labour-saving technologies. The concentration of loans in the south of the country, as well as PRONAF-B's distribution privileging the least poor among poor households even in the Northeast, demonstrates that its target population are rural producers with close market access.

In general, and especially in the Northeast, PRONAF has had no effect on the production model (crop options and techniques)—which follows traditional agribusiness practices, including those which are vulnerable to drought and, therefore, inadequate for the region. It does not slow down rural depopulation,

is focused on few producers, deepens the differences between profiles and modalities of family agriculture, and is directed at commodity-producing activities featuring labour-saving technologies. These negative effects are mitigated by the beneficiary gains and the programme's effects on the local and regional economies, in addition to promoting social participation.

**Rural social security** ensures families' basic consumption and is a source of credit and insurance to rural activities. Were it not for social security benefits, in 2013 the national rates of poverty and extreme poverty would have increased by 57 per cent and 70 per cent, respectively. In the North and Northeast regions of the country, this increase would have been of 33 per cent and 47 per cent for poverty, and of 56 per cent and 62 per cent for extreme poverty, respectively. Its effect on the reduction of poverty and extreme poverty is more significant than that of *Bolsa Família*, without which poverty would have increased by 21 per cent and extreme poverty by 32 per cent nationally in 2013. In the North and the Northeast, these increases would have been of 22 per cent and 23 per cent for poverty, and 33 per cent and 39 per cent for extreme poverty, respectively.

**Bolsa Família** reaches 2.4 million rural families in the Northeast, and 500,000 in the North, exhibiting excellent targeting and rates of coverage. Poverty estimates in rural and/or agricultural households are 1.4 million in the Northeast and 300,000 in the North. This over-coverage is a result of considering those who have lived through a situation of poverty at any time during a two-year period, and not only those who have experienced poverty across the entire cycle. The programme has been essential to achieve the recently observed decrease in inequality and extreme poverty; it has also had a less significant effect on the reduction of poverty as a whole.

The **Garantia Safra** programme deals with a cyclical problem, enabling damage control without requiring productive reconversions and/or the incorporation of new technologies. It allows for and decreases the risk of engagement in new activities, given that traditional activities are assured. Similar programmes, such as **Auxílio Defeso**, have operational and monitoring aspects, which are difficult to equate.

Production-oriented policies have a smaller target audience among agricultural establishments. Half of these have no future in agriculture, since they are entitled to public social policies which do not produce significant effects on productive reallocation outside agriculture or on rural poverty in the North and the Northeast. Productive opportunities must be created for these groups, given that what they need is access to assets—land, infrastructure, capital—as well as educational and technical assets.

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# Poverty in rural Brazil: it is all about assets

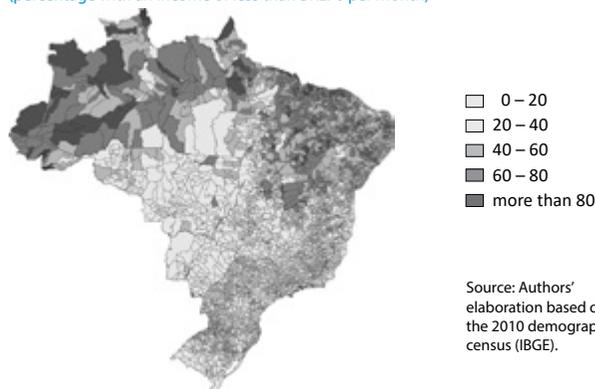
Sergei Soares (IPC-IG); Laetícia R. de Souza (IPC-IG); Wesley J. Silva, Statistical Consultant and Fernando Gaiger Silveira (Ipea/IPC-IG)

**This One Pager synthesises the key findings** of the study of rural poverty profiles in the North and Northeast regions of Brazil. Poverty and extreme poverty decreased significantly in the country between 2004 and 2013. The prevalence of poverty decreased from 20 per cent to little more than 9 per cent of the population, while the prevalence of extreme poverty decreased from 7 per cent to 4 per cent. However, currently it is difficult to maintain this downward trend, due to a slowdown in its main drivers. The labour market is worsening by the day, while social expenditures face significant scrutiny in the current context of fiscal adjustment.

This reduction in the rate of poverty has not been accompanied by structural changes to its main characteristics or profile. Even though certain vulnerable populations have experienced a more pronounced decrease in poverty rates than the rest of the population, the North and Northeast regions—as well as rural areas across all regions—continue to exhibit the highest prevalence of poverty and extreme poverty in the country. Of the nearly 5 million people living below the extreme poverty line in the North and Northeast regions in 2013—according to National Household Sample Survey data (PNAD)—just over 2.2 million (46 per cent) live in households classified as agricultural or pluriactive.

Of particular note is the decrease in extreme poverty among Brazilian agricultural households. In the Northeast region, while extreme poverty has decreased to less than half of what it used to be for all households, among agricultural households this decrease was of almost two thirds. Even so, the prevalence of extreme poverty among agricultural and pluriactive households remains high, affecting over 2 million people (12 per cent of residents) living in those types of households in the aforementioned regions. Many poor farmers have migrated to pluriactivity, so that they can gain significant revenue streams from agricultural as well as non-agricultural sources. The challenge that presents itself is, therefore, to improve agricultural income so as to maintain the downward trend in poverty rates

**FIGURE 1**  
Extreme poverty rates among agricultural households  
(percentage with an income of less than BRL70 per month)



among agricultural households and also to trigger a decrease in the rate of poverty among pluriactive households.

Data spatialisation techniques based on the 2010 demographic census undertaken by the Brazilian Institute of Geography and Statistics (IBGE) highlight the following territories as having the highest rates of extreme poverty among agricultural and pluriactive households: western Maranhão, the area between southern Piauí and northwestern Bahia, and western Amazonas. The territories with the lowest poverty rates are Rondônia, southern Bahia and western Tocantins. The south of Pará carries the distinction of being a low-poverty cluster when considering only agricultural and pluriactive households.

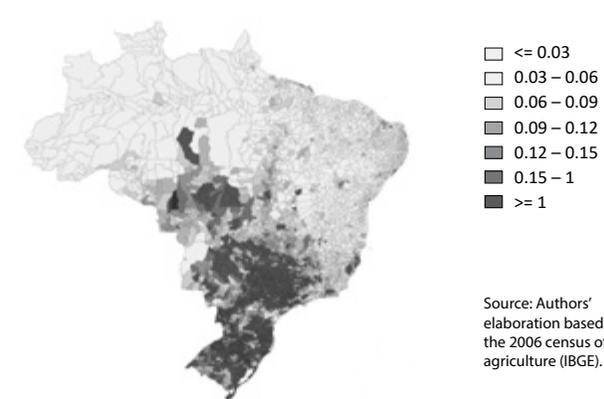
Agricultural and pluriactive households living under the poverty line are characterised by not having enough available land, the prevalence of informal labour and high rates of underemployment—less than 20 hours of work per week—low schooling and capital rates.

Figure 1 depicts the distribution of extreme poverty among agricultural households in Brazil in 2010. Figure 2 depicts the distribution of tractor ownership across the country. Maps depicting access to credit or land size would display a similar distribution to the latter.

The minimal overlap between the geographical distributions of extreme poverty and asset ownership suggests that the main contributing factor to the extreme poverty of agricultural households is their lack of access to assets.

This is auspicious to public policies, because supplying assets to households is a task which closely matches the capacities of the State and its partners. In other economic endeavours, assets are not as relevant. In urban labour markets, for example, elements such as social networks, social capital and other, more difficult-to-implement dynamics are crucial. However, given the current Brazilian agricultural context, assets are everything.

**FIGURE 2**  
Average number of tractors per family farming establishment



## Note:

1. Soares, S., et al. (forthcoming). "Rural Poverty Profiles in the North and Northeast Regions of Brazil." *IPC-IG Working Paper*. Brasília: International Policy Centre for Inclusive Growth, UNDP.

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# Taxation and distribution of income in Brazil: new evidence from personal income tax data

Sérgio Wulff Gobetti, Ipea Researcher and Rodrigo Octávio Orair, Ipea/IPC-IG Researcher

**Brazil is one of the countries that**, due to a lack of sufficient fiscal transparency, were excluded from the study by economists Anthony Atkinson and Thomas Piketty (2010) which provides a global perspective of the distribution of top incomes using tax data. Fortunately, in 2015 the Department of Federal Revenue of Brazil (RFB) made available to the public more detailed information regarding income tax declarations, making it possible, for example, to identify the Brazilians in the top 0.05 per cent of the income distribution—approximately 71,000 people who earned, on average, BRL4.1 million (EUR1.5 million) in 2013.

As a result, the country will soon be included in comparative international studies on the distribution of top incomes. Previously analysed data pertaining to 2007–2013 have made it possible to draw an initial—perhaps unparalleled—picture regarding tax benefits and income concentration:

- **The concentration of income in Brazil surpasses any other country with available data.** The income of the richest 10 per cent of adults equates to around half of the income of all Brazilian families (52 per cent), the top 1 per cent around a quarter (23.2 per cent,) and the top 0.1 per cent around a tenth (10.6 per cent), rates which far surpass the acceptable limits for democratic societies, according to Piketty (2014). However, what is really striking is the fact that 8.5 per cent of all income is concentrated in the top 0.05 per cent—a higher rate than in Colombia (5.4 per cent), which is an extremely unequal country, almost three times higher than in Uruguay (3.3 per cent) and the United Kingdom (3.4 per cent), and five times higher than in Norway (1.7 per cent).
- **The ‘super-rich’ Brazilians pay less personal income tax, proportionately to their income, than average upper middle-class citizens, especially salaried workers, which violates the principle of tax progressivity, according to which tax rates should increase as income rises.** Around two thirds of the income of the super-rich (top 0.05 per cent) is exempt from any tax, a higher proportion than any other income level. The result is that the average tax rates paid by the super-rich reaches only 7 per cent, while the average for the groups at intermediate income levels reaches 12 per cent.
- **This distortion is mainly due to a peculiarity of Brazilian legislation: tax exemption for dividends paid by corporations to its shareholders.** Of the 71,000 super-rich Brazilians, around 50,000 earned dividends in 2013 for which they did not pay any taxes. In addition, they benefited from low capital gains tax, which in Brazil varies between 15 and 20 per cent, while wages are subject to progressive taxation, with a maximum rate of 27.5 per cent applying to very moderate income levels (above BRL4,700 or EUR1,300 of monthly income in 2015).
- **The redistributive effect of income taxation in Brazil, measured by the decrease in the Gini index, is lower than in other Latin American countries such as Mexico, Uruguay and Chile, and considerably inferior to European countries.**

In closing, data show that Brazil is an extremely unequal country and also a fiscal paradise for the super-rich, combining low taxation on capital gains, one of the highest interest rates in the world and the uncommon practice of tax-free dividends.

The justification for tax-free dividends is to prevent the profits—already taxed at the corporate level—from being taxed a second time after being converted into personal income. Among the 34 countries of the Organisation for Economic Co-operation and Development (OECD), which gathers developed economies as well as some developing economies that accept the principles of representative democracy and free market economy, only three did not tax dividends at all up until 2010. Mexico resumed taxation of dividends in 2014, and Slovakia instituted a social contribution to finance health care in 2011. Only Estonia remained, a small country that adopted one of the most radical pro-market reforms in history after the end of Soviet rule in the 1990s and which, like Brazil, grants full tax exemption on the main source of income of its richest citizens.

On average, total taxation on profits (personal and corporate) reaches 48 per cent in OECD countries (64 per cent in France, 48 per cent in Germany and 57 per cent in the USA). In Brazil, with the exemption of dividends and other tax benefits, this rate falls below 30 per cent.

However, Brazil’s fiscal eccentricity goes further still. The country has a high overall tax burden compared to other developing economies, around 34 per cent of its Gross Domestic Product (GDP), which corresponds to the average of the OECD countries. In contrast to these countries—where the consumption taxes are residual (around a third of the total) and where there is a higher proportion of income and property taxes—around half of the Brazilian tax burden comes from consumption taxes, which disproportionately affect the income of the poorest members of Brazilian society.

In other words, the privileges attributed to capital ownership that hinder the redistributive effect of income taxation in Brazil represent only one element of an extremely regressive overall tax structure. Historically, the configuration of such a structure is part of a global movement of tax reorientation that favours capital and the richest people, and which has been replicated on different levels in practically every developed country from 1980 to 2010. Yet, it is worth pointing out that not even the conservative administrations of Ronald Reagan and George W. Bush in the United States, and of Margaret Thatcher in the United Kingdom, were able to do what the Brazilian government did in 1995—completely exempt dividends from taxation.

Furthermore, while the conservative advance is being partially reversed in most OECD countries—where taxation of the richest people is increasing, including on dividends, as part of fiscal adjustment efforts which strive to ease the burden on the poor—in Brazil, no significant reform aimed at increasing the progressivity of the tax system has been undertaken over the last 30 years of democracy, 12 of which have been under the rule of the Workers’ Party (PT). Rethinking this issue and putting forward an agenda for progressive taxation, significantly delayed as it is, remains one of the great challenges currently facing Brazil.

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# Social protection through work in lower-income countries: an assessment framework

Rodolfo Beazley, Oxford Policy Management and Kirit Vaidya, Consultant

**Extending social protection** to the rural population in lower-income countries is a global priority, with both workfare and welfare playing significant roles. Workfare makes transfers to beneficiaries subject to their meeting work requirements, whereas welfare programmes do so unconditionally or subject to conditions not related to labour. Although workfare schemes are more costly, they are often put forward as a favoured option for supporting the rural working poor, as they can supposedly:

- impact livelihoods through the cash transferred, the assets created, and the skills developed;
- increase the effectiveness of targeting through self-targeting;
- be more politically sustainable, since they reduce the risk of 'welfare dependency' and because attaching conditions often makes programmes palatable for taxpayers.

However, there are also strong counterarguments to these statements:

- due to a lack of systematic evidence regarding the wide set of workfare costs and benefits, it is not possible to evaluate whether these schemes achieve their objectives, and if this is done cost-effectively;
- the universal validity of self-targeting is questionable: it may be unfeasible or ineffective in certain contexts; and
- political preferences for workfare rely to a significant extent on stances regarding welfare dependency and notions of self-sufficiency and the value of work as a means of self-realisation.

Moreover, while the primary role of welfare is to "distribute resources to provide for people's needs" (Dean 2007), workfare is rather presented as aiming "to mitigate risk and to enable people to manage it individually". Since in lower-income countries social protection is generally associated with the creation of opportunities, rather than redistribution, workfare is an attractive instrument for supporting the working poor.

However, most workfare schemes to date have been small-scale, often with misalignments between what programmes offer and what is required of social protection. In this context, this One Pager proposes a simple framework intended to trigger pertinent questions to determine the kind of workfare or welfare policy required in specific contexts.

## An assessment framework

This framework is a tool for assessing the relative cost-effectiveness and efficacy of different welfare and workfare policies for households with a labour surplus facing a diverse set of 'states' (established livelihood conditions) and 'shocks' (unexpected events). The framework divides the shocks and states into idiosyncratic (affecting individual households) and covariate (affecting large numbers of people) and proposes a response to each.

## The framework applied in rural areas of lower-income countries

Workers in many rural areas of lower-income countries are typically engaged in subsistence agriculture, self-employment or informal employment, with low pay, low productivity and poor working conditions, and are affected by covariate recurrent or chronic states. In such contexts, the framework indicates that, in theory, EGSs or PSNs could be the most cost-effective interventions.

However, designing and implementing PSNs and EGSs to operate on large scales is very challenging, even more so in contexts of low technical and management capacities. There is a dire need for further research in a number of areas, particularly in relation to assessing the full costs and benefits of workfare compared with welfare programmes.

	Shock	Recurrent states	Chronic states
Idiosyncratic	Individuals facing loss of employment, crops or livelihoods, etc. need temporary support. In principle cash transfer programmes (CTs) could be the most cost-effective response.	Households facing seasonal loss of employment, crops or livelihoods, or simply lower earnings, require either on-demand or seasonal support.	Economically active members unable to engage in productive activities. They require a social protection response that not only provides short-term livelihood support but also addresses the deficiencies which are at the root of the state.
Covariate	A large number of households affected by natural or economic shocks require temporary support sometimes combined with support for the reconstruction of infrastructure. Public Works Programmes (PWPs) providing single episodes of employment seem suitable to respond to covariate shocks, although CTs may also be well placed.	Employment Guarantee Schemes (EGSs) guarantee a certain number of days of employment per year on demand (at a time of choosing) and are the best-suited response. Alternatively, seasonal CTs could potentially play this function.	When facing covariate chronic states of labour underutilisation Productive Safety Nets (PSNs) are the most appropriate workfare type because they can provide broad-based support combining safety net functions with economic development.

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- This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

# The impact of the BOTA foundation's conditional cash transfer programme for pre-school children in Kazakhstan<sup>1</sup>

Clare O'Brien, Oxford Policy Management

## Between 2009 and 2014 a Kazakh non-governmental organisation

(NGO), the BOTA Foundation, ran a USD65 million conditional cash transfer (CCT) programme reaching over 90,000 poor households containing pre-school-age children, children with disabilities, pregnant and lactating women and teenage school-leavers in several provinces of Kazakhstan. Oxford Policy Management (O'Brien et al. 2013) conducted a rigorous impact evaluation of the CCT in one province, *Almaty oblast*. The research focused on families eligible for the pre-school benefit. In 2012 the transfer stood at KZT3,600 (USD24) per month per pre-school beneficiary.

The evaluation found that BOTA's CCT brought about a significant increase in the rate of pre-school enrolment, a slight shift in child-care arrangements, and no discernible effect on household consumption, the receipt of state transfers or informal support.

## Study design

The evaluation team conducted a randomised control trial in 108 rural *okruks*—groups of villages headed by a mayor—of the 226 in *Almaty oblast*: 54 randomly assigned 'treatment' *okruks* received the CCT, while the 54 'control' *okruks* did not join the CCT until after the evaluation had finished. This was possible because BOTA could not enrol all communities simultaneously. A baseline survey in 2011 demonstrated that the two groups were broadly comparable. Any differences that emerged a year later could be attributed to BOTA. Nearly 2,300 households and 350 pre-schools were interviewed in the follow-up survey. The results are statistically representative of all households in *Almaty oblast* that had been eligible for BOTA's CCT for children of pre-school age for at least a year.

## Impact

Experience of pre-school: BOTA significantly increased the proportion of pre-school-age children in poor households who had ever attended pre-school: in 2012 this figure stood at 84 per cent in CCT areas compared with 70 per cent in control areas.

Children went to different types of pre-school because of the CCT: of the three most common types—kindergartens, zero classes and mini-centres—there was a surge in demand for mini-centres. Demand for kindergartens and zero classes was not substantially affected. The type of facility hugely influences the learning experience of children. Kindergartens are usually large, open at least eight hours a day, have many amenities and offer many lessons and several meals; zero classes are smaller, teach half-days and focus on academic preparation for school; and mini-centres are more flexible and typically fall in between these two.

Where facilities did not exist or had no spare places, some communities set up informal 'BOTA groups'; these were the least well endowed, and most opened for only two hours at a time. This variation renders it difficult to predict the long-term impact of the CCT-induced increased enrolment on educational outcomes, since a child attending an informal group for two hours a week will have a very different experience from one who spends 40 hours a week at a kindergarten with fixed hours.

- Child-care arrangements: The CCT did not alter the fact that the main carer of pre-school-age children is almost always female. However, carers' average age decreased slightly in CCT areas, suggesting that CCT beneficiaries relied less on older relatives, such as grandmothers, to look after their young children.
- Household consumption and income: The evaluation was unable to detect a significant increase in consumption among beneficiary households, perhaps because the transfer was too small in comparison with overall consumption to be discernible. Mean monthly consumption among eligible households was KZT94,000 (USD625), so the extra USD24 added less than 4 per cent to the total.

Poverty in Kazakhstan is not strongly associated with food insecurity. Only 7 per cent of households were classified as food-insecure; this was unaffected by the CCT. Children ate a diverse diet, and the transfer had no impact on the frequency or diversity of children's meals. The proportion of consumption expenditure used for food was quite high in both treatment and control areas, at around 57 per cent, again unchanged by the CCT.

The CCT helped households diversify their income sources. Most often it supplemented the main income—typically salaried employment or casual labour—rather than being the sole source. The transfer was not designed to affect the labour choices of adults, and mostly it did not. However, for children's main carers, it led to a small but significant increase in paid employment (28 per cent of carers in treatment areas, versus 21 per cent in control areas). These were the people whose time might be most freed up by having a child in pre-school.

Many families in Kazakhstan receive state benefits such as a pension or child benefit. The CCT neither made families ineligible for these allowances nor encouraged them to apply for new ones. Nor did it change the support received from friends and relatives; in any case, unlike other countries in the region, Kazakhstan does not have a strong culture of informal transfers.

The short-term nature of the CCT, and its size compared with mean consumption, meant that it was not an instrument for poverty reduction. In light of this it is remarkable that, looking at its effect on those for whom it was directly intended—pre-school-age children and their carers—it produced several significant changes in behaviour, including on the demand for pre-school education and the shift in economic activity undertaken by some working carers.

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## Note:

1. For more information, see: <<http://www.opml.co.uk/projects/external-evaluation-bota-foundations-social-sector-programmes-kazakhstan>>. Accessed 17 November 2015.

This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

# Strengthening the cash transfer payment systems in Kenya

Winnie Mwasiaji, Social Protection Secretariat, Kenya

**The Government of Kenya is currently implementing** four social cash transfer programmes covering approximately 600,000 beneficiary households across the nation. One of the most critical challenges facing Kenya today is the implementation of an effective, efficient and robust payment mechanism that ensures payments are delivered to the beneficiaries in a timely, convenient, reliable and secure way.

The delivery mechanisms of cash transfers to beneficiaries in Kenya have evolved considerably since 2004. Before 2004, manual cash payments were made through the District Treasury, the benefits were delivered at pay points within the community, and large amounts of money were carried manually by government officers across the country.

This system offered minimal advantages, such as low payment transaction costs and easy access for beneficiaries with low levels of literacy. However, the mechanism also presented several disadvantages, including fiduciary risks, insecurity and sometimes long distances between beneficiaries and pay points, which negatively impacted programmes. The reconciliation processes were also cumbersome, causing delays in payment cycles and rendering them unreliable and unpredictable. Due to delays of up to six months, some beneficiaries reported having to borrow money to pay for utilities, which in turn caused mistrust among community members.

In 2010, the benefit payment system shifted from being completely manual to being semi-manual, using the Postal Cooperation of Kenya for some beneficiaries and a limited-purpose banking system for others. The semi-manual system partly relied on computer technology—for example, for keeping track of beneficiary lists—however, payments were still made manually in cash to beneficiaries. This approach still posed a lot of challenges, such as delays in the reconciliation process that in turn delayed subsequent payments to beneficiaries. This system still suffered from a lot of leakages and fraud.

To tackle these challenges, the Government of Kenya has made concerted efforts to ensure that payments are made electronically to beneficiaries. Two-factor authentication based on a Personal Identification Number (PIN) and a national identification card and/or a biometric fingerprint are used to identify beneficiaries. Moreover, greater steps have been taken to deliver cash benefits through outsourced payment delivery services and to link these transactions with the overall programme Management Information System (MIS) to avoid manual processes that can be subject to human error or deliberate manipulation.

In 2013, a presidential directive mandating the digitisation of all government payments was published. This directive underscored the government's commitment towards reforming the public payment system, to enhance transparency, accountability and efficiency in cash delivery. Since 2013, social cash transfers in Kenya have been delivered electronically through limited-purpose accounts in commercial banks or through an accredited agency for beneficiaries who live in remote areas.

The agency model uses offline Point of Service (PoS) devices across the country, mainly with shopkeepers. The accredited agents come under the responsibility of the serving bank which bears the liability for the payment process. Limited-purpose accounts imply that all funds must be withdrawn by the beneficiaries during the two-week payment period.

The electronic payment mechanism faces some challenges related to the low level of civil registration and to some features of the target population. The requirement of Kenyan citizenship validated by the possession of a national identity card is particularly problematic in border towns, as it is harder to identify genuine citizens due to the high incidence of non-Kenyans crossing the border, sometimes denying vulnerable Kenyan community members a chance to benefit from these programmes. In addition, child-headed households are also affected, as identification cards are only issued at the age of 18. Plans have been put in place to ensure that these eligible children—especially those who do not have caregivers—are not denied their rights.

A payment working group and a contract management group have been constituted to provide oversight of the payments of all social cash transfer programmes. Since payments are made online, real-time monitoring is also performed by a team of selected officers. Furthermore, the single registry system supports the verification of the beneficiary list through pre-payroll and post-payroll checks. All these measures have helped to ensure the efficient and effective delivery of the cash transfers. Finally, an elaborate complaints and grievances mechanism has been established at different levels of implementation to address all emerging issues from stakeholders. This includes a toll-free line managed by the social protection secretariat.

Kenya's vision for the future is to use a multiple-bank delivery mechanism under which benefits could be withdrawn at different commercial banks, reflecting different needs according to regional infrastructural disparities. These banks would receive the appropriate amount of money through a switch at the Central Bank of Kenya.<sup>1</sup> These developments will also help to address issues of technological failure (e.g. biometric smart cards), limited institutional capacity of the payment service providers, such as the number of staff, limited knowledge and familiarity with the use of technology by the agents, and liquidity problems. Moreover, it has been agreed with the service providers that all participating banks or agents should be within a 6 km radius of all beneficiaries, which substantially reduces the distance between beneficiaries and payment points.

**Note:**

1. Under the current system, the payments can only be made through a single commercial bank, selected by a competitive procurement process.

This One Pager is part of the DFID-supported project: "Brazil & Africa: fighting poverty and empowering women via South-South cooperation".

# Towards a baseline study: insights on national evaluation capacities in 43 countries<sup>1</sup>

*Claudia de Barros Marcondes, UNDP Consultant*

**At the UNDP-sponsored Third National Evaluation Capacities (NEC) Conference** (São Paulo, 2013), national government representatives from 43 UNDP programme countries discussed solutions to challenges related to the use of evaluation, its independence and credibility. The Conference produced 18 commitments to further enhance national evaluation capacities. This paper highlights the findings of a study prepared to document the state of national evaluation capacities in the 43 signatory countries to those commitments.<sup>2</sup>

The study revealed a variety of institutional settings and legal frameworks among the countries analysed, reflecting a multiplicity of government interests, political contexts and national developmental stages.

Regarding **national evaluation policies**, various legal frameworks are in place. Some countries (Benin, South Africa, Uganda, Uruguay) have a national evaluation policy system in place; others lack a specific evaluation policy but have provisions for national evaluation in their legislations. A number of countries do not yet have a national evaluation policy but have policy proposals or drafts awaiting legislation (Bhutan, Kenya, Niger). Many countries (Colombia, Malaysia, Mexico) have formalised (or semi-formalised) the legal frameworks upon which evaluation functions are built or structured. Others (Costa Rica, South Africa) have specific national evaluation systems in place. There are also a number of countries that do not yet have a national evaluation policy or a legal framework.

National governments exhibit diverse **institutional settings**. In almost all countries, international donor pressure and requirements for evaluation have facilitated the creation of a minimum structure (Ethiopia, Afghanistan). Some governments (Colombia, Mexico) have developed sophisticated structures and policies, incorporating mechanisms to ensure that evaluation processes are both credible and independent. They also aim to ensure that evaluation results are useful and used for decision-making (Mexico and Colombia).

The planning ministries in various countries have evaluation units tasked with monitoring; many of these units evaluate the implementation of national plans (Brazil, India, Malaysia, Nepal). In many cases, decentralised evaluation units exist across line ministries to facilitate this work, such in the ministries of social development, education and health.

Regarding the **use of evaluations**: in general, evaluations are used widely. The lack of a national policy does not indicate that evaluations are not used; many countries that do not have a national evaluation policy nonetheless make ongoing use of evaluations. Almost all countries are making efforts to promote the use of evaluations, be it through parliamentarians, voluntary organisations for professional evaluation (VOPEs), universities, international donors or other stakeholders. Numerous countries have a national evaluation society (some more than one). In some countries, administrative reform is pushing for modern management techniques that incorporate evaluation (Lebanon). Conversely, some governments (such as in Albania, Burundi, Egypt, Russia) do not show much progress regarding the use of evaluation.

Several issues that limit the use of evaluation have been identified. For example, some national governments have used evaluation as a

political mechanism or as a marketing tool to assess the performance of programmes that are political priorities.

In any case, the **existence of technical evaluation capacities** is key for many governments, and investments have been made to develop monitoring and evaluation (M&E) capacities, guides and methodologies for the implementation of a variety of such 'evaluation' processes. Some evaluation units have managed to gain full respect for the quality of their work due to the level of staff expertise. In other cases, even if there is demand for the M&E of national development plans, some governments lack the requisite evaluation capacity.

Regarding **stakeholder involvement**, many governments require the direct involvement of representatives of the programmes under evaluation. Some governments have structures in place to enable programme beneficiaries to participate in evaluation processes. Many countries post their evaluation reports on the Internet. In contrast, others restrict public access to evaluation information.

National **budgets** often limit evaluation processes. There are situations in which budgets are in place but are insufficient to conduct the full range of evaluation work. There are also situations in which, despite evaluation units ostensibly having their own budgets, resources are not in fact available. Ultimately, budgets are highly influenced by governments' political agendas.

Although some evaluations consider **gender issues** somewhat extensively, many evaluations limit their treatment to merely including sex-disaggregated data. Barring a few exceptions, evaluation work seldom considers ethnic and cultural issues (except when they are the main focus of the evaluation).

In some countries, **international donors** have been pushing for broader public-sector and administrative reforms in support of improved transparency, accountability and good management practices.

In **conclusion**, it is important to understand that the fabric from which countries and national governments are woven is not uniform. The granular aspects of 'national' evaluation capacities are complex and intrinsically linked to each country's development agenda. There is a relationship between the stage of democratic governance in the countries surveyed and the capacity of their governments to conduct evaluations and to ensure the independence, credibility and use of their results.

## Notes:

1. This paper provides a high-level overview of the study 'Towards a Baseline Study: Insights on National Evaluation Capacities in 43 Countries' prepared for the United Nations Development Programme – Independent Evaluation Office (IEO) and the International Policy Centre for Inclusive Growth (IPC-IG). The study was presented at the 4th International Conference on National Evaluation Capacities (NEC) in Bangkok, 26–30 October 2015, with the goal of helping inform the future development of a Global Evaluation Agenda for the post-2015 Development Agenda (the Sustainable Development Goals—SDGs).

2. The study focused on compiling and assembling a collection of resources by country through a desk review based on Internet documents and websites, complemented and validated through a consultation process involving an online survey of representatives from the countries.

# The conditions for conditionality in cash transfers

Luca Pellerano and Valentina Barca, Oxford Policy Management

**While conditional cash transfers (CCTs)** belong to a relatively new and expanding generation of social protection programmes, unconditional benefits (generally defined as unconditional cash transfer programmes—UCTs) have long occupied the social protection scene. Evidence shows that both transfers have a positive impact on fundamental dimensions of human capital accumulation such as nutrition, cognitive development and education.

If CCTs have been successful in achieving some of their desired objectives, have the conditionalities played a central role? Moreover, if CCTs do offer advantages, can we expect them to work in any context? What pre-conditions are necessary to guarantee effective CCTs, and in which situations should other policy options be pursued?

## The blurred line between conditionality and un-conditionality

To answer these questions, it is important to distinguish between four means of conditioning the use of social (cash) transfers that are available to policymakers and are widely used:

**Conditioning on access:** eligibility criteria tend to target a set of beneficiaries who have particular needs and, therefore, display similar patterns in the use of their transfers.

**Implicit conditioning:** intrinsic characteristics of the subsidy design (e.g. the nature of the transfer, delivery mechanisms, name etc.) may act as a conditioning mechanism to influence the use of resources.

**Indirect conditioning:** the use of cash transfers can be further conditioned by complementary policy actions that are implemented in conjunction with the transfer (e.g. training/education sessions or case management).

**Explicit conditionality:** the payment of the cash subsidy is contingent upon the adoption of certain 'desirable' behaviours, which are explicitly monitored.

What defines the nature of CCTs is the presence of 'explicit conditionalities' within the 'contract' between provider and recipient. When trying to understand under what conditions CCTs are effective it is important to base the comparison with UCTs on the relative benefits—but also costs—of introducing, monitoring and enforcing this 'explicit contract'. For example:

- the direct, indirect and opportunity costs of adopting 'desirable'/enforced behaviours such as sending children to school (with potential negative impacts in terms of equity and inclusiveness); and
- the costs and administrative burden of monitoring and verifying compliance for the programme, recipients and other actors within the community.

## What are the conditions for (explicit) conditionality?

Countries wishing to adopt CCTs should carefully consider their feasibility based on overall priorities for policy design and institutional contexts. The success of CCTs in Latin America was precisely linked to an assessment of this type (i.e. a clear policy objective to address problems of low human capital and a thorough understanding of supply and demand for key services such as education), and was also grounded on a specific political economic environment where the co-responsibility argument had a receptive audience. If countries in sub-Saharan Africa and elsewhere want to reap the benefits of CCTs, they should first understand whether similar conditions apply. Table 1 summarises a framework for assessing the feasibility of explicit conditionalities.

**TABLE 1**  
The conditions for conditionality: a summary

	Dimension	When are CCTs useful?	When are UCTs and other policies more suitable?
Policy design	Clarity of policy	Clear policy objectives, set of 'desirable' and easily targetable behaviours associated with this objective	Unclear policy objectives, focus on relieving poverty in a broader sense
	Linkage between 'desirable' behaviours, public services and objectives	Clear and strong linkage between final objective (e.g. human capital accumulation) desirable behaviour encouraged (e.g. school attendance) and service provision system (public school system)	Unclear linkage between final objective (e.g. poverty reduction) and desirable behaviour encouraged (e.g. productive investment). Unclear link between behaviour and service provision system
	Consideration of other 'mild' forms of conditionality	Analysis of the relative effectiveness of the three 'mild' forms of conditioning (conditionality on access, implicit and indirect conditioning) as opposed to explicit conditionalities and realisation that they are ineffective	Analysis of the three forms of 'mild' conditioning and realisation that policy objectives can be reached through those alone
	Analysis of demand and supply of services	Detailed analysis of barriers to the demand of 'desirable' goods and services and the quality and effectiveness of supply. Existence of demand-side barriers to 'desirable' goods and services rooted in information, preferences and power structures	Lack of analysis or thorough understanding of country-level demand and supply of public services. Most demand-side barriers to 'desirable' goods and services do not depend on information, preferences and power structures
	Ability to fine-tune policy	Effective use of monitoring and evaluation to fine-tune the cash transfer's design to specific individual sets of constraints so as to maximise results	No ability or political scope for fine-tuning of the programme
Country context	Supply of services	Well-developed supply of public services; their equitable distribution, high quality and effectiveness	Undeveloped supply of services; their inequitable distribution, low quality and effectiveness
	Capacity for scaling up public services provision	Existing capacity for scaling up (due to increased demand for services)	No capacity for scaling up
	Poverty levels	Households live at a subsistence level and are generally capable of satisfying their basic needs. Spending additional money on desirable behaviours is, therefore, less of a burden	Households live below a subsistence level and are not capable of satisfying their basic needs. Spending money on desirable behaviours is an additional burden that detracts from the value of the benefit (effective exclusion of most vulnerable households)
	Implementation, infrastructure and monitoring costs constraints	Reasonable costs involved in monitoring explicit conditions. Presence of pre-existing infrastructure lowering the costs of monitoring compliance	Budget constraints. No pre-existing infrastructure
	Beneficiaries' compliance burden	Low burden on beneficiaries concerning monitoring their compliance (e.g. streamlined system for verifying attendance through schools etc.) No severe budget constraint (CCTs are more expensive to implement)	High burden on monitoring their compliance (e.g. families having to provide certificates and incur travel costs)
	Political feasibility	Middle class opposed to cash transfers to poor households except if some form of co-responsibility is ensured	Weak middle class and strong focus on creating a safety net for the poorest households

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This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

# The role of institutional arrangements for youth employment and empowerment in Sierra Leone

Molla Mekonnen Alemu, United Nations Development Programme, Sierra Leone

**Youth is defined in Sierra Leone** as people aged from 15 to 35 (Government of Sierra Leone 2003). They account for about 34 per cent of the total population. More than 80 per cent of the country's youth population lives on less than USD2 per day. Sixty per cent of young Sierra Leoneans are believed to be structurally unemployed (National Youth Commission of Sierra Leone and UNDP 2012)—as a result of poverty, the weak private sector as a legacy of the civil war, the low level of coordination to create employment opportunities in the country and the mismatch between the skills demanded by the private sector and those provided by the education system.

Moreover, the 11-year civil war greatly disrupted the availability and quality of livelihood opportunities. As a result, members of this generation have fewer employable skills, are less prepared for the job market and face a more difficult transition to adulthood than either younger or older groups of the population. Recognising this fact, the Government of Sierra Leone has considered youth employment central to its Agenda for Change (2008–2012) and the Agenda for Prosperity (2013–2017) (National Youth Commission of Sierra Leone and UNDP 2013).

Employment is a structural issue, and there are no quick, sustainable solutions that will reach the majority considered to be underemployed or unemployed. Employment requires long-term, equitable growth across sectors and regions. Nevertheless, there are proven good practices, which can be expanded; existing opportunities can lead to many others if there are better linkages between sectors and initiatives, a much more supportive policy environment and targeted interventions based on detailed assessments. This is why addressing youth unemployment in a post-conflict setting such as Sierra Leone requires an appropriate institutional framework.

In December 2009, the Government of Sierra Leone established a National Youth Commission responsible for: implementing, coordinating and monitoring development programmes aimed at creating employment opportunities for the youth; developing a comprehensive national youth development plan; collaborating with other government agencies and non-governmental organisations (NGOs) on youth skills training; addressing youth drug abuse; disseminating information on services for the youth; and coordinating the activities of youth groups and youth-serving organisations.

In 2013, the new Ministry of Youth Affairs was established to spearhead the development of appropriate policies and programmes to enhance and promote development activities nationwide. It provides support and oversight for the National Youth Commission. It is also expected to work in tandem with the Ministry of Labour and Social Security, which is responsible for developing policies and managing programmes related to employment, social security and industrial relations. The current coordination structure within the youth employment sector comprises the following groups:

- the partner group: the main agencies that support the Government of Sierra Leone on employment issues (such as the United Nations, World Bank, European Commission, German Development Cooperation (GIZ) and the International Fund for Agricultural Development), providing support to studies and new project interventions and to jointly develop lessons learned;
- the youth employment strategy group: senior officers of Ministerial Development Authorities and directors of large NGOs, supporting the development of policy, coherence, synergies and strategic planning between projects, and the adoption of lessons learned;
- the technical working group: field-level implementers who share practical experiences on implementation;

- district youth advisory committees: structures established within the local district councils in an attempt to decentralise coordination of youth employment; and
- regional, district and chiefdom youth councils: ensure local youth representation, they serve as the link between the Commission and local communities.

## Key achievements

Six business development centres that are helping to develop entrepreneurship have been established in different parts of the country. They are also facilitating youth-led livelihood development activities through agribusiness and value chain promotion. Furthermore, five career advisory and placement service centres are assisting thousands of university students in the development of their careers. On average, about 500 youth are receiving IT and business development training annually from the Obasanjo skills acquisition centre. The national graduates internship programme is also increasing the employability skills of recent tertiary-level graduates. Institutional capacity development activities are also playing a pivotal role in coordinating the youth development efforts of the country.

## Lessons learned

The following are some of the best practices that could be identified from the development activities:

- the shift of the intervention approach from strictly 'socially oriented' to an added mix of 'demand-driven/business-oriented', avoiding market saturation in a limited formal private sector;
- increasing the limited knowledge of the youth on running capital vs. profitability;
- business development services are essential to support the development of entrepreneurship;
- agricultural support programmes should cover a minimum of two agricultural cycles with agricultural inputs and the development of value chains;
- local market surveys have to be conducted regularly and systematically to establish the information-sharing network of local business opportunities;
- projects need to link youth into a network, and also have to play a facilitating role between the youth and the idea of business;
- most projects are more effective when there is good social organisation, normally in the form of pre-existing natural groups;
- developing life skills is essential; and
- there must be a proper coaching and mentorship structure to enable the establishment of small and medium-sized enterprises.

Therefore, the establishment of an integrated, systematic institutional approach along with the formulation of youth-friendly systems, frameworks and structures can help to coordinate youth development efforts.

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# Challenges and perspectives for rural women in Brazil under the 2030 Agenda for Sustainable Development

Amanda Barroso Lima, Beatriz Abreu dos Santos and Isadora Cardoso Vasconcelos, UNDP Brazil

In Brazil, **smallholder farmers** account for around 70 per cent of the food market for some crops.<sup>1</sup> Family farming can contribute to reducing poverty and improving food security. Women are important actors in agriculture and rural development, accounting for 43 per cent of the total workforce in rural areas of developing countries (FAO 2015) and approximately 30 per cent of the total rural workforce in Brazil (IBGE 2006). Women spend an average of 372 hours per year on rural activities versus the 368 spent by men (FAO 2015).

Equity in access to production factors and information could increase agricultural output in the developing world by 2.5–4 per cent (*ibid.*). These data notwithstanding, women still face structural inequalities, including poor rural infrastructure and services, culturally assigned roles, as well as difficulties such as the volatility of markets, discrimination from institutions, intellectual and property rights constraints, vulnerability to climate change and lack of access to information and social programmes.

Regarding the lack of access to land, credit and financial support, women are vulnerable to economic instabilities. They are also much more likely to be affected by climate change in rural areas. To build resilience to climate change and economic constraints, women's land ownership is crucial, since it facilitates their access to credit and microfinance services. It also encourages collective action, which can be an effective alternative for building social capital and confronting socio-economic difficulties and gender gaps.

Regarding property rights, the Brazilian Federal Constitution establishes the compulsory joint titling of land for couples.<sup>2</sup> Moreover, INCRA Ordinance No. 981/2003 has led to a decrease in submissive practices of men towards women in the private sphere of rural properties since its implementation. The *Bolsa Família* programme also greatly contributes to the empowerment of women, as more than 90 per cent of the recipients of the benefits are women. However, significant challenges regarding the achievement of gender equality in Brazil still remain.

Women are the primary caregivers within households; they spend more time than men caring for the well-being of their family in terms of nutrition, education and health. Global data for 2012 show that women spent, on average, 202 hours per year on household activities, compared to 52 hours per year spent by men (FAO 2015).

Considering these inequalities and the fact that women generally do not get paid for working in the private sphere, climate change may affect them disproportionately. Therefore, it is essential to acknowledge the structural aspects that undermine women's role in development at local, regional and national levels, so as to not only overcome gender gaps but also build resilience.

A report by the United Nations Inter-Agency Task Force on Rural Women (2012) on gender-related progress against the Millennium Development Goals (MDGs) reveals that, at the global level, rural women are in a worse situation than rural men and urban women or men for every MDG indicator. To address this situation, it is important to take advantage of the opportunities presented by the 2030 Agenda for Sustainable Development. The Agenda and the Sustainable Development Goals (SDGs) comprise an important framework to track social changes related to gender inequalities in rural areas, presenting potential aspects of intervention and policy action in these fields.

It is also essential to include gender-sensitive indicators tracked by sex, race, age, revenue and disability to follow-up the SDGs and their 169 targets. In this sense, SDG targets 2.3<sup>3</sup> and 5.a<sup>4</sup> should necessarily be tracked by indicators with all these levels of disaggregation.<sup>5</sup> They are relevant to better identify the most vulnerable populations, as inequalities are both intersectional and multidimensional. They are also fundamental to policy design processes, which could be much better targeted and adapted to specific social, economic and population contexts.

Such a strategy could diminish disparities in access to production factors, technology, knowledge and economic and social opportunities, as well as enhance women's role in agriculture, with significant benefits towards achieving all the SDGs. This will only be possible through a gender-sensitive approach, enabling a more accurate understanding of the different impacts of public policies on men and women.

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## Notes:

1. By 2006, family farming represented 87 per cent of the national production of manioc, 70 per cent of beans, 46 per cent of corn and 38 per cent of coffee (IBGE 2006).
2. In Brazil, INCRA/MDA has already acknowledged homosexual couples for the purposes of joint titling of land.
3. See: <<https://goo.gl/tDMzKd>>.
4. See: <<https://goo.gl/SvQsHD>>.
5. The Inter-agency Expert Group on SDG Indicators must present to the UN Statistical Commission in March 2016 an indicator framework to monitor, at the global level, the targets under the 17 SDGs. For more information, see: <<http://unstats.un.org/sdgs/iaeg-sdgs/>>.

This One Pager is a partnership between the IPC-IG and the International Fund for Agricultural Development (IFAD).

# Grievance mechanisms for social protection programmes: stumbling blocks and best practice

Valentina Barca, Oxford Policy Management

**A Grievance Mechanism (GM) is a system** that allows citizens to provide feedback to implementers of a given service and allows implementers to respond. There are several important benefits to setting up strong GMs for social protection programmes, such as: increasing overall programme accountability and citizens' trust and involvement; continuously solving operational issues (complementary to monitoring and evaluation) and reducing the cost of addressing them; holding implementing authorities accountable at all levels of implementation to curb corruption; and standardising programme implementation and performance.

Despite these benefits, a review of the relevant literature and primary research in Indonesia (Barca, Notosusanto and Emmett 2012) clearly highlighted that GMs within social protection programmes worldwide are often underused and/or underperforming. This is underpinned by both demand- and supply-side problems.

Demand-side problems, all of which are likely to have a greater impact on vulnerable and marginalised groups, include: lack of information about the programme and entitlements, including knowledge of how the GM works; not feeling entitled to redress for poor programme performance (feeling 'grateful' or 'embarrassed'); concerns about the repercussions of giving negative feedback; scepticism about the credibility of the GM and whether complaining changes outcomes; not being able to access existing GMs because of time and resources to make a complaint, illiteracy, stigma and/or lack of trust; and reluctance to challenge the authority of decision-makers (government staff and—where community targeting is used to determine eligibility—other community members) due to unequal power dynamics.

On the supply side, challenges include: lack of a standardised process to collect and respond to feedback; lack of communication between different levels of programme implementation; inadequate training on standard solutions to common grievances; an inadequate communication strategy to inform citizens of the GM functioning; existing processes to collect grievances that are not designed for the target population (e.g. complaint boxes for illiterate people etc.); no incentives to respond and act on grievances; and no system to monitor the collection and addressing of grievances.

## Addressing the challenges, condensing international best practice:

International best practice discusses several solutions, while clarifying that GMs cannot compensate for poorly designed or implemented programmes (ibid.):

- It is more effective to resolve complaints at the point of service delivery, where information and transaction costs are lowest. This both reduces costs and improves accessibility to citizens.
- Setting up multiple channels for receiving complaints is the best way to ensure access, possibly building on existing systems.
- Access to independent channels for redress is important (e.g. links to ombudsmen, audit institutions, contracting out facilitation or collection of complaints to third parties).
- To perform effectively, GMs need dedicated staffing and standard operating procedures for different types of grievances. It is important to adequately train staff and set performance standards and targets to handle grievances in advance—most easily if GMs are incorporated directly into programme monitoring information systems.

- A widespread and continuous information campaign is crucial for stimulating demand by ensuring that the public understands programme objectives, selection criteria, how to register for the programme and who/how to access redress if there are problems (including special measures to reach the most vulnerable). Project authorities and staff need to convey and reinforce important messages over time: there is no financial charge for making a complaint; grievances are welcome because they help improve project policies, systems and service delivery; grievances will be treated confidentially; and complainants will not be punished for complaining.

TABLE 1

Main types of programme grievance channels: pros and cons

Type of grievance channel	Pros	Cons
<b>Social assistant/ social worker</b>	<ul style="list-style-type: none"> <li>- Strong understanding of social protection programmes</li> <li>- Very accessible locally</li> <li>- Regular contact with social protection programme management</li> <li>- Can be easily trained</li> </ul>	<ul style="list-style-type: none"> <li>- Potential conflict of interest (cannot complain to them about their conduct)</li> <li>- Not always capable of solutions (e.g. targeting)</li> <li>- Not anonymous or confidential</li> <li>- Could be biased against certain community members</li> </ul>
<b>Complaints box</b>	<ul style="list-style-type: none"> <li>- Easy to set up</li> <li>- Can be anonymous (if form clearly states that name and address are not needed)</li> </ul>	<ul style="list-style-type: none"> <li>- Not appropriate for those who are illiterate</li> <li>- Conviction on behalf of complainants that it would not be acted on</li> </ul>
<b>Call centre</b>	<ul style="list-style-type: none"> <li>- Direct</li> <li>- Simple</li> <li>- No problems linked to illiteracy</li> <li>- Theoretically can be anonymous/confidential</li> <li>- Useful in decentralised contexts</li> </ul>	<ul style="list-style-type: none"> <li>- Poor people are less likely to have access to a phone or to be willing to pay for the call</li> <li>- Less trust in revealing their identity and problems to someone they do not know</li> <li>- More difficult for the household to follow up on how the complaint is being managed</li> <li>- Needs to operate very well, or can backfire</li> </ul>
<b>Community grievance committees</b>	<ul style="list-style-type: none"> <li>- Members are from the community; widely known and trusted</li> <li>- Easy to access (direct and simple)</li> <li>- No problems linked to illiteracy</li> </ul>	<ul style="list-style-type: none"> <li>- Not anonymous or confidential</li> <li>- More costly to set up (identify actors) and train</li> <li>- Cannot make up for general programme weaknesses</li> </ul>
<b>Mobile unit</b>	<ul style="list-style-type: none"> <li>- Direct</li> <li>- Simple to access</li> <li>- No problems linked to illiteracy</li> <li>- Theoretically can be anonymous/confidential</li> <li>- Unbiased/external</li> </ul>	<ul style="list-style-type: none"> <li>- Reluctance to involve external actors (no trust in revealing their identity/problems to someone they do not know)</li> <li>- Not easily organised throughout the country</li> <li>- Costly to set up</li> <li>- People can only complain periodically</li> </ul>

Source: Authors' elaboration, based on fieldwork in Indonesia and literature review, with some reference to Bassett and Blanco (2011).

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This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

# An increasing recognition of the role of family farming in achieving sustainable development

Thomas Cooper Patriota, University of Sussex, and Francesco Maria Pierri, Food and Agriculture Organization of the United Nations (FAO)

The recently launched *Policy in Focus* special edition on Public Policies for Family Farming in the Global South<sup>1</sup> aims to follow up on the celebration of the United Nations International Year of Family Farming (IYFF 2014), as well as on the recent adoption of the Sustainable Development Goals (SDGs). Both of these events have given unprecedented visibility and recognition to the real and potentially greater role of family farmers worldwide in contributing to poverty reduction, food and nutrition security and the sustainable management of natural resources.

As much a consequence of the return of food security issues to the international development policy agenda in the wake of the 2007–2008 food price crisis as of the gradual build-up of coalitions between social movements, non-governmental organisations, governments and international organisations aiming to shed light on the importance of investing in small- and medium-scale agriculture, the milestones set by such events as the IYFF and the recently approved SDGs are an invitation to reflect on the significant challenges that lie ahead in terms of formulating and implementing policies that may do justice to the greater recognition of this sector as a protagonist in development strategies across the Global South.

Family farmers—most of whose livelihoods combine on- and off-farm activities—are responsible for the production of the great bulk of the food consumed on the planet yet paradoxically also represent most of the world's hungry. An overwhelming majority of farms worldwide are managed and operated by families, and predominantly rely on family labour—which are the two main criteria used to define the family farming sector, notwithstanding its wide diversity, including pastoralists, artisanal fisherfolk and indigenous peoples, among others. Access to land and natural resources is highly unequal, with 475 million of the world's 570 million farms being only 2 hectares or less in size and accounting for a mere 12 per cent of total agricultural land (Lowder et al. 2014). Moreover, rural dwellers in developing countries represent around three quarters of the world's population living in extreme poverty, and are usually those hit hardest by environmental shocks (HLPE 2013).

Whereas narratives of industry-centred development strategies have largely predominated in developing and developed countries alike, investment in sustainable rural livelihoods as a worthwhile pillar of development in its own right has nonetheless made some headway on the development policy agenda. Whether at the global level, as the IYFF and the SDG framework but also the most recent State of Food and Agriculture (SOFA 2014 and 2015) reports from the Food and Agriculture Organization of the United Nations (FAO) all illustrate, or at the national policymaking level, as revealed by some of the experiences reported in the new issue of *Policy in Focus*, small- and medium-scale agriculture is gradually demonstrating its capacity to be a part of the solution to many current global challenges, from the loss of biodiversity and land degradation, to food security and poverty eradication—if given the proper means to do so.

Moreover, policy dialogues on family farming have been steadily increasing, ranging from the national and regional-level gatherings of government delegations and rural social movements in Mercosur's Specialised Meeting on Family Farming (REAF) to the ongoing discussions inside most of the National Committees created as part of the IYFF 2014 campaign and celebrations. Deliberations have also increased at the global level among a wide variety of stakeholders—including peasant movements—inside the Committee on World Food Security (CFS), which have led to the approval of significant international frameworks such as the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT).

As a global consensus emerges on the necessity to invest in family farming as part of the solution to a more sustainable development paradigm, there is still a wide knowledge gap regarding the actual policies that should encompass the economic, social and environmental dimensions enshrined in the Rio+20 outcome document, *The Future We Want*, which form the conceptual basis of the SDGs.

Despite the huge challenges to formulating and implementing comprehensive policies in developing countries across an enormous variety of biomes and landscapes, institutional arrangements, budgetary and human resource constraints, scientific and traditional farming knowledge and practices, as well as the historically entrenched inequalities faced by rural women and young people, the renewed focus on family farming is at least contributing to bring more attention to some of the concrete implications and specificities of policymaking and rural development.

Issues such as access to land and natural resources, credit and insurance schemes, technical assistance and rural extension services, access to markets and provision of rural infrastructure—all of which have been well addressed in SDG target 2.3<sup>2</sup>—form part of a policy repertoire that must be specifically adapted to the needs of small-scale, labour-intensive and more environmentally sustainable farming. The new issue of *Policy in Focus* aims to make a hopefully useful contribution to this still incipient but growing global conversation on public policies for family farming in the Global South.

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## Notes:

1. See: <<http://www.ipc-undp.org/publication/27823>>.
2. See: <<https://goo.gl/mMlqfc>>.

# The effects of conditionality monitoring on educational outcomes: evidence from the *Bolsa Família* Programme

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**Targeted conditional cash transfer programmes** linked to human development objectives started in the 1990s in Latin America and have spread worldwide, having been adopted in 64 countries. While the targeting dimension of these programmes has become increasingly more accepted in different policy, practitioner and academic circles, their conditional component still elicits significant controversy. What are the independent effects of conditionalities, beyond the income effect of cash transfers?

On the one hand, arguments in favour of conditionalities maintain that they can rectify market failures such as a lack of information, high intertemporal discount rates and imbalanced intrafamily bargaining power that would prevent families from making optimal investments in the education of their children. Conditionalities can also increase private investment in education, which may be below the social optimum due to the existence of positive externalities. Finally, they also serve to legitimise and justify, at the political economy level, government transfers being disbursed to beneficiaries.

On the other hand, arguments against the inclusion of conditionalities state that access to a minimum income is a basic human right, and thus should not be conditional on certain behaviours. Another argument emphasises that labelling programmes as child allowances would produce an effect similar to conditionalities, by ensuring investments in the health and education of beneficiary children. Finally, there is the idea that conditionalities could have negative effects through the stigmatisation of beneficiaries and, potentially, the exclusion of the most vulnerable from social programmes, since they are less likely to comply with conditionalities.

The available evidence is slightly in favour of the existence of impacts of conditionalities beyond the effect of the cash transfer component, particularly with regard to educational impacts. However, they have been inconclusive so far. In that regard, Baird et al. (2013), in their systematic review of 35 studies, suggest that the level of enforcement associated with the monitoring of conditionalities is the main channel through which conditionalities would have an independent and additional impact on educational outcomes.

Paiva et al. (2016) look at this independent effect of conditionalities in the context of the implementation of the *Bolsa Família* programme in Brazil. Given that the programme's coverage and its rate of conditionality monitoring are not correlated at the municipal level, a growth curve model (Singer and Willet 2003) is used to measure the independent impact of the conditionality monitoring and level of coverage at the municipal level on educational outcomes—namely, drop-out and progression rates—controlling for confounding variables, in a context whereby these rates have clear descending and ascending trajectories, respectively. The independent variables of interest are programme coverage (which was assumed to be a proxy for its cash transfer component) and the rate of school attendance monitoring for basic education—the first nine years of schooling (which was assumed to be a good proxy to measure the conditionality component)—both at the municipal level.

The results of the growth curve models do not suggest any statistically significant association between the coverage of the *Bolsa Família* programme and educational outcomes. However, the variable representing conditionalities (school attendance monitoring) had a positive effect on the outcomes of interest: the greater the monitoring, the lower the drop-out rate, and the higher the school progression. The growth curve model also allowed us to assess whether the variable of interest had any impact on the evolution of the educational outcomes between 2008 and 2012. The association between conditionality monitoring and educational outcomes found for the initial status is not found for the trajectory of the outcomes. There is a clear convergence between municipalities towards lower drop-out rates and higher progression rates. This trend suggests that, despite the positive effect of conditionalities, the most important factor driving the progression of the two indicators is the convergence trend, which actually reduces the space for a sizeable impact of both cash transfers and conditionality monitoring at least for the basic level of education.

Based on previous studies, these findings could be considered somewhat unexpected. However, there are peculiarities to the Brazilian context that might help to explain them. Brazil is a middle-income country with a strong supply of public education. While its quality definitely continues to be an issue, only a very small part of the school-aged population do not have access to public education. Problems that could potentially affect school attendance have been addressed through different programmes, such as the National School Feeding Programme (*Programa Nacional de Alimentação Escolar*—PNAE) and the National School Transportation Programme, both with national coverage.

In such a context, it is not surprising that a relatively small cash transfer only has a limited (if any) effect on educational indicators. However, as this transfer may represent the only stable source of income for the family and is conditional on school attendance, it may still have some small but statistically significant effect on these indicators. Impacts on secondary education may be larger and will be considered in another study.

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1. Brazilian Ministry of Planning, former National Secretary of the *Bolsa Família* programme (2012–2015).
2. International Policy Centre for Inclusive Growth (IPC-IG).
3. Department of Conditionalities, Brazilian Ministry of Social Development and Fight Against Hunger (MDS).
4. University of Illinois, Chicago.

This publication is part of the UK Department for International Development (DFID) supported project: "Brazil & Africa: fighting poverty and empowering women via South-South Cooperation."

# Brazil–Africa knowledge-sharing: What do African policymakers say?<sup>1</sup>

*Cristina Cirillo, Livia Maria da Costa Nogueira and Fábio Veras Soares<sup>2</sup>*

**Within the framework of the project** ‘Brazil & Africa: Fighting Poverty and Empowering Women via South–South Cooperation’, the International Policy Centre for Inclusive Growth (IPC-IG) promoted an exchange of experiences of cooperation between Brazil and African countries on social protection and food and nutrition security. From June to August 2015, the IPC-IG invited African policymakers working in the area of social protection and food and nutrition security to participate in an online discussion and a survey about the cooperation between their countries and Brazil. The main objective was to assess the achievements of knowledge-sharing and learning exchange activities in the areas of social protection and food and nutrition security. The information gathered in these discussions was contextualised in Cirillo et al. (2016). In this One Pager, we present a summary of the major achievements and challenges of this process, as well as some suggestions from the participants on how to make this learning exchange more effective in the future.

In total, 48 African representatives of ministries in charge of social protection and food and nutrition security programmes in 24 different countries participated in the survey and/or in the online discussion.

They mentioned that Brazilian representatives contributed to the events at which African countries started to define social protection as a human right, and to raising awareness towards conceiving South–South cooperation as a way to achieve common goals. According to several participants, the knowledge exchange with Brazil is considered “crucial for the evolution of social protection” in their countries, by reaffirming confidence in the role of cash transfers in reducing poverty. Moreover, the engagement of the Brazilian government promoted the commitment of senior African leaders to strengthen social protection systems.

According to the African representatives, the main lessons learned from the exchange with Brazil concern: the fundamental role of social protection policies and programmes in eradicating poverty and food and nutrition insecurity; the importance of coordinating interventions through a centralised registry; the need to regulate and recognise social protection programmes through legislation; and the need to have high-level governmental institutions committed to ensuring strong and resilient social protection systems.

The results of the survey and of the online discussion confirm that knowledge-sharing between Brazil and Africa comprises a set of different learning initiatives and exchanges, rather than a long-term, structured plan of action. Every representative reported having been involved in knowledge-sharing activities (e.g. study visits, webinars or international seminars) with the participation of Brazilian officials and/or experts. They recognised the importance of these learning initiatives and look forward to their continuation. It was clear that countries were encouraged by the positive results achieved in Brazil through social protection and food and nutrition security policies and programmes. This exchange with Brazil has inspired the design and implementation of similar instruments in African countries.

We found that several African cash transfer programmes were inspired by the Brazilian experience. In particular, the Livelihood Empowerment Against

Poverty (LEAP) programme in Ghana, the National Social Protection Policy in Kenya and the Cash Transfer programme in Cape Verde received support from Brazilian institutions during their design phase. The Brazilian experience with school feeding programmes has inspired similar initiatives in Niger, Zambia, Lesotho, Ghana and others, largely supported by the World Food Programme (WFP) Centre of Excellence against Hunger and the Brazilian Cooperation Agency (Agência Brasileira de Cooperação—ABC). In addition, Purchase from Africans for Africa pilots were implemented in Ethiopia, Malawi, Mozambique, Niger and Senegal) by the Brazilian General Coordination of Humanitarian Cooperation and Fight Against Hunger (CGFome) with support from the WFP, the Food and Agriculture Organization of the United Nations (FAO) and bilateral organisations such as the UK Department for International Development (DFID).

According to the participants, many instruments used in their countries’ social protection and food and nutrition security programmes were also inspired by the Brazilian experience, due to study visits and international seminars (several having been supported by the IPC-IG, the World Bank, UNICEF and the WFP) but outside a formal bilateral cooperation programme framework. Examples include the conditional cash transfer programme in Madagascar, the Social Transfer Programme in Mauritania and the Single Registry in Lesotho.

It is worth noting that African countries also reported having been inspired and influenced by other specific features of the Brazilian social protection system, such as the Social Assistance Unified System (Sistema Único de Assistência Social—SUAS); the Reference Centres for Social Assistance (Centros de Referência de Assistência Social—CRAS); the way the Bolsa Família programme implements its conditionalities; the fact that women are the main recipients of the programme’s benefit payments; and its payment structure, whereby benefits vary according to the demographic composition of the family.

The representatives also reported that cooperation with Brazil faces several challenges, such as: language barriers; the lack of a legal and formal framework for the implementation of the technical cooperation; resource constraints; and difficulties in adapting Brazilian tools to different social and economic contexts and institutional arrangements. Thus, they look forward to having more structured formal bilateral agreements in the future—as South–South cooperation projects—to receive formal technical support from the Brazilian ministries and further promote existing knowledge-sharing initiatives. However, they strongly acknowledged the fundamental advocacy role of the Brazilian government in promoting social protection and food and nutrition security programmes and policies as a way to eradicate poverty and hunger in African countries.

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#### Notes:

1. This publication is part of the UK Department for International Development (DFID) supported project: ‘Brazil & Africa: Fighting Poverty and Empowering Women via South–South Cooperation’
2. International Policy Centre for Inclusive Growth (IPC-IG).

# Mainstreaming Graduation into social protection floors

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**With the recent adoption of the United Nations Sustainable Development Goals (SDGs),** eradicating extreme poverty presents a major challenge for governments worldwide. Despite recent progress, 902 million people remain in extreme poverty. To attain the right to social protection for people living in extreme poverty and, simultaneously, SDG Goal 1, it will be necessary to lift them above the international extreme poverty line of USD1.90/day. It is necessary to implement holistic, complementary and assessed interventions that support the realisation of national social protection floor initiatives (SPF-I) and other human rights. We argue that the 'Graduation' approach, which aims to equip the poorest of the poor with the tools, livelihoods and self-confidence to escape extreme poverty after the end of the intervention, is one such approach.

The 'ultrapoor'—the poorest and most challenged of those living in extreme poverty—often live on significantly less than USD1.90/day, are chronically food insecure and highly vulnerable to external shocks, often lacking the necessary skills and capital to lift themselves out of poverty, hunger and vulnerability. Policies designed to address the needs of poor populations have fallen short of reaching the most destitute.

Through the 'Graduation' approach as pioneered by BRAC, significant steps have already been taken towards financial inclusion and livelihood development for the ultra-poor. By addressing their lack of assets and skills, this approach combines support for immediate needs with longer-term investments in training, income generation and business development. Consequently, within two years participants are able to help themselves 'graduate' into sustainable livelihoods.

Launched in Bangladesh in 2002, BRAC's 'Targeting the Ultra-Poor' (TUP) programme has reached 1.7 million households, graduating 95 per cent out of ultra poverty. Non-governmental organisations and governments within Africa, Asia and Latin America have replicated the model (BRAC USA 2016). Bandiera et al. (2016) discuss the evidence from a seven-year study of BRAC's TUP programme, and Banerjee et al.'s (2015) impact evaluation of six CGAP-Ford Foundation pilot programmes shows broadly positive results through Graduation, although some studies are more circumspect (Bauchet et al. 2015). Nonetheless, the consensus is that Graduation enables the ultra-poor to meet their essential needs, increase labour supply and experience positive occupational change (i.e. from agricultural labour/domestic servitude to livestock rearing), reduce poverty and increase annual earnings, assets and savings (World Bank 2016). The study concludes that the programme exhibits an impressive return on investment, which over the working life span of a participant can be as much as USD5.4 for each dollar spent (Bandiera et al. 2016). Other studies also show positive impacts such as increased political involvement (Banerjee et al. 2015). Ultimately, Graduation allows individuals to live more sustainably and with greater dignity.

Beyond its programmatic confines, the Graduation approach can play a stronger role when linked to and integrated with national development strategies and services. We further contend that Graduation can help address coverage gaps in social protection systems, facilitating broader rights realisation and enabling the poorest populations to permanently exit poverty. Its proven efficacy makes it a natural ally of and complement to social protection. Interestingly, recent signs indicate that Graduation components are beginning to feature increasingly in mainstream SPF-I.

Adopting Graduation approaches is a logical step in many emerging social protection frameworks. Arguably, this is why further Graduation mainstreaming seems to already be occurring in a number of places where implementation and scale-up are under way. In Bangladesh, for example, Graduation will feature as a component in its new national SPF. Other countries where governments are operating Graduation-type approaches at scale include Ethiopia, Costa Rica and, most notably, Chile. Perhaps the most advanced Graduation approach to be tied to a social protection intervention is the *Ingreso Ético Familiar* (previously *Chile Solidario*) which is a ladder approach covering 170,000 families in extreme poverty nationwide. Enacted into law in 2012, it forms an integral part of Chile's SPF. Its national legal status is critical, as it obliges the government to commit resources, enables courts to protect against political interference and provides all citizens with a claimable, judiciable right. The programme also links other components of its national SPF, permitting the individual to move into higher and more comprehensive social protection—precisely the movement that the SPF envisions.

Graduation is gaining traction as an effective method due to positive impact evaluation and because it builds on the concept of a social protection system. Its logic can also be found in the Mexican *Prospera* conditional cash transfer and in the *Brasil sem Miséria* strategy. Over time, the strategies that have hinged mostly on cash transfers have incorporated other programmatic dimensions beyond the cash component, creating linkages with not only health, nutrition, education and mentoring but also access to higher education and formal employment and, in some cases, access to financial services. The adoption of Graduation logic can strengthen existing programmes by combining complementary mechanisms. The proliferation of Graduation-type approaches provides good examples of how to mainstream it into nationally owned SPFs.

Despite strong evidentiary support for the approach, it may not work for every scenario. However, it will be a powerful tool if States are serious about tackling their human rights deficits and extreme poverty challenges. Different pathways to mainstreaming Graduation include:

- embedding components of the Graduation approach within national SPF strategies;
- renewed endorsement of Graduation approaches by multilaterals/proponents; and
- national experimentation with Graduation through pilots designed for national expansion.

Ultimately, national Graduation approaches ought to attain statutory status and, therefore, be a legal guarantee within social protection programmes.

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# Adapting *Fomento* to countries in sub-Saharan Africa<sup>1</sup>

Kate Ambler and Alan de Brauw, International Food Policy Research Institute, and Susan Godlonton, Williams College

**Although one of the hallmarks** of an effective development intervention is its successful implementation across a variety of contexts, programme replication is often overlooked. In a recent project, the International Food Policy Research Institute adapted a well-regarded Brazilian agricultural intervention, *Fomento*, for implementation and evaluation in two African countries, Senegal and Malawi. The rigorous impact evaluations accompanying the African *Fomento* interventions will allow for documentation of their impacts, demonstrating the effectiveness of similar programmes across different economic and social contexts.

*Fomento* is a rural productive inclusion component of the Brazil without Extreme Poverty strategy. It targets extremely poor farmers, providing time-limited resources intended to lift them to a sustainably higher level of agricultural production. Potential beneficiaries are identified in the *Cadastro Único*—a registry of poor households in Brazil, whose income information is used to identify the population eligible for *Bolsa Família* transfers and other targeted social benefits. Beneficiaries meet with an extensionist, who draws up a plan to increase the productivity of the household farm. The benefit amounts to a total of BRL2,400, paid within two years in two or three instalments. The goal is to link farmers to the public food distribution system (*Programa de Aquisição de Alimentos*—PAA).

In adapting *Fomento* to African countries, we sought to replicate the three most important components of the intervention. First, rather than simply providing technical advice, *Fomento* is more comprehensive, touching on both farming techniques and farm management. Second, the substantial one-season cash transfer is clearly important, as capital constraints may otherwise limit farmers' ability to execute their plans. Third, it is crucial to link farmers to markets, so they can sell their increased excess production at fair prices.

As part of the adaptation process, it was necessary to recognise differences between the Brazilian and African contexts. No single registry similar to the *Cadastro Único* exists, so an alternative targeting mechanism was necessary. Additionally, government extension and public distribution systems are relatively underdeveloped, requiring other means of linking farmers to markets. Finally, although electronic cash transfer systems exist in both countries, they were not developed enough to support a cash transfer programme at the time of implementation.

To overcome these differences, we teamed up with local farmer organisations in both countries: the *Fédération des Organisations Non Gouvernementales du Sénégal* (FONGS) and the National Smallholder Farmer Association of Malawi (NASFAM). They have provided access to farmers as an alternative targeting mechanism and were able to link farmers to markets. The decision to work with farmers' organisations rather than, for example, a fully personalised extension service, meant that extension was potentially limited to farmers in groups growing specific

crops. Moreover, we had to select the appropriate transfer amount and design a mechanism to distribute the transfer. Because rain-fed agriculture is predominant in both countries, timing the intervention properly was extremely important; therefore, farmers received cash at critical times during the season for specific inputs. We determined transfer amounts that reflected the differences in the living standards of each country, as well as the cost of inputs required to grow target crops. In Malawi, we included a treatment arm in which inputs (rather than cash) were distributed directly, to test whether this transfer modality would lead to stronger impacts.

Pre-implementation discussions with partners necessarily led to some differences in the way the two pilot projects were implemented. In Senegal, FONGS typically provides some extension for its members while also facilitating linkages between farmers and traders. As an entry point to communities, FONGS uses *animateurs*, or villagers with some additional training, who although not as well trained as extensionists, can visit farmers each month. Because it was necessary to work within the pre-existing institutional structure, *animateurs* were trained to provide extension services. Several important elements of the project were a departure for FONGS and required extensive discussion—including the transfers and the value of the randomised component of the research—before implementation.

In Malawi, NASFAM provides extension through a lead farmer model, whereby one farmer in each group is trained by NASFAM and charged with assisting the other members. To maximise extension services, NASFAM hired additional extensionists to support the project, so that farmers in treatment villages could receive support directly from an extension worker. With NASFAM, we chose areas growing groundnuts and soy as cash crops, and each farmer group chose one crop on which to concentrate.

In both countries, discussions among the research team, FONGS and NASFAM did not end as the project was implemented, but rather led to an ongoing conversation on how to improve services to farmers within and outside the *Fomento* context. Treatments were successfully randomised by farmer group, with control groups receiving the standard services provided by the organisation. Consequently, impact estimates will consider the additional impact of management extension, cash or input transfers, or a combination thereof, contributing to the evidence base about the effectiveness of *Fomento*-style programmes on a global level.

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#### Note:

1. The authors would like to acknowledge the financial support of the UK Department for International Development for this project.

# Designing public works programmes for protection and growth

Rodolfo Beazley and Anna Vitali, Oxford Policy Management

**Public Works Programmes (PWP)** have been widely employed in both developed and developing countries to provide social protection to people of working age who are living in poverty. Beyond social protection, adequately designed PWPs can potentially enhance local productivity and contribute to overall economic development through three main channels: i) cash transfers; ii) creation or improvement of assets; and iii) creation or development of skills. By transferring cash to beneficiaries, PWPs can protect household consumption while promoting savings and investments in productive assets. Through the generation of public goods and the provision of training, public works can also lead to the accumulation of community assets and the development of skills, alleviating local productivity constraints.

Despite increasing interest and the theoretical arguments on the productive role of PWPs, existing evidence mostly focuses on the impact of cash on smoothing consumption and reducing poverty, rather than on the potential of PWPs to promote economic growth. Despite the lack of evidence, a literature review of existing programmes around the developing world allowed us to identify a number of design considerations for PWPs that are relevant if they are going to achieve growth-related impacts (McCord 2012; Beazley and Vaidya 2015).

- **Targeting:** One of the purported advantages of PWPs is that by attaching a work requirement and setting wages below the market level, they allow for the self-selection of poor people. This means reduced information and administrative efforts compared to alternative targeting methods. However, self-targeting is not always feasible or desirable. In fact, most programmes tend to combine self-targeting with geographic and/or community-based targeting. It is also important to highlight that if the main programme objective is to promote growth, attracting the poorest of those living in poverty may not be an optimal strategy, as these individuals are likely to have lower levels of human capital and lower productive potential.
- **Wage rate:** The programme's wage rate has implications for a number of aspects, such as targeting, productive investments, local multiplier effects, inflation, labour market distortions, local wages, and forgone income. Each of these aspects should be carefully weighted. Wage rates should be high enough to allow households to meet their consumption needs and leave a margin for investments; higher wages can lead to larger multiplier effects but need to be traded off against the risk of inflation and labour market distortions.
- **Payment process:** The timely and regular delivery of transfers is a key determinant of a programme's impact on consumption smoothing and household investments. The introduction of computerised payrolls and attendance sheets, as well as the use of electronic payments, might improve the timely delivery of cash.
- **Transfer modality:** Complementing regular transfers with lump-sum payments might have a positive effect on the productive potential of PWPs if the transfer of large amounts of cash is able to reduce beneficiaries' financial constraints for investments (Beazley and Farhat 2016).
- **Remuneration method:** Workers can be paid according to a piece-rate or time-rate system. Piece-rate systems pay workers based on their

- output—namely, the number of products they produce or the tasks they complete. Time-rate systems remunerate workers according to the amount of time they spend working.

Piece-rate payment systems can lead to significant increases in the levels of output by attracting individuals who are more productive and incentivising workers to produce more. However, effective functioning of these systems requires strong administrative and managerial capacity.

Compared to piece-rate systems, time-based systems are easier to implement, although likely to cause major productivity losses.

If programmes aim to both support consumption and foster economic growth, and the management capacity is relatively good, setting simple daily tasks and linking payments to their completion could be a good compromise between both methods.

- **Project selection:** Community involvement in the selection of assets, as well as the integration of projects within local and regional economic development strategies, is important to address productivity constraints. However, the productive potential of projects often needs to be traded off against the ability of public works to create employment, as more labour-intensive works might have a lower impact on local productivity. Local capacity to guarantee the convergence of technical, managerial and non-labour inputs at the work site should also be taken into account in the selection process, to guarantee the technical quality and the sustainability of the assets created.
- **Training:** Outsourcing training to specialised training institutions is likely to significantly improve the quality of the service. Involving local entrepreneurs through consultations or internship programmes can facilitate the identification of skill shortages and improve the employability of individuals by connecting employers and employees.

Most PWPs in poor countries offer single short-term episodes of employment to prevent sudden reductions in consumption. It is rare to find PWPs that have been explicitly designed for the promotion of growth, even though conventional discourse emphasises the productive role of these programmes. This One Pager provides some considerations that emerge from the limited evidence base for programmes with both protective and productive goals. Combined with a clear vision for programme objectives and context-specific analysis, it should help policymakers improve future programme design.

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This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

# The Single Registry as a tool for the coordination of social policies<sup>1</sup>

Denise do Carmo Direito,<sup>2</sup> Natália Massaco Koga,<sup>2</sup> Elaine Cristina Lício<sup>3</sup> and Jeniffer Carla de Paula N. Chaves<sup>2</sup>

**In recent years**, the role of the *Cadastro Único para Programas Sociais* (the federal government's Single Registry for Social Programmes) has been strengthened as a tool for coordinating a wide range of public policies in Brazil. In fact, from its very inception, the *Cadastro Único* was to be used as a tool for identifying and classifying the socio-economic characteristics of low-income families. Its use was "mandatory in selecting beneficiaries and in integrating the social programmes put in place by the federal government for that specific target population."<sup>4</sup>

Created in 2001, the *Cadastro Único* was expanded significantly in 2004, when it became the foundation for targeting beneficiaries of the *Bolsa Família* programme. Starting in 2011, with the launch of the Brazil without Extreme Poverty (*Brasil Sem Miséria*—BSM) plan,<sup>5</sup> use of the *Cadastro Único* by other social programmes expanded exponentially. Today, 38 federal programmes use it: 27 to select beneficiaries for various initiatives aimed at low-income populations—cash transfers, fee waivers, technical assistance etc.—and 11 for monitoring and tracking results and activities.

The *Cadastro Único* offers these programmes two major features:

i) its implementation network; and ii) information about registered families. The implementation network is a decentralised national structure that abides by the norms set by the Ministry of Social and Agrarian Development (Ministério do Desenvolvimento Social e Agrário—MDSA) at the federal level, including direct participation by all 5,570 Brazilian municipalities in registration and other services provided to citizens. This network is one of the biggest draws of the *Cadastro Único*, particularly for programmes that have few or no decentralised structures to meet citizens' demands for information and services. The registry data set contains information about 26 million vulnerable families interviewed and registered by the network; the primary information in the database can be used in a variety of social policies.

Four key aspects proposed by Barca and Chichir (2014) were considered when analysing the potential of the *Cadastro Único* to integrate data and information systems for social protection purposes: i) institutional and administrative; ii) operational and related to implementation; iii) technological; and iv) related to costs and financing. According to the analysis, the operation of the *Cadastro Único*—structured around procedures for registering and updating registry information—is used by a growing number of user programmes.

Certain measures must be taken to accommodate this multi-user scenario. These include: prior standardisation of the basic concepts<sup>6</sup> used by the *Cadastro Único* and the different programmes; the availability of electronic and decentralised tools to access data about registered households and individuals; the implementation of data confidentiality and control mechanisms; and the availability of tools for the registration network, to enable it to provide information to citizens about user programmes.

The possibilities and limitations of the *Cadastro Único* for coordinating social programmes can be analysed using two extreme models proposed by

Barca and Chirchir (2014): on the one hand, as a single registry that serves various policies and programmes and enables beneficiary selection based on established criteria; and, on the other hand, as an integrated information management system, which provides an integrated view of all the benefits and services received by citizens and enables the coordination of various activities, as it integrates programme selection and management systems.

In a preliminary assessment, the *Cadastro Único* would seem to be closer to the single registry model because it identifies a target audience for policies aimed at low-income populations (potential beneficiaries) and allows each user programme to select and monitor its beneficiaries. However, it goes beyond the single registry model, as it features an inherent component not sufficiently addressed in the classification scheme proposed by Barca and Chirchir (2014)—its implementation network. In addition to feeding the processes involved in registration and updating information, the network can use the data autonomously to guide public policies at the municipal and state levels, rather than making the data available solely to user programmes. Armed with a qualified and updated database, the *Cadastro Único* shows great potential for the coordination of social policies—although it has not yet become an integrated information management system according to the definition provided by the authors.

Several alternatives are available to the *Cadastro Único*. The most conservative alternative would be to maintain its role of identifying target populations for various policies. A more daring approach would be to incorporate information layers/systems for managing user programmes, and integrating them to enhance the quality of the monitoring and evaluation processes. A third possibility is to fully integrate the *Cadastro Único* with data from user programmes. This would enable the coordinated planning, organisation and delivery of programmes offered at all three levels of government, acting to reduce vulnerabilities according to the socio-economic profiles of each family. In terms of integration, the *Cadastro Único* would become a strategic tool for diagnosing, planning and even redesigning social policies throughout the country.

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#### Notes:

1. This publication is part of the project supported by the UK Department for International Development (DFID) entitled: "Brazil & Africa: fighting poverty and empowering women through South-South Cooperation".
2. Ministry of Social and Agrarian Development (*Ministério do Desenvolvimento Social e Agrário*—MDSA).
3. Institute for Applied Economic Research (*Instituto de Pesquisa e Economia Aplicada*—Ipea).
4. Definition provided by article 2 of Decree 6.135 of 26 June 2007.
5. Established by Decree 7.492 of 2 June 2011.
6. For example, 'family' and 'income'.

# Familial effects on youth smoking in Brazil

Alberto Palloni, University of Wisconsin–Madison, Laetícia De Souza, International Policy Centre for Inclusive Growth, and Letícia Junqueira Marteleto, University of Texas

**This One Pager summarises the key results** found in Palloni, de Souza and Marteleto (2016). That study estimates the magnitude and direction of effects of parental and sibling smoking on adolescent smoking behaviour in Brazil, the most populous country in Latin America, where the smoking epidemic is in the early to intermediate stages.

We use the 2008 Brazilian National Household Sample Survey (*Pesquisa Nacional por Amostragem de Domicílio—PNAD*), a unique data set with extensive information on household conditions and the smoking behaviour of household members. We estimate bivariate probit models with observations of pairs of siblings and identify the strength of parental and sibling influences on adolescent behaviours. These estimates are free from the impact of unmeasured shared household conditions and nearby environments.

There are a handful of conjectures we can infer from existing knowledge about family influences on adolescent smoking behaviours. Not all of them can be supported equally well by the available data. The following are succinct statements describing the main hypotheses we attempt to verify:

- Familial effects operating via direct influence of parent/sibling smoking are strong, even after accounting for the effects of measured shared environments.
- Parental smoking is a distinct and separable effect from siblings' smoking behaviour.
- The sex of parents and offspring plays a role only if parental smoking influences offspring smoking via mechanisms other than contributing to second-hand smoking. We expect that fathers' smoking has a stronger influence on sons than on daughters, while mothers' smoking has a stronger influence on daughters than on sons.
- According to role model dynamics, the influence of the smoking behaviour of older siblings should be stronger than the influence of younger siblings' smoking and amplified in the absence of parental smoking. By the same token, we expect same-sex effects to be stronger than opposite-sex effects.
- When *in utero* exposures are relevant, the effects of past maternal smoking must be stronger than paternal smoking, regardless of the sex of the offspring and current maternal (paternal) smoking.

Table 1 summarises the correspondence of the five hypotheses proposed and the evidence assembled by the empirical exercise. We have found that our initial conjecture about strong intergenerational effects is largely supported.

**TABLE 1**  
Evidence in support of hypotheses

Hypotheses	Bivariate probit evidence
<b>Hypothesis 1</b>	
Familial effects are strong	Yes
Parents	Yes
Siblings	Yes
<b>Hypothesis 2</b>	
Siblings' and parents' effects are separable	Yes
<b>Hypothesis 3</b>	
Sex-specific parental effects	Yes
<b>Hypothesis 4</b>	
Sex-specific sibling effects	Yes
Birth order-specific effects	Weak
<b>Hypothesis 5</b>	
<i>In utero</i> effects	Could not test

Source: Authors' elaboration.

The analysis shows that familial influences on smoking initiation emanating from parents and siblings are powerful, and that both reflect genuine direct effects, rather than being artefacts of unmeasured conditions. Parental effects vary by sex of both parents and offspring. Mothers are much more influential than fathers, but fathers are more influential on male than on female offspring. This suggests complex behavioural mechanisms, not one based on the production of second-hand smoking as a source of addiction.

Sibling effects overwhelm the effects of parental smoking. They are most powerful within same-sex sibling pairs. However, it is difficult to differentiate between mechanisms that implicate peer groups shared by siblings and those that involve individual adoption/imitation of role models. Weak effects produced by birth order point to peer group influences as evidence, but the differences between the effects of same-sex and opposite-sex sibling pairs are consistent with the imitation/role model conjecture.

**Reference:**

Palloni, A., L. R. de Souza, and L. J. Marteleto. 2016. "Familial Effects on Youth Smoking in Brazil." *IPC-IG Working Paper No. 146*. Brasília: International Policy Centre for Inclusive Growth.

# Impact of school day extension on educational outcomes: evidence from *Mais Educação* in Brazil

Luis Felipe Batista de Oliveira, University of Brasília (UnB) and Institute for Applied Economic Research (Ipea), and Rafael Terra, UnB

**There are many particularities to public policies** required to reduce educational disparities among students. They comprise issues related to infrastructure, remuneration and training of education professionals, debates regarding unifying content at the national level and forms of public service provision. While there are many initiatives that focus on all of these aspects, their impacts are not always subject to a causal analysis capable of providing the information necessary to improve these interventions. This One Pager seeks to summarise the evidence found in a larger Working Paper (Oliveira and Terra 2016) regarding the impact of the extended school days implemented under the 'More Education' programme (*Programa Mais Educação*—PME), an initiative of the Brazilian federal government. The PME transfers funds directly to educational institutions, which purchase educational materials and fund monitoring grants so that students may take part in extracurricular activities.

This initiative covers schools whose classes comprise only the morning or afternoon shifts. In Brazil, this is the most common practice in both public and private schools, and it limits family members' use of time and labour supply. Brazilian municipalities are the main entities responsible for the administration of elementary public schools; which are very heterogeneous in terms of administrative practices and socio-economic characteristics. Over the past three decades, various changes have occurred in the financing of public education nationwide, in addition to the adoption of compensation funds, such as the Fund for the Maintenance and Development of Elementary Education and Appreciation of Teaching (FUNDEF), between 1996 and 2006, and the Fund for the Maintenance and Development of Elementary Education and Appreciation of Education Professionals (FUNDEB), after 2006, as attempts to promote greater equity in the system. The intent is that states that are not able to reach the minimum disbursement per student receive supplementary funds from the federal government.

The PME began in 2008, having grown significantly since then, undergoing alterations in its eligibility criteria. It covered over 30,000 schools nationwide in 2012, but in 2014 that number jumped to 60,000. 2012 was chosen as the object of study, because that was when a new eligibility criterion for schools emerged. The programme focused on schools where the majority of students were beneficiaries of the *Bolsa Família* programme. This was because policymakers saw this well-known cash transfer programme as a possible way to achieve better integration between educational initiatives and poverty reduction policies.

From an evaluation standpoint, the PME also contributed to the adoption of a correct econometric approach, comparing schools relative to the new criterion in a causal manner. Schools very close to the cutoff point (usually no further than 2.5 percentage points

away from the criterion of 50 per cent of students being beneficiaries of the *Bolsa Família* programme) are very similar in terms of geography, number of employees, classes, computers and internet access, and an indicator that aggregates around 40 infrastructure indicators. Even so, among those schools there was an increase of around 20 percentage points in the probability of participating in the PME. This fact ensures the validity of the exogenous instrument.

However, despite the higher chances of selection, no improvements were found in the learning process (Portuguese and Mathematics) or in performance indicators (dropout, approval and failure rates). Next, 24 regressions were estimated, separated in 12 variables of interest for the initial years (first to fifth) and 12 for the final years (sixth to ninth) of elementary education. These outcomes contemplate performance indicators for each stage and also the specific years for which the policy is recommended (fourth, fifth, eighth and ninth years) for elementary education, as well as proficiency in Mathematics and Portuguese and the Index of Development of Primary Education (IDEB), which is a composite of proficiency and approval rates. The IDEB is also a way to capture the persistence of the policy, given that it was measured in 2013.

The fact that no impacts were found on any of the 24 analysed indicators allows for the conclusion that the programme has only accrued the participation of priority schools but has not been able to translate the transfer of funds into direct gains in proficiency, approval or even dropout rates. In terms of heterogeneous effects, the results were maintained. Therefore, it is not possible to state that there were relevant results in schools that enrolled more students compared to those that enrolled fewer students. Moreover, it was not possible to observe effects on the number of educational support activities—more focused on traditional content—compared to other (sporting, cultural or extracurricular) activities.

This issue brings to light the fact that, even after two years of participation in the programme or emphasis given to the inclusion of students, schools did not reap the expected benefits of the policy regarding traditional educational indicators. Furthermore, this impact evaluation indicates that the involvement of the federal government in the transfer of funds to schools, without demands regarding demonstrable improvements, needs to be reviewed and updated.

#### Reference:

Oliveira, Luis Felipe Batista, and Rafael Terra. 2016. "Impact of school day extension on educational outcomes: evidence from *Mais Educação* in Brazil" IPC-IG Working Paper No. 147. Brasília: International Policy Centre for Inclusive Growth.

This publication is part of the UK Department for International Development (DFID) supported project: "Brazil & Africa: fighting poverty and empowering women via South-South Cooperation".

# Rethinking the design and implementation of Nigeria's COPE Conditional Cash Transfer Programme

*Olabanji Akinola, University of Guelph*

**Nigeria's 'In Care of the People' (COPE)** conditional cash transfer (CCT) programme was launched in 2007 across 12 of Nigeria's 36 federated states (National Poverty Eradication Programme 2007). Although some states in Nigeria have other CCT programmes of their own, COPE is the only nationwide government-sponsored CCT programme in Nigeria. Similar to CCTs in other countries, COPE was designed with the objectives of reducing socio-economic vulnerabilities and breaking the cycle of intergenerational poverty by developing human capital. It requires selected households to ensure that their children attend school and participate in immunisation programmes as conditions for receiving the benefits. Based on findings from research done on social protection and COPE in Nigeria in 2013, this One Pager provides a brief overview of the programme and highlights some of its design and implementation challenges.

In terms of its design, COPE uses a combination of geographical, community and categorical targeting methods to select communities, households and individuals. While beneficiary households are mostly located in geographical areas and communities with low human development indicators, having at least one child of primary or junior secondary school age is the primary eligibility criterion for every household. However, in selecting beneficiaries, preference is given to households that are headed by categories of vulnerable persons such as: women, elderly people, people with disabilities, people living with HIV/AIDS or victims of vesicovaginal fistula. Selection of households is done by members of Community Social Assistance Committees (CSACs) in collaboration with government officials from the National Poverty Eradication Programme (NAPEP), the federal agency in charge of COPE, and local officials from participating states and local governments where the communities and households are located. The CSACs are established in participating communities to assist government officials in the selection of beneficiaries and to monitor the implementation of the programme. Every CSAC includes community members such as the community/village head, the community religious leader, school head, community health worker, women's leader and community development representative.

The main conditions for COPE relate to school attendance of at least 80 per cent for each child in the household, and participation of household members in government-sponsored immunisation programmes. Households that fulfil these conditions receive what is referred to as the 'Basic Income Guarantee' (BIG) of NGN1500 (approximately USD10 when the programme was launched) per child, or a maximum of NGN5000 for four or more children, every month.

Selected households participate in COPE for a year, after which they are expected to leave the programme. A Poverty Reduction Accelerator Investment (PRAI) payment of NGN84,000 is paid to each household or used to purchase equipment to help them set up a business or trade after they leave the programme. However, while the PRAI remains a unique feature that differentiates COPE from other CCTs in many African and Latin American countries, the payment is based on the assumption that the

income generated from the business or trade would enable the household to support the education and health needs of their children once they leave the programme. To receive the payment, each household is expected to present a member who would be trained or supported by the government with the PRAI money in a business or trade of their choice.

Although some states in Nigeria have progressed beyond the first phase of COPE, and more states have been included in the programme, it is imperative to address the following four challenges.

First, unlike what happens in pioneer CCTs such as *Bolsa Família* in Brazil and *Oportunidades* in Mexico, where households benefit from the programmes for longer periods, households only participate in COPE for a year, without any possibility of extension. Moreover, due to claims of limited resources, the number of participating households is restricted to 10 per community, even though several other households also meet the eligibility criteria. Second, since the households that participate in COPE are from very poor communities, the supply-side constraints of poor schools and clinics are quite significant. This is particularly important given that the lack of access to quality education and health services affects how CCTs contribute to the development of human capital (Rawlings 2005). Third, although the BIG and PRAI may provide some temporary relief for households to allow them to buy basic school and household items, the amount of monetary transfers is too small to enable them to overcome intergenerational poverty and vulnerabilities. Finally, there are knowledge gaps among local officials and community members regarding the design and implementation strategy, the eligibility criteria and the monitoring and evaluation of COPE.

For these reasons, it is imperative for the government to: (i) increase the length of participation for each household to cover the required period of basic education for each child and extend coverage to all eligible households within communities at the very least; (ii) focus on supply-side constraints that ultimately hamper the achievement of the programme's objectives; (iii) increase the amount of money transferred through the BIG to reflect current economic realities; and (iv) provide better information on eligibility criteria and monitoring and evaluation mechanisms.

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This publication is part of a joint series of One Pagers between the Southern African Social Protection Experts Network (SASPEN—[www.saspen.org](http://www.saspen.org)) and the IPC-IG.

This publication is part of the project supported by the UK Department for International Development (DFID) entitled: "Brazil & Africa: fighting poverty and empowering women through South-South Cooperation".

# Aspects of Chilean and Peruvian safety nets

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**This One Pager aims to synthesise** the broader findings of a larger working paper (Arruda et al. 2016) regarding the social policies and programmes of Chile and Peru. The social protection networks of these countries are largely the outcome of responsive actions determined by their socio-political and economic contexts.

Both countries hold constant surveys to monitor prices, and their domestic poverty and extreme poverty thresholds are defined accordingly. They also feature national household surveys that, among other things, enable the authorities to estimate the incidence of poverty. Both feature targeting instruments that prioritise the most vulnerable households for social policies and programmes. The Chilean targeting instrument—the *Fichas de Protección Social (FPS)*—derives from a previous instrument dating back to 1979, and thus allows for broader coverage and a more accurate protocol for validating data than the Peruvian one, which is as recent as 2007.

Regarding health, educational and social security policies and programmes, the two countries face different challenges as a result of their past history. In Chile, services were largely privatised during the Pinochet years, but following the re-democratisation of the country, the limitations of this model were made clear in terms of the lack of coverage, the excessive burden on the poorest families, and resulting inequalities. In Peru, these services were historically made universal and public, though serious quality bottlenecks and a scarcity of resources have led the government to seek supplementation from private institutions, as well as to tailor distinct contributory schemes and benefits to different population groups.

Chile's health care system, which until 1973 was public and universal, was privatised, resulting in increased health insurance costs and less coverage. The educational system transferred responsibilities to the sub-national government and also became very dependent on public-private partnerships, whereas social security was fully privatised (except for the remaining beneficiaries of the old pension system). With the re-democratisation, however, a minimum set of guarantees was required by health insurance policies, a limit was enforced on beneficiary contributions, and a non-contributory health care system was created for the poorest people.

Funding for education started benefiting schools with a higher number of students below a given threshold of vulnerability (mostly public schools), and additional programmes—such as *Chile Cresce Contigo*—were established to provide income benefits, priority health, education and psychosocial care for the poorest children and their families. In addition, the budget for the Chilean school feeding programme increased significantly; generally, these initiatives operate in tandem so that vulnerable families gain access to services they cannot afford and to other available programmes and initiatives. The country's social security system began to incorporate semi-contributory and non-contributory components, as well as taking steps to assure basic benefits even for those who were unable to contribute regularly.

Peru's public health care system has traditionally suffered from serious quality and financial bottlenecks, leading the government to split the system in two

(contributory and non-contributory) in 2009, in addition to stimulating the private sector. This duplicity is often criticised as, historically, beneficiaries of one system cannot be serviced by hospitals funded by the other. Recent efforts that include clearer paths for one fund to refund the other for services provided have been made with the aim of alleviating user restrictions.

The supply of public education in Peru, despite representing the government's second largest social expenditure, is still below Latin American average, and should be expanded and better managed to achieve better quality and coverage. However, the recent national roll-out of the *Qali Warma* school feeding programme indicates that the central government realises it can play an active role in improving the situation.

Both countries' social security systems have become multi-pillared. The Peruvian trajectory was very different from the Chilean one, as the expansion of private pension funds was stimulated in Peru as a strategy to alleviate—not terminate—the publicly provided 'pay-as-you-go' (PAYGO) system. More recently, Peru has also launched important non-contributory and semi-contributory pension systems that try to cover people who are served by neither the public PAYGO nor the private individual capitalisation schemes. A lesson to be learned from Peru pertains to the inertial burdens that early pension systems lacking progressivity and fiscal sustainability can cause to the State. Even today, the country has to incur extremely heavy public expenditures to maintain contributory systems for the higher echelons of the army and public bureaucrats, which is neither progressive nor financially sustainable.

Both countries feature conditional cash transfer (CCT) programmes for people living below poverty thresholds. Chile's traditional CCT—*Chile Solidario*—is gradually giving way to *Ingreso Ético Familiar*—which intensifies the focus on psychosocial care to protect elderly people and promote participation in the labour market. It pays larger cash benefits while also ensuring that a portion of the payments reaches beneficiaries without conditionalities; there is also a sum that is paid as a premium bonus for specific achievements (e.g. women finding employment, students performing the best in their class etc.).

In closing, both countries have comprehensive safety nets providing relevant services in core areas such as health, education, social security, income security and social assistance. These services are set to operate progressively, based on objective criteria based on national poverty thresholds, which are monitored by robust surveys. Some of Peru's main challenges pertain to supply gaps and fiscal constraints, as well as to reducing overlaps in certain areas (e.g. health services and social security), whereas Chile seems to be pressed by the need to further expand the role of the State in certain areas such as education and social security.

#### Reference:

de Arruda, Pedro Lara et al. 2016. "Overview of Chilean and Peruvian social policies: impressions from a study tour." IPC-IG Working Paper No. 148. Brasília: International Policy Centre for Inclusive Growth.

# Gender and social protection: current issues and policy trends<sup>1</sup>

Raquel Tebaldi, International Policy Centre for Inclusive Growth (IPC-IG) and Ana Paula de la O Campos and Maja Gavrilovic, Food and Agriculture Organization of the United Nations (FAO)

**Gender matters in social protection** because gender inequalities are a source of risk and vulnerability which are also reflected in the different ways that people experience poverty. This webinar sought to highlight the main issues for policy and research in the area of gender-sensitive social protection, summarising the existing evidence on how social protection empowers girls and women.

Among the research gaps pointed out by Nicola Jones is the question of the gender of the transfer recipients: in which situations should women/girls or female-headed households be preferentially targeted? Which mechanisms can be used to avoid unintended effects of this choice (e.g. increases in domestic violence)? Agnes Quisumbing also questioned: when it comes to the gender of the recipient, is there a counterfactual for targeting women/female-headed households? Does having women as recipients of cash transfers targeted at children reinforce the already gender-differentiated roles in the household and the community? How do we define empowerment, and if it is an objective for social protection, which design and implementation features help to promote it?

Quisumbing pointed out that there is not much empirical evidence on targeting transfers at women versus men, but a new generation of studies randomising by gender who gets the transfer may expand this knowledge base. The studies discussed during the presentation (on the differentiated impacts on women's decision-making among beneficiary families from urban and rural areas of *Bolsa Familia*, as well as different studies from Bangladesh to Ecuador regarding programmes' impacts on gender-based violence) contribute to the conclusion that, when it comes to gender-related impacts of social protection programmes, we cannot generalise in absolute terms: the geographical and socio-cultural contexts matter.

On the other hand, when it comes to measuring women's empowerment, there are very few internationally used measures. Quisumbing highlighted the Women's Economic Empowerment in Agriculture Index (WEAI) as one potential measure which focuses on the productive sphere. However, the social protection field still lacks a specific measure of women's empowerment, and the presenter suggested that maybe one solution would be to adapt the WEAI to include indicators related to social protection. De la O Campos pointed out that even though social protection is not necessarily meant to empower women, it provides a great opportunity to do so, as it facilitates women's access to resources and can increase their decision-making power. In making social protection more gender-sensitive, De la O Campos argued, the focus needs to be on ensuring that social protection reaches everyone equally throughout their lifecycle as an individual right, then also on empowering women economically.

In particular, Jones highlighted that adolescents "fall through the cracks" in a world of social protection interventions focused mainly on other target

groups. This is problematic, given that critical development dividends can take place in this period of life, and today we have the largest generation of youth in history, with 88 per cent of them living in developing countries. A focus on adolescents means that interventions need to take into consideration age-specific health services and opportunities for civic participation, as well as specific channels/networks through which they can be reached. More than 70 million adolescents do not attend secondary school, and many of those who do fail to complete their studies or lack the skills to meet the demands of the labour market—a situation made worse by the recent global economic crisis.

Nevertheless, very few programmes have sought to reach out to this demographic cohort. Among the interventions highlighted are education grants being implemented in Bangladesh, Zimbabwe and Kenya aiming at tackling gender disparities in enrolment, combating HIV-related risks among adolescent girls and decreasing school dropout and delaying sexual debut; the differentiated benefit level provided to adolescent girls in Mexico's *Oportunidades*, which sought to address gender discrimination in access to education; and Uganda's *Suubi* economic empowerment programme, which promoted sustainable livelihood measures aiming at increasing the assets of beneficiary families, resulting in positive impacts on the self-esteem and behaviour of adolescent girls.

Moving forward, we need to know why we are seeing positive impacts in certain domains (and adverse effects too), by integrating more qualitative work in quantitative impact evaluations. Regarding the different types of interventions, each social protection scheme will be more or less relevant depending on its context and other factors. Cash transfers, however, seem to be particularly powerful when careful considerations are taken about their design and implementation as well as monitoring of gender-related outcomes. Finally, De la O Campos highlighted the importance of the complementarity of social protection with other social policies such as child care, which facilitates women's participation in the labour market.

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- IPC-IG and FAO. 2016b. "Webinar presentation - Gender and Social Protection: Current Issues and Policy Trends." Socialprotection.org website. <<http://socialprotection.org/discover/publications/webinar-presentation-gender-and-social-protection-current-issues-and-policy>>. Accessed 30 May 2016.

## Note:

1. This One Pager is a summary of a webinar, which is part of a series on gender-sensitive social protection, a joint initiative between the International Policy Centre for Inclusive Growth (IPC-IG) and the Food and Agriculture Organization (FAO) of the United Nations. It was held on 3 May 2016 and featured a presentation by Nicola Jones (Overseas Development Institute—ODI) and interventions from Agnes Quisumbing (International Food Policy Research Institute—IFPRI) and Ana Paula de la O Campos (FAO).

# Cash transfers and psychosocial well-being: evidence from four African countries

Ramlatu Attah, Valentina Barca, Andrew Kardan, Ian MacAuslan and Fred Merttens, Oxford Policy Management (OPM) and Luca Pellerano, International Labour Organization (ILO)

**There is reasonable consensus that development** ultimately aims to improve people's well-being. Well-being is a final goal in a way that other traditional developmental outcomes—income, expenditure, education, health etc.—are not. Yet the large majority of cash transfer impact evaluations focus narrowly on these simpler and relatively easy-to-measure indicators.

This One Pager addresses this research gap by developing a framework to conceptualise 'psychosocial well-being' and presenting evidence from an application of the framework to cash transfer programmes evaluated by Oxford Policy Management in Kenya (drawing on a large-scale impact evaluation), Ghana, Lesotho and Zimbabwe (drawing on systematic cross-country qualitative research undertaken with the From Protection to Production team of the Food and Agriculture Organization (FAO) of the United Nations) (Attah et al. 2016).

## A conceptual framework for analysing psychosocial well-being

The proposed framework is an extension of the Well-being in Development approach developed by researchers at the University of Bath, who define well-being as a multi-dimensional concept consisting of an interlay of three dimensions: material (what people have or do not have), relational (what people can or cannot do with what they have) and subjective (how people think or feel about what they can do and can be). Psychosocial well-being as we define it lies at the intersection between the two latter dimensions, relating to the dynamic interaction between *social/relational* processes and *subjective/psychological* perspectives.

We draw on Ryff and Singer's (1996) conceptualisation, focusing on: self-acceptance; positive relations with others; autonomy; environmental mastery; purpose in life; and personal growth. These six dimensions affect and are affected by an individual's material well-being and social/cultural/political contexts. Psychosocial well-being is thus both an effect (it is good to have increasing values in any of those six dimensions) and cause for further positive effects (increasing values in those six dimensions is likely to lead to improvements in other areas of well-being).

## Cash transfers and psychosocial well-being: the evidence

**Children and education** - Findings from Kenya's Hunger Safety Net programme show an increase in educational performance. Qualitative research showed how improved cleanliness, clothing and ability to pay for fees and other school materials affected children's overall self-acceptance (appearing at ease and more confident), improved relations with their teachers and classmates (no longer being 'chased away' from school and stigmatised), increased their sense of autonomy and mastery over their environment (their performance now depended only on their hard work and discipline, rather than being constrained by a lack of food and school materials) and gave them more purpose in life. These findings were confirmed in a qualitative research for Lesotho's Child Grant Programme (CGP)<sup>1</sup> and Zimbabwe's Harmonised Social Cash Transfer Programme (HSCT)

**Other psychosocial effects** - In all the aforementioned programmes and in Ghana's Livelihood Empowerment Against Poverty (LEAP), cash transfers similarly enabled adult beneficiaries and caregivers to be better clothed, clean and able to feel presentable in public, leading to an increased sense of self-worth and sociability with community members. In Ghana, due to delays in payments, there was an expression of certainty that the cash would eventually arrive, which helped create a sense of hopefulness, and a longer-term perspective compared to non-beneficiaries who described life to be 'tipping down'.

This newly found self-esteem, acceptance and sense of hope enabled beneficiaries to assert agency and autonomy by reducing reliance on their families. Beneficiaries could now be seen as financially independent, rather than being a drain on scarce resources. For example, beneficiaries in Zimbabwe noted now being able to 'stand on their own two feet', while in Lesotho they derived increased self-reliance in their ability to now return things they had borrowed. We note the relational and economic significance of this, with beneficiaries now being able to rebuild and participate in risk-sharing networks, evidenced by increased participation in savings and religious groups as a result of greater autonomy over financial resources.

## Policy implications

The findings show that while cash transfer interventions may not have explicit psychosocial objectives, they influence these dimensions of well-being. This calls for a more explicit incorporation of psychological and relational dimensions in programme theories of change and evaluations. These findings imply that psychosocial well-being is potentially a powerful driver for the achievement of larger and more sustainable impacts on 'traditional' programme outcomes.

The research also stressed the mediating role played by programme design: the ways in which beneficiaries are informed about its objectives and rules, told about their duties and rights, addressed and treated during payments or monitoring visits, and provided opportunities to express their complaints all represent opportunities of social interaction that can help build psychosocial well-being.

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## Note:

1. Importantly, the CGP contributed to a highly significant 25.5 percentage point increase in the proportion of pupils who had both uniform and shoes to go to school with (Oxford Policy Management 2014).

This publication is part of the UK Department for International Development (DFID) supported project: "Brazil & Africa: fighting poverty and empowering women via South-South Cooperation".

# Land credit policy in Brazil: evidence from social networks<sup>1</sup>

Patricia Andrade de Oliveira e Silva, University of Campinas (UNICAMP) and Institute for Applied Economic Research (Ipea), and Marcelo Marques de Magalhães, São Paulo State University (UNESP)

**Brazilian poverty rates are generally highest** among family farmers in the country's Northeast region. Of special note among rural development policies is the National Land Credit Programme (Programa Nacional de Crédito Fundiário—PNCF),<sup>2</sup> which provides credit to farmers with little or no land to buy a property and carry out the necessary improvements. However, in an effort to reduce default rates, to receive credit, farmers are required to be organised; therefore, the policy indirectly promotes association and the generation of social capital (the assets that are the result of social relations). Thus, although not explicitly the policy's main objective, the generation of social capital can contribute towards rural development in the country.

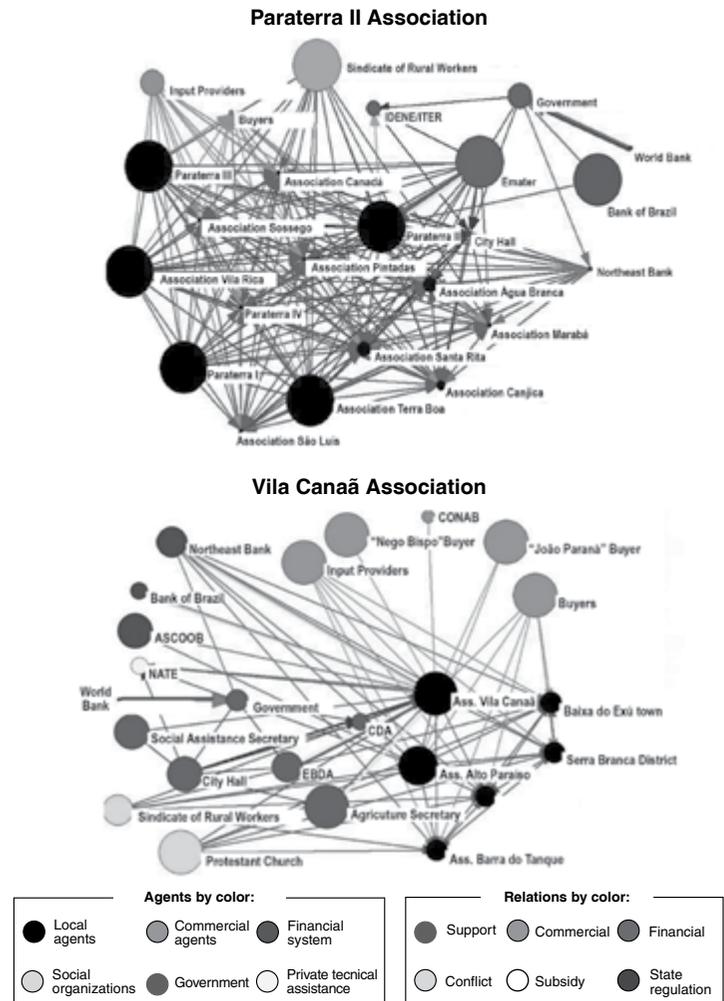
Evaluating the performance of programmes with qualitative characteristics is a challenge for policymakers. Given that social bonds can be discovered by observing social networks, this methodology was chosen for the analysis of selected cases of land credit programmes in the states of Bahia and northern Minas Gerais, using NetMap.<sup>3</sup> The methodology features an egocentric perspective (which presupposes semi-structured qualitative interviews), to identify all agents involved in the projects, from farmers' associations, banks and churches to community organisations, the government and so on. After the construction of the map, it was possible to differentiate the relationships by different types and weights, and find outstanding agents that provide greater cohesion, divergence, trade relations etc.

As shown in Figure 1, the mapping demonstrates a strong relationship between neighbouring projects (black circles), in addition to the presence of churches, rural workers' unions and a large network of mutual support. In the case of Bahia, it is worth noting the presence of public entities (purple circles) and of stakeholders and trade relations (in orange), enabling better infrastructure conditions and a stronger presence across all spheres of the government, and ensuring proper support to the development of these projects.

This was not the case in Minas Gerais, since the network presents low levels of participation by the government and commercial agents. Connectivity is also restricted between neighbouring farmers' associations, making it difficult for farmers to access the market, in addition to limiting their financial gains and their capacity to pay off their debts.

Thus, the contribution of social capital will only be effective if it is able to move beyond bonds of solidarity between farmers' associations, lead to a positive relationship with the public sphere and build reliable pathways to sell the farmers' production; otherwise, the social network will be 'closed in on itself', even though such associations do exist. Therefore, given that the programme has been active since 2003, it is important to reassess the role of local stakeholders—particularly public agents—in supporting and administering these programmes.

**FIGURE 1**  
Netmapping of the Paraterra II (Minas Gerais) and Vila Canaã (Bahia) farmers' associations, Brazil, 2015



Source: Silva (2015).

## Reference:

Silva, Patricia. 2015. "Social Capital and Policies to Combat Poverty in Brazil: a Case Study." PhD thesis in Economic Development, Space and Environment. Campinas, Brazil: State University of Campinas (UNICAMP).

## Notes:

1. Based on the author's PhD thesis, entitled 'Social Capital and Policies to Combat Poverty in Brazil: a Case Study', winner of the award for the best PhD thesis in Rural Sociology from the Brazilian Society of Economics, Business and Rural Sociology (SOBER) in 2016. The author would like to thank her thesis advisor, Prof. José Maria Jardim da Silveira.
2. For more information about PNCF, see: <http://www.mda.gov.br/sitemda/secretaria/sra-crefun/sobre-o-programa>.
3. For more about NetMap, see: <https://netmap.wordpress.com/about/>.

# Public works programmes for protection and climate resilience: theory of change and evidence in low-income countries

Rodolfo Beazley, Anna McCord and Ana Solórzano, Oxford Policy Management (OPM)

**There is growing interest globally** in the role that social protection (SP) can play in promoting resilience to climate change. Public works programmes (PWP) have been identified as particularly suitable interventions for achieving this goal, although little conceptual understanding of how they might play this role has been developed. In this One Pager we present a broad Theory of Change (ToC), showing how PWPs could potentially increase resilience to climate change, and describe briefly the evidence base.

**Theory of Change** - We define resilience to climate change as the capacity of a social system to cope with a hazardous event, responding in ways that maintain its essential function, identity and structure, while also maintaining the capacity for adaptation. It also has two subcomponents: coping capacity and adaptive capacity. The first relates to the capacity to withstand and recover after a climate shock; the second, to the ability to adjust to potential damage, take advantage of opportunities and respond to consequences. The ToC indicates that PWPs have the potential to affect resilience through three main vectors: wage, assets created, and skills and work experience.

**Wage** - The wage can have an impact on *coping capacity* by improving access to food, preventing distress selling of productive assets and enabling savings. The specific requirements for positive impact are: (i) the wage level must be adequate to meet consumption needs; (ii) the opportunity cost of collecting the wage must be low; (iii) payment must be regular, reliable and frequent; (iv) employment must be of sufficient duration to have a significant impact; (v) the duration of individual employment should not be reduced by subdividing employment opportunities among the community; and (vi) the timing of employment should reflect seasonal variations in food security and domestic and market labour demand.

In relation to increasing *adaptive capacity*, the cash enables investment in productive inputs and capital, which can support livelihood diversification into activities less vulnerable to climate change and enable beneficiaries to move out of the least well remunerated forms of casual labour. The preconditions for positive impact on adaptive capacity are as above but with the additional requirement that the wage level must be sufficient to enable investment as well as to meet immediate needs.

**Assets** - The asset construction component can help increase coping capacity and contribute to positive changes in livelihoods strategies such as diversification or a shift to alternative farm-based or off-farm practices. The requirements for this impact are related to the relevance, quality and functionality of the assets, and to the accessibility of its benefits. In particular, assets must be relevant to local needs; must be designed, located and constructed in line with technical specifications, with adequate capital inputs; labour-intensive methods must be adopted; adequate technical inputs must be ensured during design, implementation and maintenance; local government and/or community ownership and management of the asset must be ensured; follow-up maintenance must take place to ensure ongoing functionality; access to asset benefits must be equitable; and the functionality and usage of the asset must be monitored.

For assets to positively affect *adaptive capacity*, PWPs must also improve returns to labour, either by increasing productivity or by enabling the adoption of alternative or diversified livelihoods which are less vulnerable to climate change. To have an impact, assets need not only to meet the requirements for coping capacity but may also require that functioning markets are in place to allow for the purchase of inputs and/or marketing of outputs.

**Skills and work experience** - Skills can be gained either through on-the-job training and experience or through associated skills training initiatives. These can potentially enhance resilience by increasing *adaptive capacity* by promoting increased returns to labour, either through beneficiaries' own production or through wage employment. Moreover, PWPs can be a vehicle for raising awareness relating to climate change and improve decision-making. The prerequisites for this are: (i) adequate contact time; (ii) availability of trainers; (iii) relevance of training/skills to local context and to resilience; (iv) requisite capital and resource inputs available to enable beneficiaries to use skills for their own production; (v) market demand for skills acquired; (vi) mobility of labour; and (vii) availability of relevant climate information.

**Evidence in low-income countries** - International evidence is mixed on the impact of the wage in general, with the value of the wage and duration of employment being the key determinants of their impact on poverty reduction. Evidence indicates that wages, when well targeted at the poor, are primarily consumed. In most PWPs in low-income countries, wages are rarely sufficient to enable significant investment in anything other than survivalist microenterprise or the accumulation of small household assets.

There is little evidence on the impact of PWP assets in general, or on livelihoods and resilience in particular (Ludi, Levine and McCord 2016). Priority is usually given to the evaluation of cash or food transfer components of PWPs, rather than the assets created, and in the few instances where they have been formally appraised their impact on livelihoods has been found to be limited, with anecdotal evidence suggesting that PWP assets are frequently of low quality and, as a result, their climate resilience potential is compromised.

PWPs have not generally been successful in promoting significant skills development. The contact time available for formal skills development is often limited, and the skills acquired are not always readily transferable.

Not only is more research needed to inform reflection on the potential role of PWPs in promoting resilience, but there is also a need to invest more in the quality and relevance of the assets created through PWPs if they are to make a significant contribution to improving beneficiaries' resilience.

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This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

# Effects of domestic worker legislation reform in Brazil<sup>1</sup>

Joana Simões de Melo Costa and Ana Luiza Neves de Holanda Barbosa, Institute for Applied Economic Research (Ipea) and Guilherme Hirata, IDados—Alfa e Beto Institute

In Brazil, approximately 16 per cent of women with professional occupations (more than 6 million people) held jobs as domestic workers in 2014. This occupation is historically associated with poor working conditions, such as lack of legal registration (informality), low wages and high weekly working hours. It is also a unique occupation because, until 2015, it was not governed by the same labour rules as all other private occupations. Other private occupations are subject to the Consolidated Labour Laws from 1943. Instead, labour rules for paid domestic work were set by a specific law (Law No. 5,859) in 1972 and by the 1988 Federal Constitution. The reason for this distinct treatment is the nature of the job performed by domestic workers, usually at the employer's home and very close to their family.

In April 2013, the House of Representatives approved an Amendment to the Constitution (*Emenda Constitucional—EC—72*) that guarantees labour rights that other employees already had access to. Immediately after April 2013, the only practical effects of the legislative change were the limitation of working hours (up to eight hours a day and 44 hours a week) and the obligation to pay overtime. Other rights contained in the Amendment depended on specific legislation. Nonetheless, even before the law was approved there was intense debate in the Brazilian press highlighting all the possible consequences of increasing the rights of domestic workers.

There are two 'types' of domestic workers in Brazil: the *mensalista* (monthly worker) and the *diarista* (daily worker). The *mensalista* usually works for the same household the entire month and receives a monthly wage; this is the most common arrangement for all jobs in Brazil. On the other hand, the *diarista* usually works for two or more households during the week, one or two days in each household, and receives daily payments. It is important to note that only *mensalistas* are defined by law as domestic workers. Therefore, labour rights are not guaranteed for *diaristas*.

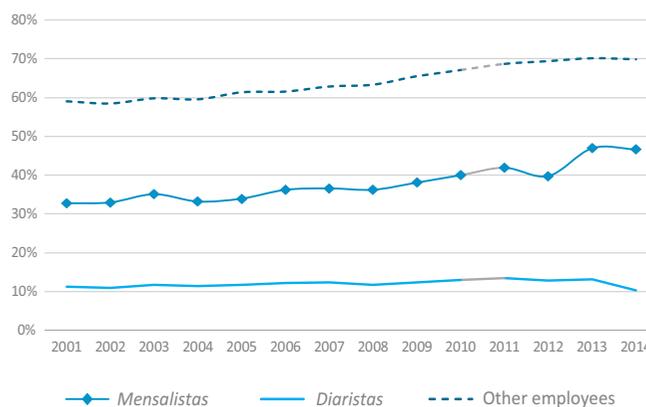
Figure 1 shows the evolution of the proportion of *mensalistas* and *diaristas* with formal labour contracts, based on waves of the National Household Sample Survey (*Pesquisa Nacional por Amostra de Domicílios—PNAD*) between 2001 and 2014. This is an annual survey with a reference period in September. We can see an upward trend for monthly workers (dotted line) throughout the period, with a sharp increase between 2012 and 2013 (7 percentage points). For the daily workers (continuous line), the proportion is stable. For the sake of comparison, we also depict the same information for other female employees. The proportion of these workers with formal contracts is almost twice that of the *mensalistas*. The proportion of other employees with formal contracts also increased during the period, but there is no path-breaking at the end.

To evaluate whether this increase in formality among *mensalistas* is related to the legislation reform, we perform a difference-in-differences (DID) analysis using data before (2012) and after (2013 and 2014) the Constitutional Amendment, considering as a control group other female employees in the service sector. We weight the estimating equation by the probability of being a domestic worker (the propensity score), a strategy known as inverse probability weighting (IPW).

The results indicate that the Constitutional Amendment increased the probability of *mensalistas* having their work card signed. We also identify a decrease in the number of their weekly working hours. Adjusting domestic workers' hours of work was probably the first step taken by employers, particularly for those whose employees live in the household. We identify no impact on the wages of *mensalistas*.

We also investigate whether the Amendment had general effects on the labour market. There is no clear evidence that it decreased the probability of a domestic worker being a *mensalista*. On the other hand, the probability of domestic workers being a daily worker increased. In addition, there is an increase in the probability of being unemployed. Therefore, it is possible that at least part of the reduction in informality among *mensalistas* is a consequence of migration to informal jobs or to unemployment, rather than an increase in the absolute number of legally registered workers.

**FIGURE 1**  
Percentage of workers with signed work card, 2001–2014  
(*mensalistas*, *diaristas* and other employees)



Source: PNAD. Authors' elaboration. There was no PNAD in 2010 (a census year).

#### Reference:

Costa, Joana, Ana Barbosa, and Guilherme Hirata. 2016. "Effects of Domestic Worker Legislation Reform in Brazil". *IPC-IG Working Paper 149*. Brasília: International Policy Centre for Inclusive Growth.

# Regional perspectives of family farming

*Food and Agriculture Organization of the United Nations (FAO) and International Policy Centre for Inclusive Growth (IPC-IG)*

**The International Year of Family Farming (IYFF2014)** aimed to raise the profile of smallholder and family farmers by focusing global attention on their important role in alleviating hunger and poverty, providing food security and nutrition, improving livelihoods, managing natural resources, protecting the environment and enabling sustainable development.

In fact, the IYFF2014 has succeeded in enabling thousands of initiatives at local, regional and international levels, fuelling a robust process of political dialogue among the 197 Member States of the Food and Agriculture Organization of the United Nations (FAO), other United Nations (UN) agencies, international organisations, family farmers' networks, civil society organisations, academia, research organisations and the private sector.

In addition to the promotion and support given to activities at its headquarters in Rome and at its regional, sub-regional and national offices, the FAO organised six Regional Dialogues (Asia, Europe, Latin America and the Caribbean, Near East and North Africa, North America and sub-Saharan Africa). The main findings of the Regional Dialogues have been summarised in the publication *Towards Stronger Family Farms*, which is available at: <<http://www.fao.org/publications/card/en/c/33a0aa55-7438-48ea-a5e3-6f767acb217b/>>.

The need for a comprehensive assessment of family farming-related issues highlights the importance of significantly engaging relevant key actors and partners. To this end, leading scholars and experts were commissioned to write six Working Papers focusing on family farming—one for each region—to enrich the ongoing debate by providing an independent point of view from an academic perspective.

These contributions were condensed into 'regional perspectives' in a synthesis paper, presented during the Global Dialogue on Family Farming held at the FAO headquarters in Rome, Italy, on 27–28 October 2014. In the context of the closing event in November 2014, *Deep roots*, a special book to mark the IYFF2014, was launched.

The complete versions of these six Working Papers are now being published, in a collaboration between the FAO and the United Nations Development Programme's (UNDP) International Policy Centre for Inclusive Growth (IPC-IG), aiming to contribute further to the ongoing follow-up of the IYFF2014 and its positive achievements.

**Family farming in the international debate: IYFF2014 achievements and beyond**  
After more than a year since its conclusion, it is increasingly evident today how much the global mobilisation for the IYFF2014 has affected and continues to affect the debates on the international agenda for sustainable development.

The celebration of the IYFF2014 significantly raised the profile of family farming, which was included in the follow-up to the Zero Hunger Challenge launched by the UN Secretary-General in 2012, in the Second International Conference on Nutrition (ICN2) in 2014 and in the preparation for the UN's post-2015 development agenda. The recognition of the central role of family farming is evidenced by many different goals and targets, constituting an integrated, indivisible set of global priorities that address the sector in all of its dimensions relevant to sustainable development and its central importance in strengthening sustainable agriculture.

In particular, a specific Sustainable Development Goal (SDG 2) was created, aimed at ending hunger, achieving food security and promoting sustainable agriculture; within this broad goal, a specific target (2.3) is dedicated to the strengthening of family farmers, thereby recognising their central role in combining environmental sustainability and food security. The target aims at doubling, by 2030, the productivity and incomes of small-scale producers, with explicit reference to family farmers, by guaranteeing them access to land and other productive resources and inputs, and by promoting the creation of non-farm jobs in rural areas.

The IYFF2014 has also greatly informed the work of the FAO, particularly informing the launch of the fifteen Regional Initiatives, which constitute the main mechanism for implementing and realising the organisation's five Strategic Objectives.

The Regional Initiatives were launched under the five different Regional Conferences in 2014, and have been reviewed and evaluated in the context of the FAO Regional Conferences held in 2016. Three Initiatives deal directly with family farming (specifically put in place to support Strategic Objective 3—reducing rural poverty), while all 15 are meant to tackle, in a coordinated manner, the several structural factors of vulnerability that limit the potential of family farming.

This new strategic and integrated approach opens the way for family farming to effectively deal with current and future challenges posed by demographic trends and environmental issues, providing support through effective political commitment and the implementation of policies designed to address the specific needs of family farming.

Unfortunately, during the production of this Working Paper series, Professor Sam Moyo, author of the regional perspective on Africa and a giant of agrarian studies, has tragically passed away. We hope that the publication of these papers could be a way to honour his memory and his intellectual struggle, and to build on his legacy to realise social justice and sustainable development.

# Transformative social protection: findings from the Zambian child grant and farmer input support programmes

Anna Wolkenhauer, University of Bremen

In Southern Africa, in the past 10 years there has been an increase in expenditure on social protection programmes. While these are often conceived of primarily in terms of smoothing consumption patterns and alleviating the most severe forms of poverty, they should instead be viewed in a more fundamentally transformative way. I argue that the current turn towards social protection opens up a window of opportunity for highlighting the synergistic effects between economic and social policies and for removing the separation between the redistributive and the productive spheres (Wolkenhauer 2016).

A look at the East Asian experience supports this point. In the so-called miracle states, attention to rural livelihoods was crucial for the structural transformation that occurred during the industrialisation process since the 1960s—namely, pro-poor land reforms and other redistributive and social security interventions. Strong ‘developmental’ states were necessary to direct investments into new manufacturing activities and to create an educated and skilled labour force. In Africa, developmental states existed in the early post-colonial period, but as states were scaled back during neoliberal structural adjustment, their capacity to steer economic activities, increase productivity and enlarge the domestic market through Keynesian policies became severely limited. The current turn towards nationally led social protection could give way to policies that not only spread the gains from economic growth more evenly but also make income-generating activities more inclusive in the first place. Below, I will draw on evidence from the Child Grant Programme (CGP) and the Farmer Input Support Programme (FISP) in Zambia—situated at opposite ends of the reproduction–production spectrum—to argue that welfare programmes have productive effects, and that productivity-enhancing policies could be more effective when including poorer recipients.

**Child Grant** - The American Institutes for Research conducted experimental impact evaluations of the Zambian CGP, which was initiated by the Zambian Ministry of Community Development, Mother and Child Health in three pilot districts in 2010 (Seidenfeld, Handa and Tembo 2013). The experimental evaluation uses a difference-in-differences approach and reveals several productive effects: the programme led to an increase of 21 per cent in the share of households possessing livestock, to an increase of 18 per cent in the size of operated land, and to a 50 per cent increase in the value of overall harvest. Moreover, it reveals a 12 per cent increase in the number of households selling some of their crops, and a 17 per cent increase in the share of households operating a non-farm business.

Beyond the household level, the money received through the cash grant was shown to have a large multiplier effect, as more than half of all goods were purchased nearby. Based on the local economy-wide impact evaluation (LEWIE) model, the authors estimate that non-participants received an indirect benefit of around 60 per cent of the cash grant. This shows that a child grant programme, even if mainly conceived as a social protection programme, can have substantial impacts on agricultural production and productivity. In this sense, cash transfers can be a crucial

component of structural economic transformation, as they create demand for domestic products and effectively enable households to invest in human capital and on- and off-farm businesses.

**Farmer Input Support Programme** - Zambia’s FISP was reintroduced by the Ministry of Agriculture in the 2001-02 agricultural season and has been studied in depth by the Indaba Agricultural Policy Research Institute (IAPRI). The scheme aims to reduce poverty and improve overall food security and agricultural productivity by supplying selected smallholder farmers (holding between 0.5 and 5 hectares of land) with subsidised fertiliser and maize seed. However, the FISP is found to have very minimal poverty reduction effects (receiving 200 kg of subsidised fertiliser reduces the likelihood of falling below the extreme poverty line of USD1.25 per day by 1–2 percentage points), and only a small positive impact on maize production, with each additional kg of fertiliser received increasing maize output by 1.8 kg and maize yield by 0.74 kg/ha (Mason and Tembo 2014). This is due to significant crowding-out effects, where each kg of subsidised fertiliser results in only 0.58 kg of additional fertiliser used. A likely cause is the skewed distribution of FISP fertiliser to wealthier farming households, with 68.2 per cent reaching the top two income quintiles in 2010-11. Moreover, the centralised purchase of this in-kind support reduces the spill-over effects to the local economy.

In sum, reviewing the CGP and FISP in Zambia has shown that poor people make rational spending decisions by investing in productive assets, and that government-administered fertiliser distribution could have more substantial impacts if it targeted poorer farming households who are unable to buy inputs at commercial prices. Investments in agricultural activities are vital, but they need to become more redistributive to have significant demand-strengthening and productivity-increasing effects. The CGP proves that redistribution can be productive—albeit not in an instrumental but in an economically inclusive sense. While the above comparison remains somewhat tentative, it demonstrates that social protection policies and economic interventions (such as in the agricultural sector) need to be seen as following the same goal: to integrate individuals equally into the economy and thereby ultimately diversifying and boosting economic activity at large.

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This publication is part of a joint series of One Pagers between the Southern African Social Protection Experts Network (SASPEN—[www.saspen.org](http://www.saspen.org)) and the IPC-IG.

This publication is part of the project supported by the UK Department for International Development (DFID) entitled: “Brazil & Africa: fighting poverty and empowering women through South-South Cooperation”.

# Social protection reform in Mozambique and the new basic social security strategy

Sergio Falange, Mozambican Civil Society Platform for Social Protection, and Luca Pellerano, International Labour Organization

In the framework of efforts to fight extreme poverty and recognising the importance and need to protect the poor and vulnerable population, in 2007 Mozambique approved Law No. 4/2007 which structured social protection into three levels, including basic social security. In 2010 the first National Basic Social Security Strategy (ENSSB I) was approved for the period 2010–2014, including a set of old (e.g. the Basic Social Security Programme—PSSB) and new (e.g. the Productive Social Action Programme—PASP) non-contributory social protection programmes, all implemented by the National Institute for Social Action (INAS) under the policy guidance of the Ministry of Gender, Child and Social Action (MGCAS). Between 2010 and 2014 there were significant advances: the number of beneficiary households of INAS programmes increased from 254,000 to 427,000; the amount paid by PSSB increased threefold in real terms between 2007 and 2014; and the PASP—a public works scheme—was introduced to cater for poor, labour-unconstrained households. All these changes implied a substantial increase in government expenditures in the area, which rose from 0.22 per cent to 0.51 of gross domestic product (GDP) between 2010 and 2014.

An evaluation of the ENSSB I conducted in 2015 highlighted a number of key challenges: low coverage of the eligible population; lack of basic social protection instruments for some vulnerable groups, particularly children; challenges in the implementation of the PASP; an absence of reliable and efficient operational procedures for programme implementation (payment delivery, case management, monitoring and evaluation); a lack of coordination among ministries responsible for the delivery of basic social protection; challenges in the coordination between MGCAS and INAS in the provision of social welfare services; and an absence of INAS offices in most districts, contributing to high administrative costs.

In 2016, the Government of Mozambique approved ENSSB II for 2016–2024. The new strategy adopts a longer time horizon, effectively reflecting a progressive and ambitious vision for non-contributory social protection in Mozambique, including: 1) the redesign of the PSSB with the gradual introduction of an old-age grant, a disability grant and a three-pronged child grant; and the adoption of a targeting approach aiming at excluding those who are not poor nor at risk of poverty; 2) the introduction of a dedicated programme for the delivery of multipurpose social welfare services at community level; 3) a gradual increase in the value of social transfers; and 4) the strengthening of the institutional, human, physical, technical and financial capacity of INAS and MGCAS, including the decentralisation of INAS personnel at district level and the roll-out of the recently developed integrated management and information system e-INAS.

The ENSSB II plans to reach 3.4 million direct beneficiaries by 2024, or approximately 10 per cent of the population, starting from slightly less than half a million in 2015. The most significant increase in coverage will be for the child grant, which is expected to be expanded on a national scale to reach 1.4 million beneficiaries by 2024. The second largest scheme will be the old-age grant, with around 1 million direct beneficiaries by 2024. About half of all Mozambican children between 0 and 17 years old will be living in households receiving social transfers, thus indirectly benefiting from them.

Based on an impact simulation conducted in combination with the costing of the ENSSB II, the increased investment in social transfers is projected to translate into a reduction of the poverty rate, the poverty gap and the Gini coefficient by, respectively, 7 per cent, 16 per cent and 5 per cent. The expansion in coverage is expected to require the fiscal space available to non-contributory social transfers to increase from 0.51 per cent of GDP in 2014 to 0.9 per cent in 2019 and 2.2 per cent in 2024. The increasing caseload will also require additional human resources and recurrent and capital expenditure, accounting for an extra 0.4 per cent of GDP in 2019.

While targets may suffer in the short term from the anticipated fiscal contraction due to the current external debt crisis, the ENSSB II provides a roadmap for building a more inclusive, rights-based social protection system for Mozambique. In gradually making steps towards the realisation of such a vision, the government, with support from cooperation partners, should focus its efforts on capacity development, the strengthening of operational systems, as well as the implementation of critical institutional reforms, as a prerequisite for the expansion of the basic social security system.

## Basic social security strategies in Mozambique

Social protection transfer programmes, ENSSB I	Social protection transfer programmes, ENSSB II
<b>Basic Social Subsidy Programme (PSSB):</b> long-term cash transfers for labour-constrained households	Old-age grant (60+); Disability grant; Child grant (0–2 years old); Foster grant; Grant for child-headed households.
<b>Direct Social Support Programme (PASD):</b> time-bound in-kind transfers for specific vulnerable groups	Multifaceted on-demand in-kind support in response to shocks.
<b>Productive Social Action Programme (PASP):</b> public works programme for poor households with capacity to work	Public works programme for poor households with capacity to work (with revised focus and enhanced complementary interventions).
<b>Social Action Services Programme (SSAS):</b> institutional care for those who are abandoned or marginalised	<b>Social Welfare Services Programme (SWSP):</b> preventive and protective welfare services provided at community level in response to social risks.
	<b>Institutional Care</b>

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This publication is part of a joint series of One Pagers between the Southern African Social Protection Experts Network (SASPEN—[www.saspen.org](http://www.saspen.org)) and the IPC-IG.

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# Disability and social protection in Mongolia

Ludovico Carraro, Oxford Policy Management (OPM)

**Across the developing world**, persons with disabilities (PWD) are considerably more likely to be poor and have lower human development indicators than other people. Their struggle to fully participate and make their contribution to society generates not only a sense of being excluded but also of being a burden.

While social protection programmes for PWD exist in most countries, the actual coverage and level of support is fragmented and insufficient (ILO 2014). This is in clear contrast with the United Nations Convention on the Rights of Persons with Disabilities, whereby Member States ensure equal rights and full and effective participation in society to all PWD. Mongolia is no exception; for example, households with PWD have a poverty rate of 42 per cent—more than twice the rate in other households (18 per cent)—and labour force participation for PWD aged 15–59 years old is only 28 per cent, compared with 69 per cent for the rest of the population. A social protection system can both support the living standards of PWD and improve their inclusion in society.

## Current status of social protection for PWD

In Mongolia the social protection system for PWD has both social insurance and social assistance elements. To be considered eligible for benefits, PWD need to undergo a medical examination. People aged 16 and older also need to undergo a different assessment under the Medical and Labour Accreditation Commission (MLAC), which assesses disability in terms of loss of labour capacity.

About 60 per cent of the economically active population is insured and entitled to a disability pension if they acquire a disability, provided they have worked and paid social insurance contributions for at least 20 years or contributed for at least three years in the five years before suffering an accident. Moreover, in the case of work accidents, employers must also make one-off payments.

The main social assistance benefits currently provided to PWD are the social welfare pension (for those not entitled to social insurance and who lost 50 per cent or more of their labour capacity), the caregiver allowance, support for persons in need of permanent care, community-based social welfare services, and special entitlements for PWD (16 different entitlements ranging from annual financial assistance for fuel expenses, prosthetic devices, free transportation, communication allowance etc.).

The presence of both social insurance and social welfare support for PWD demonstrates good system architecture, adequately distinguishing the role of each of the different types of support. However, the system faces a number of design and implementation challenges that can be summarised in terms of the coverage, adequacy and flexibility of the system.

Concerning coverage, there is anecdotal evidence of unreported/unregistered cases of disability that are, therefore, excluded from social welfare services. Even when PWD are adequately registered, there is

incomplete or partial access to benefits (such as entitlements and services). For example, currently only 6 per cent of PWD receive assistive devices, while 39 per cent would like to receive them. In terms of adequacy, the benefit amounts are very low, especially for the caregiver allowance, which is less than 30 per cent of the Mongolian minimum wage and less than 40 per cent of the official per capita poverty line. Finally, the system is very rigid, with entitlements that do not necessarily respond to the needs of all PWD. It is also burdened with heavy bureaucracy.

## Inclusion policies

Some general lessons that emerge from the analysis of the social protection system in Mongolia can be useful for other countries.

The way disability assessment is done often limits the definition and understanding of disability, with negative consequences for the way policies supporting PWD are elaborated. The recommendation is to expand from a purely medical and 'loss of labour capacity' approach to a more holistic and integrated one. Such assessment could then be linked to a fairer benefit system, more adequately linking the beneficiary's individual needs and the level of support granted. The key issue is not the medical condition itself, but to what extent the environment excludes a person with a certain medical condition. This has very important implications for inclusion, because the person is not necessarily a mere recipient of financial support but remains a potential resource, thus moving away from a default work disincentive trap. Changing disability assessment is linked to the adoption of the International Classification of Functioning, Disability and Health; it is a medium-to-long-term goal, but it can start with relatively simple improvements.

Another significant issue is that the inclusion of PWD is best achieved with a combination of services and financial support, and it is crucial to maintain flexibility in the system, allowing PWD as many options as possible to fit their specific needs. Finally, it is observed that implementation of PWD rights across different countries is often hampered by poor implementation and bureaucratic obstacles, so that *de facto* access control to limited resources leads to unfair distribution. It is necessary to develop systems that ensure equal access.

Mongolia passed a new law for the rights of PWD in February 2016 and started various initiatives to improve services and inclusion. Concerning access to social assistance, the concept of reform aims at introducing a more systematic assessment of PWD needs, and simplifying the system, moving from bureaucratic piecemeal access towards more transparency.

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This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

# Social protection and the empowerment of rural women in Africa<sup>1</sup>

Raquel Tebaldi and Mariana Hoffmann, International Policy Centre for Inclusive Growth (IPC-IG) and Maja Gavrilovic, Food and Agriculture Organization of the United Nations (FAO)

**The second webinar in the** ‘Gender-Sensitive Social Protection’ series explored the potential of social protection to contribute to the empowerment of rural women, focusing on the African region. Amber Peterman discussed the evidence behind two common assumptions underpinning the targeting of cash transfer programmes: that targeting women as the recipients of benefits will lead to spending cash in a more ‘family-friendly’ way, and that social protection programmes will necessarily empower beneficiary women. In both instances, where rigorous studies exist, the current evidence is mixed.

Peterman presented the findings from research on two transfer projects that considered the effects of unconditional child grant programmes in Lesotho and Zambia. With regard to gender-differentiated impacts on child-specific outcomes, in Lesotho the programme had a strong positive impact on school enrolment and time spent in school (mainly driven by girls) and on a reduction of farm work (mainly driven by boys) for children aged 13–17. These gendered outcomes were also influenced by the household structure (male- or female-headed), in that the outcomes in female-headed households tended to favour boys (possibly because these households are typically more labour-constrained and relied more on the labour of boys prior to the transfer), and also by who receives the benefit within a dual-adult household (mother or father): receipt by the father was found to have more positive impacts on girls’ schooling and on decreasing the incidence of farm labour among boys, while simultaneously increasing the labour input from boys in domestic tasks.

In Zambia, the cash received by women did not dramatically change intra-household dynamics, including classic ‘bargaining power’ aspects of women’s decision-making, though there were subtle positive changes in women’s empowerment, mostly because they were able to control the cash and use it for saving and income generation purposes. These results highlight that cash transfers have a potential to decrease gender inequality, but further analysis is needed regarding how gender-based targeting matters, how to measure women’s empowerment and how to apply empowerment indicators in different contexts.

Markus Goldstein’s presentation focused on three types of interventions (youth-oriented job training, business development and asset-related programmes) and their impacts on girls’ and women’s empowerment. Randomised controlled trials for job training programmes in Liberia showed that savings grew, while in Uganda there was an increase in income-generating activities, women spent more money on themselves, and fertility and rape indicators declined. Preliminary results from business development programmes in Togo demonstrate that personal initiative training programmes show very promising results compared to standard business training, while in Malawi business registration with banking information sessions worked well in terms of increasing

the number of formal businesses, the use of banking services and in boosting profits for men and women equally. Finally, land registration programmes in Rwanda and Benin also demonstrate that promoting better and more secure asset ownership rights to women leads to a higher investment in land. Goldstein noted the importance of the emerging convergence from social protection stakeholders and business development practitioners on the role of integrated interventions (also known as ‘cash plus’ or ‘training plus’ measures). While this may lead to challenges for donors and governments to coordinate and harmonise these interventions effectively, these innovative approaches present an opportunity to promote resilient livelihoods and gender equality outcomes more sustainably.

The discussant Leisa Perch highlighted the need to situate the gender inequality discussion within the framework of the Sustainable Development Goals. Important questions arose from the presentation. What is the role of social protection in responding to structural issues of gender inequality? How do we provide the tools and services (including business development initiatives) to promote women’s empowerment? Especially relevant was the question of how to address the issue of women’s empowerment in decision-making within households. The instrumental role often attributed to women in social protection programming does not seem to necessarily lead to the best results for households and the well-being of individual members, as is commonly assumed. Programmes need to ensure that they are not limiting women’s roles to caregiving, but to also promote their economic roles in the household and in the community, expanding women’s rights to economic development. Perch stressed that both presentations provided a wide spectrum of interventions that can address the issue of gender inequality, and that different ‘packages’ of interventions need to be adapted to different contexts, not only at the country level, but also at the community level. These complementary approaches also present opportunities for governments and donors to work together more effectively—not just driven by specific tools, but mainly by establishing common goals and objectives.

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#### Note:

1. This webinar is part of a series on gender-sensitive social protection, a joint initiative between the International Policy Centre for Inclusive Growth (IPC-IG) and the Food and Agriculture Organization of the United Nations (FAO) to foster a community of practice to promote gender equality in social protection. It was held on 23 June 2016 and featured contributions from Amber Peterman (UNICEF Innocenti Research Centre), Markus Goldstein (World Bank) and Leisa Perch (UN Women – Mozambique).

This publication is part of the UK Department for International Development (DFID) supported project: “Brazil & Africa: fighting poverty and empowering women via South-South Cooperation”.

# Inequality and redistribution: taxes and transfers

*International Policy Centre for Inclusive Growth (IPC-IG) and HelpAge International*

**When it comes to income distribution**, the most unequal region in the world is Latin America and the Caribbean—significantly more unequal than other developing regions, on average. Although it has experienced a significant decrease in the level of inequality over the past decade, recent data show a possible slowing down of this progress, associated with the waning economic boom of the last decades, combined with higher fiscal constraints and a rise in public debt. The webinar 'Inequality and Redistribution: Taxes and Transfers' explored and highlighted possible solutions for reducing inequality in the region, evaluating the effects of fiscal policies on income distribution.

Michael Hanni emphasised that, in general, studies based on data from Member States of the Organisation for Economic Co-operation and Development (OECD) show that direct taxes and monetary transfers are successful mechanisms to decrease inequality. However, in some Latin American countries, fiscal policies have relatively little impact on income inequality. Mr. Hanni showed that the redistributive impact of personal income taxes in Latin America is close to nil, with a negligible reduction in the Gini index and a small average effective tax rate, which, according to him, are indicative of structural weaknesses in the tax systems of the region. Comparing this effective tax rate to the average rate of European Union Member States reveals the substantially higher effective rates of the latter and better outcomes in terms of reducing inequalities.

In light of these findings, Mr. Hanni simulated different scenarios to investigate the possible consequences of more robust personal income taxes in the region. All results were very suggestive of the redistributive potential of income taxes, and pointed out a third scenario, considering a standardised personal tax based on gross domestic product (GDP) per capita and using the same marginal tax rates for all countries. This scenario, even allowing for a high level of tax evasion, was still able to increase the redistributive effect of tax rates significantly from a relatively low baseline. His second and more refined simulation analysed the potential gains in inequality reduction resulting from using stronger personal income tax to finance monetary transfers. These findings point towards tax reforms having some wiggle room to achieve meaningful improvements in inequality reduction outcomes.

Over the past few years, a number of major structural tax reforms have incorporated inequality reduction as a core component, most notably in Chile and Mexico. These reforms were often bundled with specific public spending plans and commitments to the provision of public services and social protection. Additionally, there is a growing recognition of the need to form a strong fiscal pact in the region, embracing reciprocity between citizens and the government, entailing higher taxes for higher-quality public service provision.

For Rodrigo Orair, it is a difficult task to establish this reciprocity in Latin America. According to him, this scenario is confounded by the apparent

fact that the relative burden of financing benefits very often is placed on poor people. On the one hand, poor people benefit almost exclusively from cash transfer programmes and services, to which they contribute through indirect taxes. The benefit uptake for rich people is virtually non-existent, with a very small tax burden and no use of public services. Meanwhile, middle-class taxpayers, who bear the largest portion of the tax burden, are not able to benefit from public services of adequate quality. The resulting dynamic distances middle- and upper-income classes from public assistance programmes, and discourages greater investment from the State into the social protection system for vulnerable populations.

Mr. Hanni finds a relatively greater impact on the provision of basic services such as health and education compared to other fiscal policies. After the few lowest income deciles, many individuals opt out of public services, especially education. This presents a significant challenge for the region: how can policymakers foster the necessary reciprocity to design, finance and sustain robust social protection systems, when so many people opt out of public services? How can taxpayers be persuaded to invest in social protection systems to deliver services from which they will willingly benefit? Mr. Orair also highlights that, even if the proportion of income and GDP were taxed at rates comparable to OECD member countries, it is questionable whether the same quality of public services and amount of resources per capita could be achieved.

There are no easy solutions to inequality, and the redistributive power of fiscal policies remains limited. However, according to Mr. Hanni, simulations show that there is considerable room to increase the efficacy of these instruments. Improving the quality of public services, especially when demand increases during economic downturns, is a key area of concern. For Mr. Orair, the discussion around fiscal adjustments and the role of fiscal policies goes beyond the region of Latin America and the Caribbean and must carefully consider how to achieve gains without saddling poor people with higher fiscal burdens.

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This One Pager is a summary of a webinar which is part of the 'Fiscal Space for Social Protection' series, a joint initiative between the International Policy Centre for Inclusive Growth (IPC-IG) and HelpAge International. It was held on 28 July 2016 and featured presentations by Michael Hanni (Associate Economic Affairs Officer, United Nations Economic Commission for Latin America and the Caribbean—ECLAC) and Rodrigo Octávio Orair (Researcher, Institute for Applied Economic Research (Instituto de Pesquisa Econômica Aplicada—Ipea), Brazil, and IPC-IG Research Associate).

# Phase II of the PAA Africa programme: results and lessons learned

Ana Carla Miranda, Mario Gyori and Fábio Veras Soares, International Policy Centre for Inclusive Growth (IPC-IG)

The **Purchase from Africans for Africa (PAA Africa)** programme is an innovative development cooperation initiative that seeks to promote food security and income generation among vulnerable populations through institutional purchases from smallholder farmers for school feeding programmes. A key innovation of PAA Africa is the combination of providing access to institutional markets and support to agricultural production, such as access to inputs, training and machinery.

PAA Africa was inspired by two Brazilian institutional procurement programmes: the Food Acquisition Programme (*Programa de Aquisição de Alimentos*—PAA) and the National School Feeding Programme (*Programa Nacional de Alimentação Escolar*—PNAE). PAA Africa began in 2012 as a partnership between the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme (WFP), the Government of Brazil and the UK Department for International Development (DFID). The programme has been piloted in five African countries: Ethiopia, Malawi, Mozambique, Niger and Senegal. This One Pager summarises the monitoring results for the programme's Phase II ('improved pilot phase') implemented between 2014 and 2016.

During the programme's Phase II, a total of 2,697.82 tonnes of food (including cereals, legumes, fruits and vegetables) has been purchased from PAA Africa beneficiary farmers and used in school feeding programmes. PAA Africa benefited 15,998 smallholder farmers and over 37,110 schoolchildren.

## PAA Africa Phase II monitoring results

Country	Number of farmers	Percentage of women	Quantity of food (MT)	Commodities	Number of pupils
Ethiopia	2,815	30.2%	333.45	Wheat, maize, fava and haricot beans	9,700
Malawi	3,773	57.9%	361	Cereals, pulses, vegetables, fruits and meat	10,065
Mozambique	672	38.7%	40.57	Vegetables <sup>1</sup>	8,557
Niger	7,738	40.5%	1776.8	Millet and black eyed beans	N/A <sup>2</sup>
Senegal	1,000	47.7%	186	Rice	8,788 <sup>3</sup> - 21,605
<b>Total</b>	<b>15,998</b>	<b>-</b>	<b>2,697.82</b>	<b>-</b>	

Source: Authors' elaboration.

Four good practices should be highlighted:

- The production support to smallholder farmers ensured that they would be able to provide a regular supply of food to schools while helping to strengthen smallholder agriculture production systems.
- PAA Africa food purchases contributed to dietary diversification among schoolchildren and communities in most of the participating countries by introducing high-protein foods such as legumes, fresh vegetables and fruits to school menus.
- The programme has been built on strong partnerships between national governments and civil society, which were actively involved in its implementation and coordination, promoting national ownership and capacity development in institutional procurement.
- The programme made direct food purchases from targeted farmer organisations, thus strengthening the access to markets and collective capacities of family farmers.

However, the monitoring of PAA Africa revealed the need to further adapt the programme's procurement procedures to the specific needs of vulnerable smallholders and schools to avoid delays in farmer payments and transfer of school feeding resources. In addition, in most countries, there was no clear strategy to ensure that the same beneficiary farmers received both production support and access to institutional markets through the programme.

Overall, the monitoring results show that PAA Africa has been successfully implemented in five African countries and adapted to a wide range of national and regional contexts. This illustrates that the PAA model is a viable foundation for combining productive support to smallholder farmers with access to institutional markets and school feeding programmes, representing a promising option for other governments in the future.

### Reference:

Gyori, Mario, Ana Carla Miranda, and Fábio Veras Soares. 2016. "Linking Vulnerable Smallholder Farmers to School Feeding programmes: The PAA Africa Experience." *Policy in Focus: Food and nutrition security: towards the full realisation of human rights* 13(2): 12–14. Brasília: International Policy Centre for Inclusive Growth.

### Notes:

1. In Mozambique PAA Africa aimed to procure maize from farmer organisations in the Angonia district; however, no maize purchases were carried out during Phase II due to challenges in the procurement process.
2. PAA purchases are used to supplement the WFP school feeding programme and are not distributed to specific schools.
3. The number of beneficiary schools fluctuated during Phase II due to budget constraints in the WFP school feeding programme.

# Conceptualising shock-responsive social protection<sup>1</sup>

Valentina Barca, Oxford Policy Management

## Defining shock-responsiveness

Social protection is intrinsically intended to be shock-responsive in that it should support people in the event of a shock or help to mitigate their susceptibility to shocks. We consider that the concept of a 'shock-responsive social protection system'—one that can respond flexibly in the event of an emergency—refers implicitly to covariate shocks, those that affect large numbers of people and/or communities at once, rather than the idiosyncratic shocks such as the death of a breadwinner that may affect individual households or household members.

The specific challenge presented by covariate shocks is the implication that many individuals fall in need of social protection benefits simultaneously (and/or individuals who already receive support may need additional resources to meet their basic needs), while at the same time, the consequences of the shock may limit the capacity of the existing system to deliver relief (e.g. following disaster or conflict). These shocks will primarily be triggered by cyclical, weather-related seasonal variations or exceptional circumstances (e.g. earthquake) that give rise to a humanitarian crisis. They will also pose different challenges to existing social protection systems depending on their speed of onset (rapid or slow), predictability, duration (short- or medium-term or protracted), geographical distribution and political profile.

## Existing strategies for shock-responsive social protection

When policymakers consider the use of a social protection system to address the needs of seasonal or humanitarian crises, there are a number of strategies they may employ to scale up the system's overall level of support to vulnerable people.

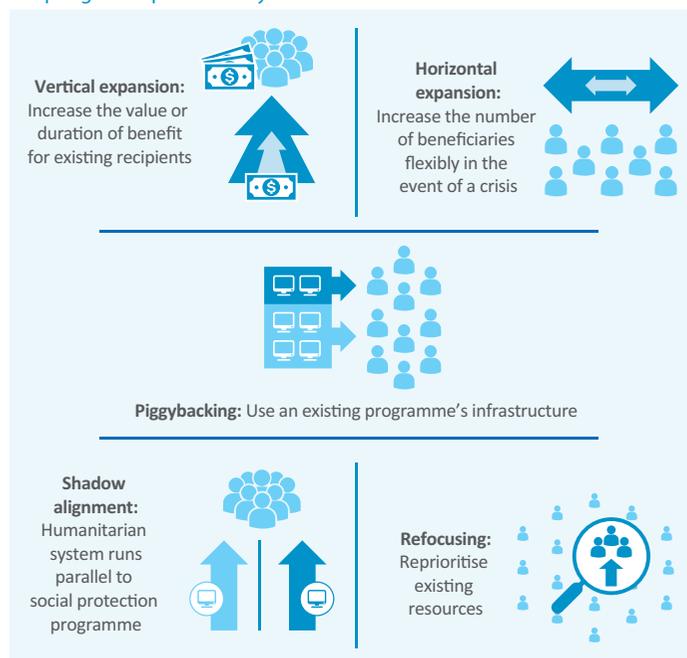
Building on Bastagli (2014) and Cherrier (2014), we offer a typology of five main options for scale-up in response to covariate shock (also see Figure 1). These may be used in any combination:

- **Vertical expansion:** Increasing the benefit value or duration of an existing programme. This may include adjustment of transfer amounts and/or the introduction of extraordinary payments or transfers.
- **Horizontal expansion:** Adding new beneficiaries to an existing programme. This may include extension of the geographical coverage of an existing programme, extraordinary enrolment campaigns, modifications of entitlement rules or relaxation of requirements/conditionalities to facilitate participation.
- **Piggybacking:** Using an existing social protection intervention's administrative framework, but running the shock-response programme separately. This may include the introduction of a new policy.
- **Shadow alignment:** Developing a parallel humanitarian system that aligns as well as possible with an existing or possible future social protection programme.
- **Refocusing:** In case of a budget cut, adjusting the social protection system to refocus assistance on groups most vulnerable to the shock.

Each of these options is likely to incorporate three phases, building on disaster risk management mechanisms:

- **Preparedness** improves prospects of a timely and effective shock response. In the humanitarian sphere, with the growing interest in cash transfers, there is a paradigm shift from prepositioning essential goods (such as food) to data, such as a unified registry of vulnerable households or an inventory of possible payment networks.
- **Response:** When a crisis occurs, there will be a trigger that activates the 'response' phase. For example, this could be an early warning system.
- **Recovery:** At a certain time, the crisis will be deemed to have moved into a 'recovery' phase, when the assistance may be terminated or adjusted following an adequate post-disaster assessment. For example, reconstruction programmes could be run using a public works approach.

**FIGURE 1**  
Adapting social protection systems for humanitarian crises



Source: Oxford Policy Management (2016).

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1. This One-pager was based on work by Francesca Bastagli, Clare O'Brien and Cécile Cherrier as part of the 'Shock-Responsive Social Protection Systems' study funded by UK Aid and implemented by OPM in partnership with ODI, CaLP and INASP.

This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

# The unseen gender impact of conditionality: extra-official conditions

Tara Patricia Cookson, University of Cambridge

**Extra-official conditions** - In Peru, as elsewhere, there is qualitative evidence that recipients of conditional cash transfers (CCTs), most of whom are women, perform a number of tasks that they understand to be required of them to receive the cash transfer but which do not actually feature in the design of the programme (for Peru, see Diaz, Huber, and Trivelli 2009; for Mexico, see González de la Rocha 2006, 129). Most often these tasks are imposed on CCT recipients by local managers who are responsible for implementation, and other empowered actors from distinct social programmes, health and education staff, and local government.

Cookson (2015) carried out extensive institutional ethnography research in the department of Cajamarca, Peru, which revealed extra-official activities required for Juntos recipients such as: having hospital births; participating in political parades; cooking for the State-run school meal programme Qali Warma; leaving their children at the State-run Cuna Más day-care centre; painting the Juntos flag on their houses; using a smokeless stove (*cocina mejorada*); building a latrine; keeping a vegetable garden; participating in cultural and micro-productive projects; having well-organised hygiene instruments; and contributing to the costs of a neighbour's broken leg.

While some of these tasks are potentially dangerous (trying to access a rural health clinic while in labour, with no access to transportation), others are time-consuming or stigmatising. Importantly, none of them contributes to achieving Juntos objectives. Rather, extra-official conditions highlight the exacerbation of unequal power relations in the implementation of a programme intended to provide social protection.

**Implementation challenges** - The challenges of accessing and implementing social protection in isolated rural areas are significant. Local managers (LMs) serve as the interface between rural women CCT recipients and the State. LMs communicate programme aims and requirements to CCT recipients, monitor compliance with conditionality and facilitate Juntos recipients' 'pay day'. Much as accessing health care and education is challenging for rural families, working conditions for programme implementers are also difficult. LMs manage up to thousands of CCT recipients spread out over rugged terrain, and must navigate the realities of scarce public investment in basic infrastructure, including transportation and mobile phone service. They often travel on foot and stay away from their families for extended periods of time. This context within which LMs work is significant to the creation of extra-official conditions. The institutional ethnography approach of the research identified four specific causes of extra-official conditions.

**Under-resourced public services** - According to agreements between the relevant ministries, school and health clinic staff are required to help LMs monitor CCT recipients' compliance by filling out forms used to track attendance at school and health appointments. However, in the context of budgetary constraints, health and education staff often fail to fill out the forms because they do not have time or they see it as falling outside the remit of their jobs. As a result, LMs gather attendance information

themselves. This adds to the time they spend in the field, requires access to attendance records and, in the case of health, requires knowledge of medical terminology. To gain access to records and occasional support, LMs create informal arrangements with health and education staff. For instance, LMs may agree to require CCT recipients to do 'voluntary' work for the school meal programme or give birth in health clinics.

**Personal beliefs** - Many extra-official conditions are viewed by LMs and other participating local authorities as benefiting CCT recipients or their families. Extra-official conditions may be viewed as improving children's nutritional health (vegetable gardens); preventing maternal mortality (clinic births); contributing to Juntos educational aims (using the day-care programme); or empowering women (micro-productive projects). To be sure, while outcomes may be disempowering or otherwise, the driving force is often rooted in good intentions.

**Absence of citizen-centred accountability and transparency mechanisms** - There are no appropriate mechanisms in place for Juntos recipients to file complaints or ascertain correct information pertaining to what is required of them. LMs serve as CCT recipients' central and often only point of contact with the programme. Regional Juntos offices are located far from where most recipients live. While there is a telephone number listed on the Juntos website for complaints, most CCT recipients do not own or have access to a computer. Additionally, many CCT recipients are illiterate. These factors limit or prohibit women from filing complaints.

**Programme evaluations do not account for women's time** - CCT programmes do not typically measure impacts on women's time. This is understandable, given the programmatic focus on children's health and education. However, the result is that critical impacts on women may be overlooked. Especially in rural areas, programme conditions add to the burden of women's unpaid care work. Extra-official conditions further increase women's time poverty. Failure to account for women's time means that debates around the appropriateness of conditionality do not sufficiently reflect women's well-being.

**Bringing gender into the conditionality debate** - The women who receive CCTs are already among the most marginalised. Conditionality in the context of scarce and poor-quality health services, social inequalities and rugged geographies risks deepening their marginalisation. Without adequate investment in services, conditionality can reproduce unequal power relations, exacerbate the time women spend on unpaid care, and distract from more meaningful uses of their time. Women's experiences of extra-official conditions should drive more gender-sensitive debates around the justification for conditioning social protection.

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# Human development and land tenure in Brazil

Alexandre Arbex Valadares, Institute for Applied Economic Research (Ipea), Fernando Gaiger Silveira, International Policy Centre for Inclusive Growth (IPC-IG) and Institute for Applied Economic Research (Ipea), and Nikolas de Camargo Pirani, United Nations Development Programme (UNDP)

**This study<sup>1</sup> proposes to investigate** how living conditions and human development in the rural environment might be linked to a structural characteristic of the Brazilian countryside: the high concentration of land ownership. It offers statistical evidence that highlights how the markedly unequal land tenure structures in Brazil can affect the indicators of human development, especially of the rural population. It joins other studies that, with similar technical and methodological approaches, have analysed the relationship between the geographic distribution of well-being indicators and distinct patterns of land occupation.

A pioneering study by Vitoria and Blank (1980) examined, for the Brazilian state of Rio Grande do Sul, the correlation between child mortality and the agrarian structure. The authors identified higher mortality and malnutrition rates among children who resided in areas of large landed estates and cattle ranching, with a high proportion of rural wage workers, than children who resided in areas of smallholding, with subsistence agriculture and family labour.

Another important study by Hoffmann (2007) concludes that there is a statistically very significant association between inequality in the distribution of land ownership, and child mortality rates and life expectancy at birth. The author also states that the Gini Index is an imperfect measure for determining the economic inequality of land tenure because it does not allow variations regarding the quality of the soil and the location of land plots to be estimated, but it can be considered a good proxy for the inequality of this structure and understood as a conditioning element of the local socio-economic reality. This interpretation helps explain the strong correlation between this measure and variables that are indicative of well-being and human development, as well as health.

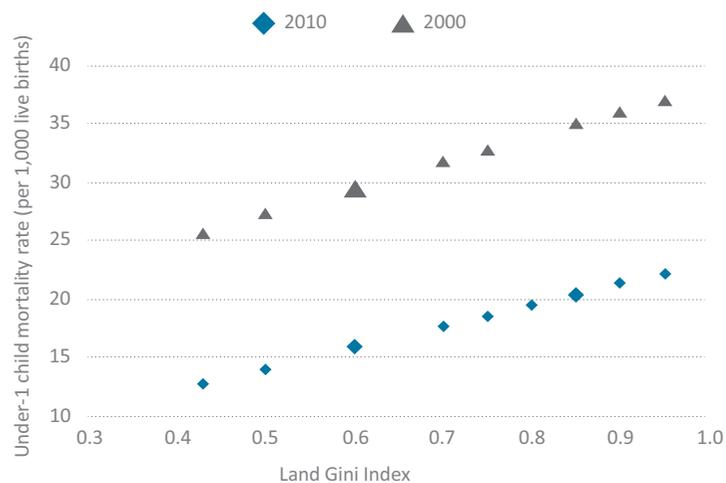
Our analysis was performed across two territorial levels: micro-regions and municipalities. At both levels, the results allow for the conclusion that this 'trademark' of Brazil's underdevelopment—the high concentration of primary assets (land, in this case) can be related to comparatively low standards of well-being. To reach these results, regressions were estimated for three synthesis variables of well-being: i) the Human Development Index; ii) the under-1 child mortality rate; and (iii) the under-5 child mortality rate, for both territorial levels and across two distinct periods—1996/2000 and 2006/2010. Illiteracy rate, expected years of schooling, the Land Gini Index and the size of the rural population as a proportion of the total population were explanatory variables.

Figure 1 illustrates the results relative to the under-1 child mortality rate, by highlighting the expected values according to the Land Gini Index.<sup>2</sup> The positive effect of a better land tenure structure on child mortality rates is evident, given that the predicted rates for the areas characterised by small properties are 16 per cent and 22 per cent

lower in 2000 and 2010, respectively, than for those areas with a land structure that is similar to the rest of the country.

The results of our study join other studies on the social living conditions of rural populations, and reinforce the conclusion that the majority of the issues related to poverty and food and nutrition security in the countryside can be solved through more a decisive intervention in the land tenure structure, together with comprehensive feeding programmes and better policies for income distribution. Despite all the changes that have occurred in the Brazilian countryside and agriculture over the years, inequality in land tenure is an obstacle to human development, and the path to overcoming it must necessarily pass through agrarian reform.

**FIGURE 1**  
Estimated values—predicted under-1 child mortality rate, according to the proportion of the rural population and the degree of concentration of land ownership in the micro-regions, 2000 (1996/2000) and 2010 (2006/2010)



Source: Authors' elaboration.

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#### Notes:

1. This One Pager is based on a longer Working Paper (Valadares et al. 2017).
2. The average micro-regional values for the two other co-variables (rurality and expected schooling) were considered.

# Harmonisation of contributory and non-contributory programmes

*International Policy Centre for Inclusive Growth (IPC-IG) and HelpAge International*

**When discussing contributory and non-contributory** social protection schemes, it is important to understand their target population, because while poverty is real, the concept of ‘the poor’ is a construct. Depending on the metric used, the majority of the world’s population could be classified from poor to insecure, with a vast number of people within developing countries depending on very little to survive. The webinar ‘Fiscal Space for Social Protection: Harmonization of Contributory and Non-Contributory programmes’ explored options and insights in favour of broader social protection coverage.

‘The poor’ does not represent a static group—on the contrary, it is extremely dynamic. Social security schemes, which aim to protect people from the incidence of poverty, can be generally classified into two types: tax-financed and contributory schemes. Tax-financed schemes typically aim to provide individuals and families with a minimum guaranteed income, contributing to the goal of a social protection floor. Conversely, contributory schemes aim to provide people of working age with programmes and means of consumption smoothing to shift income from active periods to periods when their capacity to provide for themselves and their families is temporarily or permanently reduced.

The combination of these two types of schemes can potentially offer insurance against risks that people may face throughout their life-cycle. However, as Stephen Kidd from Development Pathways has argued, we need to reframe the way we think about tax-financed schemes. In particular, these schemes are often indirectly contributory, given that social contracts typically drive citizens to contribute to the State through labour (formal or informal) and taxation (direct and indirect). These accumulated resources are reverted, in turn, to social benefits and services.

Regarding contributory pensions, the explicit (and often implicit) eligibility criteria typically exclude people outside the formal economy, who in large part have low or no income. Stephen Kidd illustrates that only a handful of developing countries offer coverage to more than 75 per cent of their working-age population; in many, particularly in Asia and Africa, this rate is less than 25 per cent. Furthermore, according to him, contributory schemes help perpetuate a strong gender bias, as women often find themselves outside the formal economy.

In the same vein, Rebecca Holmes, from the Overseas Development Institute (ODI), added that informal workers are vulnerable to many risks, with women typically being more exposed, especially to health-related issues. According to her, despite recent progress in expanding social protection coverage in countries such as Brazil, South Africa, China, Rwanda and Ghana, challenges still persist, most notably regarding gender issues. The contributory capacity of women is extremely low, given their lower and typically more precarious income patterns. Women are often engaged in less empowered employment positions, which makes it difficult for them to conceptualise the importance of gains from this type of ‘investment’.

For Rebecca Holmes, for a social protection scheme to be gender-responsive, programme complementarities and an assessment of appropriateness must be developed—building on mechanisms that adjust themselves to the needs and risks faced by informal workers. For example, this could be accomplished by providing social assistance services to complement pensions according to the specific needs of individuals. In addition, new design and implementation formats should be considered, leading to broader coverage for women, offering better incentives for them to contribute and stimulating transformative changes in social norms towards the elimination of discrimination against women in the labour market.

For Stephen Kidd, the key challenge remains the ‘missing middle’ embedded in many countries’ current social protection policies. In Indonesia, for instance, the provision of social insurance is limited to those in the formal labour market, while social assistance targets ‘poor people’. Those ‘in between’ are excluded, with many stranded in poverty and insecurity. He showcased a variety of simulations for developing social schemes aimed at covering all citizens, highlighting the simplest strategy: a comprehensive social security system that provides a tax-financed pension scheme to all elderly people, complemented by a contributory pension system. This latter component allows individuals to accumulate higher retirement benefits and thus contributes to reducing—if not completely eliminating—perverse incentives, while encouraging more people to contribute.

Stephen Kidd suggested that tax-financed social security schemes, as entitlements, are essential to ensure a guaranteed minimum income for all. This is to be complemented by contributory schemes that provide people with extra income in case of shock and to cope with different needs throughout their life-cycle. Therefore, both contributory and non-contributory schemes are appropriate for developing countries, given their different and complementary roles. However, only through tax-financed schemes can people in the informal economy be provided with a guaranteed income.

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This One Pager is a summary of a webinar which is part of the ‘Fiscal Space for Social Protection’ series, a joint initiative between the International Policy Centre for Inclusive Growth (IPC-IG) and HelpAge International. It was held on 8 September 2016 and featured presentations by Stephen Kidd (Senior Social Policy Specialist, Development Pathways) and Rebecca Holmes (Acting Head of Programme, Overseas Development Institute).

# Are social protection systems in Latin America and the Caribbean shock-responsive?

Rodolfo Beazley, Oxford Policy Management in collaboration with the World Food Programme

**There is growing global recognition** of the role social protection can play in emergency response. In Latin America and the Caribbean natural disasters have occurred with increasing frequency in recent decades, and at the same time social protection systems have evolved and expanded substantially, providing an opportunity to support the response to large scale shocks.

Social protection systems have played an important role in emergency response in Latin America and the Caribbean, mostly in response to economic shocks, with the notable exception of the 2016 earthquake crisis in Ecuador.

Social protection has conceptually and empirically been linked to shock response. The impressive growth of schemes in the region primarily concerned with poverty reduction should not undermine the ongoing role of social protection in risk management. Social protection is concerned with supporting people in need, regardless of whether this need is an established socio-economic condition, part of the life-cycle or caused by a shock (Beazley et al. 2016). However, these different functions of social protection systems may entail conflicting objectives, target populations and operational processes.

**The role of social protection in shock response** – Based on our theoretical framework (ibid.), we study the preparedness of a system, focusing on three key aspects: targeting, delivery and coordination, and the responsiveness, following the five different types identified by OPM (2015): (i) vertical expansion (top-ups): increasing the benefit value or duration of an existing programme; (ii) horizontal expansion: adding new beneficiaries to an existing programme or system; (iii) piggybacking: using an existing social protection programme, system or process to channel the response; (iv) shadow alignment: developing a parallel humanitarian system that aligns as best as possible with a current or possible future social protection programme; and (v) refocusing: shifting a programme objective, priority or target group, to address the basic needs of the affected population.

**System preparedness** – Although there have been a wealth of experiences regarding targeting mechanisms in social protection schemes, they were typically designed to address chronic poverty and thus are not as flexible as they would need to be to address transient poverty resulting from a shock. Therefore, a few countries have created or adapted existing targeting systems to suit the needs of emergencies (i.e. Chile and Dominican Republic), although in most cases targeting mechanisms still need to be further strengthened to enable timely and effective responses.

The integration of databases has the potential to improve targeting during emergencies. Integration has increased coordination within social sectors (social protection, health, education etc.) in countries such as Argentina, Brazil, Chile, Colombia and Dominican Republic, although linkage with disaster risk management sectors still needs to be strengthened. In the case of social registries, databases/registries which collect and store comprehensive information on potential beneficiaries to enable shock response, they would need to represent a large enough snapshot of a country's population and contain data useful to assessing contextual vulnerabilities.

E-payment systems are also well established in many social protection systems in the region, enabling governments to reach a large proportion of the poor population. These systems are a promising way to deliver support with speed, precision and flexibility during emergencies. However, there has been limited investment in adapting existing delivery mechanisms or developing new ones to

the needs of emergency response. Most systems are designed to deliver cash-based benefits, although depending on the type of shock, the existence of and accessibility to markets and the objectives of the response, non-cash benefits may be needed.

Coordination prior to the crisis is essential for an effective response. Actors at international, national and subnational levels and from different social protection and civil protection/disaster risk management sectors need to coordinate their responses. Despite increased awareness of the importance of this coordination and certain initiatives, such as inter-ministerial committees, this is still an incipient area. In practice, social protection and civil protection sectors run in parallel, with little interaction and planning.

**System response** – As opposed to other regions, in Latin America and the Caribbean governments tend to lead and fund the response to shocks. It is, therefore, not surprising to find that most responses are vertical or horizontal expansions or a combination of both. In relation to piggybacking, the support that the World Food Programme (WFP) provided to the Government of Ecuador in response to the 2016 earthquake is a good example of collaboration between humanitarian actors and governments. The WFP channelled its support through the emergency allowance *Bono de Alimentación*, which relied on systems, processes and infrastructure used by regular social assistance schemes.

Regarding the different social protection schemes used for emergency responses, cash-based social assistance is the most popular. This is linked to the fact that much administrative capacity has been built over the years for their management. Increasing cash benefits is often the 'go-to' measure (Argentina, Chile, Guatemala and Mexico). In other cases, school meals have also been used in emergency responses (i.e. Haiti, Honduras and Nicaragua). Short-term, labour-intensive public works have also been implemented in countries such as Argentina, El Salvador, Mexico, Peru and Uruguay. Despite the fairly low coverage of social insurance—particularly coverage of poor people—there are some experiences in the region of expanding social insurance vertically in response to emergencies (i.e. Argentina, Brazil, Costa Rica, Dominican Republic and El Salvador).

Reaching those who are not involved in regular social protection systems remains a key challenge. The ability of a system to respond effectively depends not only on its maturity but also on the investment made in adapting existing targeting and delivery systems and coordinating with civil protection and humanitarian sectors. More work needs to be done on this front, so that responses do not simply entail using systems built for other purposes but adapting them to the needs of emergencies.

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This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

# An overview of social policy in Brazil (2004–2014)

Patrícia Andrade de Oliveira e Silva, Institute for Applied Economic Research (Ipea)

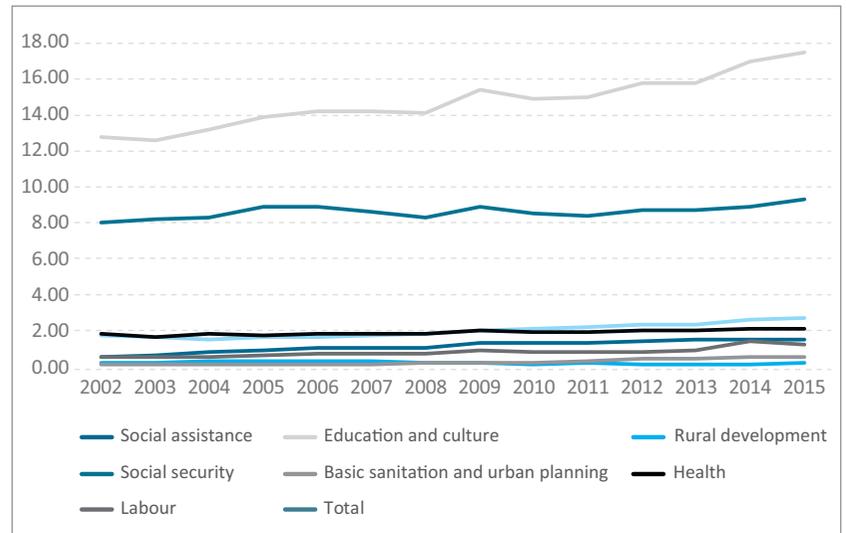
The 2000s, especially after 2004, constituted a distinct period for the Brazilian economy, featuring sustained economic growth. According to data from the Brazilian Institute for Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*—IBGE), the country's Gross Domestic Product (GDP) rose from BRL1.2 trillion in 2000 to BRL5.6 trillion in 2014, with growth every year except for 2009, when it fell by 0.1 per cent due to the international economic crisis. Inequality indicators followed the same trend, with the Gini index decreasing from 0.570 in 2004 to 0.515 in 2014.

As a result, there was a significant decrease in poverty. Extreme poverty decreased almost by 68 per cent between 2004 and 2014, an average reduction of around 10 per cent per year. The positive economic situation (generating a primary surplus), the increase in the minimum wage, the *Bolsa Família* conditional cash transfer programme and the creation of the Ministry of Social Development and Fight Against Hunger (*Ministério do Desenvolvimento Social e Combate à Fome*—MDS) in 2004 all favoured government action regarding social policy, especially increased social public expenditures.

Figure 1 highlights some areas of Brazilian social policy, showing the increase in public expenditure from 13 per cent of GDP in 2002 to 17.5 per cent in 2015. Thus, the rise in expenditure represents over 3 percentage points of GDP, with a special emphasis on: a) education and culture, an increase of 0.74 percentage points (pp) of GDP; b) social assistance (0.78 pp of GDP); and c) social security (0.97 pp of GDP). At the same time, expenditures on health remained stable, and agricultural organisation and sanitation were not expressive throughout the same period.

With the international financial crisis between 2007 and 2008, there were mounting expectations regarding the decline in performance of the Brazilian economy and its capacity to maintain positive indicators. This negative atmosphere worsened after then-president Dilma Rousseff announced countercyclical measures to face the international crisis, together with corruption scandals involving high-ranking officials in her administration. This led to an extremely serious political crisis, which culminated in the president's impeachment and removal from power. In the aftermath, a recessive adjustment of public accounts began, with higher interest

**FIGURE 1**  
Social expenditure, Brazil, 2002–2015 (percentage of GDP)



Source: National Treasury (2016).

rates and a reduction in the availability of credit and public spending, among other factors that directly affected economic and social indicators (rising inflation and unemployment), with a worsening forecast for coming years.

Given the difficulties faced by the Brazilian population in the past, it is important to understand the current situation by preserving the gains made in the last decade, especially towards the maintenance of social policies. Therefore, it is important to analyse social policy in Brazil, demonstrating its evolution and its positive impact over poverty and inequality, with the central hypothesis that the adjustment mechanisms currently in place in the Brazilian economy are tending to reverse the expansion and even the continuation of progressive social policies.

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# Social protection and the financial inclusion of rural women in family farming in Latin America<sup>1</sup>

Bettina Gatt, Gender Consultant in the Regional Office for Latin America and the Caribbean, Food and Agriculture Organization of the United Nations (FAO)

The fourth webinar in the 'Gender-Sensitive Social Protection' series explored the potential of social protection to contribute to the empowerment of rural women, focusing on financial inclusion programmes in Latin America. It was held on 30 November 2016, in Spanish, for a Latin American audience and featured contributions from Paola Bustamante Suárez (former Minister of Development and Social Inclusion from Peru), Magdalena Mayorga (Advisor to the Chairman of the Board of BanEcuador BP) and Soledad Parada (FAO).

Paola Bustamante Suárez's presentation discussed the impact of cash transfers on women's empowerment in the context of family farming in Latin America. Several governments in the region have implemented a set of interventions aimed at complementing large-scale cash transfer programmes. This has led to significant progress in the provision of protection to vulnerable women and strengthening their economic autonomy. In Colombia, Ecuador and Peru, cash transfer programmes have been complemented by other interventions with the aim to financially include women and enable them to participate in more economically productive activities.

To promote women's economic autonomy, these programmes undertake capacity development on financial literacy to build knowledge and expertise by inducting users on the basics of the cash modality. Mrs Bustamante Suárez mentioned the importance of a special emphasis placed on indigenous women, and incentivising their participation by offering training in their native languages.

Cash transfer programmes contribute to reducing the level of vulnerability that rural women face. Mrs Bustamante Suárez presented the case of the *Haku Wiñay* programme in Peru. The promotion of entrepreneurial initiatives under this programme has had positive results in increasing women's engagement in income-generating activities and in strengthening their productive capacities. This programme's approach offers an opportunity to promote resilient livelihoods and gender equality outcomes more sustainably, through the promotion of inclusive rural businesses and the formation of rural organisations and cooperatives, the enforcement and consolidation of productive family-based systems and financial literacy.

Mrs Bustamante Suárez noted the importance of the linkages between social protection, financial inclusion and rural women's empowerment. As challenges for the region, she mentioned the importance of establishing linkages between gender-responsive social protection approaches and other public policies, as well as generating stronger commitment to women's empowerment among governmental and financial institutions as part of a broader sustainable development process.

In the same vein, Magdalena Mayorga discussed the importance of promoting women's financial inclusion to overcome gender gaps within

social protection based on the experience of BanEcuador. Current evidence indicates that financial inclusion schemes by themselves do not necessarily ensure the sustainable economic empowerment of beneficiary women. These need to be complemented by social protection programmes so that they can contribute to poverty reduction.

During the last decade, the Ecuadorian government has emphasised economic development with social equity under the umbrella of the *Buen Vivir* ('Good Life') national plan. Under this initiative, BanEcuador BP focuses on a technical, operational and administrative approach to guarantee women's access to financial services and the promotion of small and medium-sized businesses, especially rural ones, considering gender-differentiated impacts.

In her presentation, Soledad Parada highlighted the potential of financial inclusion to reduce gender inequalities. Complementary approaches of social protection and financial inclusion present opportunities for governments, donors and the private sector to work together more effectively towards the common goals of sustainable and inclusive development. The role attributed to women as the recipients of credit in cash transfer programmes does not seem to necessarily lead to economic empowerment and sustainable development. Indeed, even cash transfer programmes which seek to address gender inequality may increase women's burdens by demanding more of their time and resources to accomplish specific tasks.

All of the presentations highlighted that cash transfers have a potential to decrease gender inequality. There were several positive outcomes in women's empowerment as a result of the programmes in Peru and Ecuador. However, these initiatives must combine the establishment of inter-institutional social protection programmes, women's financial inclusion schemes and development initiatives. Therefore, it is important to create institutional commitment, quality capacity development and assistance to ensure the achievement of gender equality within social protection programmes.

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## Note:

1. This webinar is part of a series on gender-sensitive social protection, a joint initiative between the International Policy Centre for Inclusive Growth (IPC-IG) and the Food and Agriculture Organization of the United Nations (FAO) to foster a community of practice to promote gender equality in social protection.

# Energy, poverty and the Sustainable Development Goals<sup>1</sup>

Hannah Goozee, International Policy Centre for Inclusive Growth (IPC-IG)

**The seventh goal of the Sustainable Development Goals (SDGs)** is dedicated to ensuring access to affordable, reliable, sustainable and modern energy for all by 2030. While energy was only implicit in the Millennium Development Goals (MDGs), the SDGs emphasise the direct linkage between household energy access and consumption and poverty and development. This attention is closely related to the expanded understanding of poverty, as it moves beyond a monetary definition, to be seen as a holistic measure of overall quality of life. The SDGs clearly recognise the centrality of energy to economic and social well-being, as well as to issues such as health and climate change, and reflect United Nations Secretary-General Ban Ki-moon's statement at the Rio+20 conference that "energy is the golden thread that connects economic growth, social equity and sustainable development".

In tandem with its increased recognition in international development policy, the relationship between energy consumption and poverty has been addressed in a variety of academic literature, from development studies to economics. However, far from demonstrating a simple relationship, the energy–development nexus is multifaceted and highly contested. Understanding the broad spectrum of literature concerning this nexus is vital to the development of effective and efficient policy. A detailed review of the literature concerning the relationship between energy—in particular electricity—and development can highlight the future opportunities and challenges in reducing poverty in line with the SDGs. In particular, it demonstrates the monopoly of studies by male, Western-oriented authors, and thus the need for more multicultural approaches to address the challenge of energy and poverty.

Of critical significance to the understanding of the energy–development nexus is the relationship between energy consumption and economic growth. There is wide consensus on the correlation between the two; however, the literature is significantly divided on the matter of causality. From the seminal work published by Kraft and Kraft (1978), studies have produced mixed and often contradictory results. More consistent results have been demonstrated by recent work linking the relationship between income and energy consumption to the developmental status of the country. However, these studies are clear to emphasise the context-specific trend of the relationship. Importantly, this literature demonstrates that there is no universal causality between income and energy consumption but, rather, that there is substantial variation.

Given the interaction between energy, economic growth and development, scholarship has increasingly recognised the prevalence and significance of energy poverty; defined as "the absence of sufficient choice in accessing adequate, affordable, reliable, high quality, safe and environmentally benign energy services to support economic and human development" (Reddy 2000). A plethora of studies have

identified a range of developmental criteria directly affected by energy poverty, including maternal and infant mortality, gender inequality, environmental sustainability and productivity. The SDGs reflect the consensus of these studies that energy has a role to play in alleviating poverty around the globe.

The cultural and context specificity of the relationship between energy consumption and poverty challenges the conventional knowledge of energy transition: the household transition from one type of fuel to another. The traditional hypothesis, and still highly influential in both academic and policy, is the concept of the 'energy ladder' which denotes the energy transition from biomass up to the most efficient carriers of liquefied petroleum gas (LPG) and electricity, coinciding with an increase in income. The energy ladder hypothesis, however, has been challenged by a number of empirical case studies. By advocating for more culturally specific processes and attention, these empirical cases have significant ramifications for the SDG energy goals.

The complexity of the relationship between energy consumption and poverty suggests the limitations of universal policies. A recent working paper by Hannah Goozee (2017) serves to challenge the traditional approaches to assessing the energy–poverty nexus, highlighting the need for greater attention to cultural context to produce accurate assessments. Thus, it calls for the development of a micro analysis of the energy consumption–poverty nexus to realistically assess the future ramifications of poverty alleviation. Modelling techniques from engineering studies provide a possible method for assessing the ways in which developmental criteria will directly impact future energy usage. The more recent modelling techniques which have integrated development-related variables show promise for being applied to SDG analysis.

Goozee concludes that while the literature recognises the present relationship between poverty and energy consumption, there is a lack of attention paid to how poverty alleviation in the future will affect global consumption. This directly relates to the SDGs due to its environmental implications. There is potential for a micro model to forecast future household consumption in relation to poverty levels. This will have important implications for the realisation of the SDGs.

## References:

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- Kraft, J., and A. Kraft. 1978. "Relationship between energy and GNP". *Journal of Energy Finance and Development* 3(2).
- Reddy, A. K. N. 2000. "Energy and Social Issues." In *World Energy Assessment: Energy and the Challenge of Sustainability*, edited by J. Goldemberg. New York: United Nations Development Programme.

## Note:

1. This One Pager presents a snapshot of the findings of Working Paper 156, by Hannah Goozee (2017). All of the literature mentioned in this One Pager is thoroughly referenced in the broader work.

# Gender-sensitive social protection in the Caribbean<sup>1</sup>

Raquel Tebaldi and Charlotte Bilo, International Policy Centre for Inclusive Growth (IPC-IG)

**The fifth webinar in the gender-sensitive social protection series** focused on the Caribbean region. Bénédicte Leroy de la Brière's presentation questioned whether adopting a gender-sensitive approach to social protection enhances the poverty reduction effectiveness of programmes, highlighting the state of knowledge regarding several key areas, such as education and labour market outcomes, as well as current knowledge gaps. Mario Esteban Sosa presented the case of the 'Eating is First' (*Comer es primero*) programme in the Dominican Republic and its gender dimensions in terms of food security.

Bénédicte de la Brière stressed that, in terms of the design of social protection programmes, there seem to be more differences in impact depending on the type of transfer (conditional or unconditional) than on the sex of the transfer recipient. While some programmes have led to a decrease in domestic violence, others have had a positive impact on women's decision-making power, yet without fundamentally changing the spheres of decision-making. The presenter also highlighted that we need more evidence of the indirect effects that these programmes may generate, such as increased access to identity cards, access to networks, social capital, and financial inclusion through electronic or mobile payments. Furthermore, we know little about the impact of social protection programmes on key gender vulnerabilities such as early marriage and teenage pregnancy. Likewise, more research is needed on the impacts on gender gaps in agricultural and enterprise productivity and on female labour supply and adult employment, including occupational choices.

Targeting women as the main recipient of social cash transfers within the household is not enough to consider a programme gender-sensitive. Therefore, it is important to think of the different dimensions of gender equality, such as endowments, economic opportunities and voice and agency. While first-generation programmes focused solely on access to endowments—especially education and health—more recent programmes are also trying to tackle economic opportunities, mostly at the household level. Moreover, a programme can be made more gender-sensitive by taking women's time and mobility constraints into consideration, as well as offering specific skills trainings to build resilience against harassment and to better resolve conflicts within the household. However, as de la Brière pointed out, particularly for households that are non-nuclear, little is known about resource-pooling and risk-sharing among different household members. Furthermore, to really change the distribution of responsibilities regarding child care (but also in terms of economic opportunities) for women, she argues that programmes need to engage men and women equally, especially when trying to change social norms. Several emerging innovations seek to address this by offering group education and family development sessions including both mothers and fathers.

Mario Esteban Sosa presented the results of a participatory evaluation project, which helped to analyse the gender dimensions of the Dominican Republic's 'Eating is First' programme, which provides a monthly food subsidy of about USD18 to be spent on specified food items available at stores authorised by the programme. The Dominican government implemented the programme in 2004

in response to the financial crisis, which had far-reaching consequences for the country's food security. It currently reaches around 760,000 families.

Considering that two thirds of the beneficiary households are headed by women, a strong focus was placed on highlighting women's perceptions of the programme in its evaluation. Sousa highlighted two main observations that are important to understand the gender dimensions of the programme: gendered mobility and community debt relations. The focus group interviews showed that most women purchase food daily in smaller community-scale shops, which are often more expensive than larger supermarkets further away. There are several possible reasons for women's more restricted mobility, including the need to care for children and elderly people, small jobs near the home, high transportation costs or, in some cases, even safety constraints. To address women's mobility restrictions resulting from their care burden, the Dominican government has recently started to build new day care centres for children and is now also considering expanding the number of care homes for elderly people.

The second important observation presented by Sousa relates to community debt relations. Due to physical proximity, beneficiary families and local shop owners often know each other and have close relationships, which allows for the possibility to buy on credit (also called *fiao*). Although this form of debt relationship is not officially allowed under the programme, it is a vital crisis mitigation strategy in times when beneficiaries have already depleted their monthly subsidy. Sousa pointed out that many women value the option of buying from local shops on credit more than the possible savings they could make at the larger and cheaper supermarkets further away. Therefore, for many women the shops available in the community, even if somewhat more expensive, are highly important in guaranteeing their access to food.

Sosa concluded that for any future pilot projects or proposals to change the current programme design, it is important to acknowledge two issues to avoid further exacerbating food insecurity, especially in women-headed households. First, given women's more restricted mobility, community-scale shops are crucial in guaranteeing physical access to food for women. Second, any attempt to alter the programme must recognise the importance of informal debt relationships for women's food security.

## References:

- IPC-IG and FAO. 2016. "Gender sensitive social protection in the Caribbean—webinar recording." Socialprotection.org website. <<http://socialprotection.org/gender-sensitive-social-protection-caribbean>>. Accessed 28 December 2016.
- IPC-IG and FAO. 2016. "Webinar Presentation—Gender sensitive social protection in the Caribbean." Socialprotection.org website. <<http://socialprotection.org/discover/publications/webinar-presentation-gender-sensitive-social-protection-caribbean>>. Accessed 28 December 2016.

## Note:

1. This webinar is part of a series on gender-sensitive social protection, a joint initiative between the IPC-IG and the Food and Agriculture Organization of the United Nations (FAO) to foster a community of practice to promote gender equality in social protection. It was held on 12 December 2016 and featured presentations from Bénédicte Leroy de la Brière (World Bank Group) and Mario Esteban Sosa (Technical Directorate of Social Policies Coordination, Dominican Republic).

# Business development centres for youth-led entrepreneurship development in Sierra Leone<sup>1</sup>

Molla Mekonnen Alemu, University of Leicester

**Youth in Sierra Leone** are faced with high rates of inactivity and unemployment, and poor working conditions, compounded by long hours and low pay. They also face mounting problems of poor-quality education, poor health and nutritional standards, rising rates of HIV/AIDS and mounting social development challenges, including teenage pregnancy, drug abuse, violence and crime. These were the predominant development conditions which guided the United Nations Development Programme (UNDP) and the Government of Sierra Leone to develop and implement the Youth Employment and Empowerment Programme (YEEP). It is part of the 'Inclusive Growth and Sustainable Development' programme cluster.

This programme focuses on building the technical capacity of the Ministry of Youth Affairs (MoYA) and the National Youth Commission (NAYCOM) to facilitate policy development, internal coherence and harmonisation for a positive impact on employment creation and underemployment, and the promotion of youth empowerment and leadership development by strengthening district youth councils. The Business Development Services (BDS) programme is part of this intervention and promotes employment opportunities.

This initiative is geared towards preparing young people for self-employment by developing entrepreneurship and the employment market. Its aim is to create and expand sustainable enterprises, leading to increased employment opportunities for young people in major urban and rural centres. In 2012, five BDS Centres were inaugurated in the main urban centres of Freetown, Newton, Bo, Makeni and Kenema. They are assisting beneficiaries by helping them develop plans to start up their own businesses and develop and implement marketing information management strategies and by offering coaching and mentoring support, advisory services, information and communications technology, and business and financial management skills.

## Major achievements

- The use of a business plan competition as a strategy for generating interest and maintaining motivation among beneficiaries resulted in a high level of enthusiasm among participants.
- Training of over 4,000 young people (45.5 per cent of whom were women) in entrepreneurship and business development skills (including 10 participants with disabilities).
- The creation of 938 businesses, which employ an average of three people per business (61.5 per cent headed by women).
- Five 10-acre youth farms were created in the Kenema district within the Inland Valley Swamp. Their main output is rice.
- Provision of knowledge, skills and aptitudes for beneficiaries in business development.
- Contributed tremendously to linking beneficiaries to financial institutions to enable them to access finance and credit to support the development and expansion of their businesses.
- Provided opportunities to young women from poor backgrounds, persons who are illiterate and persons with disabilities to acquire business development skills and start-up grants to enable them to set up their own businesses.
- Contributed to many community members becoming computer literate. Trainees from some Centres are providing services to schools and the wider community.

- The Centres are engaged in the implementation of comprehensive outreach activities involving radio discussions, the production and distribution of brochures, flyers and market information leaflets, and community visits.
- The Centres serve as hubs for microfinance institutions and companies operating in the target communities to recruit new clients for their services.

## Lessons learned

- Strengthening the policy environment to increase access to affordable financial services for micro, small and medium-sized enterprises is important to create a favourable environment for employment and sustainable livelihoods of youth.
- Monitoring and evaluation of the projects by all stakeholders, including donors, implementers, beneficiaries and communities, is key to enable the projects to achieve their expected outcomes.
- Joint working, engagement and ownership of the key stakeholders—specifically youth—on the management boards and as part of the decision-making process and governance of projects are crucial elements for their successful implementation.
- Pooling resources to effectively deliver youth development programmes in communities and districts where they are most needed is critical to working collaboratively with development partners in the youth development sector.
- Youth can contribute to community and national development when given the opportunity to develop their full potential.
- Capacity enhancement of local staff is crucial for the successful implementation of youth development initiatives.
- Involving youth in the design of projects and programmes and the implementation of strategies yields maximum results.

When asked what they like most about the programme, beneficiaries highlighted the ease of access to the Centres and communication with the managers, the youth-friendly learning environment, the certificate received on completion of the programme, and the inspiration to 'dream big'. They claimed that their knowledge of business operations improved and that they were now empowered to participate in and run their own businesses. Thus, to enhance the sustainability of local and community economies, efforts must be made by the government and development partners to ensure that the achievements and benefits gained in the youth sector are sustained and scaled up.

Youth development approaches can have a significant impact if there are opportunities for governments and key stakeholders to link them with policy development. This will also enable the development of synergies among different sectors, which will improve young people's access to basic services. The active participation of youth in the planning, implementation, monitoring and evaluation of programmes will also lead to accountable, transparent and sustained development endeavours.

## Reference:

National Youth Commission of Sierra Leone and UNDP. 2013. *Status of Youth Report*. Freetown, Sierra Leone: National Youth Commission of Sierra Leone and the United Nations Development Programme.

## Note:

1. This One Pager is part of the report on 'Best Practices of YEEP in Sierra Leone'.

# Evaluation of the Uganda Social Assistance Grants for Empowerment (SAGE) Programme

*Alastair Haynes and Fred Merttens, Oxford Policy Management (OPM)*

**As part of the implementation of the Expanding Social Protection programme (ESPP)** the Ugandan government aims to reduce chronic poverty and improve life chances for poor people. The Uganda Social Assistance Grants for Empowerment (SAGE) pilot programme is a key element of the ESPP and tests a range of implementation modalities to determine an efficient, cost-effective and scalable social transfer. The two targeting methods used are:

- the Vulnerable Family Support Grant (VFSG); and
- the Senior Citizens Grant (SCG).

The VFSG employs a composite index measuring vulnerability to determine eligibility, whereas the SCG uses age only (all those above 65 years, or 60 years in Karamoja region, are eligible). Under the VFSG, adult women are the recipient of the transfer, and for the SCG the transfer is given to the specific older person. For both grants, the transfer is worth UGX25,000 per month and is paid every two months.

The impact evaluation (OPM 2016) used a mixed-methods approach and assessed the impact of the SAGE pilot programme for the two targeting methodologies across four dimensions: reducing material deprivation; increasing economic security; reducing social exclusion; and increasing access to services.

The impact evaluation found evidence that SAGE has improved welfare under both targeting methods. Consumption poverty has decreased, with the poverty headcount declining by some 8 percentage points. The poverty gap and the severity of poverty also decreased for the VFSG group (by 2 per cent and 1 per cent, respectively). SAGE also increased expenditure on food for both targeting mechanisms by around UGX9,000 for both groups, leading to reduced reported hunger for the SCG group, and improved diet for the VFSG group. SCG households also reported reduced reliance on others and an increase in dignity, while VFSG households mentioned an improvement in their experience of poverty and an increase in subjective well-being.

SAGE improved economic security through a positive impact on livestock ownership for both groups (a 7.8 per cent increase for SCG, 16.7 per cent for VFSG), as well as increases in the purchases and sales of livestock in the last 12 months for the VFSG group (33.7 per cent and 8.3 per cent, respectively). There was also a positive impact on households' ability to borrow a large amount of money in an emergency, which is a key coping mechanism for households when facing shocks. SAGE did not cause dependence, with no impact on labour participation or livelihood activities. Child labour rates were unchanged.

The evidence is weaker regarding household access to services. There is no impact on education expenditure, attendance or attainment across

different ages and genders. As for health, the quantitative research does not find a strong impact on health outcomes, though it finds a positive impact on health expenditure or the SCG group, who spend on average UGX2,700 more per person per month on health as a result of the programme. The qualitative research also reports a positive impact on SCG households' health-seeking behaviour.

SAGE was found to have improved relations between family members, in particular for SCG recipients, through beneficiaries being better able to contribute to family welfare. For VFSG households, there was an increase in the likelihood of beneficiaries providing support to other households, while the evidence on this was mixed for SCG households. SAGE is thus perceived to have contributed to general social cohesion through positive impacts on inter- and intra-household relations, while both quantitative and qualitative research found notable increases in the social status and voice in community meetings of elderly beneficiaries.

The SAGE programme achieved its core objectives of supporting households' basic consumption and alleviating poverty. It has helped them retain and build their productive assets, while improving their ability to cope with shocks.

The evaluation has also shown that SAGE had slightly different impacts depending on the target group. The impact on productive investments was more pronounced for the VFSG group. The SAGE programme also encouraged savings for the VFSG group, which it did not do for the SCG. For the SCG group, on the other hand, SAGE has had a more pronounced impact in terms of improving beneficiaries' social standing and subjective well-being, and reducing their dependence. It has also enabled them to spend more on health care, which is especially significant for older people. Moreover, the targeting of the VFSG has not been as well accepted by communities as that of the SCG, which may help explain why VFSG beneficiaries are more likely to share some of their transfers. Thus, while SAGE is seen to interact with the local economy in a variety of ways through each of these targeting approaches, the mechanisms of these interactions differ in important ways.

#### Reference:

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This One Pager is a partnership between the IPC-IG and Oxford Policy Management.

# From policy commitments to the effective implementation of gender-sensitive social protection programmes<sup>1</sup>

Charlotte Bilo and Raquel Tebaldi, International Policy Centre for Inclusive Growth (IPC-IG)  
and Maja Gavrilovic, Food and Agriculture Organization of the United Nations (FAO)

**The sixth and final webinar** in the gender-sensitive social protection series looked at the different factors that need to be considered while designing and implementing gender-sensitive social protection programmes. Maxine Molyneux's presentation focused mainly on experiences from Latin America, considering the region's particular political and policy scenarios. Maja Gavrilovic presented a new capacity tool developed by the Food and Agriculture Organization of the United Nations (FAO) to guide policy practitioners on integrating gender into cash transfers and public works programmes. Pamela Pozarny presented some of the lessons learned from in-depth qualitative research conducted by the FAO on the productive impacts of social cash transfers in sub-Saharan Africa.

Maxine Molyneux discussed some of the limitations of cash transfer programmes, which are often seen as a 'magic bullet'. One of the main challenges is the limited understanding of gender relations among policymakers. Gender, as described by Molyneux, is a fundamental principle of social organisation through which inequalities are created and naturalised. Identifying how these are reproduced through social policy, discourses and social norms is a significant challenge that needs to be addressed in public policy.

In Latin America, several cash transfer programmes have started to pay greater attention to gender inequality by including links to saving schemes or providing support to women facing domestic violence. Furthermore, progress can be observed regarding linkages between cash transfer programmes, women's labour market participation and child-care services. Yet most women still do not have access to social protection, and the gender-poverty gap has increased over the last decade in Latin America. Investment in training, childcare and reproductive health services also remains inadequate, especially in rural areas.

Molyneux also highlighted that women still lack voice and representation in the design and implementation of programmes, highlighting the importance of social accountability mechanisms such as participatory monitoring and evaluation tools, community scorecards and social audits. However, to ensure that women make use of these, it is imperative to consider local gender norms and social context, as women might feel afraid to complain. The costs in terms of time and travel expenses might also be too high for them to participate.

Maja Gavrilovic also addressed the question of how to integrate gender into the design of cash transfer programmes, focusing on the rural context. The eligibility criteria and targeting methods used to identify beneficiaries are important. Gavrilovic argued that schemes that target women do not necessarily lead to rural women's empowerment due to intra-household gender dynamics. In addition, some targeting methods may exclude eligible women from receiving benefits—for example, women in polygamous families.

Furthermore, the size of the transfer affects gender relations and gender equality outcomes. Larger transfers can help women meet their practical needs, improve their income generation capacity and productivity and improve their bargaining power within the household. However, changes in women's financial autonomy can lead to potential tensions between spouses, and thus should be carefully considered. Programme conditionalities should

be designed in a gender-sensitive and -transformative way so that they address different gender vulnerabilities and promote shared responsibility with men. Moreover, it is important to monitor the effects on rural women's and girl's work burdens, time poverty and changes in intra-household dynamics.

Gavrilovic also highlighted the importance of raising awareness as a cost-effective way to promote gender equality, more egalitarian relationships between rural women and men receiving benefits, and address discriminatory gender norms. Finally, to more effectively address various gender dimensions of rural poverty and vulnerability and promote women's empowerment, cash transfers should be linked to complementary programmes, such as those offering social, child-care and legal services, food and nutrition training and livelihood support. Yet it is imperative that participation in various programmes does not further overburden women. The Ain El-Sira pilot in Egypt is an interesting example of an innovative cash transfer programme, with a specific goal to empower very poor women socio-economically in addition to supporting their care responsibilities. The transfer was provided as a formal entitlement for reproductive work and included an extra compensation for the time spent on fulfilling the programme's conditionalities.

To assess the extent to which a social protection programme promotes women's empowerment, it is vital to understand local socio-cultural beliefs and traditional perceptions of gender roles and responsibilities. Pamela Pozarny pointed out that transferring money directly to women can even have negative connotations in some contexts. For public works programmes, the case studies showed that women often cannot afford to participate due to time constraints, and when they do, it might impact the intra-household division of labour, in some cases increasing child labour.

Pozarny concluded by highlighting that a wide range of stakeholders should be consulted when designing a programme, including potential beneficiaries. Another key issue is raising gender awareness among all implementing actors. Timely and regular payments are also important for women's economic empowerment, especially if they wish to take up loans. Finally, monitoring and impact evaluations are critical, as they provide in-depth insights into gender equality and women's empowerment outcomes, and operational lessons that can inform new programmes.

## References:

IPC-IG and FAO. 2017a. "From policy commitments to effective implementation of gender-sensitive social protection programmes." Webinar recording. Social Protection website: <<http://socialprotection.org/policy-commitments-effective-implementation-gender-sensitive-social-protection-programmes>>. Accessed 22 May 2017.

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## Note:

1. This webinar is part of a series on gender-sensitive social protection, a joint initiative of the International Policy Centre for Inclusive Growth (IPC-IG) and the Food and Agriculture Organization of the United Nations (FAO) to foster a Community of Practice to promote gender equality in social protection. It was held on 2 March 2017 and featured presentations from Maxine Molyneux (University College London), Maja Gavrilovic (FAO) and Pamela Pozarny (FAO).

# Career advice and placement services in Sierra Leone<sup>1</sup>

Molla Mekonnen Alemu, University of Leicester

Approximately 70 per cent of Sierra Leone's youth population are either underemployed or unemployed, and 50 per cent are classified as either illiterate and/or unskilled. There is visible unemployment, particularly among young men. Although there have been improvements in the youth situation compared to before the civil war, many of the conditions that helped fuel the youth participation in that conflict still exist today. Large numbers of unemployed youth are a potential source of insecurity, given their vulnerability to recruitment into criminal and violent activities. Young women face high unemployment in both rural and urban areas.

Many young people's limited employment skills, work experience and low educational levels contribute to the unemployment situation. The country is also trying to recover from the effects of an 11-year-long civil war that ended in 2002, having destroyed the livelihood capabilities of the nation.

The United Nations Development Programme (UNDP) Youth Employment and Empowerment Programme (YEEP) in Sierra Leone is one of the foremost youth development programmes implemented in the country. It is specifically geared towards empowering young people to participate effectively in national development processes and programmes. To achieve inclusive growth and sustainable development, the YEEP initiative aims to strengthen the youth development coordination system, policy and implementation frameworks of the Ministry of Youth Affairs (MoYA) and the National Youth Commission (NAYCOM), leading to better coordination, oversight and strategic leadership of the national youth development institutions.

The Career Advising and Placement Services (CAPS) programme constitutes part of the YEEP. The programme is designed to capacitate university and college students with: labour market and career development information; job-seeking skills; Information Technology training; job placement and career development workshop opportunities; organising job fairs; and fostering constructive cooperation and relationships between tertiary-level educational institutions and potential employers. Five CAPS centres were established, attached to major tertiary-level academic centres in the country—the University of Sierra Leone, Njala University and Eastern Polytechnics.

Around 4625 (2,031 female) university students have benefited from the services available at the various CAPS centres. The benefits include advice in the selection of academic subjects; finding the right career; CV and speculative letter writing; exploring job opportunities; interview skills; employment rights and responsibilities; maintaining work standards (ethical issues); building confidence and self-esteem; planning (professional time management); health and safety at work; and equality and diversity training. In addition to awareness-raising initiatives, work is being conducted on essential 'soft skills' for the workplace, such as teamwork, communications, conflict resolution and work ethics.

## Lessons learned

- Students graduating from universities are making use of CAPS advice to gain employment.
- The CAPS initiative has contributed to building the confidence, independence and creativity of young graduates.
- Embedding development initiatives into government systems and structures will help ensure the national ownership and sustainability of development endeavours.
- Young people are enthusiastic and possess the zeal and aptitude to pursue their own development. However, it is necessary for agencies such as NAYCOM and MoYA to reach out to new partners to provide resources and strategic technical advice to enhance youth development.
- There is a need to incorporate the CAPS initiative into the country's existing educational policies and systems.
- Due to the magnitude of the social and economic challenges facing young people in Sierra Leone, the CAPS programme must include the provision of social counselling services to complement the existing academic counselling.
- Expansion of the CAPS service to high schools will also help students develop their skills at a younger age.

There is a need to focus on the development and implementation of policies and interventions that increase employment skills among the youth. Strategic actions need to emphasise enhancing labour market policies, linking and defining the role of the private sector in the labour market, and analysing and finding remedial actions regarding the structural mismatch between the education sector and present labour market demand. There is also a need for tertiary-level learning institutions and training centres to adapt their curricula and strategies to the emerging needs of the labour market.

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## Note:

1. This One Pager is part of the report entitled 'Best Practices of YEEP in Sierra Leone'.

# Institutional demand: linking social protection with the power of procurement

Ryan Nehring, Cornell University, Ana Carla Miranda and Andrew Howe, Consultants

**Calls to increase smallholder productivity** throughout the world fail to address the barriers and risks associated with poor markets present in the developing world. Institutional demand is defined as any intervention that aims to coordinate smallholder participation in markets through the procurement of food for regional distribution. Within the last two decades, there has been a surge in institutional demand policies reflected in domestic programmes and a significant growth in international donor support to procure food aid locally and/or regionally (de Schutter 2014).

There are four key components through which institutional demand can offer social protection for vulnerable populations (both producers and consumers):

- **price stability** through the direct procurement of a surplus production or agreed crops in conjunction with the establishment of a regional price benchmark to facilitate access to information for negotiation;
- **income effects** by remunerative prices present a favourable economic environment for producers to sell their produce and engage with markets, as well as making investments in production capacity based on market knowledge;
- **food security** is enhanced both directly through the procurement of food for local disbursement to vulnerable populations and increased demand for agricultural goods that incentivise appropriately scaled production for local and regional markets; and
- **farmers' organisations** play a critical role in facilitating procurement and providing a space for coordinated learning about production, marketing, sale and delivery.

These benefits are based on a large-scale review of food procurement and assistance programmes worldwide by Nehring et al. (2017). That review demonstrates that the intended impacts of institutional demand are highly dependent on the procurement model. Targeting and registering producers (and their organisations) helps to ensure that funds are being used effectively to benefit those most in need and those who are willing and able to sell through institutional markets. Additionally, distribution needs to be coordinated so that the procured food is delivered efficiently to populations facing food insecurity or stored as food stocks, in the case of shocks.

Brazil's Food Acquisition Programme (PAA) and National School Feeding Programmes are two of the most highlighted cases of well-designed and implemented institutional demand (see Soares et al. 2013). The Brazilian model has even been exported to Africa under a South–South cooperation project, PAA Africa. Lastly, Home-Grown School Feeding (HGFS) programmes are helping to boost demand for local smallholder production that can offer fresh and healthy school meals.

Institutional demand cannot be regarded as a silver bullet or panacea for social protection and rural development. It is merely one inter-sectoral policy

approach to bridge the concerns of marginal populations. But design matters when considering the extent to which institutional demand can be most effective. There are key elements of the procurement system that must be considered when designing policies for institutional demand:

- **Objectives:** Institutional demand aims to advance social protections goals and rural development. It is important to identify synergies and trade-offs.
- **Scale:** The scale of the demand will have different effects in the market and influence agricultural value chains from the local to the global sphere.
- **Rules and regulations:** Tendering rules that establish bureaucratic systems may restrict the ability of smallholders to participate in procurement processes.
- **Food quality management:** Food safety and quality standards are crucial; however, they can pose very strict regulations and burdensome registration systems with which smallholders are unable to comply.

Following the 2007–2008 and 2011 food crises, governments are in need of new strategies to boost domestic agricultural production that complement social development goals. Supporting domestic, smallholder agriculture is a crucial way to accomplish that. Poverty is largely a rural phenomenon, with over 70 per cent of the world's poor people located in rural areas, where a majority of the population relies on agricultural production for their livelihood (IFAD 2011). Agrarian reform, technical assistance and agricultural credit are all crucial policy objectives to support rural livelihoods. However, there must also be a focus on the barriers facing the entry of smallholders into the market, such that private intermediaries are not monopolising or excluding some populations in underdeveloped rural markets. Local and regional procurement policies are fundamental to extending favourable market conditions (i.e. access, fairness etc.) to smallholders and helping establish a more resilient social protection network for rural development through state intervention.

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# Institutional food procurement programmes: the case of PAA Africa in Senegal

Rosana Pereira de Miranda, Israel Klug and Abdoulaye Thiam, Food and Agriculture Organization of the United Nations (FAO)

**Senegal has experienced a series of food crises.** In 2012, around 739,000 people (6.2 per cent of the population) were affected by severe food insecurity. Most poor people live in rural areas: 57 per cent of the rural population are poor, and of those, 44 per cent are food insecure. Most are engaged in agriculture, raising livestock and fishing; however, the limited size of land plots does not cover their food needs, and producers struggle with access to markets.

Millions of farmers in sub-Saharan Africa face the same constraints. Thus, implementing local food procurement programmes for food assistance in such contexts raises questions about targeting small-scale and resource-constrained farmers. Strengthening this debate is crucial when designing policies that aim to improve the livelihoods of poor farmers and maximise food assistance benefits for school children, especially in a context of scarce public resources.

The PAA Africa<sup>1</sup> programme in Senegal is providing inputs for a national debate on the inclusion of institutional local food procurement in Senegal's multiannual government plan. The intervention targeted 1,000 resource-constrained, food- and nutrition-insecure small-scale farmers, by supporting their production capacities for rice and guaranteeing demand to provide the staple to schools in the region of Kédougou during the 2012-2013 campaign.

The targeting methodology involved three steps and associated criteria:

- 1. Geographical targeting:** a) areas affected by the successive food crises; b) edaphic-climatic suitability for rice cultivation; and c) presence of implementing agencies (FAO and the World Food Programme—WFP);
- 2. Categorical and community-based targeting of farmers' organisations (FOs):** a) villages affected by the 2010-2011 drought; b) membership of one of Kédougou farmers' unions; c) ownership of rice lowlands (bas-fonds); and d) not being engaged in other programmes promoting rice production; and
- 3. Selection of beneficiary farmers:** parity criteria among members, with all farmers within a selected first-level farmers' association being engaged.

The targeting process has met the programme's objectives by engaging small-scale family farmers acutely affected by food crises. According to data collected, 55 per cent of these households do not produce enough cereals for even half of their annual needs. Moreover, farmers face severe constraints related to their access to productive assets. Illiteracy is high among household heads, and yearly incomes are around USD400.

## PAA Africa-programmed activities and results in Senegal

To improve farmers' capacities to comply with contracts, productive support activities were carried out, such as: input subsidies (free distribution of seeds and fertilisers); peer-to-peer farming technical assistance; processing rice facilities and packing; and transportation services.

The PAA Africa results demonstrate the potential of the approach, while also revealing some challenges. The targeted farmers were able to provide 100 tons of unpeeled rice to 168 schools in the Kédougou region that offered daily meals to 23,000 children in 2012-2013. Other outcomes include: a) an increase in productivity from 800 kg/ha to 2.5t/ha in the 2012-2013 campaign, and to 3t/ha

in the 2013-2014 campaign; b) increasing levels of compliance with procurement contracts, starting at 25 per cent of what was agreed in the 2012 campaign and improving in following campaigns; c) an average increase of USD27 in each farmers' income per campaign—around 7 per cent of their declared income.

Limitations mainly related to farmers' productive and social resource constraints: **Access to inputs and improved farming techniques:** The distribution of inputs extenuated access issues; nonetheless, concerns regarding the sustainability of such an approach need to be further explored. Even the community-based approach of capacity-building faced obstacles vis-à-vis farmers' high levels of illiteracy and uneven capacities.

**FO organisational weaknesses:** Organisations' limited capacities to provide services, to process rice and to organise commercialisation generated distrust among members, which had an impact on the level of compliance with procurement contracts.

**Farmers' low income and liquidity:** Guaranteed demand should include tailor-made tools to ensure diligent payment and/or access to financial services; otherwise, farmers will sell their production on the side as a coping strategy to manage liquidity constraints.

**Low surplus production and potential for diversification:** Small-scale and financially constrained rain-fed farming faces high opportunity costs to diversify or increase productivity based on available technologies.

Opportunities to be emphasised include the following:

**Revitalising an area with productive potential and easing market distortions:** Stable institutional demand could respond to Kédougou farmers' overall inadequate access to markets caused by the region's remoteness, and even have positive impacts on the rice value chain.

**Developing a cost-effective approach:** The effects of procurement revenues on farmers' incomes will likely be more helpful to those who are more vulnerable.

**Sustainable ways out of the poverty cycle:** In a context of successive food crises and fragile social protection programmes, food-insecure and resource-constrained households could benefit from the complementarities and synergies between institutional food procurement, social protection and agricultural investment. This may prove to be a sustainable way to promote economic and productive inclusion, complementing social safety nets.

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## Note:

1. The PAA Africa programme is a joint initiative between the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme (WFP) and the governments of Brazil, the United Kingdom, Ethiopia, Malawi, Mozambique, Niger and Senegal to support pilot initiatives of local food purchase from small-scale family farmers to supply school feeding programmes. For more information, see: <<http://paa-africa.org>>.

# PAA Africa targeting in Niger

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**The PAA Africa programme** is a multi-stakeholder initiative aimed at promoting smallholder farmers' food security and access to institutional markets, and enhancing the food security of school pupils through the provision of regular school meals.<sup>1</sup>

In Niger, PAA Africa is providing inputs to a discussion on a national strategy for local procurement for food assistance. It targets smallholder farmers as the main participants on the supply side, which has highlighted the importance of the availability of key resources (human, institutional, factors of production etc.) to ensure the feasibility of the intervention.

Niger is one of the poorest countries in the world, ranked 187th on the 2014 Human Development Index. Agriculture, mainly subsistence farming, employs over 80 per cent of the population. It is very susceptible to climatic variation, which over recent years has led to successive food deficits. Planning, decision-making and targeting methodologies for purchasing food locally from small-scale family farmers for food assistance are crucial for programme effectiveness and positive outcomes.

**Targeting criteria and results** - By combining a geographic targeting of the Maradi region with criteria relating to the productive potential of farmers' organisations (FOs), and individual targeting at the community level to reach the most vulnerable farmers, PAA Africa in Niger (PAA Niger) has engaged 611 smallholder farmers (54 per cent of whom are women). Three quarters (77.5 per cent) of beneficiary households can be considered very poor or poor in terms of their living conditions; they usually depend on agriculture over an average area of 1.5–2 hectares for their livelihood.<sup>2</sup> The incidence of food and nutrition insecurity is high, and, on average, households spend up to 70 per cent of their total income on food.

**Support to vulnerable smallholders** - Several tools were deployed by the WFP within PAA Niger to improve beneficiary farmers' capacities to respond to the needs of local food procurement. Productive support provided by FAO consisted of the distribution of inputs (seeds, fertilisers, agricultural defensives and storage bags) and training on alternate millet–cowpea crop systems. Contract arrangements included an extensive awareness-raising effort among FOs to support their marketing capacities, including negotiating advantageous prices.

With this support and favourable rainfall, farmers doubled their productivity of millet from 237 kg/ha to 494 kg/ha and of green beans from 132 kg/ha to 265 kg/ha from 2012 to 2013.

The WFP purchased 137.2 tons of millet and 100.9 tons of beans from seven FO unions—nearly 5 per cent of all WFP procurement in Niger in 2013. Thanks to the contracts with farmers' unions, producers received an additional USD34,000 (21 per cent more) compared to market prices, which positively affected revenues at the individual level.

**Findings and recommendations** - The PAA Niger results demonstrate the potential of institutional procurement programmes (IPPs) to help poor, resource-

constrained farmers, if proper support is available and adapted to their needs. Establishing stable institutional demand could positively impact the inadequate access of Maradi farmers to markets, particularly regarding price fluctuations and the role of local traders. This is particularly true for women farmers, who in Niger's case face greater obstacles to market their produce, due to a lack of productive support and unequal access to market opportunities.

The limitations and constraints that were found need to be taken into consideration in any discussion on targeting resource-constrained, poor farmers in IPPs. These include the needs and capacities of farmers vis-à-vis the tools available for purchasing their production and maintaining a steady supply while investing in crop diversification.

**Targeting criteria:** In a context of high poverty levels, IPPs can benefit from the use of broader criteria, leading to a less costly targeting process without considerable inclusion errors, while still maintaining the programme's focus on vulnerable farmers.

**Approach centred on FOs:** Counting on FOs as the programme's entry point has the advantage of increasing ownership and facilitating the provision of services. Nonetheless, there are limits to whether these structures can reach the most vulnerable farmers. Therefore, there is a need for continuous support to associativism and collective action.

**Inefficiencies of local food systems:** It is imperative to discuss targeting in the context of excessively concentrated markets whose dynamics do not necessarily exclude smallholder farmers but nonetheless contribute to keep them trapped in a poverty cycle, subjected to price fluctuations and to the oligopsonistic actions of traders.

**Building a gender-sensitive approach:** In Niger, women's unions had the best results in terms of compliance with procurement contracts. This suggests that, when productive assets are available or provided, IPPs that target resource-constrained women can have a positive impact on gender inequalities for agricultural production and marketing.

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## Notes:

1. The Purchase from Africans for Africa (PAA Africa) programme is a joint initiative between the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme (WFP) and the governments of Brazil, the United Kingdom, Ethiopia, Malawi, Mozambique, Niger and Senegal to support pilot initiatives of purchasing food locally from small-scale family farmers to supply school feeding programmes. For more information, see: <<http://paa-africa.org>>.

2. Poverty in terms of living conditions is measured according to three subdimensions: income, consumption and material conditions (deprivation and housing).

# From expansion to austerity: challenges and risks of the radical fiscal policy turn in Brazil

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**Brazil, in the period after the great financial crisis** of 2007–2008, presents a compelling case study of the interactions between fiscal policy and business cycles. The country is noteworthy not only for being one of the very few that dealt relatively well with the most acute stage of the crisis, maintaining its dynamism throughout most of the 2007–2010 period, but also for the speed of its economic and fiscal deterioration during the 2011–2014 economic slowdown, and the subsequent 2015–2016 recession. The contrast in performance is stark when one observes the decrease in growth of the country's gross domestic product (GDP), which halved from 4.6 per cent per year during 2007–2010—which placed Brazil close to the top third of countries with the best global performance—to 2.3 per cent per year during 2011–2014, which placed the country among the bottom third of countries, and finally culminating in an accumulated collapse of -7.2 per cent of GDP during 2015–2016, the worst recession in the country's history.

How to explain both the extraordinary performance and the gravity of its subsequent deterioration? It is not a simple phenomenon. However, the central hypothesis of the *Working Paper Brazilian Fiscal Policy in Perspective: From Expansion to Austerity* (Orair and Gobetti 2017) is that the inflexions in the composition and orientation of fiscal policy are crucial elements to understand the performance of the Brazilian economy.

The paper focuses on three recent periods. The first was a sub-period characterised by fiscal expansion (2005–2010), whose fiscal space was channelled mainly towards public investment, in addition to redistributive transfers. It was marked by extraordinary economic performance. During the second sub-period (2011–2014), subsidies played a central role in the fiscal expansion, along with tax cuts on the revenue side. This new fiscal policy mix proved ineffective in preventing the economy from entering a downturn.

The third sub-period is characterised by the radical shift in fiscal policy, now driven by the hypothesis of expansionist austerity, and by the worst recession ever recorded in the country's history. This shift towards austerity started with the fiscal adjustment of 2015, which was coupled in the following year with an expectation that investors' confidence and economic growth would be regained with further liberal structural reforms.

The agenda of structural reforms is associated with a set of legislative and constitutional changes that cannot be easily reversed, and which implicitly tend to lead to a long-lasting period of fiscal austerity. The main example is the target of the 'new fiscal regime', instituted in 2016 through a constitutional amendment to freeze public expenditure ceilings, in real terms, for at least 10 years.

There is no question that the mounting public debt and control over expenditures are real problems that Brazil must face head-on.

However, the concrete manifestation of fiscal austerity might introduce unnecessary risks. First, because there is great uncertainty towards the capacity of fiscal austerity—by itself—to promote growth, as has been demonstrated by international debate. In the Brazilian case, fiscal austerity is being implemented during the worst recession in the country's history, coinciding with a period of dire political crisis. This scenario is compounded by high credit leveraging by enterprises and consumers, and the expected prolonged international recession, all of which hinder economic recovery driven by private demand.

Given this situation, it does not seem wise to adopt a fiscal regime that greatly restricts fiscal policy, instead of prioritising mid-term fiscal consolidation and supporting short-term demand. It would be more reasonable to permit, as in the main foreign experiences, some real increase in expenditure, periodic reviews of the expenditure legislation and special treatment to public investment and other social expenses.

The success of the 'new fiscal regime' will depend on the approval of a set of structural reforms, interrupting the trajectory of social expenditure—which implies a series of social risks. These reforms began with changes to the constitutional minimum spending on health care and education and an ambitious project for reforming social security. These strict reviews are not likely to end there, given the target of freezing public expenditure in a country undergoing a rapid demographic transition, which imposes pressures on pension benefits.

Therefore, there is a real risk that these reforms will interrupt the late consolidation of a social welfare state in Brazil. This consolidation has been accomplished through a systematic increase in social spending—at a real rate of 4.2 per cent per year over the past two decades—and, despite a series of inefficiencies and distortions, it has enabled the construction of a wide range of social benefits and services that have an enormous positive impact on the well-being of the population, especially those who are most vulnerable.

Of course, it is unreasonable to expect that these same rates of expansion could be maintained indefinitely, but this does not imply the need to abruptly tether it to the rate of inflation. There are many alternatives for the gradual control of expenditures, while the government gains time to promote wider discussions and evaluations about the structure of the budget. Such as it is now, the new fiscal regime signals a move towards a rupture with the social welfare state, instead of towards making it financially sustainable.

#### Reference:

Orair, R., and S. Gobetti. 2017. "Brazilian Fiscal Policy in Perspective: From Expansion to Austerity." *Working Paper No. 160*. Brasília: International Policy Centre for Inclusive Growth.

# The social dimensions of Saudi Vision 2030: a paradigm shift

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**The decline in oil prices from the middle of 2014** until the end of 2016 caused a huge fall in Saudi Arabia's financial resources. The oil revenues in the national budget decreased from USD277 billion in 2014 to USD163 billion in 2015 and USD141 billion in 2016. This precipitous decline required pressing reforms to maintain the government's ability to undertake public economic and social spending, including economic and social transfers, and being the employer of last resort. Since HRH King Salman took office in January 2015, a large number of legislative, regulatory and public policy changes have been launched. In April 2016, Vision 2030<sup>1</sup> was launched, followed by two executive programmes, the National Transformation Programme<sup>2</sup> (NTP) 2020 and the Fiscal Balance Programme<sup>3</sup> (FBP) 2020, which aimed to balance the budget by 2020. The state apparatus was restructured, including the integration of the portfolio of labour and social affairs into a new Ministry of Labour and Social Development. Earlier this year, 10 additional programmes<sup>4</sup> were announced to achieve the vision by 2030.

Although Saudi Arabia is one of the G20 economies, with a gross domestic product (GDP) of about USD650 billion, the largest Arab economy and one of the largest donors of official development assistance (ODA), which exceeded the target of 0.7 per cent of gross national income (GNI) set by the United Nations, the country is paradoxically struggling to address some internal development problems such as poverty, unemployment, vulnerability and inequality, particularly the challenges of translating economic growth into sustainable development outcomes spread throughout the country. In rich economies such as Saudi Arabia, poverty is usually defined as relative rather than absolute poverty. The distribution of income is measured by the Gini coefficient of inequality, but inequality in income does not pose any more of a problem in Saudi Arabia than in other countries of the world. Rather, the problem lies in the multidimensional poverty and inequality—i.e. in the non-income space, including gender inequality.

Indeed, the challenge of multidimensional poverty is exacerbated by the effects of other consequences—particularly inequality. For example, in many cases, restrictions on women have additional effects on poverty because of women's limited capacity to compensate for income losses. The high unemployment rate among women, which is more than seven times the rate among men, the low participation of women in the labour force, and gender segregation in many markets, with negative consequences for equal opportunities, have been identified among many poor female-headed households as structural factors limiting their ability to cope with poverty.

Saudi Arabia has long had in place generous social safety nets with components of social protection that benefit many social groups but are characterised by a legacy of waste due to exclusion and inclusion errors. However, recent changes introduced by Vision 2030 suggest changes in the thinking and mechanisms towards a new socio-economic philosophy.

To address internal development issues such as poverty, vulnerability and inequality, Vision 2030 and its programmes have, *inter alia*, pointed to a number of specific goals, targets and policy measures to reduce social vulnerability, address labour market issues for women and promote quality in education and training initiatives. In addition to addressing the structural

social and economic challenges long faced by the country, there is a high level of integration of political will and development planning through the adoption of ambitious programmes to implement the vision.

Universal in-kind subsidies and transfers, including for food, water, electricity and fuel, contributed to reducing household vulnerability and maintaining decent per capita consumption and standards of living. Over time, the expansion of subsidies, transfers for social security and the unemployment benefits (*Hañiz*) scheme have helped mitigate the consequences of development disparities between regions and at the local level within each region and have served as disincentives to internal migration. However, in-kind subsidies also benefit 11 million expatriates, who make up 33 per cent of the total population.

As part of the FBP—aligned with Vision 2030, whose goals provide an integrated framework for a vibrant society—the Unified 'Citizen's Account'<sup>5</sup> was launched, representing a move towards conditional cash transfers (CCTs) with a view to mitigating the impact of the fiscal reforms in a way that goes beyond the temporary and limited objectives of social safety nets. Since its inception in February 2017, the number of households registered so far has reached about 3.5 million, with more than 12 million registered individuals, representing more than half of the Saudi population, who directly entered their data into the online database with web interface which enables participants to register and update their data. Potential beneficiary status must be updated quarterly and is validated based on the self-declared profile and supporting documents. The categories of potential beneficiaries include Saudi heads of household, mobility card holders, Saudi women married to a non-Saudi, independent Saudi individuals, and social security beneficiaries. The amounts of the CCT payments depend on such factors as household size, composition and income.

The Citizen's Account database will help consolidate the fragmented social safety net programmes, and through electronic synchronisation and interoperability among agencies will enable the government to build an appropriate profile of socio-economic indicators related to household well-being and thus devise better evidence-based policymaking.

We conclude that the Saudi experience has benefited considerably from recent literature on social protection, inclusive growth, sustainable development and successful CCT programmes, particularly in Latin America and the Caribbean such as *Solidario* (Chile) and *Bolsa Familia* (Brazil), in particular the single registry (*Cadastro Único*). Policy resonance can also be characterised by three shifts: the transition from safety nets to social policy, from universalism to targeting and from in-kind subsidies to CCT programmes. We use the term 'policy resonance' for policy changes that are both massive and decisive towards a new paradigm.

#### Reference:

Elsayyad, Amina Saeed. 2016 (forthcoming). "Going Beyond Social Safety Nets: The Emerging Landscape of Social Policy in Saudi Arabia."

#### Notes:

1. See: <<http://vision2030.gov.sa/download/file/fid/417>>.
2. See: <[http://vision2030.gov.sa/sites/default/files/NTP\\_En.pdf](http://vision2030.gov.sa/sites/default/files/NTP_En.pdf)>.
3. See: <[http://vision2030.gov.sa/sites/default/files/attachments/BB2020\\_EN.pdf](http://vision2030.gov.sa/sites/default/files/attachments/BB2020_EN.pdf)>.
4. See: <[www.vision2030.gov.sa/download/file/fid/1319](http://www.vision2030.gov.sa/download/file/fid/1319)>.
5. See: <<https://ca.gov.sa/#/home>>.

# Social protection in East Africa: harnessing the future

Alexander Pick, OECD Development Centre, the European Union Social Protection Systems project

The **European Union Social Protection Systems (EU-SPS)** project has recently published a report on the future of social protection in six countries in East Africa: Ethiopia, Kenya, Mozambique, Tanzania, Uganda and Zambia (OECD 2017).<sup>1</sup> The report examines key demographic, economic, social and environmental trends that are likely to affect the demand for social protection between now and 2065, a timeframe aligned to the African Union's Agenda 2063—its vision for the future of the continent in which social protection has a key role to play.

The report also explores ways in which social protection can positively influence some of these major trends and harness their potential to ensure that the six countries can continue the impressive progress achieved since the start of the 21<sup>st</sup> century.

The demographic challenge facing sub-Saharan Africa looms large in this report. Over the next 50 years, the United Nations Population Projections show that the populations of the six countries will treble on average, growing fastest in Uganda and slowest in Ethiopia. Amid evidence that declines in total fertility rates across the sample countries are stalling, population growth may be even more dramatic. Although these countries are urbanising rapidly, rural populations will also keep growing and will remain larger than urban populations until 2050 in some of them. This growth will put severe pressure on public service provision and infrastructure, and the supply of labour is at risk of far outstripping demand, especially among the youth.

On the positive side, dependency ratios across the six countries are falling, meaning that the number of producers in the economy is increasing relative to the number of consumers. The report shows how this favourable change to the age structure of the population will sustain robust growth in gross domestic product (GDP) for the foreseeable future. This effect, known as a demographic dividend, was an integral part of the East Asian growth miracle. However, for this to occur, the working-age population needs to be employed productively, and fertility rates must keep declining—the faster the better.

The structure of the six economies has changed only slowly since the start of the century; if structural change does not accelerate, productivity levels will remain low relative to other parts of the world. Assuming current trends continue, the structure of employment will also change slowly; new entrants to the labour force (averaging a combined 7 million per year across the six countries over the next 50 years) will struggle to find wage employment in industry or services; the majority of the workforce will remain in household enterprises or agriculture. As such, they will remain highly vulnerable, with those in rural areas especially prone to the impact of climate change.

The report also shows how population growth and inequality combine to slow the decline in poverty across the six countries, even in a context of reasonably robust GDP growth. High population growth dilutes the per capita income gains, while high inequality prevents the benefits of growth from reaching those at the bottom of the income distribution. The prospects for poverty reduction are best in Ethiopia, which has the lowest fertility rate and the lowest level of inequality among the sample countries, while they are worst in Zambia, where inequality is presently highest. In none of the countries will the rate of extreme poverty fall

below 10 per cent by 2030 at the current rate of progress. In absolute terms, the performance is even worse: the number of people living in extreme poverty across the six countries will decline very little over the next 50 years.

The report then distils these trends into seven grand challenges for social protection:

- Accelerate the decline in extreme poverty by increasing coverage of social assistance among the lowest quintile
- Promote social insurance in a context of high informality to ensure lasting declines in poverty
- Alleviate pressure on labour markets associated with rapid growth of the working-age population through the provision of public works programmes
- Adapt social assistance programmes to urban settings in a context of rapid, often disorderly urbanisation
- Integrate social protection into climate-change adaptation strategies, prioritising developmental, ex ante programmes that build resilience over ex post humanitarian aid in vulnerable areas
- Secure a demographic dividend by leveraging social protection's capacity to empower women and boost human capital as a means of reducing fertility rates and enhancing productivity
- Achieve the sustainable step-change in financing for social protection required for the sector to meet these challenges in ways that do not worsen poverty or inequality

The policy responses to these grand challenges require a number of key enabling factors to be in place across the six countries. These include the establishment of social protection systems that achieve coherence both within the sector and between social protection and countries' broader development plans. Capacity development strategies are also needed to improve the design, delivery and monitoring of social protection programmes, both at an individual and an institutional level. The collaboration of social partners, from government, labour, business and civil society, in designing social protection programmes is essential for achieving popular support for reforms. Finally, there is a need for more and better data to understand the needs of the population and the impact of different interventions, as well as to improve administration.

#### Reference:

OECD. 2017. *Social Protection in East Africa: Harnessing the Future*. Paris: OECD Publishing. <<http://dx.doi.org/10.1787/9789264274228-en>>. Accessed 31 July 2017.

#### Note:

1. See a webinar presenting the OECD (2017) report at: <<http://socialprotection.org/discover/publications/webinar-presentation-social-protection-east-africa-harnessing-future>>.

# Workers in the informal sector and contributory social insurance schemes—the case of Tanzania

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**The report by the Organisation for Economic co-Operation and Development (OECD)** entitled 'Social Protection in East Africa: Harnessing the Future' (OECD 2017),<sup>1</sup> recently produced by the European Union Social Protection Systems (EU-SPS) project, points to the low coverage rates of social protection in the informal sector in East Africa as one of seven great challenges that will need to be addressed in the next 50 years. For years now, many developing countries in sub-Saharan Africa have been poor and vulnerable, with high rates of informality in their labour markets: the majority of both rural populations involved in agriculture and the urban poor work in the informal sector. Public-sector social protection mechanisms have remained weak or even non-existent; therefore, the burden to protect the population from risks and social and economic shocks has been placed on the families and communities themselves—and mainly on women. This is the essence of traditional (and informal) social protection in sub-Saharan Africa, the perception of which has been used to justify the low resources allocated to this sector in government-led policies and programmes.

The informal economy is growing quickly, especially in regions such as sub-Saharan Africa, where the expansion of formal employment faces major challenges. As highlighted in the OECD report (ibid.), social insurance coverage for informal workers is still very low, a stylised fact that has a gender bias, as most of the people working in the informal sector are women.

Nevertheless, over the last decade, there have been increasing efforts to extend social insurance coverage beyond workers in the formal sector. Examples include the Mbao Pension for informal workers in Kenya, and social protection initiatives for workers in the informal and rural economy (SPIREWORK)—including one in Zambia, with the support of the International Labour Organization (ILO) and the Government of Finland, and a similar initiative also supported by the Government of Finland in Tanzania. Moreover, in the case of Tanzania, over the past five years all contributory pension schemes have been extended to cover informal workers through voluntary contributions. Despite these efforts, coverage levels in the informal sector remain very low. Why are workers in this sector not motivated to contribute to social insurance schemes?

In a recent study, Makene et al. (forthcoming) reveal that multiple factors hold back non-contributing workers, most of whom are in the informal sector, from joining contributory pension schemes in Tanzania, whereas the enrolment of formal workers is almost automatic upon employment. One of the factors is a lack of knowledge about the availability of voluntary contributory plans and the eligibility of informal workers for these schemes. In general, rural agricultural populations have low levels of education and limited access to information. Another factor is the lack of user-friendly processes for registration and pension payments—there is a lack of understanding among potential contributors about the required information for registration and benefits and contribution

levels over time, poor customer service, and the registration centres are not near the workers' place of residence.

Some workers were discouraged by the poor quality of life they saw in retired people, some of whom were even more destitute and vulnerable to shocks than before they retired. For the majority, benefit levels were too low to lift them out of destitution. The final and most important factor was the high level of poverty, which seemed to increase with time for many. The study participants expressed difficulty in contributing regularly, given that they could not even ensure their own daily meals. Increasing numbers of contributors who are late in making payments continue to be a challenge for the schemes. In Tanzania, many workers, both formal and informal—particularly the youth—are in favour of being able to withdraw their contributions when in need. These views naturally conflict with the government policy.

Addressing informality in developing countries certainly goes well beyond designing social insurance products and registering contributors. Country-specific evidence should inform and determine appropriate interventions. Structural transformation and changes in individual behaviour are necessary, and effective communication and marketing strategies should be part of the process. This is crucial, given the history and culture which is strongly ingrained in the long-lasting tradition of (informal) social protection in sub-Saharan Africa. As an example, as much as governments and other stakeholders may realise (and fear) the risks in the continued exclusion of informal workers who also contribute massively to the economy, the victims of this exclusion may find it even riskier to invest their money and not be able to access it in times of need, especially when they may not be able to contribute regularly and, in some cases, end up losing pension eligibility. It takes an extra push for the workers in the informal sector to change their views and practices.

Countries in sub-Saharan Africa need sustainable and country-specific social protection financing mechanisms, with national governments assuming larger stakes and eventually bearing the full burden of contributions. Internal revenue generation and better taxation strategies are necessary. As citizens become able to see positive development outcomes as the direct result of paying taxes, they will be willing to pay further taxes, which will, in turn, be sustainably invested back in their communities. Social protection is a right of all workers, and it should be able to provide short- and long-term security to the entire population.

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#### Note:

See a webinar about the OECD (2017) report and Flora Myamba's comments at: <http://socialprotection.org/discover/publications/webinar-presentation-social-protection-east-africa-harnessing-future>.

# Building a favourable environment for institutional food procurement programmes: contributions from Mozambique

Luana F.J. Swensson and Israel Klug, Food and Agriculture Organization of the United Nations (FAO)

## The efficiency of institutional food procurement programmes (IFPPs)

depends on a series of interconnected conditions to reach their stated goal of linking smallholders with institutional markets and demand (e.g. school meals). These programmes rely on governmental will and the availability of public demand. Furthermore, they require institutional changes and the close coordination of policies and legal frameworks.

Two pilot initiatives in Mozambique—the pilot project of the national school meal programme (*Programa Nacional de Alimentação Escolar*—PRONAE) and the Purchase from Africans for Africa programme (PAA Africa)—provide good evidence regarding the effects of a lack of coherence among policy, legal and institutional frameworks on the implementation of IFPPs. They have tested and implemented different decentralised procurement models for school meals from smallholders.

Despite important achievements made by these pilots, significant limitations regarding policy, institutional and legal frameworks, combined with operational issues, still hinder the prospects of implementing and scaling up food purchases from smallholders. Some of these issues include gaps between the policy texts and their practical implementation; the lack of an effective multisectoral approach; misaligned public procurement legislation; low human and institutional capacities at a decentralised level (hindering the implementation of more decentralised procurement modalities); gaps in the existing food quality and safety control systems; and different operational barriers intrinsically related to those frameworks.

For example, although one of PRONAE's key stated objectives is to support local smallholders, the existing regulations for public procurement do not provide the proper instruments to support that goal.

Due to its complexity, costs and steep requirements, the standard procurement procedure, as determined by the existing legal framework, is incompatible with the characteristics and capabilities of smallholder suppliers (Swensson and Klug 2017). Coupled with contract-awarding criteria that reward the lowest prices, this procedure favours the largest and most specialised suppliers. Consequently, because of these misalignments, the PRONAE pilot was purchasing almost exclusively from local traders instead of smallholders.

Therefore, the assumption that a single focus on policy reform or the creation of new policy objectives is enough to lay the foundations for a comprehensive school meal programme that sources food directly from smallholders is being challenged in Mozambique, as institutions and several legal frameworks are not yet aligned with these new policy objectives. It is clear that policy reforms need to be accompanied by changes in institutions and administrative and legal frameworks to be effective.

Multisectoral coordination groups can be a good way to support that process, assessing bottlenecks under different mandates and enhancing advocacy for change and realignments. Nevertheless, the success of this new policy depends on effective implementation, with the participation and commitment of different stakeholders. This was not fully accomplished by the pilot initiatives in Mozambique, in particular regarding the active participation of sectoral ministries in charge of public procurement, agriculture, food safety and rural development.

If, on the one hand, policy, institutional and legal frameworks had a direct impact on the implementation of the pilot initiatives, on the other, these pilots played a key role in revealing the necessary adjustments to those same frameworks.

The possibility of testing different procurement models is a good opportunity that allows governments to promote realistic policy debates based on their country's specific contexts, as well as to envision crucial implementation challenges that these different models may pose for the development and scale-up of a national programme.

These different models can be characterised in terms of centralisation or decentralisation of procurement and other activities, contractual modalities, and whether these activities can be performed in-house or by a third party. Each model presents specific advantages and challenges, which are directly connected with the implementation context, and there is no single best solution (Gelli et al. 2012).

The pilot initiatives tested in Mozambique provided good inputs for policy debate, including the need to adjust public procurement legislation, as well as the possibility of adopting different levels of decentralisation, according to the products to be purchased and the programme's area of implementation. For instance, based on the results of these pilots, the combination of a more centralised model (such as the one adopted by PAA Africa) for the procurement of cereals with a more decentralised one (at district or school level) for the procurement of fresh produce has been assessed as a good option, even if it was not initially contemplated.

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# Recognition of care work: the case of the Expanded Public Works Programme in South Africa

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**In response to the continued growth** in the number of unemployed people, in 2004 the South African government introduced the Expanded Public Works Programme (EPWP), offering short-term employment and on-the-job training in four different sectors: (1) infrastructure; (2) economics; (3) the environment and culture; and (4) social. In 2015 the EPWP went into the third phase with the aim of creating 2 million employment opportunities annually by 2020.

The EPWP represents a unique case for a public works programme, as it offers temporary jobs in home- and community-based care (HCBC) within its social sector component. HCBC forms an essential pillar of South Africa's policy response to the HIV/AIDS epidemic and refers to primary health care and social services provided by community health workers. Most HCBC workers are women, often receiving only a very small stipend.

Through the EPWP, non-profit community organisations receive funding to subcontract HCBC workers. The objectives are to: (1) provide employment opportunities to HCBC workers; (2) increase their skills levels through training; and (3) improve and expand existing care services. In the first five years of the programme, over 113,000 HCBC work opportunities were created, 50 per cent of caregivers received skills training, and more than 4 million people accessed HCBC services (Department of Public Works 2010).

The social-sector EPWP can be understood as 'gender-sensitive', addressing the particular needs of women in two ways. On the one hand, it offers temporary jobs in an area that is already predominately occupied by women working for no or very little payment. Through the programme these women receive a temporary regular income and they can access skills training to improve their chances in the labour market. On the other hand, the EPWP addresses the severe need for primary care, which—in a context of limited resources and strongly defined gender roles—is disproportionately provided by women.

While the EPWP is a positive example of linking the provision of care services to social protection, the programme poses three serious challenges for the recognition of paid and unpaid care work. First, wages in the social sector are significantly lower than in other sectors of the programme. In the first years of the programme, the minimum daily wages paid to EPWP workers in the social sector were less than half of what their counterparts in the infrastructure sector received. While the difference in payments between the sectors has decreased over the years, wages in the infrastructure sector remain higher.

Second, fewer training opportunities are offered to participants than planned. In their evaluation of the second programme phase, the Economic Policy Research Institute (EPRI 2015) estimates that most of the provinces studied provided less than half of the planned number of training opportunities. This poses not only a challenge to the programme's objective of improving participants' skills levels and, consequently, their chances in the labour market, but can also lead to a deskilling of the care sector and low-quality services.

Third, through the programme, HCBC is consolidated as a permanent feature of South Africa's care regime. While care is always provided by multiple entities, including the household, the market, the State and the community (for more, see Ravazi 2007), the EPWP represents a shift in the provision of care away from the State and towards community-based, non-profit organisations. Increasing responsibility is assigned to community organisations, which—even with EPWP funding—are often heavily underfunded, undermining the State's responsibility for providing universal, good-quality care services and adequate pay to care workers.

In summary, the EPWP helps recognise care work as a service and a profession that needs to be strengthened. However, the inclusion of HCBC in the EPWP exemplifies a problematic approach to care: care work continues to be low paid and is considered a profession that does not require much learning, which can be traced back to deeply entrenched gender norms. Care work is central to human development and should, therefore, be acknowledged not only as a family or community issue but also as one that is integral to citizenship rights and state obligations.

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## Note:

1. All of the literature mentioned in this One Pager is thoroughly referenced in: Bilo, C. 2016. "Public Works in the Care Sector. A Feminist Policy Analysis of South Africa's Expanded Public Works Programme." Master's dissertation. Brighton, UK: Institute of Development Studies. University of Sussex.

# Bolsa Família and ‘Progresas/Oportunidades/Prospera’: consensual reforms?

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*Progresas/Oportunidades/Prospera*<sup>1</sup> in Mexico and *Bolsa Escola/Bolsa Família* in Brazil were pioneer conditional cash transfer programmes (CCTs) in Latin America and remain the two largest and best-known social assistance programmes in the region.

Their emergence was influenced by the critique by reformist actors of the inefficiencies and distortions of previous social assistance programmes. They highlighted the need to move away from some clientelistic anti-poverty practices—especially ‘first ladyism’<sup>2</sup>—and to eliminate political scandals involving social assistance programmes.

Although CCTs seem to have reached a consensual status in the region, implemented by both right- and left-leaning governments, variations in their design reflect different views of their purpose. This consensus is also ambiguous, since the goals and objectives behind these policies may vary, particularly regarding potential tensions between long-term objectives of human capital accumulation and the short-term objective of immediate poverty alleviation.

Moving beyond this apparent consensus and the sterile discussion about programme ‘paternity’, it is important to understand how these new programmes emerged and which set of core ideas supported them. Since the 1990s, many actors have striven to influence their design. In contrast to much of the literature on the diffusion of CCTs in the region, which focuses only on exogenous dimensions and transnational dissemination, any study on Brazil’s and Mexico’s CCTs should underscore the endogeneity of this institution-building process.

These different views can be roughly classified into three groups, with similar beliefs in the increasing use of cash transfers but advocating different purposes and design solutions. The dominant advocacy coalition believes that the promotion of investment in human capital should determine the development and implementation of CCTs. They advocate strengthening both health and education conditionalities to prioritise long-term poverty reduction, an approach based on the idea that healthier and better-educated children will have better work opportunities in the future.

The second coalition proposes unconditional cash transfers and, if possible, universal basic income. They defend the idea that poverty can only be fought by guaranteeing the right to a basic income, regardless of the person’s current income and wealth. In Brazil, the pro-unconditional, universal basic income coalition considers *Bolsa Família* a first step. In Mexico City, this coalition was able to implement in 2003 a non-means-tested and non-contributory programme that is essentially a universal pension (*Pension Alimentaria Ciudadana de Adultos Mayores*), which was meant to rival the Mexican CCT programme in the universality and non-conditionality of social assistance benefits.

Finally, the third coalition advocates for food and nutrition security. In its view, cash transfers should be linked with better access to locally produced foods, which in turn would stimulate local economies. Developed mainly in Brazil, the pro-food-security coalition also advocates for the participation and mobilisation of civil society in the fight against poverty and hunger. During the design phase

of *Bolsa Família*, it supported the inclusion of several features from the preceding *Fome Zero* (‘Zero Hunger’) programme and of the *Cartão Alimentação*—a cash transfer programme limited to the semi-arid region of the country, whose transfers should be spent on food from local markets and stores.

Tomazini (2017) suggests that advocacy coalitions are crucial to understand how different reforms that took place in diverse institutional contexts and through distinct mechanisms have led to similar results: the development of large-scale CCTs. Two types of gradual and transformative change were found in CCTs in Brazil and Mexico: *layering* and *displacement*, respectively, according to the typology of Mahoney and Thelen (2010). In Brazil, *Bolsa Família* has been built by *layering* multiple, pre-existing CCT programmes, initially at the municipal and state levels and then at the federal level across different ministries. In Mexico, the process of change and consolidation of CCTs occurred as a complete institutional shift from generalised subsidy programmes to cash transfer programmes, but with the gradual removal of existing rules from *Pronasol*—an anti-poverty programme—and food subsidies.

Coalitions adopted different strategies depending on timing and context. In Mexico, there was competition between defenders of the new policies (especially the ‘pro-human-capital coalition’) and promoters of old institutions, who competed until the middle term of Ernesto Zedillo’s government. Change agents from the pro-human-capital coalition in Mexico adopted an insurrectionary strategy: they actively mobilised against existing institutions and rules. Some years later, the pro-human-capital coalition changed some rules of *Oportunidades* to address the needs of elderly people, diverging somewhat from the intentions of the programme’s original framers while still retaining the characteristics of their cognitive matrix. In Brazil, the dominant human capital paradigm acted in a subversive way, encouraging CCT policies at the subnational level and bringing change as policy developments on the periphery made their way to the federal level. While the pro-human-capital coalition is joined by other actors who are seeking similar reforms, they provided a strong ideological rationale for this process, overlapping with unconditionality and food security ideas. Despite having less influence in CCT subsystems, actors from other coalitions (pro-unconditional income and pro-food security) act in either a defiant or an interdependent-symbiotic manner as they struggle to remain relevant.

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## Notes:

1. Initially known as *Progresas*, then *Oportunidades*, the programme was renamed *Prospera* in 2014.
2. A term used to describe the practice of social assistance policies led by the wives of the president, governors and/or mayors.

# Targeting social protection and agricultural interventions: potential for synergies

Cristina Cirillo, University of Florence and University of Trento, Mario Gyori, International Policy Centre for Inclusive Growth (IPC-IG) and London School of Economics and Fábio Veras Soares, International Policy Centre for Inclusive Growth (IPC-IG)

**There is evidence that the impacts of social protection programmes** and agricultural interventions can mutually reinforce each other when they are implemented jointly (Tirivayi, Knowles and Davis 2016). Nevertheless, they often operate in isolation. A recent article by Cirillo et al. (2017) discusses how an alignment of their targeting mechanisms can help boost programme coordination and coherence and potentially build synergies to reinforce their impacts.

Non-contributory social programmes (e.g. social cash transfers) largely combine broader-level targeting mechanisms (such as geographical and categorical targeting) with household-level ones (such as community-based targeting, means testing or proxy means testing), while agricultural interventions tend to focus on broader geographical and categorical targeting. In practice, two different approaches could be used to trigger cross-sectoral synergies through coherent targeting: (i) using the same targeting criteria, through a single registry of beneficiaries for both types of programmes or by integrating sectoral registries/databases; or (ii) targeting the same areas for intervention, without necessarily targeting the same households within these areas. Cirillo et al. argue that the decision regarding which approach to adopt should depend on whether synergies are expected to arise at the household, local economy or macroeconomic level.

Synergies can arise at the household level when social protection programmes alleviate credit constraints and thereby allow families to invest in better agricultural technologies. For this to happen, families need to have access to both programmes. This can be achieved by using the same targeting tools, possibly with different cut-off points.

Synergies can also emerge at the local economy level—for example, when social transfers increase the demand for (local) agricultural products in a community, thereby supporting local agricultural producers. Agricultural interventions, in turn, can help non-poor (non-beneficiary) family farmers to respond by increasing their production to meet this increased demand from social transfer beneficiaries, but also keeping food inflation low to ensure an increase in the real income of beneficiaries. When synergies are likely to emerge at the local economy level, geographical overlapping would suffice, without necessarily targeting the same households.

Similar synergies may be expected at the macro level, with the addition of a fiscal impact, as greater revenue in the agricultural sector could be used to finance social protection programmes.

Cirillo et al. (ibid.) present five case studies where targeting coherence between social protection programmes and agricultural interventions was intentionally sought to foster synergies. In Peru, the rural development programme *Haku Wiñay* targeted rural communities with a high proportion of beneficiaries of the conditional cash transfer *Juntos*. This approach acknowledges the fact that not all *Juntos* beneficiaries would be eligible for *Haku Wiñay*, thus prioritising local economy synergies without excluding the potential for household-level ones.

In Brazil, household-level synergies in rural areas have been sought based on the merging of the single registry of beneficiaries for social programmes (*Cadastro Único*) with the family farmers' registry for rural credit purposes (DAP). Extremely poor families in rural areas who both benefited from the *Bolsa Família* programme and were engaged in agriculture were targeted to benefit not only from rural productive inclusion interventions of the Brazil without Extreme Poverty (*Brasil sem Miséria*—BSM) plan implemented by the Ministry of Social Development (e.g. extension services, investment grants and access to improved seeds) but also from well-established agricultural interventions such as rural credit and institutional procurement implemented by the Ministry of Agrarian Development.

In Ethiopia, the government made a conscious effort to link the country's main social protection scheme—the PSNP, whose major component is a public works programme—with its flagship agricultural/rural development programme (HABP, formerly OFSP). After attempting to link the beneficiaries of the PSNP with HABP through common geographical targeting and finding that just 33 per cent of them were able to access it, reforms such as allowing beneficiaries to access HABP's extension services even without using its credit scheme were implemented to facilitate the access of PSNP beneficiaries to the HABP programme.

In Lesotho, the National Information System for Social Assistance (NISSA) was used to identify potential beneficiaries of kitchen garden infrastructure and training to complement the Child Grant programme, to promote food security. In the case of the pilot Purchase from Africans for Africa (PAA Africa) programmes in five African countries, school feeding programmes were supported by local purchases from smallholder farmers, to improve not only the food security of local children but also enable local family farmers to gain access to an institutional market, increasing local incomes and the food security of beneficiary farmers.

These case studies illustrate interesting ways in which targeting coherence, through (i) geographical targeting, (ii) the use of unified or integrated databases to identify potential beneficiaries and (iii) the use of an existing list of beneficiaries, has been used to foster synergies between social protection and agricultural interventions at different levels. However, it is important to bear in mind that the evidence on synergies at different levels is still thin and that targeting is only one element of a potentially successful coordination strategy between agricultural interventions for family farmers and non-contributory social protection programmes. Finally, programme objectives and implementation details need to be aligned and coherent to avoid unexpected negative effects.

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# Social behaviour change communication project in Mozambique: baseline report

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**With the aim of improving children's health and nutrition**, the World Food Programme (WFP) and a number of local partners have implemented a social and behaviour change communication (SBCC) project in Mozambique's Manica province, funded through the European Union's MDG1c initiative. The project seeks to promote good practices in the areas of: i) maternal care and nutrition; ii) infant and young child feeding; iii) malaria prevention; and iv) water, sanitation and hygiene. With an overall reach expected at over 400,000 individuals, the project builds on two components:

- an interpersonal communication component, based on the establishment of local health committees in 90 rural communities in Manica province. The health committee members are volunteers who are trained by SBCC programme staff—UN Volunteers, staff of the Manica-based non-governmental organisation (NGO) ANDA, and the district-level government health services (*Serviço Distrital de Saúde, Mulher e Acção Social*). Afterwards they are expected to promote good health and nutrition practices through training courses and home visits, and by acting as role models in their communities; and
- a mass media communication component, consisting of short radio spots broadcast by community radio stations throughout Manica province. The participating radio stations receive training and advice on the production of health- and nutrition-related content by the NGO Development Media International.

Given the innovative character of the intervention, in particular in the context of Mozambique, the WFP country office in Mozambique has partnered with the International Policy Centre for Inclusive Growth (IPC-IG) to evaluate the impact of the SBCC intervention. In this context, a baseline survey<sup>1</sup> was conducted in early 2017 to describe the situation of the prospective SBCC beneficiaries and the comparison households at baseline. A total of 1380 interviews were carried out, targeting women aged 18–49 who were either pregnant or had a child under the age of 2.

Three groups were sampled according to their exposure to the intervention: a) interpersonal training and mass media communication; b) mass media communication only; and c) comparison group, with no intervention.

**Socio-economic characteristics:** The baseline data documented an overall low level of socio-economic development among the targeted households. Most of the households were highly dependent on agriculture, illiteracy rates were high, especially among women, and a quarter of households did not have any type of toilet facility. Furthermore, 60 per cent of the households interviewed did not have access to a radio.

**Maternal care and nutrition:** Most of the women interviewed attended a pre-natal examination during their most recent pregnancy and gave birth at a health clinic or a rural hospital. Only 14 per cent of the respondents reported that their last child was born at home. Two thirds of all the women interviewed considered that eating an extra meal each day was important during pregnancy.

**Infant and young child feeding:** Both knowledge and practices of approximately 60 per cent of women were in line with UNICEF, WFP and WHO recommendations regarding infants being exclusively breastfed up to 6 months of age. The dietary diversity of children was found to be very poor, with 89 per cent having 'poor' dietary diversity according to the WFP's food consumption score. This shows there is room to improve both exclusive breastfeeding practices and dietary diversity.

**Malaria prevention:** Approximately 75 per cent of respondents know that malaria is transmitted by mosquito bites, 80 per cent are able to identify the common symptoms of malaria, and 70 per cent own a mosquito net. Nevertheless, only 57 per cent of the interviewees reported that their youngest child had slept under a mosquito net the night before the interview, showing a gap between knowledge and practice.

**Water, sanitation and hygiene:** While a majority of the respondents were able to identify two critical moments for hand-washing, only a minority reported washing their hands before feeding their child, before breastfeeding or after going to the toilet with their child. Over one third of all women were unable to correctly identify any cause of diarrhoea, and 51 per cent of the respondents never treat their drinking water. Thus, the results point to large knowledge gaps and the potential to improve practices within the target population.

**Comparison of intervention groups:** We found statistically significant differences between the three sampled groups for a number of variables. The impact evaluation will, therefore, need to draw on statistical methods, such as propensity score matching, to balance the differences between these groups and assess the impact of the intervention without over- or underestimating the impact due to group differences.

#### Reference:

Gyori, M., T. Martínez, J. Baier, M. Hernandez, S. Olsson, and A. Lefevre. 2017. "Social and Behaviour Change Communication (SBCC) Project in Manica, Mozambique: Baseline Survey Report." Working Paper No. 162. Brasília: International Policy Centre for Inclusive Growth.

#### Note:

1. Note that the survey is intended to be representative of the target population of the SBCC project.

# Is a country's ability to generate and distribute income determined by its productive structure?

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**Decades ago, Simon Kuznets proposed** an inverted-u-shaped relationship describing the connection between a country's level of income and its level of income inequality. The Kuznets curve suggested that income inequality would first rise and then fall as a country's income moves from low to high levels. Yet the inverted-u-shaped relationship fails to hold when several Latin American countries are removed from the sample, and the upward side of the Kuznets curve has vanished in recent decades, as inequality in many low-income countries has increased. Moreover, several East Asian economies have grown from low to middle income while reducing their income inequality. These findings undermine the empirical robustness of the Kuznets curve, and indicate that gross domestic product (GDP) per capita is a measure of economic development that is insufficient to explain variations in income inequality. **Therefore, new measures of economic development are necessary.**

Recent studies argue that inequality depends not only on a country's rate or stage of growth but also on its type of growth and its institutions. Hence, we should expect more nuanced measures of economic development, such as those focused on the types of products a country exports, to provide deeper insights into the connection between economic development and income inequality, beyond the limitations of aggregate measures of output, such as GDP. One such measure is the Economic Complexity Index (ECI), which is a measure of the knowledge intensity of an economy that is expressed in the type of products it makes. The most complex products are sophisticated chemicals and machinery, whereas the least complex products are raw materials or simple agricultural products. A country is considered complex if it exports not only a large number of different products but also highly complex products. Countries such as Saudi Arabia, Chile and Ghana rely heavily on a very limited number of simple and resource-exploiting products, such as crude petroleum, copper or cocoa beans, and, therefore, have a low ECI. Conversely, countries such as Japan, South Korea and Germany export a high diversity of very complex products, such as microchips, medicaments and sophisticated car parts; therefore, their ECI is very high.

**Using multivariate regression analysis, Hartmann et al. (2017) show that economic complexity is a significant and negative predictor of income inequality,** and that this relationship is robust in controlling for aggregate measures of income, institutions and human capital. Virtually all economies that have a diversified and sophisticated productive structure tend to have comparatively low levels of income inequality, whereas all economies that are strongly dependent on simple products tend to have high levels of income inequality.

**But why do complex economies have lower levels of income inequality?** Scholars from different disciplines have argued that income inequality

depends on a variety of factors, from an economy's factor endowments, geography and institutions to its historical trajectories, changes in technology and returns to capital. Hartmann et al. (2017) argue that a likely explanation for the association between economic complexity and income inequality is that productive structures represent a high-resolution expression of a number of these factors, from institutions to education, which co-evolve with the mix of products that a country exports and with the inclusiveness of its economy. Because of this co-evolution, productive structures are not only associated with income and economic growth but also with how income is distributed. For example, post-colonial economies that have specialised in a narrow set of agricultural or mineral products tend to have more unequal distributions of political power, human capital and wealth. Conversely, sophisticated products, such as medical imaging devices or electronic components, are typically produced in diversified economies that require more inclusive institutions. Moreover, complex economies require a large network of skilled workers, who receive better remuneration and have more bargaining power than unskilled workers. Finally, diversified economies tend to be associated with a better distribution of political power (and lower levels of political capture of economic benefits and rent-seeking) than economies that are dependent on few resource-exploiting products.

In a related study, Hartmann et al. (2016) compared **the structural constraints of income inequality between Latin America and high-performing Asian economies.** They argue that while recent social policy programmes, such as conditional cash transfer programmes, had a positive impact on the reduction of income inequality in Latin America during the early 2000s, most Latin American economies have remained dependent on simple and resource-exploiting products. In consequence, once the commodity boom was over, several Latin American countries suffered from the global economic crisis while simultaneously developing an institutional crisis. Conversely, during the last decades many Asian economies have successfully combined social and economic policies, diversifying into more complex products. Not surprisingly, they have also been more resilient to the economic crisis.

The findings of these two studies suggest that social policies alone might lack the strength required to modify a country's level of income inequality beyond the range of values expected from that country's productive structure.

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# The concentration of income at the top in Brazil, 2006–2014

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**For most of the past decade**, Brazil seemed to be on track to reduce its hitherto extreme level of income inequality. All survey estimates pointed in the same direction: the country was finally experiencing pro-poor growth.

However, household surveys have some well-known limitations, especially when it comes to assessing the incomes of the rich. Consequently, data from personal income tax declarations are invaluable to assess the concentration of income at the top. Indeed, estimates based on publicly available income tax tabulations published over the past few years shed new light on the level and evolution of income inequality in Brazil.

This One Pager summarises the results of a larger Working Paper (Souza and Medeiros 2017), showing that top income shares are higher and did not change between 2006 and 2014. Whereas household surveys suggest that the share accruing to the top richest 1 per cent of the population fell from 14.8 per cent to 12.9 per cent, our tax-based estimates yield a much higher and much more stable figure: 22.4 per cent at both the start and the end of the period. The same applies to the income share of the richest 10 per cent: according to surveys, there was a 4.8 percentage point drop, from 49.4 per cent to 44.5 per cent, while our results are much less sanguine, indicating a modest 0.7 percentage point reduction—from 50.3 per cent to 49.6 per cent.

These figures are in line with previous estimates and are robust to a range of different methodologies. Profits and investment income seem to explain the divergence in levels, and capital gains are the most likely culprit for the divergence in trends.

The stability of the concentration of income at the top in Brazil is worrisome because the levels are very high compared to international standards. The richest 1 per cent of the population receive, on average, just 12 per cent of total income in a cross-section of 29 countries with recent tax estimates. Granted, international comparisons are never perfect, and the sample is biased towards developing countries. Still, Brazil is a clear

outlier, as it is one of just five countries where the top 1 per cent receive more than 15 per cent of total income—alongside Argentina, Colombia, South Africa and the USA.

It is not possible to estimate the Gini coefficient exclusively from tax data, since only about 20 per cent of the adult population file income tax returns in Brazil. The best alternative in this case is to combine tax and survey data, taking advantage of the strengths of each data source—that is, using the income tax tabulations for top incomes and surveys for the rest of the distribution. Then we can estimate scalar measures of inequality for individual incomes among the adult population.

The results vary somewhat depending on the threshold or cut-off point chosen to merge the two data sources. Our preferred series uses the absolute values from surveys up until the 85th or 90th percentile, and relies on the interpolated income tax tabulations for the top decile or so. In this case, the 8 per cent fall in the Gini observed in Brazil's National Household Sample Survey (*Pesquisa Nacional por Amostra de Domicílios*—PNAD) turns into a modest 1 per cent decrease. Moreover, even when the distributions are merged only at the 99th percentile, the drop in the Gini also becomes more muted (4 per cent).

Further analysis shows that there was in fact some redistribution among the three middle quintiles of the distribution of income, which was, however, offset by stability elsewhere. Since income is very concentrated at the top, the net result was a much smaller decline in inequality than suggested by the PNAD alone.

In short, surveys seem to underestimate the level of inequality and to overstate recent changes.

#### Reference:

Souza, Pedro Herculano Guimarães, and Marcelo Medeiros. 2017. "The Concentration of Income at the Top in Brazil, 2006–2014". *Working Paper*, No. 163. Brasília: International Policy Centre for Inclusive Growth.

# A comparative analysis of the effects of unemployment insurance savings accounts on the labour market

Ana Luiza Neves de Holanda Barbosa,<sup>1</sup> Miguel Nathan Foguel<sup>1</sup> and Charlotte Bilo<sup>2</sup>

**The main objectives of passive employment policies** are to guarantee a certain level of consumption and well-being and to improve the match between employers and workers. In most countries, the unemployment protection system comprises one or more of the following programmes: (i) unemployment insurance: a general fund which makes a certain number of payments calculated on the basis of the (average) previous salary; ii) severance pay: paid by the company after the dismissal of the employee, usually calculated based on the previous salary and the duration of employment in the company; and iii) unemployment individual savings accounts (UISAs): individual mandatory savings accumulated over the period of employment in the company and accessed by the employee after dismissal.

All three of these instruments have different impacts on labour market indicators. Unemployment insurance, for example, may lead to the employee's premature termination of employment as well as an increase in the duration of unemployment. At the same time, unemployment insurance can provide unemployed people with greater flexibility and create a better match between employers and workers. The severance pay can raise the worker's reservation wage and thereby reduce the outflow from unemployment, increase turnover, decrease productivity and, as a consequence, also reduce wages.

UISAs have the advantage of being financed by the savings of the workers themselves, meaning that they have a greater incentive to seek and/or take jobs. As a form of savings, balances in individual accounts may be used to finance investments, such as in education or when purchasing property, or to increase the value of pensions after retirement. The main criticism of UISAs is that they do not provide workers with sufficient protection. This is particularly the case for low-skilled workers, who tend to have lower contributions and are more frequently unemployed than other workers. In addition, since such benefits are paid as a lump sum, there is a risk that the worker will spend the full benefit before finding a new job. Another criticism is that the below-market interest rates and low liquidity of UISAs generate incentives for workers to bring about their dismissal or agree with their employers to simulate a dismissal. Only a few countries, mainly in Latin America, have UISA programmes.<sup>3</sup>

In Brazil, the Government Severance Indemnity Fund for Employees (*Fundo de Garantia por Tempo de Serviço*—FGTS) is financed by employers

and may be withdrawn by workers if they are dismissed without just cause or for health-related expenditures or property purchases. Returns from the FGTS have always been well below inflation. Research has shown that more than two thirds of employees who resigned also withdrew from the FGTS, suggesting simulated dismissals and a high level of interest among workers to have access to their individual funds.

In Chile, unemployment insurance comprises individual accounts, financed by the employee and the employer, and a solidarity fund, financed by the employer and the government. In case of unemployment workers first receive payments from their individual accounts. Those with insufficient funds in their individual accounts receive their benefits from the solidarity fund. Evidence exists that beneficiaries who only use the individual accounts find employment faster than those using the solidarity fund. Others analysing the impact of the Chilean system found that it reduces the risk of unemployment.

In 1990, Colombia replaced its traditional severance pay system with individual accounts financed by the employer. Workers may withdraw from them if they are dismissed, but also for educational expenses or when purchasing property. Research has shown that the system resulted in lower wages, as companies shifted the increased costs largely to their workers.

Although UISA programmes are very recent, and empirical evidence on their effects is scarce, there seems to be growing consensus in the literature that the best unemployment protection system should be a combination of traditional unemployment insurance, which has the main advantage of risk-sharing, together with UISAs, which stimulate savings, soften consumption over time and generate greater incentives for unemployed people to seek employment.

## Reference:

Barbosa, Ana Luiza Neves de Holanda, Miguel Nathan Foguel, and Charlotte Bilo. 2017. "The Brazilian Government Severance Indemnity Fund for Employees (FGTS) and unemployment insurance saving accounts in other countries: a comparative analysis of their effects on the labour market." *IPC-IG Working Paper*, No. 164. Brasília: International Policy Centre for Inclusive Growth.

## Notes:

1. Institute for Applied Economic Research (Ipea).
2. International Policy Centre for Inclusive Growth (IPC-IG).
3. Countries in Latin America with UISAs include Brazil, Chile, Colombia, Ecuador, Mexico, Peru and Venezuela.

# International experiences in climate change-related statistics

Institute for Applied Economic Research (Ipea)<sup>1</sup>

**The International Seminar** on Linking Climate Change and National Accounting showed that the state-of-the-art for accounting in Brazil and around the world requires the integration of actors and information systems to meet a challenging new era, where people and economies will be evaluated according to their ability to diminish the human impacts of greenhouse gas (GHG) emissions in the atmosphere.

Robert Smith, Chair of UNICEF's Task Force on Climate Change-Related Statistics, made it clear in his presentation that there is a need to incorporate the recommendations made by the United Nations Economic Commission for Europe (UNECE)<sup>2</sup> for the assessment of climate change in the context of national accounts. The main recommendation is to improve the reporting on GHG emissions under the Kyoto Protocol. Compilers of scientific or meteorological climate change data and official statistics must work in tandem to broaden climate change analysis. This will improve the accuracy of GHG data for inventory purposes, as well as: to inform decision-makers and national statistical systems seeking opportunities to measure climate change adaptation and/or impacts; to assess changes in output by sector due to climate change (e.g. loss in agricultural production due to drought); and to evaluate mitigation technologies (e.g. the output of solar panels in environmental goods and service accounts). Countries must consider these recommendations seriously to integrate the economic and environmental impacts of climate change into their data modelling endeavours.

The representative of the Environmental Economic Accounts Section of the United Nations Statistics Division, Sokol Vako, called evaluations that require multiple sources of information "puzzle pieces". He stated that to achieve sustainable development, environmental policy must consider interconnected natural systems (e.g. the nexus between food, energy, water and climate) and understand the links between them (integrated environmental information) and between the economy and the environment (integrated environmental-economic information). He referred the System of Environmental Economic Accounting (SEEA)<sup>3</sup> as a strategy to create statistics standards that can be used to monitor the Sustainable Development Goals (SDGs) from an economic and environmental perspective in an integrated manner.

To highlight the relevance of the SEEA for climate change concerns, he developed the link between air emission accounts (by residential

economic units and by type of substance) and emission inventories—exemplified by the emission accounts of the Danish territory (IPCC-inventory) plus emissions caused by Danish citizens living abroad and others—to assess the footprint of Danish economic activities (environmental accounts); by accounts attributed to the Netherlands; by assessing the contribution of a specific industry to total emissions compared to air emissions and economic activities; and by calculating carbon dioxide (CO<sub>2</sub>) emissions per capita regarding production and consumption—all useful information for public policies.

Pierre-Alain Pioneer, from the Organisation for Economic Co-operation and Development (OECD), endorsed the SEEA as an ideal tool for measuring global air emission, emphasising that it is possible to provide the first estimates of air emission accounts<sup>4</sup> for countries that do not yet compile them. Energy data were mentioned as useful starting points for inventories.

## Reference:

UNECE. 2014. *Conference for European Statisticians Recommendation on Climate Change-Related Statistics*. Geneva: United Nations Economic Commission for Europe. <[http://www.unece.org/fileadmin/DAM/stats/publications/2014/CES\\_CC\\_Recommendations.pdf](http://www.unece.org/fileadmin/DAM/stats/publications/2014/CES_CC_Recommendations.pdf)>. Accessed 1 December 2017.

## Notes:

1. This seminar was a joint initiative between Ipea, the International Policy Centre for Inclusive Growth (IPC-IG), the Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística—IBGE) and the Economic Commission for Latin America and the Caribbean (ECLAC) in Brazil, requested by the Brazilian Ministry of the Environment, financially supported by the Institute for Climate and Society (ICS) and with the technical support of Rede Clima. Technical Rapporteur: Flávia Witkowski Frangetto. For additional information, see: <[http://www.ipc-undp.org/pub/eng/JP16\\_Report\\_International\\_Seminar\\_on\\_Linking\\_Climate\\_Change.pdf](http://www.ipc-undp.org/pub/eng/JP16_Report_International_Seminar_on_Linking_Climate_Change.pdf)>.
2. The UNECE Task Force defined climate change-related statistics as "environmental, social and economic data that measure the human causes of climate change, the impacts of climate change on human and natural systems, the efforts of humans to avoid the consequences as well as their efforts to adapt to the consequences" (UNECE 2014).
3. See: <[https://unstats.un.org/unsd/envaccounting/seeaRev/SEEA\\_CF\\_Final\\_en.pdf](https://unstats.un.org/unsd/envaccounting/seeaRev/SEEA_CF_Final_en.pdf)> and <[https://unstats.un.org/unsd/envaccounting/seeaRev/eea\\_final\\_en.pdf](https://unstats.un.org/unsd/envaccounting/seeaRev/eea_final_en.pdf)> for measurement frameworks towards sustainable development.
4. Air emission accounts from European countries, Australia and Canada can be found at: <<http://stats.oecd.org/Index.aspx?QueryId=72560>>.

# Brazilian environmental accounting initiatives

Institute for Applied Economic Research (Ipea)<sup>1</sup>

**In a country of continental size** and endowed with incredible environmental assets such as Brazil, it is not immediately feasible to coordinate national and climate change accounts, perhaps due to caution. However, recent federal legislation (Law No. 13.493/2017) has mandated the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*—IBGE) to calculate and release—annually, if possible—the country's 'green domestic product' (*Produto Interno Verde*—PIV), detailing the nation's environmental assets. The greatest challenge to this endeavour will be to determine the methodology that will underpin the national accounting system to be adopted.

Wadih Scandar, Director of Geosciences at the IBGE, considered it possible for Brazil to develop a national methodology based on the System of Environmental Economic Accounting (SEEA), capable of combining Brazil's efforts to tabulate water and land use with the likely prospect of accounting for energy and forests. The Soil and Water Assessment Tool (SWAT)<sup>2</sup> might be used, together with inputs from the IBGE. For linkages with climate change, the Intergovernmental Panel on Climate Change (IPCC) framework<sup>3</sup> was mentioned as the source of statistics on emissions and their consequences. He estimated that a period of two to three years would be necessary to study methodologies that are able to assimilate official statistics.

Sérgio Ayrimoraes, from the National Water Agency (*Agência Nacional das Águas*—ANA), talked about the application of water accounts in the development of the National Water Resources Policy. He presented the state of water accounting in Brazil. ANA, IBGE and the Water Resources Secretariat of the Ministry of the Environment have used SEEA-Water to calculate Brazil's economic water accounts. Stock-taking and water flows from the different regions of the country have been regularly assessed. Several categories have been determined under the National System of Information on

Water Resources:<sup>4</sup> usage by sector (animal, industrial, rural, urban, irrigation, mining, thermal); water consumption per unit of economic activity by sector vs. its contribution to gross domestic product (GDP); and many other linkages between economic accounting and water resources.

Geraldo Góes, specialist in public policy and government management at the Water Resources Directorate of the Ministry of the Environment (*Ministério do Meio-Ambiente*—MMA), stated that the National Water Resources Plan has been reviewed regarding the definition of priorities for 2016–2020. Representatives of civil society and government authorities at the federal and local levels have discussed initiatives and goals through public consultations. Knowledge about current and future water demands was highlighted as one of the priorities regarding the availability of the resource in both qualitative and quantitative terms.

The audience raised questions about the aggregation and disaggregation of data. The seminar participants discussed the need to increase human resources within institutions to explore opportunities in water accounting, to promote the success of the economy and the environment, and consumption and productivity pairings.

## Notes:

1. This seminar was a joint initiative between Ipea, the International Policy Centre for Inclusive Growth (IPC-IG), the Brazilian Institute of Geography and Statistics (IBGE) and the Economic Commission for Latin America and the Caribbean (ECLAC) in Brazil, requested by the Brazilian Ministry of the Environment, financially supported by the Institute for Climate and Society (ICS) and with the technical support of Rede Clima. Technical Rapporteur: Flávia Witkowski Frangetto. For additional information, see: <[http://www.ipc-undp.org/pub/eng/JP16\\_Report\\_International\\_Seminar\\_on\\_Linking\\_Climate\\_Change.pdf](http://www.ipc-undp.org/pub/eng/JP16_Report_International_Seminar_on_Linking_Climate_Change.pdf)>.
2. SWAT is a public domain model to simulate the quality and quantity of surface and ground water and predict the environmental impact of land use, land management practices and climate change. See: <<http://swat.tamu.edu/>>.
3. See: <[https://www.ipcc.ch/publications\\_and\\_data/ar4/wg2/en/ch19s19-1-2.html](https://www.ipcc.ch/publications_and_data/ar4/wg2/en/ch19s19-1-2.html)>.
4. See: <<http://www.snirh.gov.br/>>.

# Linking national emissions inventories to economic accounting

*Institute for Applied Economic Research (Ipea)<sup>1</sup>*

**How can emissions reporting** be transformed into emissions accounts? Maria Lidén, Senior Advisor, Environmental Accounts and Natural Resources at Statistics Sweden, asserted that this endeavour is possible. Statistics Sweden<sup>2</sup> has managed to successfully improve each successive inventory of air emissions. Every new set of national economic accounts has been better than the preceding one. There is no need for extra services to account for emissions—the only need is to transform the data.

Data used to communicate a country's emissions under the United Nations Framework Convention on Climate Change (UNFCCC) commitments must be more detailed. High-quality UNFCCC data have become a source of comparison regarding emissions accounting. Ms. Lidén remarked that access to the highest level of data from greenhouse gas emissions inventories is necessary. As data from the Biennial Update Reports are too aggregated, there must be healthy cooperation with the greenhouse gas emissions inventory, and to understand these data, the report of the inventory is also necessary.

She highlights the importance of learning from the experiences of other countries. economy reduction in emissions must be targeted, and emissions beyond a country's territory must be accounted for: should national accounts comprise emissions caused by Brazil (and/or Brazilians) outside the country? Which is more accurate: applying the territorial principle or the residence principle?

Ms. Lidén suggested caution when making assumptions, such as assuming that the emissions from the road transport of Brazilians residing outside the country is the same as that of foreign nationals living in Brazil, and that aviation and marine fuel used by foreign aircrafts and ships in Brazil are equal to those used by Brazilian craft outside Brazil. Depending on national circumstances, a faulty premise can compromise accounting.

Brazilian emissions accounts are somewhat relative. Mauro Meirelles, Specialist Supervisor in Greenhouse Gas Emissions Analysis for the Brazilian Ministry of Science, Technology, Innovations and Communications explained that the most difficult step is to obtain

the data to construct the accounts. Some regulatory efforts could fill in the gaps for certain sectors to inform their emissions, with provisions to protect their confidentiality. He also explained how the Brazilian inventory of greenhouse gas emissions and removal is structured.<sup>3</sup> He explained the National Communication delivered by Brazil as a Non-Annex I Party of the UNFCCC; described the emissions inventory as useful towards the achievement of national emissions reduction commitments voluntarily assumed by Brazil; and presented the Biennial Update Reports, first submitted in 2014, which updated data from the 2010 inventory and subsequently submitted in 2017, using 2012 data.

Edson Domingues, Associate Professor of Economic Sciences and Researcher at CEDEPLAR/UFMG, presented the Brazilian experience of simulating climate policy alternatives based on economic arguments by modelling emissions inventories and national accounts. He stated that while he was experimenting towards making national accounts compatible with emissions inventories in his research, making different sources of data compatible is not a simple task at all. Significantly more work is still required to develop correspondence tables to devise carbon pricing policies using computable general equilibrium models.

## Notes:

1. This seminar was a joint initiative between Ipea, the International Policy Centre for Inclusive Growth (IPC-IG), the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*—IBGE) and the Economic Commission for Latin America and the Caribbean (ECLAC) in Brazil, requested by the Brazilian Ministry of the Environment, financially supported by the Institute for Climate and Society (ICS) and with the technical support of Rede Clima. Technical Rapporteur: Flávia Witkowski Frangetto. For additional information, see: <[http://www.ipc-undp.org/pub/eng/JP16\\_Report\\_International\\_Seminar\\_on\\_Linking\\_Climate\\_Change.pdf](http://www.ipc-undp.org/pub/eng/JP16_Report_International_Seminar_on_Linking_Climate_Change.pdf)>.

2. Sweden's System of Environmental and Economic Accounts can be found at: <<https://www.scb.se/en/finding-statistics/statistics-by-subject-area/environment/environmental-accounts-and-sustainable-development/system-of-environmental-and-economic-accounts/>>.

3. Brazilian emissions data are available at: <<http://sirene.mcti.gov.br/>>.

# Elite taxation, rent-seeking and income inequality in Brazil<sup>1</sup>

Marc Morgan, Paris School of Economics and the École des Hautes Études en Sciences Sociales and World Inequality Lab

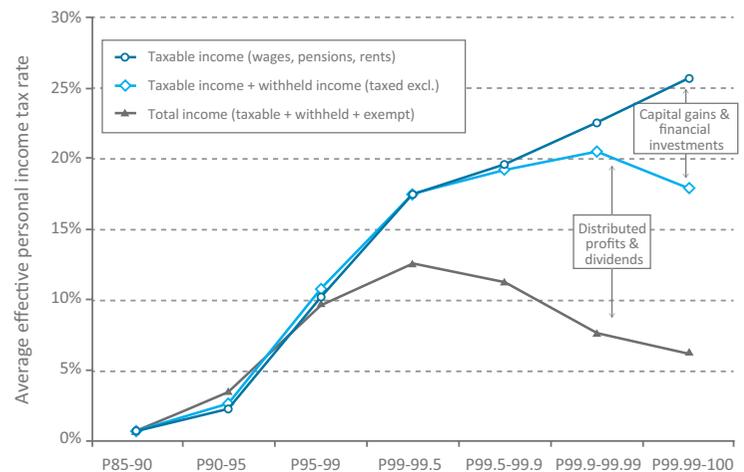
**Brazil is a notable case** of high fiscal income inequality coexisting with a weak regulatory personal income tax. These findings are a clear reflection of the separation of incomes in the country for fiscal purposes. As one moves up in the pre-tax fiscal income distribution, it is the sources of income received that matter most for the individual tax burden (Morgan, 2017). And such a fiscal separation of income can have a positive feedback on pre-tax income inequality. Figure 1 shows the different average effective tax rates applying on different categories of income in Brazil in 2015.

As Piketty, Saez, and Stancheva (2014) have argued, high marginal tax rates make it more difficult for individuals who have to bargain to increase their compensation (e.g. corporate executives) to receive a higher income. In Brazil, as in many other countries, corporate executives are likely to dominate the top of the distribution. With such low marginal tax rates on taxable income and low average effective rates overall (due to the tax exemptions for certain important categories of income pertaining to the top) the ‘compensation-bargaining’ constraint is not going to be very binding, and large income differences can easily persist.

Crucially, the fiscal separation of income can influence the forms of remuneration chosen by asset-owning elites, linking the tax system to decisions that have important macroeconomic implications. This can be appreciated from decisions by corporate owners (i.e. shareholders) on whether to receive distributed profits (i.e. dividends) or to realise future capital gains by selling their shares later, or opting for share bonus schemes/buybacks, rather than accumulating wealth through retained earnings to re-invest in the company. In the Brazilian case, corporate owners pay less tax on distributed profits and share bonus schemes (being completely exempt) than if they were to accumulate profits in the company (either for induced capital gains—taxed at a 15 per cent rate—or for fixed investments that increase labour incomes—taxed at the highest marginal rate of 27.5 per cent). The Brazilian income tax system can thus be said to motivate distinct forms of rent-seeking behaviour among elites and promote the short-term vision of maximising shareholder value, given the prevailing tax incentives.

To satisfy the principle of progressivity and to limit elite rent-seeking, the average effective tax rates for total income should at least more closely resemble those for the taxable income distribution—the richer you are, the higher the share of your income you pay in tax. To do this, policymakers would need to remove regressive exemptions on incomes

**FIGURE 1**  
Average effective income tax rates for different income distributions in Brazil, 2015



Source: Morgan (2017).

such as distributed profits and dividends, and apply the personal income tax schedule to all incomes currently withheld and taxed exclusively at lower rates. This means bringing capital gains and interests from financial investments into the existing personal income tax schedule.

One policy option would be to create a comprehensive personal income tax that includes all categories of labour and capital income, withheld at source and taxed according to a unique schedule of progressive effective tax rates on total income. The advantage of this option is its simplicity and transparency. A variant would be a dual income tax schedule, where investment income (from capital ownership) would be subject to higher and differentiable marginal rates than earned income (from labour). The overall objective should be to design a personal income tax regime that achieves tax equity, while serving as a regulatory tool in a national pay policy and in a national policy of economic development, limiting short-term rent-seeking and promoting productive long-term investments.

#### References:

- Morgan, M. 2017. "Income Inequality, Growth and Elite Taxation in Brazil: New Evidence Combining Survey and Fiscal Data, 2001–2015." *IPC-IG Working Paper*, No. 165. Brasília: International Policy Centre for Inclusive Growth.
- Piketty, T., E. Saez, and S. Stancheva. 2014. "Optimal Taxation of Top Labor Incomes: A Tale of Three Elasticities." *American Economic Journal: Economic Policy* 6(1): 230–271.

#### Note:

1. This One Pager is based on Morgan (2017).

# Challenges and way forward

*Institute for Applied Economic Research (Ipea)*<sup>1</sup>

**Gustavo Luedemann**, a researcher at Ipea's Directorate of Regional, Urban and Environmental Policies and Studies, started the panel discussion by relating the past remarks of a colleague from the Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística—IBGE) regarding the incompatibility between accounts calculated by the Brazilian Ministry of Science, Technology, Innovation and Communications (MCTIC) and by the IBGE. Naturally, MCTIC data are produced following the Intergovernmental Panel on Climate Change (IPCC) guidelines regarding climate issues, while IBGE data are generated according to a statistical base. The 'Green Domestic Product' (*Produto Interno Verde*—PIV) legislation was highlighted as a facilitator to achieve compatible data.

André Luiz Campos de Andrade, from the Office of the Chief of Staff of the Presidency of the Republic, argued that with the advent of the new PIV legislation, the IBGE should assume a central role in the coordination of efforts regarding the implementation of the PIV. It will also be necessary for other public bodies to work in a cooperative and integrated manner. He explained that environmental accounts are also useful in assessing necessary initiatives to achieve the Sustainable Development Goals (SDGs). Mr. Andrade finished his talk by stating that the use of natural resources must be transparent to society.

Wadih Scandar, from IBGE, summarised each issue discussed during the seminar. He noted that the community expressed concern with the production of information in Brazil. There is a positive context to test models aiming to make climate change assessments compatible with national accounts. That is evident regarding the mitigation of greenhouse gas emissions.

Adriano Santhiago de Oliveira, from the Ministry of the Environment, illustrated the complexity of accounting regarding adaptation to the adverse effects of climate change. He cited the initiatives towards sustainable development undertaken by the private and public sectors in Brazil. How to translate this into financial terms? The Paris Agreement comprised adaptive

measures. Therefore, adaptation must also be accounted for. How to ensure financial flows to achieve climate resilience?

Moacyr Araujo, of the Brazilian Research Network on Global Climate Change (Rede Brasileira de Pesquisas sobre Mudanças Climáticas Globais—Rede Clima),<sup>2</sup> highlighted the importance of scientific research to the debate. The seminar participants agreed that Rede Clima has a crucial role to play in finding methodologies, such as those used in land-use accounting models, which have not even been considered internationally.

Marcio Rojas, Climate Coordinator at the MCTIC, explained the distinction between what is needed to meet national commitments under the United Nations Framework Convention on Climate Change (UNFCCC) as well as national accounting requirements. IPCC guidelines must be followed so that the Brazilian efforts can be comparable to those from other countries. He stated that before the Paris Agreement, Brazil—through the Global Environment Facility (GEF)—developed the 'Mitigation Options' international cooperation project, which initially aimed to identify alternatives to mitigate emissions in key sectors of the economy but which ended up contributing to the definition of the Brazilian Nationally Determined Contributions (NDCs). He presented 'Sirene'<sup>3</sup> as the source of data on Brazilian emissions and asserted that it will be essential to invest in accounting efforts to achieve the NDCs pledged by Brazil.

#### Notes:

1. This seminar was a joint initiative between Ipea, the International Policy Centre for Inclusive Growth (IPC-IG), the Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística—IBGE) and the Economic Commission for Latin America and the Caribbean (ECLAC) in Brazil, requested by the Brazilian Ministry of the Environment, financially supported by the Institute for Climate and Society (ICS) and with the technical support of Rede Clima. Technical Rapporteur: Flávia Witkowski Frangetto. For additional information, see: <[http://www.ipc-undp.org/pub/eng/JP16\\_Report\\_International\\_Seminar\\_on\\_Linking\\_Climate\\_Change.pdf](http://www.ipc-undp.org/pub/eng/JP16_Report_International_Seminar_on_Linking_Climate_Change.pdf)>.

2. See: <<http://redeclima.ccst.inpe.br>>.

3. The system of Brazilian emissions accounting is available at: <<http://sirene.mcti.gov.br>>.

# A project towards bridging tables between national accounts and emissions

*Institute for Applied Economic Research (Ipea)*<sup>1</sup>

**A two-year project** to study compatibility tables between national accounts and greenhouse gas (GHG) emissions is being developed by experts in accounting and climatic issues. What can be done, in practical terms, to establish GHG emissions accounts in Brazil?

Inventory data, as usually presented, are too aggregated. When the Ministry of Science, Technology, Innovation and Communication (MCTIC) creates the GHG emissions inventory, it follows the guidelines of the Intergovernmental Panel on Climate Change (IPCC). For the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*—IBGE), developing climate accounts using the inventory as a data source implies adjusting inventory data into a format which is compatible with national accounts.

The Brazilian Network of Global Climate Change Research (*Rede Brasileira de Pesquisas sobre Mudanças Climáticas Globais*—Rede Clima),<sup>2</sup> one of the institutional instruments of the National Policy on Climate Change, required consistency between accountability and emissions inventory data. Through *ad hoc* efforts, researchers adjusted the data, modelling them to obtain results that would contribute to decision-making processes and to the formulation of climate change policies.

Roberto Olinto, President of the IBGE, defended designing a project from a long-term perspective, with the future in mind, and which should be institutionalised as a state project. He used the expression “specific coordinated actors”, under the rationale that technical experts can be trained to produce data according to the logical basis of accounting. The system of environmental accounts must be adapted to assimilate GHG emissions. If no data are available, data must be produced to establish a system of national climate accounts.

Many possibilities were raised, including: the Office of the Chief of Staff of the Presidency of the Republic could lead the process, which would be implemented by the IBGE, and whose team could share its methodologies with the MCTIC team regarding emissions inventorying and accounting requirements; inventory consultants could be heard; modelling exercises could be improved; and further comparative studies could answer the question of how,

in other countries, interactions between emissions inventories and national statistics happened from the outset. The project can be developed experimentally at first, and then take on a more permanent character as it develops comparative tables between national accounts and emissions accounts.

Pierre Alain Pionnier, from the Organisation for Economic Co-operation and Development (OECD), was questioned by the audience regarding the forestry sector. He argued that while the forestry sector is generally excluded from the accounting of atmospheric emissions in developed countries, given that forest emissions are essential for developing countries such as Brazil, there is an opportunity for Brazilians to lead the methodologies for gathering these data. This could help in developing land-use change accounts under the framework of the Sustainable Development Goals (SDGs).

Three other themes of particular relevance to Brazil also deserve to be discussed in the context of national emissions accounts: agriculture, energy and the challenge of the definition of ‘sustainable’ in the face of global climate change. How much of Brazilian production is a result of sustainable practices?

This will be a difficult question to answer, but the first step, according to Everton Lucero, Federal Secretary of Climate Change and Environmental Quality for the Ministry of the Environment, is in valuing data which are helpful in persuading people of the need for change towards a climate-resilient economy and for lower GHG emissions. A powerful second step will be to enlist the aforementioned actors in studies aiming to evaluate existing methodologies to link national accounts with climate change, to develop a methodology that is suited to the Brazilian context.

## Notes:

1. This seminar was a joint initiative between Ipea, the International Policy Centre for Inclusive Growth (IPC-IG), the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*—IBGE) and the Economic Commission for Latin America and the Caribbean (ECLAC) in Brazil, requested by the Brazilian Ministry of the Environment, financially supported by the Institute for Climate and Society (ICS) and with the technical support of Rede Clima. Technical Rapporteur: Flávia Witkowski Frangetto. For additional information, see: <[http://www.ipc-undp.org/pub/eng/JP16\\_Report\\_International\\_Seminar\\_on\\_Linking\\_Climate\\_Change.pdf](http://www.ipc-undp.org/pub/eng/JP16_Report_International_Seminar_on_Linking_Climate_Change.pdf)>.

2. See: <<http://redeclima.ccst.inpe.br>>.

# Tax on Large Fortunes: recent international debates and the situation in Brazil<sup>1</sup>

Pedro Carvalho Jr., Institute for Applied Economic Research (Ipea)  
and Luana Passos, Universidade Federal Fluminense (UFF)

**Many discussions have taken place in Brazil** about legislation pertaining to subparagraph VII of article 153 of the 1988 Federal Constitution—the regulation, through a Complementary Law, of the Tax on Large Fortunes (*Imposto sobre Grandes Fortunas*—IGF). In the current scenario, with the country facing a second consecutive annual decrease in tax revenue, the subject of the implementation of the IGF is gaining traction, with its proponents vehemently arguing that it can represent a balancing mechanism for a possible increase in the tax burden, so that this increased burden would not fall exclusively on the poorest population through indirect taxes.

We hope to present an overview of the situation of wealth tax in Brazil and worldwide, and to present considerations from economic and tax theory regarding such a tax.

Wealth tax captures the personal assets of an individual or household, although in certain countries it can also be assessed on company assets. After excluding tax-exempt assets, tax benefits and exemption limits, (generally progressive) tax rates are applied on whatever surpasses the limit of exemption. The basis for calculating wealth tax is quite broad; it generally applies to accumulated assets such as stocks, banking and savings account deposits, investments in real assets and privately held companies, financial securities, urban and rural real estate (including primary residence), automobiles, works of art, jewellery, aircraft and household goods.

Even though wealth tax does not produce a significant effect on the distribution of wealth, even a marginal effect is preferable to none. Wealth carries with it a degree of security, independence, influence and social power that cannot be compared to someone's revenue stream. It constitutes, at least in part, an independent fiscal base, which might be taxed by an annual and recurring property tax. All countries in Western Europe, with the exception of Belgium, Portugal and the UK, implement or have implemented wealth tax at some point. Currently, only five European countries levy the tax:

France, Switzerland, Norway, Spain and Luxembourg. In Latin America, the tax has always existed in Argentina, Uruguay and Colombia.

International experience reveals rather diverse aspects of taxation on large fortunes. Enthusiasts of the IGF in Brazil pay greater attention to countries with a successful history of implementing and raising revenue through the tax, as well as one of de-concentrating income. Its opponents focus on the abolition of the tax in various countries and its low revenue-generating performance. However, our paper shows that although the tax was abolished in many European countries in the 1990s, there are successful cases where the tax has survived. It is important to consider the causes of challenges, as well as possible mechanisms to overcome them, before any attempts at implementation.

Debate in the Brazilian Congress around the theme has been largely based on outdated international comparative studies, which are superficial and do not estimate revenues. With the rejection of PLP 202/89 after 10 years of procedural stasis, the subject was rekindled once more in 2008. Since then, five bills have been proposed in the Lower House, and three bills have been proposed in the Senate.

Regarding the issues presented by wealth tax, our paper, in light of international experience, highlights that it can be an effective instrument in the Brazilian context, given the country's inequality, the size of its economy, current technology (which has significantly reduced the administrative cost of the tax) and, finally, the low level of taxation of inheritances and property in Brazil in general. Luxembourg, Switzerland, Norway, Uruguay and Colombia demonstrate that the tax can collect revenues in excess of 0.5 per cent of gross domestic product (GDP).

#### Reference:

Carvalho Jr., Pedro, and Luana Passos. "Tax on Large Fortunes: Recent International Debates and the Situation in Brazil." *Working Paper* 166. Brasília: International Policy Centre for Inclusive Growth.

#### Note:

1. This One Pager is based on Carvalho Jr., Pedro, and Luana Passos (2018).

# Women's economic empowerment programmes: towards a 'double boon' instead of drudgery and depletion<sup>1</sup>

Deepta Chopra, Institute of Development Studies (IDS)

**Recent research carried out in four countries** (India, Nepal, Tanzania and Rwanda) under the framework of the Growth and Equal Opportunities for Women (GrOW) programme has highlighted the drudgery of both paid work and unpaid care work faced by women in poor families, leading to the depletion of their bodies and minds, and those of their families.

A key conclusion of this mixed-methods study is that women in poor families welcome the chance to earn any kind of income. However, their options for paid work are limited by both macroeconomic precariousness in their areas of residence and having to tailor their paid work around their unrecognised and undervalued work in the household: taking care of their family, doing housework, collecting water and fuel, caring for animals and tending the land. As a result, women are often forced into poorly paid, irregular and gruelling paid work. Simultaneously, women's engagement in this type of arduous paid work cuts into the time and quality of care they provide for their families.

To reduce the drudgery faced by women in their daily lives, it is essential to take these multidirectional and complex links between paid work and unpaid care work into consideration when designing and implementing women's economic empowerment programmes and policies. Focusing on getting women into the labour force as one of the primary objectives of these programmes obviates attention from the dire situation faced by women and their families: with no time to rest or recuperate, working long hours, travelling far for paid work, incurring injuries and wearing their bodies down. This is further exacerbated by a lack of public services. It is, therefore, not enough for such programmes and policies to provide just any type of income-generating opportunities and assume that women will be economically empowered as a result.

The study showed that while women across the four countries welcomed the opportunity to participate in the eight programmes that were studied, the income generated by their activities yielded only a small portion of their financial requirements. Women who participated in India's Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and Nepal's Karnali Employment Programme (KEP) reported short employment periods, delayed payments and low returns from these programmes, which were insufficient to provide any sustainable improvements to their economic situation. Furthermore, there were hardly any child-care provisions in any of the programmes studied; where there were, their quality was abysmal and deterred women from accessing these services.

Our study showed that low returns from one source of work forced women to juggle multiple income-generating activities, resulting in increased time pressures and high amounts of energy expended. This had two consequences:

first, women spoke about being chronically exhausted and worried—both about the financial sustenance of their families and their ability to take care of them. Second, most women were involved in significant multi-tasking, adding to their physical and emotional depletion. The study found that children (especially girls) absorbed the negative effects of women's double burden, through receiving less care, providing substitute care as well as mimicking their mothers in helping to earn other sources of income.

The research points to the need for women's economic empowerment programmes and policies to make a concerted effort to consider the lived realities of women and their juggling of both paid work and unpaid care work. This can be done through the provision of decent jobs (flexible hours, timely and decent wages, good working conditions) and linkages with good-quality public services such as access to water, gas and electricity, and childcare. This will allow women to reap the rewards of a 'double boon'—a condition in which (i) women have access to decent, empowering work; and (ii) unpaid care and ancillary work is redistributed such that women undertake no more than their fair share of the labour of social reproduction.

The achievement of a double boon for women will lead to economic empowerment that is:

- a. **optimised**—i.e. women are able to work without deepening their time poverty or worrying about the amount and quality of care their families receive, making it possible for them to choose better-paid and more empowering types of work, rather than being forced into low-paid, flexible jobs;
- b. **shared** across all women in the family, without intergenerational transfer of care to girls or older women, and such that economic benefits are not eroded by the costs of substitute care; and
- c. **sustainable across generations**, reducing the drudgery of both paid work and unpaid care work such that women and their families are not emotionally and physically depleted. The quality of childcare should improve, rather than deteriorate, as a result of mothers' paid work.

**Note:**

1. This One Pager summarises the findings of a research project carried out by the IDS and its partners entitled 'Balancing Unpaid Care Work and Paid Work: Successes, Challenges and Lessons for Women's Economic Empowerment Programmes and Policies'. For more information, see: <<http://interactions.eldis.org/economic-empowerment>>.

# A history of inequality: top incomes in Brazil, 1926–2015

Pedro Herculano Guimarães Ferreira de Souza, Institute for Applied Economic Research (Ipea)

**Brazil has undergone massive structural change** since the mid-1920s. The country has become predominantly urban, gross domestic product (GDP) per capita has increased twelvefold, and educational levels have risen substantially.

Yet the concentration of income at the top has remained very high. Unlike the rosy predictions of modernisation theorists, there has been no secular trend towards a more egalitarian society.

Figure 1 illustrates how top shares have ebbed and flowed with major political and institutional changes. The concentration at the top increased during the *Estado Novo* dictatorship (1937–1945) and faded when war conditions dissipated. Another surge happened after the military coup of 1964, in the wake of a wide range of pro-business reforms. Top shares declined in the late 1970s, but rose again in the 1980s amid spiralling inflation. Macroeconomic stabilisation in 1994 seems to have been equalising, but top shares have not budged since.

On average, 24 per cent of total income accrued to the top 1 per cent—about twice as high as presently observed in most countries. The difference *vis-à-vis* rich countries was smaller at first but increased after the Second World War. The sine wave trajectory of top shares in Brazil bears no resemblance to the typical patterns found in developed nations.

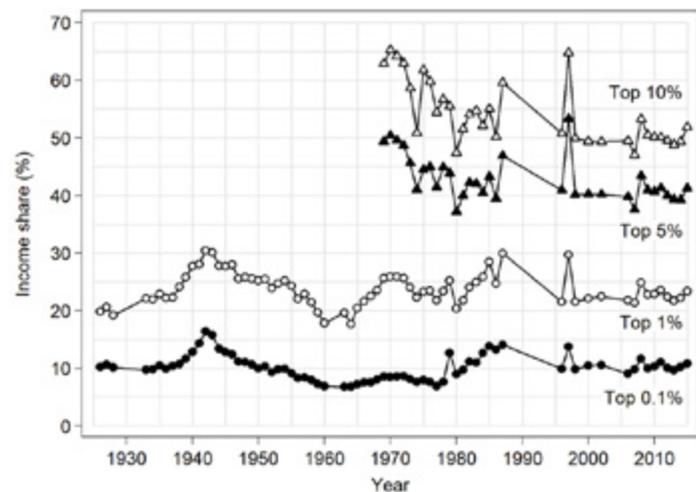
Tax-based top shares differ from previous survey estimates in levels and trends: the latter are generally lower and show a significant decline in the 2000s. Differences are more pronounced at the very top. Adjusted Gini coefficients confirm that inequality has decreased since the 1980s, but the decline slowed down considerably in the mid-2000s.

The Brazilian estimates strengthen the argument for more institutionalist explanations of inequality. Democracy is a necessary, but not sufficient, condition for redistribution—actual policymaking is crucial.

Giving with one hand and taking with the other is commonplace in modern States. For example, the recent expansion of the welfare state in Brazil was financed mostly via indirect taxation, which is often regressive, and the most redistributive transfers—such as the *Bolsa Família* programme—pale budget-wise when compared to the tax breaks and subsidised credit granted to big businesses.

Brazilian top shares also shed some light on the historical origins of Latin American inequality. Against conventional wisdom, Williamson (2015) has argued that Latin America was comparable to Europe prior to the ‘great levelling’ that reshaped the income distribution in the latter part of the 20<sup>th</sup> century. Thus, the colonial legacy was no ‘original sin’ that set the region apart. The evidence discussed in this paper partly supports this hypothesis. On the one hand, it is true that top shares in the USA, France and elsewhere were much more similar to Brazil’s 100 years ago. On the other hand, my estimates are evidently silent on Brazilian history until the mid-1920s, and even in the inter-war decades the concentration at the top in Brazil was already slightly higher. Also, in Brazil and Argentina, the post-war years saw a ‘mild levelling’ that was halted or reversed by military coups.

**FIGURE 1**  
Income shares of the top 0.1 per cent, 1 per cent, 5 per cent and 10 per cent—Brazil, 1926–2015



Source: Author's calculations based on tax returns and national accounts data.

#### References:

- Souza, P. H. G. F. 2018. "A History of Inequality: Top Incomes in Brazil, 1926–2015" IPC-IG Working Paper No. 167. Brasília: International Policy Centre for Inclusive Growth.
- Williamson, J. G. 2015. "Latin American Inequality: Colonial Origins, Commodity Booms or a Missed Twentieth-Century Levelling?" *Journal of Human Development and Capabilities* 16(3): 324–341.

# The role of *zakat* in the provision of social protection: a comparison between Jordan, Palestine and Sudan<sup>1</sup>

Charlotte Bilo and Anna Carolina Machado, International Policy Centre for Inclusive Growth (IPC-IG)

**Zakat is one of the five pillars of Islam** and considered a religious duty for wealthy people to support those in need. In Muslim-majority countries, *zakat* has a long tradition of providing income, goods for consumption and other basic services such as health care and education to poor and marginalised populations. A growing body of research has investigated the role of *zakat* in the provision of social protection and its importance as a poverty reduction mechanism. Although based on the same principles, countries vary significantly in the institutionalisation of *zakat*, ranging from obligatory to voluntary contributions. The institutional arrangements and benefit provision also differ greatly.

In **Sudan** *zakat* contributions are mandatory, providing assistance to those in need in many forms, including unconditional cash transfers, non-contributory health insurance and seasonal assistance to families during Ramadan and in case of emergencies. Sudan's *zakat* system is based on an extensive decentralised infrastructure that reaches all the way down to the village level. Sudan has managed to increase its *zakat* collection significantly over recent years, making it the country's most important source of funding for social protection. Due to its independence from the government budget, *zakat*'s financial sources can be considered very sustainable. However, given the lack of a unified social registry and limitations in monitoring mechanisms, there is room for improvement in both coordination and transparency.

*Zakat*-funded programmes in **Palestine** have a long tradition of providing assistance to the most vulnerable members of society, which has to be seen against the background of limited state structures—in part due to the conflict with Israel. The cash assistance provided to orphans is of particular importance, yet the system relies on voluntary contributions and is highly dependent on contributions from abroad. While the *Zakat* Committees that administer the scheme enjoyed high levels of public trust for a long time, recent political struggles and subsequent centralisation reforms have contributed to a decrease not only in public trust but also in *zakat* contributions.

The *Zakat* Fund in **Jordan** is one of the oldest institutionalised funds in the region. The first law regulating the collection of *zakat* in the country came into effect in 1944. Today *zakat* plays a key role in the national social protection system. *Zakat* resources have grown steadily

over time, financing important services such as job creation and income generation initiatives, health care programmes and a monthly cash assistance scheme. However, the lack of a common registry of beneficiaries among different government initiatives (especially those of the National Aid Fund and the Ministry of Social Development) still represents an obstacle to better coordination of poverty reduction programmes in the country.

Subsidy reforms in the Middle East and North Africa have been leading countries to an increased redistribution of social spending to more targeted assistance. In this sense, *zakat*-funded schemes may be enhanced to support sustainable poverty reduction strategies. The comparison of Sudan, Palestine and Jordan shows that *zakat* plays an important role in the provision of social protection services. However, while in Sudan *zakat* constitutes one of the most important sources of funding for social protection, the systems in Jordan and Palestine are rather small compared to other national social protection programmes in these countries. Moreover, challenges remain regarding these *Zakat* Funds' overall size, their coordination with other national social protection schemes, and their transparency and accountability.

There is no 'one-size-fits-all' solution in terms of the institutionalisation of *zakat*, yet decentralisation seems to be important, as the case of Sudan demonstrates. Moreover, implementing an efficient collection system is central to increasing funding, although the mechanisms to develop it (i.e. through a mandatory tax or voluntary transfers, for instance) are context-specific. Improving coordination among state institutions is crucial to enhance the role of *Zakat* Funds as providers of social protection. However, assessing the feasibility of coordination (for example, the sharing of databases requires resources and infrastructure) and ensuring the commitment of relevant stakeholders are essential steps in this process. Lastly, a 'de-politicisation' of *Zakat* Funds seems to be important to maintain the public trust that *zakat* has traditionally enjoyed.

**Note:**

1. All of the literature mentioned in this One Pager is thoroughly referenced in: Machado, A., C. Bilo, and I. Helmy. 2018. "The Role of *Zakat* in the Provision of Social Protection: a Comparison between Jordan, Palestine and Sudan." *Working Paper* 168. Brasília: International Policy Centre for Inclusive Growth.

# Integration of administrative records for social protection policies: contributions from the Brazilian experience<sup>1</sup>

Leticia Bartholo, Institute for Applied Economic Research (Ipea) and International Policy Centre for Inclusive Growth (IPC-IG),  
Joana Mostafa (Ipea), and Rafael Guerreiro Osorio (Ipea and IPC-IG)

**Integrating information** for the purpose of articulating social protection policies is hard work. It requires a combination of political will, capacity for institutional cooperation, software development and direct communication channels with citizens. Because of this complexity, countries that pursue this objective often cooperate to exchange knowledge, and the Brazilian Single Registry (*Cadastro Único*), the backbone of some 20 social protection programmes, is frequently cited as a successful example of integration.

Over the past seven years, Brazil's Single Registry has been considered an international example of integrating interventions targeting the most vulnerable populations. Its database contains information on 40 per cent of the Brazilian population and is currently used by more than 20 social programmes in the country. This, however, did not happen overnight, nor was it a simple undertaking. And yet many challenges remain for Brazil to effectively integrate its social protection policies—even non-contributory ones.

The choice to address these challenges assumes that the government should focus on providing a path into these services and non-contributory social protection benefits, even though many people might emphasise the need for citizens to find ways out of them.

At the individual level, establishing an integrated and systemic approach to collecting and storing information on social protection policies helps the State coordinate its activities relative to the various vulnerabilities experienced by citizens throughout their lives. At the population level, an integrated approach allows the State to assess the scope of its initiatives and the remaining gaps in protection.

The establishment of integrated administrative records about social protection policies can help structure and organise a permanent service network for citizens. A project of this type provides important tools to manage citizens' demand for social policies, in addition to objective instructions and funding for public services; in doing so, it encourages the structuring and strengthening of a public social assistance network.

According to Barca and Chirchir (2014), countries have established these integrated models based on three primary objectives. The first is to promote the coordination, supervision, monitoring and evaluation of policies. Integration makes it possible to identify the people who participate in each initiative facilitate planning across several fields of social protection and establish coordinated monitoring and evaluation strategies across social programmes.

The second objective is to consolidate the processes used to select the target populations of social protection programmes, by sharing indicators about vulnerability and poverty. This does not mean that all social programmes should use the same indicator, but rather that information about a segment of the population will be available to inform social programmes and allow them to serve their target populations as part of a common and comparable scenario. This can reduce exclusion and inclusion errors, increase coverage of the most vulnerable people and reduce the services provided to non-vulnerable people who are ineligible for specific social programmes.

The third objective is to integrate operations and services to serve citizens—i.e. to build mechanisms through which citizens can, in a single location (or a few locations), obtain information about a set of social protection programmes and join initiatives that may be of interest to them and fit their profiles. In this type of integration, the way services are designed does not reflect the fragmented nature of social protection policy management across government sectors.

It is worth noting that the objectives pursued by countries that have achieved some degree of integration between social protection policies and the registries and systems that support them can work in favour of—or against—the inclusion of vulnerable citizens. The components of integration vary with the objectives of each country and the levels to be achieved.

International agencies and experts engaged in the production and exchange of knowledge about social protection policies, especially those that address the poorest people, usually favour aspects related to the theoretical design of policies: their target population, targeting method, benefit package, delivery chain, monitoring and evaluation and, in particular, their impact on lasting poverty reduction—i.e. the so-called 'exit points'.

However, the situations of vulnerability are too complex to fit perfectly within theoretical models, and the operation of public policies is permeated by more drivers—interests, reasons and morals—than can be grasped by the rules. Thus, although the theoretical design contains inclinations regarding more or less coverage, protection, respect for citizens and justice, among other precepts, it seems to us that the final result will also be determined by characteristics of the operation of such policies.

An integrated registry system can ensure the inclusion of citizens in more and better social protection programmes to which they are entitled, without compromising transparency, republicanism and compliance. However, an integrated registry can also, at local or national level, be used for purposes of exclusion, patronage, persecution and the recurrent bias of criminalisation of poor people. Effective knowledge of these contradictions along the chain of design, planning, operation, monitoring and evaluation of public policies is of extreme relevance, ideally to point them in the direction of social justice.

## References:

- Barca, V., and R. Chirchir. 2014. *Single registries and integrated MISs: de-mystifying data and information management concepts*. Canberra: Department of Foreign Affairs and Trade.
- Bartholo, L. J. Mostafa, and R. Osorio. 2018. "Integration of administrative records for social protection policies: contributions from the Brazilian experience". *Working Paper No. 169*. Brasília: International Policy Centre for Inclusive Growth. <[http://www.ipc-undp.org/pub/eng/WP169\\_Integration\\_of\\_administrative\\_records\\_for\\_social\\_protection\\_policies.pdf](http://www.ipc-undp.org/pub/eng/WP169_Integration_of_administrative_records_for_social_protection_policies.pdf)>. Accessed 19 August 2018.

## Note:

1. The ideas and concepts introduced in this One Pager are further developed in Bartholo, Mostafa and Osorio (2018).

# Non-contributory social protection through a child and equity lens in Algeria<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**Algeria is located in North Africa, on the Mediterranean coast.** In 2016, around 33 per cent of the country's 40.6 million inhabitants were younger than 18 years, and 11.6 per cent were younger than 5. With a Human Development Index of 0.745, Algeria ranks in the 'high human development' category (83<sup>rd</sup> out of 188 countries). In 2011, 5.5 per cent of the population lived below the national poverty line. Poverty levels tended to be higher in urban areas (5.8 per cent) than in rural areas (4.8 per cent).

In 2012, 8.9 per cent of the population under the age of 25 were monetarily poor—defined as living in households with no source of income from employment—while 18 per cent were found to be multidimensionally poor. Multidimensional poverty declined from 22.4 per cent in 2006 to 18 per cent in 2012 among those under 25 years old. However, levels remain particularly high (27.2 per cent) among children under the age of 5.

Total health expenditure as a percentage of gross domestic product (GDP) is higher than the MENA regional average (7.2 per cent vs. 5.3 per cent in 2014), and greater investments in health care are reflected in lower infant mortality rates. Yet socio-economic disparities remain high: infant mortality is almost twice as high among the most vulnerable households (29 per mille) as among the richest ones (16 per mille).

Algeria's social protection system is divided into contributory and non-contributory branches. The latter branch consists of social transfers and welfare services for the most vulnerable segments of the population and specific groups such as students and people with disabilities. Non-contributory schemes also include several education-related programmes such as scholarships and school feeding schemes, as well as employment promotion programmes for young people. Implementing social protection programmes mainly falls under the purview of the Ministry of National Solidarity, Family and Women. The government also subsidises food and energy, the latter accounting for 5.3 per cent of GDP in 2016.

The largest social protection scheme administered by the Ministry of National Solidarity, Family and Women is the *Allocation Forfaitaire de Solidarité* (Solidarity Allowance), an unconditional cash transfer (UCT) programme for the most vulnerable members of society, which benefited 831,452 people in 2016 with a budget of DZD39.1 billion. Target groups include households headed by men without income and over the age of 60, people with disabilities and households headed by women without income. Beneficiary households receive DZD3,000 per month and an additional DZD120 per dependent household member. Benefits can be claimed for a maximum of three persons.

The Ministry also implements several public works programmes, the largest one being the *Dispositif d'Activité d'Insertion Sociale* (DAIS—Intervention for Social Inclusion), aimed at promoting the inclusion of poor and vulnerable populations. The programme offers temporary work opportunities in community development projects. In 2016, over 371,495 people participated in the programme, receiving DZD6,000 per month. In total, DZD25.4 billion was spent on the programme in

2016. In addition, the *Travaux d'Utilité Publique à Haute Intensité de Main d'Oeuvre* (TUP-HIMO—Labour-Intensive Public Works) offers temporary jobs to maintain and rehabilitate public infrastructure. The programme targets provinces with high unemployment rates and infrastructure deficits. The *Blanche Algérie* (White Algeria) programme also has the twin aims of supporting unemployed people and improving public infrastructure. Combined with the TUP-HIMO, the programme reached 22,206 people per year on average between 2010 and 2015. Since 2002 the Ministry of the Interior and Local Collectives has been disbursing a UCT to individuals who suffered personal injuries during the Movement for National Identity and the Promotion of Citizenship. This scheme is referred to as *Le fond d'indemnisation des victimes des événements ayant accompagné le mouvement pour le parachèvement de l'identité nationale et la promotion de la citoyenneté*. The child-sensitive component of this scheme allows for beneficiaries with children and no other income to receive a cash transfer that is 25 per cent higher than the statutory amount.

People with disabilities and without income can receive up to DZD4,000 per month through the *Programme pour la Protection et Promotion des Personnes Handicapées*. In 2014 the programme benefited 469,000 people. Some programmes specifically target children, such as the *Allocation Spéciale de Scolarité* (Allowance for School Children), which pays DZD3,000 at the beginning of every school year to particularly vulnerable children to ensure school attendance. Three million schoolchildren benefited from the allowance in 2013. This is complemented by the *Bourse Scolaire*, which supports access to education for children at primary, middle and secondary level and those enrolled at a boarding school with tuition fee waivers. The *Bourse Nationale* (National Scholarship Programme) supports access to higher education by disbursing a conditional cash transfer to secondary school graduates of low-income families. Furthermore, the Ministry of Education runs a national school feeding programme (*Cantine Scolaire*), which provided meals to about 3.3 million students in 2013–2014. The poorest and most vulnerable children are also provided with free text books (*Manuel Scolaire*), with 4.4 million children covered each year. Lastly, the government also runs a social housing programme to eradicate slums and enable low-income families to access housing.

Several social protection programmes exist in Algeria, many of which target unemployed people. The Solidarity Allowance and the Allowance for School Children are positive examples of child-sensitive social protection. However, more effort is required to reach the large number of children living in multidimensional poverty, especially those under the age of 5.

#### Note:

1. This One Pager is taken from a comprehensive study developed in partnership between the IPC-IG and UNICEF MENARO. All data are thoroughly referenced in the full report:

Machado, A. C., C. Bilo, R. G. Osorio, and F. V. Soares. 2018. *Overview of Non-contributory Social Protection Programmes in the Middle East and North Africa (MENA) Region through a Child and Equity Lens*. Brasilia and Amman: International Policy Centre for Inclusive Growth and UNICEF Regional Office for the Middle East and North Africa: <<https://goo.gl/QfmKwK>>.

# Non-contributory social protection through a child and equity lens in Bahrain<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**The Kingdom of Bahrain** is a small archipelago in the Persian Gulf.

With approximately 1.4 million inhabitants, Bahrain has the second smallest population in the region, after Djibouti. In 2016 about a quarter of the population (334,791) were younger than 18 years of age, and 7.5 per cent (106,770) were children under the age of 5. More than half of the population are non-Bahraini, coming mostly from South and South-East Asia.

Bahrain is classified as a high-income country with a very high level of human development; its Human Development Index (HDI) of 0.824 places the country 47<sup>th</sup> out of 188 countries. There is no officially adopted national poverty line in Bahrain. The closest estimates are those for low standards of living, which accounted for about 11 per cent of the population in 2003.

The country has made considerable progress in child health over recent decades: the under-5 mortality rate fell from 23 to 6 deaths per 1,000 live births between 1990 and 2015, the lowest in the region. Universal primary school enrolment was achieved in 2000. Secondary net enrolment stood at 90 per cent in 2006. The Ministry of Education provides free education for all students at public schools.

Bahrain's economy has suffered significantly due to decreasing oil prices in recent years. Overall fiscal deficit was equal to nearly 18 per cent of gross domestic product (GDP) in 2016, and government debt reached 82 per cent of GDP in the same year. Consequently, the government introduced several fiscal reforms, including the reduction of subsidies and an increase in fees for some government-provided services, such as primary health care.

Several contributory insurance benefits exist for public- and private-sector workers, including old-age and disability benefits. However, non-Bahrainis have only limited access to the social security system. Likewise, most social assistance benefits are only available for Bahraini citizens. The right to citizenship is strictly regulated, and Bahraini women who marry non-Bahrainis do not enjoy the same rights as their male counterparts and cannot confer citizenship onto their children.

In 2008 the government launched Economic Vision 2030, highlighting the need to improve social assistance. The government's commitment to social protection was further emphasised in the Government Programme of Action 2015–2018, which included several policy actions, such as redirecting subsidies for the benefit of vulnerable groups, providing housing, empowering low-income families and developing social services for elderly people, those with disabilities and children. The Ministry of Labour and Social Development is the main provider of social protection schemes.

The flagship Social Assistance Scheme is regulated under Law no. 18 (2008), which details the provision of unconditional cash transfers (UCTs) to low-income Bahraini families whose income does not exceed BHD1,000. This transfer also targets vulnerable groups such as orphans, elderly people, divorced and widowed women, families of imprisoned heads of households and people with disabilities. Benefits

increase with the number of household members. Additionally, the Ministry of Labour and Social Development offers a special programme of UCTs to support poor families who lose their homes following emergencies such as fires.

Bahrain was the first country in the region to introduce an unemployment insurance scheme in 2006. It provides two types of benefits: while compensation benefits are paid to private-sector employees and civil servants based on contributions, Unemployment Aid is paid to first-time job seekers on a non-contributory basis for a maximum of six months. In total, 3,045 first-time job seekers received unemployment benefits in 2010; almost 70 per cent of them were women. This can be explained by the fact that unemployment is traditionally higher among women in Bahrain. In 2016, youth unemployment was estimated at 13.4 per cent for women, compared to 2.9 per cent for men.

Much like other countries in the region, universal price subsidies for food, water, electricity and fuel have been taking a toll on the government's fiscal budget. Currently, fuel subsidies in Bahrain are being reformed, and petrol prices were raised by 60 per cent in January 2016. This adjustment also extended to food subsidy programmes, while meat subsidies were removed altogether in 2015. To compensate, the government provides cash transfers to support families registered as beneficiaries of the social assistance scheme. Benefits are paid per household member, with a higher amount for adults. Subsidies remain in place for water and energy, although plans exist to reduce them.

Since 2000, social assistance beneficiaries have been eligible for reduced water and electricity bills from the Ministry of Electricity and Water as per the royal decree issued in 1999. Moreover, the Ministry of Housing offers a Social Housing Programme to low-income families. Between 1999 and 2010, more than 36,000 social housing support services were provided to Bahraini citizens, including 13,500 housing units at a cost of BHD510 million.

Bahrain has achieved a very high standard of human development. Existing social assistance schemes for low-income families and other vulnerable groups such as orphans have child-sensitive components and increase according to the number of household members. However, most of these benefits are only available to Bahraini citizens, meaning that more than half of the country's population is being neglected. Non-Bahraini children are likely to be particularly vulnerable, as their parents have limited access to both contributory and non-contributory social protection schemes. Finally, limited data availability hinders the estimation of the coverage and impact of existing programmes, making it difficult to obtain information about issues related to child protection.

#### Note:

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# Non-contributory social protection through a child and equity lens in Djibouti<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**Djibouti is a small country located at the Horn of Africa**, bordering Eritrea, Ethiopia and Somalia. It is one of the poorest countries in the MENA region and classified as a lower-middle-income country, with a Human Development Index (HDI) of 0.473, and ranked 172<sup>nd</sup> out of 188 countries worldwide. In 2016, Djibouti had a population of 942,000 people, with 345,000 below the age of 18 and 102,000 under 5. Poverty levels are high, with 41 per cent of the population living below the national poverty line of DJF147,936 and 23 per cent surviving on an income below the extreme poverty line of DJF98,709 in 2013 (calculated in terms of consumption on an annual basis. For years Djibouti has been a major transit country for migrants in the region, currently hosting around 24,000 refugees, primarily from Yemen and Somalia.

Child poverty and vulnerability in the country are striking. In 2014 the State Secretariat for National Solidarity (SSNS) conducted a MODA study in cooperation with UNICEF to measure multidimensional child poverty. The study showed that one in four children was deprived in at least four dimensions (extremely poor). In rural areas, nearly all children were deprived in at least two dimensions, most commonly those related to water and sanitation, housing or health.

Little rainfall and proneness to drought hinder agricultural production, which accounted for only 3.9 per cent of the country's GDP in 2007. Around 90 per cent of all food requirements are imported, making Djibouti highly vulnerable to volatile variations in international food prices. The World Food Programme estimates that 60 per cent of the population face food insecurity, and 33 per cent suffer from chronic malnutrition. Child malnutrition in the country is among the highest in the MENA region: about one in every three children is stunted, and almost 18 per cent are affected by acute malnutrition. Maternal mortality also remains high, with 229 deaths per 100,000 live births, compared to the regional average of 110. Generally, health care services are provided free of charge, but services and commodities are often scarce, especially in rural areas. The lack of other basic services such as water and sanitation further exacerbates the hardships of those living in poverty.

In 2014 the government launched the Djibouti 2035 Vision, which included the objective of reducing extreme poverty rates by one third by 2035. To achieve this, Djibouti's social protection strategy for 2012–2017 focuses on the expansion of social safety nets. The strategy includes the introduction of a social registry to improve targeting and determine the right type of assistance for the poorest and most vulnerable households. The SSNS is responsible for coordinating all social protection programmes in the country, while the Social Development Agency (*Agence Djiboutienne de Développement Social—ADDS*), under SSNS supervision, implements social protection programmes, most notably the Social Safety Net Project.

Despite increased efforts, social protection coverage remains limited. Only 11 per cent of the total population were covered by some form of social assistance in 2012. Coverage reached only 31 per cent of people in the poorest quintile and 10 per cent in the second poorest quintile. As in many other countries in the region, government spending on fuel and food subsidies is significantly higher than on other types of social assistance. A study conducted by the World Bank showed that the urban population and the richest segments of society benefit disproportionately from government subsidies.

In recent years two important non-contributory social protection programmes have been introduced. First, in 2013 the Social Safety Net Project was launched with support from the World Bank, consisting of a public works programme coupled with a nutrition programme for households with pregnant women and children under 5, which are selected by geographical targeting. The programme includes community services and light labour with a focus on hygiene and access to water; it is conditional on attendance at nutrition training. The female caregiver in the household can decide whether she or someone else in the household takes on the work. By 2016 over 4,500 households had benefited from the public works programme, and over 10,000 beneficiaries had attended the nutrition sessions.

Second, the *Programme National de Solidarité Famille* (PNSF—National Programme of Family Solidarity)—an unconditional cash transfer programme—was introduced in 2015, aimed at reaching the most vulnerable members of society, such as families including people with disabilities, elderly people, children under 5 and orphans. For this programme, community-based targeting is used in rural areas and a PMT in urban areas. Beneficiary households are paid DJ30,000 per quarter.

Other social protection programmes include the National School Feeding Programme, which is implemented by the WFP in partnership with the Ministry of Education and reached almost 37,000 beneficiaries in 2016. In addition to providing daily meals, the programme also offers take-home rations for families of selected girls, to incentivise parents to send girls to school. Finally, through the *Programme d'Assistance Sociale de Santé* (PASS—Social Health Assistance Programme) the government provides health care benefits to people not covered by the social insurance system.

Given the high poverty and child poverty rates in the country, there is a great need to scale up the existing social protection programmes to reach the most vulnerable families and children.

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# Non-contributory social protection through a child and equity lens in Egypt<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**With over 91 million inhabitants**, Egypt is the most populous country in the MENA region. Two fifths of the population are younger than 18, and 12 million of those are under the age of 5. Egypt has been experiencing accelerated population growth in recent years due to rising fertility rates. It is considered to have a medium level of human development, and is ranked 111<sup>th</sup> out of 188 countries. Many households are experiencing food insecurity due to increased inflation. Youth unemployment remains high (32 per cent, compared to 13 per cent among the total adult population), affecting young women in particular (38 per cent, as in 2015).

Child poverty has increased in Egypt over recent years. While 21 per cent of children were living in extreme monetary poverty in 2000, this share had increased to 28.8 per cent in 2013, meaning that two in five poor Egyptians were children. Despite government efforts, multidimensional child poverty remains widespread. In 2008, around 5 million children (18 per cent) were deprived of appropriate housing conditions, and 1.6 million children under 5 (17 per cent) suffered from health and food deprivations.

Egypt has one of the lowest ratios of public health expenditure to total health expenditure in the region (21 per cent). Exceptionally high out-of-pocket health expenditures push almost 7 per cent of the population into poverty each year. Government expenditure on education was equivalent to 3.8 per cent of gross domestic product (GDP) and 10.5 per cent of total government expenditure in 2008. While primary-school enrolment is almost universal (98 per cent), secondary-school enrolment remains at about 81 per cent. Egypt has almost achieved gender parity in both primary and secondary education; however, girls in Upper Egypt are still largely left behind. Finally, 7 per cent of all children aged 5–17 were involved in child labour in 2014.

In recent years the government has implemented a series of reforms, including a tax reform (from sales to value-added tax), the floating of the Egyptian Pound and a shift away from fuel subsidies to more targeted cash transfer programmes. Social assistance programmes covered 45 per cent of the population in 2008, reaching 55 per cent of the poorest quintile and 30 per cent of the richest quintile. The Ministry of Social Solidarity (MoSS) is the main implementing agency of social assistance programmes.

The most recent social assistance programmes are *Takaful* and *Karama*. *Takaful* provides a monthly cash transfer to households with children and is conditional on school enrolment and attendance and visits to health centres. *Karama* is an unconditional cash transfer programme for elderly people, those with disabilities and, more recently, also orphans. The programme uses a multilayered targeting approach to determine eligible households, involving geographical and categorical targeting as well as proxy means testing. The programme was planned to gradually replace the Social

Solidarity Pension, which has been in place since the 1980s, and was created in association with the country's reform of subsidy policies. In December 2016, *Takaful* and *Karama* reached almost 5.5 million individuals (5,337,600 via *Takaful* and 82,246 via *Karama*).<sup>2</sup> Spending on the two programmes reached EGP1.7 billion in 2015-2016.

The Social Fund for Development (SFD), which was merged in April 2017 with the Industrial Training Council (ITC) to form the Micro, Small, and Medium Enterprises Development Authority (MSMEDA), was established in 1991 with the aim of creating employment opportunities and improving access to basic services. The United Nations Development Programme (UNDP) supports the SFD through capacity-strengthening and helped to create 307,679 workdays in the establishment of community infrastructure and public services in 2015. In addition, the Social Pension Health Care Programme was introduced in 2015, aimed at contributing to universal health coverage in Egypt. The insurance was planned to focus on the poorest 20–25 per cent of the population within the first 18 months of roll-out. However, no evaluation has been made available yet. Other social assistance programmes include the School Feeding Programme, which reached 12.5 million children in 2016, and the Social Housing Fund, supported by the World Bank and with the aim of providing housing to close to 830,000 households by 2020.

Despite recent reforms, food and energy subsidies remain an important component of Egypt's social protection system. Energy price subsidies accounted for 3 per cent of GDP, and food subsidies for 1.5 per cent of GDP in 2015-2016. In 2015 about 86.6 per cent of all households received food subsidies through a smart card system. The eligibility criteria for food rations have been tightened since 2017, restricting them to families under a certain income threshold and limiting the total number of household members covered under the same card to four. These new measures do not apply to households that are already registered.

The recent population growth poses challenges to the government's ability to provide basic services such as education and health, affecting children in particular. Well-designed cash transfer programmes are important, not only in times of economic instability but also in times of fuel subsidy reforms, which can lead to increasing child poverty rates due to a rise in expenditures if not mitigated. Therefore, the government's current efforts to scale up programmes such as *Takaful* and *Karama* remain crucial.

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2. The number of individuals in *Takaful* refers to all household members; in *Karama* it refers only to direct beneficiaries.

# Non-contributory social protection through a child and equity lens in Iran<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**With a population of over 80 million**, the Islamic Republic of Iran is the second most populous country in the MENA region (after Egypt). More than 22 million people are under 18 years of age—27 per cent of the population. Iran's Human Development Index (HDI) was 0.774 in 2015, putting the country in the 'high human development' category. Iran has a long history of providing asylum to refugees. It is estimated that up to 3.5 million Afghans—many second or third generation—as well as some 30,000 Iraqi refugees reside in the country.

Iran's economy is experiencing improved growth rates, benefiting from the removal of oil sanctions and a recovery in exports. Inflation dropped from 39.3 per cent in 2013 to 17.2 per cent in 2014, partly because of the ongoing subsidy reform and the devaluation of the national currency. Extreme poverty rates in Iran are low: between 1990 and 2013 the share of the population living below the poverty line of USD1.9 per day decreased from 6 per cent to 0.1 per cent, although in 2014 it rose to 0.3 per cent. However, children were overrepresented among poor households between 1984 and 2007. The number of poor children whose parents worked in the informal sector was 3.5 times higher than those whose parents worked in the formal sector.

Iran has one of the highest government expenditures on health in the region; it increased from 12.7 per cent of total expenditures in 2011 to 17.5 per cent in 2014. In 2014 the government introduced universal public health insurance to guarantee coverage of all Iranians, including unemployed and poor people. Since 2015, registered refugees can also access the system. Iran's education indicators compare relatively well to other countries in the region.

The Iranian Constitution guarantees the right to social security and welfare. In 2004 the Law of the Comprehensive Welfare and Social Security System established the High Council of Welfare and Social Security, which oversees the coordination, assessment and approval of social security and welfare policies. The Ministry of Welfare and Social Security was also established in 2004. In 2011 it was merged with the Ministries of Labour and Social Affairs, and Cooperatives. The Ministry also administers the State Welfare Organisation (SWO).

After the 1979 revolution, several organisations emerged with the aim to support the vulnerable population. Social security and social protection are currently provided not only by the government but also by non-governmental and para-governmental organisations. The Foundation for the Oppressed, the Foundation for the Martyr, and the Imam Khomeini Relief Committee (IKRC) are among the latter and play an important role in the country's social assistance system. While these organisations receive financial support from the government and are directly supervised by Khomeini, they are not accountable to the government.

In 2010, Iran launched one of largest cash transfer programmes in the world. The Targeted Subsidies Reform Act was introduced to compensate households for price increases resulting from the gradual removal of bread and energy subsidies.

Financed through the revenues from the price increases, a monthly cash transfer of initially IRR445,000 (USD45) was paid per person. In 2011, transfers amounted to 6.5 per cent of GDP and about 29 per cent of the median household income. Although the real value of the transfer has declined since then due to inflation, the programme was significant in reducing poverty and income inequality levels.

In 2011, 73 million Iranians received cash benefits, costing the government IRR3,300 billion every month. Administrative difficulties in implementing a means test have resulted in nearly universal coverage.

Apart from the Subsidy Reform Act, a wide range of social assistance programmes exist in Iran. Regarding school feeding, more than 14 million schoolchildren received free milk through the Ministry of Education in 2011. In addition, the SWO offers hot meals in rural child care centres, as well as free milk in kindergartens, benefiting 144,321 and 602,327 children, respectively, in 2011. Moreover, several food supply programmes are provided for particularly vulnerable groups. The IKRC's plan on nutrition for needy under-6-year-old children and pregnant mothers, for example, reached more than 64,000 children and 5,700 pregnant mothers in 2011. The IKRC and the SWO also support orphans through cash and in-kind transfers.

In addition, the IKRC administers two cash transfer programmes. The Shahid Rajaei Project provides financial support to poor elderly rural dwellers and nomads. In 2013 the programme reached about 1.38 million people. The Aid Project aims at providing financial support to households with no adult head and households headed by people with disabilities. In 2013 over 2.6 million people received permanent support, and 2 million people ad hoc support through the programme. Non-contributory health insurance is provided through the Villagers and Nomads Social Insurance Fund at the Ministry of Cooperatives, Labour and Social Welfare, covering 947,813 households in 2011. Furthermore, both the IKRC and the SWO provide health insurance to women-headed households. In addition, the IKRC supported nearly 1.2 million beneficiaries in 2013 through medical services and insurance.

Iran stands out as the first country in the region to finance a large-scale cash transfer programme through revenues from subsidy reforms. Given the multiplicity of social protection providers in Iran, a wide range of programmes, often of a very similar nature, exist in parallel to each other. While these are important initiatives, improving coordination across programmes remains crucial to address children's vulnerabilities more effectively.

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# Non-contributory social protection through a child and equity lens in Iraq<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**The Republic of Iraq** shares its largest land borders with Iran, Syria and Saudi Arabia. Of its total 37.2 million inhabitants, 5.7 million (15.4 per cent) are children under the age of 5, and 17.46 million (46 per cent) are below the age of 18. Despite being classified as an upper-middle-income country, Iraq's Human Development Index (HDI) of 0.649 is below the regional average for the Middle East (0.704) and ranks 121<sup>st</sup> of 188 countries.

Throughout history, Iraq's population has witnessed numerous armed conflicts. Since 2014 a new humanitarian crisis has significantly affected children's well-being and access to social safety nets, especially in Isis-held territories and where the conflict caused the destruction of education and health facilities. In 2017 the number of internally displaced persons (IDPs) was estimated at 3.4 million, and one third of Iraq's population requires humanitarian assistance. A lack of civil documents is a major challenge for IDPs, as most government benefits and services require legal identification for access. Children account for approximately half of IDPs, and one in every five Iraqi children is at risk of injury, death, sexual violence, recruitment or abduction.

Almost 20 per cent of the population live below the national poverty line (IQD105,500/month). Children are particularly affected and account for 57.6 per cent of all poor people (3.7 million). Multidimensional poverty among children is alarming, with one in three children being deprived in at least one dimension.<sup>2</sup> The situation is particularly startling for children aged between 0 and 4: 48 per cent are deprived in at least two dimensions.

Between 2007 and 2012 only 12.5 per cent of poor people received public cash transfers. In April 2014 the Iraqi parliament enacted a new Social Protection Law. The legislation stipulates that living on an income below the national poverty line is the key eligibility criterion for all social assistance programmes, with proxy means-testing as the main targeting system. In the same year, the *Iraq Social Protection Strategic Roadmap 2015–2019* was adopted, emphasising the government's commitment to building a more integrated and comprehensive social protection system.

The largest non-contributory social protection scheme in the country is the public distribution system referred to as Ration Cards. First launched in 1991, the universal in-kind transfer aims to provide basic food items to improve the nutritional status of the population and particularly among children. Since the outbreak of the war in 2003, the programme has been partially disrupted, and IDPs have limited access to the programme. To address the needs of IDPs, the Ministry of Migration and Displacement administers a humanitarian assistance programme to support registered displaced families and individuals with a grant of IQD1 million (approx. USD800). Other humanitarian cash assistance programmes are provided by international development partners and coordinated by the Cash Working Group.

In 2016, 90 per cent of Iraqi households (33 million people) received subsidised food commodities, while the programme's expenditure was reported to be 0.6 per cent of gross domestic product (GDP). A reform was initiated in 2007 to reduce the amount of food provided through the scheme, and in 2016 the targeting changed to exclude high-income households and certain government employees. The Ration Cards scheme is vital to Iraq's poor population, and it is estimated that over 70 per cent of total daily caloric intake among the two lowest consumption deciles can be attributed to the programme. Twenty-two per cent of children in Iraq suffer from stunting, while the under-5 mortality rate is relatively high when compared to other countries in the region (37 deaths per 1,000 births).

In 2005 the Social Protection Network was launched as an unconditional cash transfer scheme to support vulnerable groups, especially minor orphans, married students and people with disabilities. Benefit levels increase with the number of household members, up to a maximum of four people, and higher benefits are paid to female-headed households. The programme expanded from 950,000 beneficiary households in 2016 to about 1 million in 2017, and is estimated to account for 1.8 per cent of total public expenditure in 2017. The government also introduced a pilot project to incentivise beneficiaries to use education and health-related services, such as vaccination and ante- and postnatal care.

Despite growing pressure to introduce subsidy reforms, the government's spending on fuel and electricity subsidies remains high. A more progressive tariff structure for the electricity sector was introduced in January 2016, charging higher rates for higher consumption. Energy price subsidies decreased from 7.7 per cent of GDP in 2013 to 2.2 per cent of GDP in 2016.

Iraq's young population holds great potential for the country's prospects, but to ensure success, policies need to prioritise child and youth development. In addition, the provision of documentation support is crucial to re-establish access to social protection schemes, with primary attention to the legal vulnerability of IDPs. The detrimental effects of long-term armed conflict in the country continue to disproportionately affect vulnerable groups, including children. Therefore, the continuous improvement and expansion of social protection programmes and increasing investments in human capital are crucial for the country's future development.

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2. According to UNICEF, multidimensional child poverty comprises eight dimensions, which are dependent on age: nutrition, health, water, sanitation, housing, information, education and protection. Information and education are specific to school-age children (5–17 years), while protection only applies to children aged 5–14 due to data limitations.

# PAA Africa's contributions to the National School Feeding Programme in Mozambique

Carolina Milhorance de Castro, Food and Agriculture Organization of the United Nations (FAO)

**The Purchase from Africans for Africa (PAA Africa)** programme implemented pilot initiatives to procure food for school meals locally from smallholders, funded by the Brazilian government and the UK Department for International Development, in collaboration with the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme. In Mozambique, the programme sought to contribute to the consolidation of a national strategy of institutional food procurement, combining cross-sectoral dialogue at the national level and piloting at district level, supporting production and commercialisation.

Public procurement with preferential treatment for food produced by family farmers has the potential to increase the overall access of these farmers to formal markets. In addition, when connected to social safety nets using in-kind food transfers (e.g. school meals programmes), such instruments favour the access of vulnerable populations to food produced locally. Some lessons from the experience in Mozambique are summarised here.

The endorsement of the National School Feeding Programme (Projecto de Alimentação Escolar—PRONAE) by the Mozambican Council of Ministers in 2013 represented a key stage in the institutionalisation of school feeding and local purchases in the country's education system. This process was crucial, but insufficient to consolidate the strategy of purchasing from smallholders, since it was not accompanied by its inclusion in the state budget and by adjustments to the regulations of public procurement to guarantee the participation of smallholders.

Despite its limitations, PAA Africa contributed to PRONAE by articulating and stressing the agricultural and value chain components within the PRONAE programme, among others. Some of its results are as follows:

- Institutional changes are necessary to ensure the participation of family farmers in public food purchases. The main agricultural policies of the country are aimed at increasing peasants' access to markets; however, most of the concrete implementation is oriented towards private companies and specialised farming, disregarding the potential of peasants to supply public food procurement programmes.
- Food demand needs to be aligned with supply potential. Support for production, post-harvest handling and marketing was important for the provision of quality products throughout the school year. FAO's involvement of the district agrarian services in training and planning activities also led to the technical and institutional strengthening of government capacities. These services participated in identifying and supporting producer associations, disseminating information on tenders etc. In the provinces where PRONAE did not collaborate with PAA Africa, the amount of food purchased from the local producers was marginal.
- The design of procurement procedures matters. Simplified purchasing procedures, which took local institutional capacities into account, were more effective. In Changara and Cahora Bassa district authorities managed the procurement; some successful aspects observed included: i) simplified qualification requirements and pre-selection of suppliers with productive potential; ii) quarterly tenders based on local prices; and iii) gradual decentralisation of management and procurement. The main challenges in these two districts concerned the management of fresh food storage, the need to consider local prices and the combination of nutritional requirements and the flexibility of the menus, guaranteeing greater autonomy for schools to include seasonal products not considered initially. In Angónia, the World Food Programme managed purchases of maize, and delays and technical requirements resulted in the disruption of the marketing cycle. Operational choices should also include defining an appropriate system of coordination among implementing institutions, which was a major challenge for the initiative.
- Intersectorality is not limited to coordinating operational decisions. It should be sought as an instrument for deepening coherence between national policies and the setting of political agendas. Political-institutional changes, the search for policy coherence, the building of technical and financial capacities and the integration of local purchases into governmental priorities require time and resources. The involvement of stakeholders at all levels (e.g. civil society representatives) and the creation of information and learning spaces have contributed to the strengthening of the local food procurement agenda in Mozambique.
- Social participation and advocacy are also relevant in this process, and technical groups are a means of following up and including other stakeholders. Both depend on a continuous (not ad hoc) process of engagement and dissemination of information, and PAA Africa has not yet reached this point. There are different types of engagement of civil society organisations, ranging from political articulation to direct support for the implementation of activities. This definition should be made according to the expectations and capabilities of the organisations themselves.

In conclusion, short-term initiatives will hardly be enough to produce the desirable effects of policy change and effective implementation. However, despite scale and time constraints, PAA Africa had a considerable demonstrative effect and enlarged the basis for the sharing of knowledge and socio-political interaction.

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This One Pager is a partnership between the IPC-IG and the FAO.

# Integrating data and information management for social protection: social registries and integrated beneficiary registries

Valentina Barca, Oxford Policy Management

**Developing a social protection information system**—one that enables the flow and management of information within the social protection sector and sometimes beyond—can ensure a more equitable, responsive and inclusive distribution of resources while also increasing efficiency and effectiveness of delivery and, most importantly, better serving citizens.

However, several trade-offs, challenges and risks can emerge when embarking on such a process, which need to be carefully managed and addressed from the outset. These can include increasing costs and complexity, risks to data privacy and security, and risks of multiple exclusions from social sector schemes. Moreover, the extent to which the benefits of information integration are felt greatly depends on the practical set-up for integration and on the ultimate use and quality of the integrated system.

## Two main approaches to data integration

The word ‘Single Registry’, sometimes used to describe approaches to integration in the social protection sector (including in the author’s previous work), is misleading. It has been used to refer to very different approaches in different countries. What matters is not the name that a country gives its system, but what the system is set up to do: most importantly, where the data are flowing from (e.g. where they are originally being collected and what other data sources they are drawing from) and to (e.g. who has access to the data and how).

There are two—ideally co-existing and complementary—approaches to setting up an integrated ‘data repository’ for the social protection sector: (1) integrated beneficiary registries integrate information from existing programme management information systems to house comprehensive information on beneficiaries (e.g. to give an overview of who receives what); and (2) social registries centralise the collection and housing of data on potential beneficiaries to integrate the approach to registration and determining eligibility across programmes. Each comes with specific risks and limitations, which the other helps to overcome (see Barca 2017 and Leite et al. 2017).

Regardless of which approach is used to set up the ‘data repository’, its full potential as an information system is only unleashed when it is used together with a software application that links it dynamically to other government databases, systematically transforms data into information, and analyses and uses the information. What matters is not the creation of a super-sized database, but enabling interoperability, data-sharing and useful reporting.

## What to keep in mind as a policymaker

The opportunities and challenges set out above are determined by country-specific objectives (is integration being pursued to provide coordination and oversight, to consolidate processes for determining potential eligibility, and/or to integrate operations and services?), as well as institutional, operational and technological considerations, which in turn determine the specific approach to

integration (see Barca 2017). Depending on these, international best practice may not be appropriate in every instance. In fact, integrating data and information may not always be a priority of social protection policy.

There are also a wide variety of practical considerations in terms of setting up an integrated system: the percentage of the population and whose data is in the registry (e.g. beneficiary vs. potentially eligible); which data are being collected and stored (e.g. which variables); how data are being collected (e.g. census survey vs. on-demand vs. drawn from existing databases); how data are being updated; which data sources are being used and how; whether data exchange takes place in real time; opportunities for data access at a decentralised level and for external stakeholders; and level of security/data privacy guaranteed. These choices affect what a system can achieve: its potential for targeting and shock-responsiveness; use-cases for other sectors; exclusion and inclusion errors; ease of access for potential beneficiaries; age, accuracy and usability of data; cost/time of data collection; type of data available; accountability; and data quality more widely.

More generally, our research has shown that integration is mainly a policy issue requiring political and institutional arrangements rather than technical ‘fixes’. Successfully implementing such systems requires strong political commitment to integration within the social protection sector and beyond, as well as careful assessment of the country context and possible costs and trade-offs of centralising data and information management—primarily privacy concerns.

Moreover, the policy drive towards data and information integration in the social protection sector has very often been dominated by a focus on consolidating targeting (registration and determining eligibility) across several programmes. While pursuing these objectives has been effective in many countries, it is important to recognise the potential downsides of this approach and shift the main focus of integration towards better serving a country’s poorest and most vulnerable citizens throughout their life cycle.

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This publication is a partnership between the International Policy Centre for Inclusive Growth (IPC-IG) and Oxford Policy Management (OPM), with support from Australian Aid. The views expressed here are those of the author and not necessarily those of the Australian government. This One Pager is an update to one published in 2015 on the same topic (Barca 2015). Here, we address recent evolutions in this fast-paced field—including shifts in terminology—providing practical guidance for policymakers and practitioners grappling with the issue.

# Non-contributory social protection through a child and equity lens in Jordan<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**The Hashemite Kingdom of Jordan** is a lower-middle-income country in the central region of the Middle East. In 2016 the country had an estimated total population of 9.45 million people. Children under the age of 18 accounted for 41 per cent of the population (3.9 million), while those under the age of 5 accounted for 12.9 per cent (1.2 million). With a Human Development Index of 0.741, Jordan ranked 86<sup>th</sup> in terms of human development globally. However, poverty rates remain relatively high, with 14.4 per cent of the population living below the national poverty line. Jordan has one of the highest unemployment rates in the Middle East and North Africa (MENA) region, and young people are disproportionately affected.

Compared to the rest of the region, Jordan has a well-developed social protection system that provides long-term assistance to its population. Non-contributory social protection schemes are offered by the National Aid Fund (NAF) and the National Zakat Fund (NZF). Founded in 1986 by the National Aid Fund Law no. 36, the NAF operates under the Ministry of Social Development. The largest NAF programme is the Recurring Cash Assistance Programme, which targets vulnerable groups such as widows, orphans or household heads who are unable to work due to severe disability and whose monthly income falls under the national poverty line. The monthly cash transfer currently reaches 91,804 households and is tied to several conditions: immunisation of children, school attendance, no reports of domestic violence in the last year and abstinence from begging.<sup>2</sup> The latter presents an incentive to improve children's health outcomes and access to education. The Emergency Cash Assistance Programme, which consists of three components,<sup>3</sup> aims to support poor households in emergency cases by awarding a one-time payment.

Much like the Emergency Cash Assistance Programme, the Handicapped Care Assistance and the Physical Rehabilitation Cash Assistance programmes are unconditional, means-tested and available to eligible households in the entire country. While the Physical Rehabilitation Cash Assistance supports poor households to cover the costs of rehabilitation equipment, the Handicapped Care Cash Assistance aims to prevent child poverty and vulnerability by targeting households that care for children with disabilities. Lastly, NAF beneficiaries are also eligible for Health Insurance Cards, which grant access to free basic health services. This in-kind benefit can be supplemented by a one-time payment to cover medical expenses upon recommendation by the Ministry of Health. Overall, 99,394 households (272,650 individuals) benefited from NAF programmes in 2015.

Unlike the NAF, the National Zakat Fund—which operates under the Ministry of Awqaf and Islamic Affairs—is mainly funded by religious donations and provides services to both Jordanian nationals and non-Jordanians.

At present, the NZF operates through 210 voluntary *zakat* committees throughout the country and offers seven unconditional programmes which target the most vulnerable population groups. These include Monthly Cash Assistance to families that do not receive any other kind of support from the government, an Occasional In-kind Transfer, which reached about 53,000 households in 2013, and a Rehabilitation Assistance Programme to reduce unemployment among poor people. The NZF equally administers an Emergency Cash Transfer and a Medical Care Programme to protect poor households from the financial risks that can be incurred due to medical expenses. Three programmes explicitly target children, namely the Orphan Cash Assistance, the Student Assistance and the National School Feeding Programme. The Orphan Cash Assistance sets up a bank account for orphans to cover their living expenses for a period of 3 to 12 months, while the Student Assistance and the National School Feeding Programme aim to increase school enrolment and improve nutritional status through tuition fee waivers and nutritious meals. In 2010, the Student Assistance reached 410 students in the country, and the National School Feeding Programme reached 350,000 children in 2014-2015.

Although current evidence on child poverty and vulnerability in Jordan is scarce, there are a few social protection schemes that specifically target households with children. It is clear, however, that child-sensitive social protection is more strongly emphasised in programmes that are administered by the NZF. While these programmes offer services to both Jordanian nationals and foreigners, the services provided are short-term, and the level of benefits disbursed is generally low. The substantial influx of refugees over past years presents key challenges not only for Jordan's labour market but also for its social protection system. Results from the most recent Jordan Population and Family Health Survey indicate that wealth status and household size are key factors when it comes to disparities in key demographic indicators such as health or education. As such, a more in-depth analysis is needed to ascertain to what extent existing safety nets contribute to alleviating child poverty and vulnerability in the country.

## Notes:

1. This One Pager is taken from a comprehensive study developed in partnership between the IPC-IG and UNICEF MENARO. All data are thoroughly referenced in the full report:

Machado, A. C., C. Bilo, R. G. Osorio, and F. V. Soares. 2018. *Overview of Non-contributory Social Protection Programmes in the Middle East and North Africa (MENA) Region through a Child and Equity Lens*. Brasilia and Amman: International Policy Centre for Inclusive Growth and UNICEF Regional Office for the Middle East and North Africa: <<https://goo.gl/QfmKwK>>.

2. Information provided by UNICEF Jordan.

3. The NAF Emergency Cash Assistance Programme consists of the Regular Emergency Cash Assistance Programme, the Immediate Financial Assistance Programme and the Cash Assistance Programme.

# Non-contributory social protection through a child and equity lens in Kuwait<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**Kuwait is an oil-rich country in the Middle East** bordered by Iraq, Iran and Saudi Arabia. Its strategic location and substantial oil reserves make it one of the highest-income Gulf countries. In 2016 the country's population was estimated at 4,052,000, of whom 316,000 were under the age of 5 and 988,000 were under the age of 18. About one third of the population are Kuwaiti nationals, while the other two thirds are expatriates and migrant workers. Poverty estimates for Kuwait are not publicly available, but with an Human Development Index of 0.800 in 2015 (above the Middle East and North Africa region's average of 0.704), the country is considered to have 'very high' human development and is in 51<sup>st</sup> place out of 188 countries globally.

Much like other MENA countries, the Government of Kuwait allocates a large amount of its budget to universal subsidies of fuel, food, housing, electricity, water and telecommunications. Energy subsidies accounted for about 7 per cent of gross domestic product (GDP) in 2016. One of the oldest social protection programmes in Kuwait is the housing welfare programme, which started in 1954 and was amended in 1994. This programme includes housing allowance for families who want to build a house or who are still waiting for construction approval. Priority is given to families of martyrs, prisoners, orphaned minors and with household members with disabilities. In 2009 the programme covered around 40 per cent of Kuwaiti families (93,040 households), and the total value of disbursements on housing projects up to June 2010 was estimated at KWD2.3 billion.

A school feeding programme aims to incentivise school enrolment and improvements in children's nutritional status. It is estimated to have offered school meals to around 136,000 students in 2011. As for unconditional cash transfer programmes (UCTs), the Public Authority of the Disabled offers Physical Disability Grants to those who have medical proof of suffering from a physical disability. Additionally, the General Assistance Programme offers monthly cash benefits to single, widowed and abandoned women, families with children of school age, orphans, elderly people, families whose main breadwinner has a chronic illness, families of imprisoned household heads, and Kuwaiti women who are married to expatriates and cannot cover the costs of basic subsistence.

A chief non-contributory social protection programme in Kuwait is the Zakat Fund, which is managed by the Zakat House. The programme offers UCTs and in-kind assistance to vulnerable groups, including divorced and widowed women, orphans, elderly people, indebted people, families whose main breadwinner suffers from a chronic illness, low-income families, and students at school, at university and studying abroad. It has multiple components, including interest-free loans, social assistance (cash and in-kind transfers such as food, clothes and medical devices), building mosques, schools, hospitals, houses for poor people and orphanages as well as an emergency relief component targeting Muslim countries suffering from conflict or natural disasters, such as Syria and Somalia.

Overall, a number of social protection programmes in Kuwait specifically target children or have a child-sensitive design. However, lack of data limits the ability to evaluate the effectiveness of these programmes and their impact on children's well-being.

*Note:*

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Machado, A. C., C. Bilo, R. G. Osorio, and F. V. Soares. 2018. *Overview of Non-contributory Social Protection Programmes in the Middle East and North Africa (MENA) Region through a Child and Equity Lens*. Brasilia and Amman: International Policy Centre for Inclusive Growth and UNICEF Regional Office for the Middle East and North Africa: <<https://goo.gl/QfmKwK>>.

# Non-contributory social protection through a child and equity lens in Lebanon<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**Lebanon is a middle-income country** bordered by Syria and Israel, with an estimated population of 6 million people in 2016, of whom approximately 0.4 million are children under 5 years of age and 1.7 million are under 18. According to data from the 2011 Household Budgetary Survey, the national poverty rate in the country was 27 per cent, with remarkable regional disparities: 16 per cent in Beirut, but as high as 38 per cent in Bekaa and 36 per cent in North Lebanon.

The country has a long history of hosting refugees from Palestine, but has been particularly affected by the Syrian refugee crisis. In 2017 there were more than 1 million registered Syrian refugees living in the country, 55 per cent of them being children under 18. The refugee influx has increased the demand for education and health care. In this context, the Government of Lebanon has authorised Syrian refugee families to access public services, including health and child care. However, most of the assistance provided to refugees is led by international organisations and funded by donors. In October 2016 the World Food Programme (WFP) operated e-cards and cash transfers, reaching approximately 650,000 Syrian refugees and 15,000 Palestinian refugees from Syria living in Lebanon.

The Government of Lebanon's overall expenditure on social safety nets was 0.6 per cent of gross domestic product (GDP) in 2008, the lowest when comparing 11 countries in the MENA region. The Ministry of Social Affairs (MoSA) is in charge of coordinating the provision of social assistance in Lebanon and has adopted a decentralised development strategy, with an increased focus on the community level through Social Development Centres (SDCs).

SDCs are also the first entry point for the National Poverty Targeting Programme (NPTP), a programme piloted in 2008 and rolled out nationally in 2011 which offers health and education fee waivers to poor households based on a PMT. In addition, the poorest beneficiaries receive e-card food vouchers (which replaced in-kind transfers), providing them with a monthly allowance of USD27 per person, capped at six individuals per household. By the end of 2016 over 108,000 households (456,819 individuals) received the *Halla* card and were eligible for health care and education benefits. However, take-up of NPTP-related services is still low: as of January 2017, only 10,008 households had received e-card food vouchers. In October 2016, 19,457 students benefited from fee waivers, and 11,730 hospital admissions were covered by the programme.

The Government of Lebanon provides subsidised education and health care services for the entire population, covering 70 per cent and 85 per cent, respectively, of the fees. The *Halla* card provides access to public hospitals, usually funding the remaining 15 per cent of health fees with co-payments

by users. Basic education services are universal, and both enrolment fees and school materials are provided free of charge to students at the basic education level in public schools. For all secondary students, a contribution of 30 per cent of fees is required. Children from NPTP beneficiary families pursuing secondary education are exempt from these fees. The programme is financed by the Lebanese government and supported by international donors, including the World Bank and the German government.

The need for a national cross-sectoral social development strategy was recognised in the Lebanese National Social Development Strategy, issued by MoSA, an Inter-Ministerial Committee on Social Issues and the UNDP in 2011. The National Strategy puts forward five general objectives, including the expansion of social protection. When it comes to child-sensitive social protection, the strategy prioritises expanding health care coverage for vulnerable children and programmes for orphans deprived of family care or those at risk of abuse or neglect.

The MoSA and the Ministry of Public Health also provide other forms of social assistance, such as the Disability Card, enabling access to education, health and employment services. About 13,000 children with disabilities have benefited from the programme, and an additional 3,000 have received a temporary Learning Disability Card, which makes them eligible for special education in MoSA-contracted non-governmental organisations. In addition, the Lebanese government provides food, fuel and electricity subsidies. In 2013 it spent USD3.1 billion on fuel subsidies (7 per cent of GDP), representing 94 per cent of all government subsidies. In 2016, energy price subsidies accounted for 6.7 per cent of GDP. The Fund for Displaced, created in 1993 to support victims of internal conflicts, is also available.

Despite several initiatives, Lebanon's main non-contributory social protection programme remains limited in scope and coverage, reaching less than 10 per cent of the population. Regarding the situation of children, low take-up rates of the school fee exemption indicates that there are barriers for accessing education other than the fees themselves, in which a broader flagship programme could play an enabling role. Indeed, the government has led efforts to institutionalise and scale up the NPTP, which should prove to be a unique opportunity to review its operational challenges and improve its child-sensitive features.

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# The distributive impact of income taxes in Brazil

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**Income inequality** has been one of Brazil's most significant socio-economic characteristics throughout its history. Although there has been a significant reduction since the end of the 1990s, its persistence and magnitude are still internationally notorious.

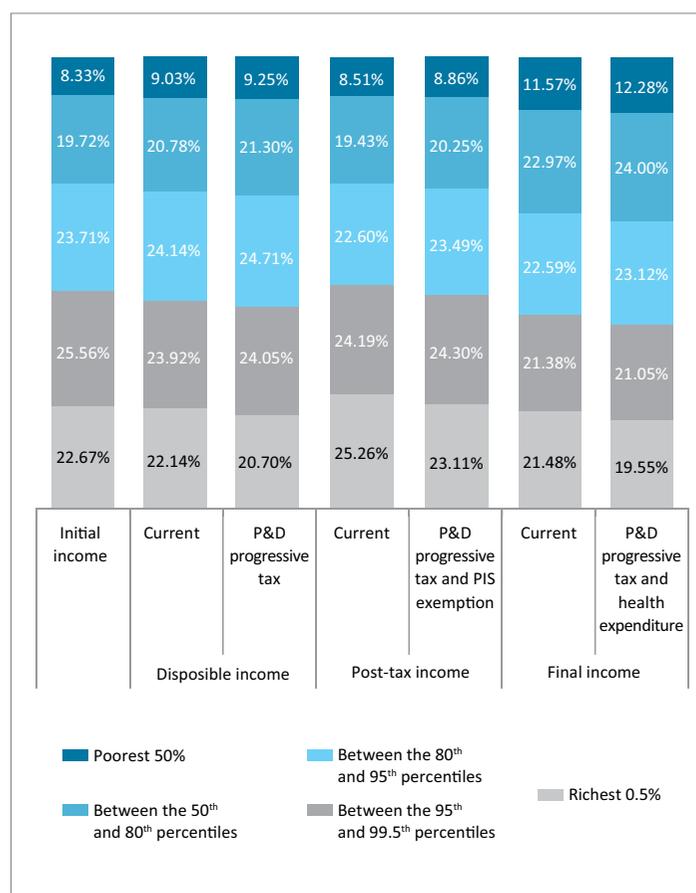
This One Pager seeks to synthesise the results of a study relating Brazilian inequality with its tax system, whose regressive nature must be overcome to enable a more egalitarian society. The Brazilian tax system places undue emphasis on indirect taxes—which comprise over 51 per cent of its gross tax burden. The country's insistence on taxes on goods and services (indirect taxes)—to the detriment of taxes on income and property (direct taxes)—undermines the real application of the principle of contributive capacity, resulting in a regressive system whereby families with less income proportionally finance a larger share of the State.

In the study, we analyse this disturbing national quirk in light of the evolution of the tax systems of certain central countries and draw comparisons with their current legislation. In addition to being normatively biased, Brazilian tax legislation has several technical limitations for the application of more efficient and equitable taxation on property and income. We undertake an exercise applying the Pareto interpolation method, using the 2008–2009 Household Budget Survey and the Large Numbers of Individual Income Tax Declarations (DIRPF), to estimate the level of inequality resulting from changes to personal income tax legislation. The key variable in the analysis is the reinstatement of taxation on profits and dividends, which are currently tax exempt. To that end, we have developed two simulations: one taxing profits and dividends at a 15 per cent flat rate, and the other at a progressive rate varying between 15 per cent and 27.5 per cent.

The results indicate a small improvement in income distribution, which is modest given the high level of income concentration in the country. On the other hand, there is a significant increase in revenue, between BRL22 billion and BRL39 billion, depending on the model for the taxation of profits and dividends. The most significant effect is on post-tax income, in which the regressive nature of indirect taxation contributes to practically nullify the redistributive effects of direct taxation. This is the synthetic numerical expression of inequality in the Brazilian tax system: the emphasis on indirect taxation, to the detriment of direct taxation, only contributes towards even more income concentration by disproportionately taxing the poorest population.

Finally, we performed a counterfactual exercise, whereby the additional revenue generated by the adoption of taxes on profits and dividends was used to fund an increase in public expenditure in several areas. The result was an improvement in income distribution (see Figure 1).

**FIGURE 1**  
Distribution of earnings by income level, 2008



Source: Authors' elaboration.

**Reference:**

Fernandes, R. C., B. Campolina, and F. Gaiger Silveira. 2018. "The distributive impact of income taxes in Brazil." *IPC-IG Working Paper 171*. Brasília: International Policy Centre for Inclusive Growth.

# Non-contributory social protection through a child and equity lens in Libya<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

Libya neighbours Tunisia, Algeria, Niger, Chad, Sudan and Egypt, and is bordered by the Mediterranean Sea to the north. In 2016 the country had a population of over 6 million people, of whom 33 per cent were under 18 and 10 per cent were under 5 years old. Libya used to be one of the most developed non-Gulf Cooperation Council economies in the region, with gross national income of USD12,440 per capita in 2010. Due to the ongoing conflict, oil production—the country's leading source of income—has decreased significantly, causing GDP to drop by half compared to pre-2011 levels and gross national income per capita to fall to USD4,730 (as in 2011). Between 2010 and 2015, Libya's HDI fell from 0.756 to 0.716, placing it 102<sup>nd</sup> out of 188 countries. Given the lack of recent official statistics, Libya's poverty rate is uncertain. Using the 2003 national poverty line, the World Bank estimated it at 14.4 per cent in 2015.

The ongoing dispute among rival groups has caused high levels of violence and political instability, severely impairing the provision of essential public services and the protection of human rights. So far, the conflict has left 1.3 million people in need of humanitarian assistance, including 439,000 children. Moreover, Libya plays a significant role as a transit and destination country for migrants and refugees, who often live in conditions of extreme vulnerability, as they are exposed to arbitrary arrest, exploitation by criminal networks and limited access to legal and social protection. It is estimated that between 700,000 and 1 million migrants reside in Libya. As of July 2017, 217,000 Libyans were identified as internally displaced, 56 per cent of whom were children. Further, about 315,000 children—including refugees and migrants—require educational support.

In principle, health care and education services are provided free of charge. The Ministry of Education implements several school-based health programmes, which include the provision of psychological support to children. Libya has made substantial improvements regarding health indicators: between 1990 and 2015, under-5 mortality rates fell from 42 to 13 deaths per 1,000 live births. In the same period, maternal mortality rates decreased from 39 to 9 per 100,000 live births. Nevertheless, malnutrition remains a concern, with approximately 21 per cent of children being stunted.

Little information is available about the status and coverage rates of contributory or non-contributory social protection schemes in the country. Prior to the conflict, Libya was moving from a more State-regulated economy with an extensive social infrastructure towards a market-based economy. Spending on social protection was estimated at 4.4 per cent of GDP in 2010. In comparison to other countries in the region, the formal social security system is very comprehensive, reaching coverage rates of up to 87 per cent. Benefits are paid on a contributory basis in the event of old age, disability, sickness, unemployment, injury or pregnancy.

Food, fuel and energy subsidies were adopted in the 1970s. Subsidy reforms took place between 2005 and 2010. Yet with the outbreak of the revolution, these

were rolled back almost entirely. In 2015, however, a lack of funds led to a *de facto* removal of food subsidies, resulting in food shortages and a substantial increase in food prices. Regardless, spending on fuel and energy subsidies remains high, estimated at 12.5 per cent of GDP in 2016.

The Libyan Social Security Fund of the Ministry of Social Affairs provides families considered 'fragile' with financial and social support. Law no. 20 of 1998 on the Social Security Fund states that large families in need (among other categories) are provided with assistance, as well as housing and education. More detailed information on this programme is limited.

According to Law no. 27 of 2013, a family allowance of LYD100 per month should be paid by the Ministry of Social Affairs to all children under 18 and to single women who have no salary or wage. This makes Libya the only country in the region with a universal child allowance. It also stipulates that a monthly allowance of LYD150 should be paid to married Libyan women who do not earn any salary or wage.

Humanitarian assistance programmes currently play a crucial role in providing essential goods and services. While most services are provided as temporary benefits to alleviate the impacts of the current crisis, a few initiatives foresee a transition to national authorities once conditions allow: The World Food Programme (WFP), for example, delivers food baskets to food-insecure individuals as identified in the 2015 Libya Multi-Sectoral Needs Assessment. The WFP is considering the possibility of transforming it into a cash and voucher scheme and to include it in the national social safety net, once it is operational again. However, this has not happened yet due to security risks, limited data on food availability and fluctuating prices in local markets.

The lack of recent data represents a challenge in assessing Libya's social protection system and the extent to which it reaches children. Due to the current security situation and political instability, many national service provision systems have become dysfunctional, emphasising the importance of humanitarian programmes. In the medium term, it will be important to integrate these humanitarian programmes into the national social protection system, such as the food baskets provided by the WFP. Moreover, given the severe consequences of the conflict on children's well-being, it will be important to focus on introducing more child-sensitive social protection programmes in the future.

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# Non-contributory social protection through a child and equity lens in Morocco<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**Morocco is a lower-middle-income country** in North Africa. In 2016 its population was estimated at 35.27 million, of whom 10 per cent (3.5 million) are under the age of 5 and 32 per cent (11.4 million) are under the age of 18. Although its poverty rate fell from 15.3 per cent in 2001 to 4.8 per cent in 2014, regional disparities remain a cause for concern, since 74 per cent of the poorest population are concentrated in only 5 of the 12 regions.<sup>2</sup> Morocco's Human Development Index was 0.647 in 2015, which is above the average for countries in the medium human development group.

Moroccan children are disproportionately affected by poverty. The National Observatory of Human Development (*Observatoire Nationale du Développement Humain*—ONDH) estimates that 4.4 per cent of children were living in households with a consumption level below the national poverty line in 2015. An additional 14.4 per cent were living in households just above this threshold but below the national vulnerability line, meaning that they face a high risk of falling into poverty in the event of a shock. Moreover, almost 40 per cent suffer from multidimensional poverty (69 per cent in rural areas, compared to 17 per cent in urban areas).

The country adopted a new Constitution in 2011, which launched a series of structural reforms, including in the domain of public finance, governance, public administration, regionalisation and social protection.

Despite recent efforts to improve the efficiency of social spending and shift from fuel subsidies to more targeted social protection schemes, energy subsidies still represented approximately 75 per cent of public expenditures on social safety net programmes in 2016, which corresponds to 1.4 per cent of GDP, down from 4.6 per cent in 2013.

The Moroccan social protection system can be divided into three parts: (i) contributory services (e.g. *Caisse Nationale de Sécurité Sociale*, *Caisse Marocaine des Retraites* and the *Régime Collectif d'Allocation de Retraite*), which are mainly available for formal-sector workers; (ii) partially contributory (*Régime d'Assistance Médicale*—RAMED); and (iii) non-contributory schemes, which are the focus of this study. In addition, the National Initiative for Human Development (*Initiative Nationale pour le Développement Humain*—INDH) is worth noting: a social investment mechanism implemented by the government to co-finance projects and activities aiming to reduce poverty and inequality.

In the health sector, the National Health Insurance Agency (*Agence Nationale d'Assurance Maladie*—ANAM) is responsible for both regulating the contributory health insurance scheme (*Assurance Maladie Obligatoire*—AMO) and managing the public resources allocated to RAMED. RAMED health care services are provided for those who are not entitled to benefits from the contributory system. In 2016 the scheme reached 6.3 million users with active cards. In fact, RAMED was an important step towards the universalisation of health care in Morocco, reaching both urban and rural areas. The programme is non-contributory for households classified as poor. A yearly contribution is required of those classified as vulnerable (maximum of MAD600 per household). According to the Moroccan Ministry of

Economy and Finance, the rate of card renewal is relatively low, especially among vulnerable families. In November 2016, 4 million registered beneficiaries had inactive cards (out of 10 million registries). In addition, the government subsidises and reimburses the cost of drugs, as provided in Decree no. 2-13-852 of 2013.

Over the last 10 years the Government of Morocco has been improving its focus on mothers and children through both unconditional and conditional cash transfers. The country's flagship programme, *Tayssir*, is a geographically targeted conditional cash transfer which reached 716,350 students in the 2016-2017 school year.

All children in targeted areas are eligible, and each beneficiary family is entitled to claim the benefit for up to three children, while the level of the benefit increases according to the child's school grade. In the 2013-2014 school year, government expenditure on the programme was MAD713 million.

The Direct Assistance to Widows (*Programme d'Aide Directe aux Veuves en Situation de Précarité*) and the Mutual Family Support Fund (*Fond d'Entraide Familiale*) are both unconditional transfers targeted at female-headed households to support families whose father is absent. Although the coverage of these programmes is relatively low (approximately 72,662 households in 2015 and 3,600 in 2014), they were designed to improve children's well-being and should be considered a basis for the development of more comprehensive programmes reaching all vulnerable children in the country.

Two other initiatives with a focus on school-age children are worth mentioning: the *Initiative 1 Million de Cartables*, a national programme supporting children's access to education by providing vulnerable children with school materials and supplies, reached 4 million children in 2016-2017, while the school feeding programme *Cantines Scolaires* reached 1.25 million students at the beginning of the school year 2017/2018.

Morocco's social protection system is characterised by fragmentation and weak coherence in terms of targeting. This results in little coverage of vulnerable categories of children, including those out of school and of pre-school age. Overall, several programmes exist in Morocco which focus on children or are at least child-sensitive in their design. However, the coverage of cash transfer programmes in particular needs to be increased to include the most vulnerable children in the country.

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2. Draa-Tafilalet (14.6 per cent), Béni-Mellal-Khénifra (9.3 per cent), Marrakech-Safi (5.4 per cent), Oriental (5.3 per cent), Fès-Meknès (5.2 per cent) and Souss-Massa (5.1 per cent).

# Non-contributory social protection through a child and equity lens in Oman<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**Oman is located on the south-eastern edge of the Arabian Peninsula,** bordering Saudi Arabia, the UAE and Yemen. The country is part of the six high-income Gulf nations and has a population of approximately 4.5 million, of which 1.1 million (25 per cent) are under the age of 18 and 0.4 million (9 per cent) are under the age of 5. Fertility rates declined from 7.2 in 1990 to 2.7 in 2015. Due to a high volume of immigration, only slightly more than 50 per cent of the total population are Omani nationals.

Poverty estimates for Oman are not publicly available. However, its Human Development Index (HDI) of 0.796 classifies it as a high human development country. Oman's HDI lies above the Middle East and North Africa (MENA) region's average of 0.704, placing the country 52<sup>nd</sup> out of 188 countries in 2015.

Oman provides (almost) free universal medical care to its citizens.<sup>2</sup> Total health expenditure accounted for 3.6 per cent of gross national product (GDP) in 2014, which is lower than the MENA average of 5.3 per cent. Stunting occurs in 14.1 per cent of children under the age of 5, and 9.7 per cent of all children under the age of 5 are underweight.

The country provides free education up to the end of secondary school, and about 13 per cent of government expenditure was made available to the Ministry of Education in 2015, compared to an average in the MENA region of 14.2 per cent in 2008. Although school is compulsory up to a basic level, net primary-school enrolment rates declined from 96.6 per cent in 2012 to 94.3 per cent in 2015. While there is no significant gender disparity in primary-school enrolment, fewer boys than girls are enrolled in secondary education (90.2 per cent vs. 98.9 per cent). Overall, 68.3 per cent of school-age children are developmentally on track in at least three of the following four domains: literacy-numeracy, physical, social-emotional and learning.

Oman's 9th Five-Year Plan (2016–2020) focuses on economic diversification, development of the private sector and enhancement of welfare and social benefits. It is the last of the series of five-year plans developed within Vision 2020, which aimed to improve the population's living standards and to achieve equality between individuals and between the country's different regions. After the 2011 protests in the region, public spending on social services increased, notably on allowances for university students and job seekers.

Oman's social insurance system is administered by the Public Authority for Social Insurance and includes private-sector pensions for elderly people, those with chronic injuries and disabilities and orphans, as well as marriage and death grants. Although short-term benefits exist for temporary migrant workers, most benefits target Omani nationals. In addition to the social insurance system, the Government of Oman provides several non-contributory benefits.

As in many other countries in the region, subsidies account for a high proportion of government expenditure, allowing the population to purchase food, electricity and fuel at subsidised prices. In 2013 the government spent a total of USD833.5 million on energy and USD72.5 million on food subsidies. The subsidies for several food items were reduced by 48 per cent in 2015 following a slump in oil prices. Given the high cost of subsidies and the decline in crude oil production, the International Monetary Fund (IMF) recommended the introduction of subsidy reforms to finance more targeted programmes for poor households.

The Ministry of Social Development is in charge of providing social welfare, family development, supervision of community associations and support services. It also offers unconditional cash benefits (social security benefits) to several vulnerable groups, including orphans, elderly people, those with disabilities, and abandoned families with no male family member. In 2013, expenditures on these programmes amounted to USD337 million. These benefits reached 84,644 individuals in 2015. A mixture of means-testing and categorical targeting is used, and the benefit level depends on the size of the family.

The Ministry also provides social aid services and emergency assistance to support poor families in the event of natural disasters, fire or special medical needs. Benefits are provided in cash or in-kind and include housing benefits and educational scholarships. The decision to grant assistance is determined on a case-by-case basis. In 2015, 2,215 individuals benefited from this programme.

Despite positive human development indicators, limited data availability makes it difficult to evaluate Oman's social protection system and the extent to which it reaches the most vulnerable children. There have been recent improvements in legislation such as the adoption of the Child Law in 2014, the Social Housing Law in 2010, the Comprehensive Social Insurance Law in 2013 and the Labour Protection Law in 2011. Also, non-contributory benefits offered by the Ministry of Social Development represent a step towards greater coverage by targeting families in need and increasing benefits according to household size. However, it is an increasing cause for concern that almost half the population are non-Omani, with limited access to social protection schemes.

## Notes:

1. This One Pager is taken from a comprehensive study developed in partnership between the IPC-IG and UNICEF MENARO. All data are thoroughly referenced in the full report:

Machado, A. C., C. Bilo, R. G. Osorio, and F. V. Soares. 2018. *Overview of Non-contributory Social Protection Programmes in the Middle East and North Africa (MENA) Region through a Child and Equity Lens*. Brasilia and Amman: International Policy Centre for Inclusive Growth and UNICEF Regional Office for the Middle East and North Africa: <<https://goo.gl/QfmKwK>>.

2. A small fee was introduced in 1996 to decrease the burden on the government budget.

# Malawi's Social Cash Transfer Programme

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**Malawi has a population of over 17 million people**, 50.5 per cent of whom are poor, and 25 per cent of whom are extremely poor. Some 10 per cent of the total population are thought to be living below the extreme poverty line in households with a high dependency ratio (i.e. three or more dependents for every household member who is fit for work). This part of the population, often referred to as 'unfit-for-work poor people', is the target population of Malawi's flagship Social Cash Transfer Programme (SCTP).

The country displays limited financial ownership of its social policies and programmes, which are mainly funded by international donors. No single donor is capable of completely funding the flagship social programmes in the entire country, and a corruption scandal ('Cashgate') led donors to cut funds to collective pools and to initiatives they do not run themselves. As a result, financial and managerial responsibilities over country-wide initiatives end up divided among many development partners, each responsible for certain districts, as is the case with the SCTP. This limits the breadth of the initiative and hampers the development of common tools, such as single registries. Up until 2012, donors also found it difficult to fund the SCTP, since it lacked a normative background. This problem was only solved when the proposal for the National Social Support Policy (NSSP), drafted in 2008, was approved in 2012.

Although the SCTP has always targeted those 'unfit-for-work poor people', its selection process changed in 2012 from being solely based on the discretion of social workers and community members to a mixture of community-based and proxy means-targeting models. The benefit formula of the SCTP has always consisted of a grant that increases according to the number of members in a household (up to four), plus an additional bonus for each child of primary-school age, and another—larger—bonus for each child of secondary-school age. In 2015, after impact evaluations found that the benefit was unable to provide an increase in consumption of at least 20 per cent to most beneficiary households, there was an increase in the benefit values, varying between 60 and 82 per cent in terms of USD purchasing power parity (PPP) at 2011 rates.

The most significant changes undergone by the SCTP, however, are related to its funding and governance arrangements and, subsequently, to the number of districts and households covered. At first, between 2006 and 2008, the programme comprised eight pilots, solely funded by donors (seven by the KfW Development Bank and one by Irish Aid), with no normative basis for scaling up the initiatives into a national

programme or to promote its state ownership. Later, between 2009 and 2012, the pilots were turned into a national programme meant to expand to other districts. However, funding challenges hindered this expansion. The current stage of the programme, since 2012 (when the NSSP was approved), has seen increased funding (with the participation of the World Bank and the European Union) leading to more districts being covered. By 2015, 19 of Malawi's 28 districts were covered, benefiting 163,000 households, and the World Bank was on track to fund and run the programme in the 9 districts not yet covered.

The best example of how the fragmented operation of the SCTP compromises its coordination at the national level is the stalemate between the World Bank and the other SCTP funders. Historically, the World Bank funds the Public Works Programme, which targets fit-for-work poor people (comprising roughly the second to fifth deciles of the income distribution) and is overseen nationally by the Local Development Fund (LDF). When it joined the group of SCTP funders, the World Bank insisted on piloting a registry that targets the first to fifth deciles of the income distribution, whereas other donors running the SCTP in other districts have used a registry limited to the poorest non-working 10 per cent of the population since 2012. The World Bank also insists that the SCTP should report to the LDF for oversight, whereas in other districts it reports to the Ministry of Gender, Children and Social Welfare (MGCSW).

Arbitrating which governance and registry option is the best for all districts is not an easy task, as all options reflect good motives. Nevertheless, it is fundamental that the different SCTP stakeholders find common ground for the sake of the programme's comprehensiveness and of the much-needed strengthening of Malawian institutions in the field of social protection. Meanwhile, the government should focus its efforts on reducing the space for corruption, therefore leading to an environment in which donors can contribute to a common funding basket for social protection, and on achieving more financial ownership of the SCTP, by relocating less progressive budgets such as the one spent on the Food Input Subsidy Programme.

#### *Reference:*

Arruda, P. L. 2018. "A Brief History of Malawi's Social Cash Transfer Programme (SCTP)," *IPC-IG Working Paper*, No. 172. Brasília: International Policy Centre for Inclusive Growth.

# The challenge in harmonising Mozambique's core social transfer programmes

Pedro Lara de Arruda, International Policy Centre for Inclusive Growth (IPC-IG)

**Mozambique is a low-income nation in southern Africa** with a poverty incidence at around 40 per cent. Its three flagship social transfer initiatives are:

- the Basic Social Subsidy Programme (*Programa de Subsídio Social Básico*—PSSB): a cash transfer targeting extremely poor households with no fit-for-work adults and headed by elderly people or having members with a disability or a chronic illness who are unable to work;
- the Productive Social Action Programme (*Programa Ação Social Produtiva*—PASP): an initiative with the aim of promoting public works projects for building or upgrading infrastructure in poor and vulnerable communities while providing beneficiaries with training and other educational opportunities. These projects operate through self-selection mechanisms, though there is an emphasis on prioritising vulnerable households with one or more members with working capacity; and
- the Direct Social Action Programme (*Programa de Ação Social Direta*—PASD): an intersectoral initiative between the Ministry of Gender, Children and Social Action and the Ministry of Health with the aim of providing child-headed households and those with sick, food-insecure and malnourished people with food vouchers. It also has a stream to benefit households affected by one-off shocks. Different streams of the programme provide benefits for different lengths of time, ranging from immediate to medium- and long-term support.

The PSSB significantly limits its capacity to reach households with members with a disability or a chronic illness, since it only targets households with no fit-for-work members. Analysis of the programme's coverage also reveals that there is a bias against eligible households with many dependents, as some 50,000 secondary beneficiaries were missing by 2014. This bias is not due to programme design, but rather because local-level authorities prefer to concentrate their limited budget on as many households as possible, as opposed to covering fewer households with more members and thus entitled to larger grants.

Because these initiatives operate without the support of a strong management and information system and a strong monitoring and evaluation mechanism, public access to coverage figures is quite scarce, especially for figures disaggregated by programme stream and selection criterion. This limitation is particularly felt in the PASD, since the implementing partners—the World Food Programme (WFP) and the government—produce distinct coverage reports limited to the units managed by each.

Data on the PASD's coverage for the first semester of 2014 (excluding the components funded by the WFP) indicate that several groups suffer from reduced coverage, including people living with HIV, people temporarily unable to work, and households with children aged 0–24 months in need of mother's milk substitutes.

Given such challenges, it seems reasonable that these programmes should undergo some sort of simplification of their eligibility criteria and a reduction

in the targeting overlap between many categories defining eligibility for one or more programmes. A prudent idea would be to shift the eligibility criteria towards covering households with high dependency ratios. This could very likely maintain the eligibility of many households currently benefiting from the PSSB, while at the same time facilitating an understanding of the programme. It could also lead to the enrolment of other vulnerable households that are currently not eligible due to the programme's design.

However, it is very likely that this would lead to significant impacts on the programme's budget, as more people would become eligible. This is probably why the country's current National Basic Social Security Strategy (*Estratégia Nacional de Segurança Social Básica*—ENSSB II) did not follow this route. Nevertheless, even the budget issue could be solved if, for instance, the shift in the eligibility criteria also included reducing the eligibility threshold for the proxy means test, to compensate for the new households that would fall under the 'high dependency ratio' category. Instead, the ENSSB II chose to create yet another targeting category for poor households with children aged 0–2 years, which could lead to even greater complexity.

Many eligibility criteria of the PSSB, the PASP and, in particular, the PASD depend on health status assessments, but the referral system between health and social workers is still very inefficient. This is true even though the country has decentralised structures related to both the Ministry of Health and the Ministry of Gender, Children and Social Action that are supposed to cooperate with each other but which, in reality, work quite separately.

In the context of the PASD, health workers are responsible for identifying potential beneficiaries and referring them to the National Institute of Social Action (INAS). Despite the potential of this *modus operandi* to strengthen intersectoral initiatives between health and social assistance, the reality is that excessive eligibility criteria, a lack of clear guidelines and a lack of joint activities and coordination between stakeholders result in an inefficient and merely passive referral service. Thus, one can even question the equity of an enrolment strategy that relies on people assessing their health status to then be referred to social assistance, as the poorest members of society often tend to have less access to public health services to begin with.

While the PASD expects health workers to play a crucial role as paths of entry for enrolment, the programme offers them no training, incentives or payments. In districts where the PASD operates in partnership with the WFP, there tends to be a better referral service from health centres to the INAS, but this is limited to the enrolment process and does not include initiatives to regularly support eligible households facing chronic illness and/or disability.

#### Reference:

Arruda, P. L. 2018. "Mozambique's Social Protection System: an Overview of the Basic Social Subsidy Programme (PSSB), the Direct Social Action Programme (PASD), the Productive Social Action Programme (PASP) and the Social Assistance Services (PAUS)" *IPC-IG Working Paper No. 173*. Brasília: International Policy Centre for Inclusive Growth.



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