

Social Protection: Program Design and Evaluation

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OUTLINE

- What is Social Protection?
- Targeting and Social Protection
- Some Examples of Programs

What is **Social Protection**?

- Definition from the UN Research Institute for Social Development:
 - Social Protection is concerned with preventing, managing, and overcoming situations that adversely affect people's well being.
- Three major types of Social Protection programs:
 - Labor Market Interventions
 - Social Insurance
 - Social Assistance (Payments)

Implementing Social Protection

- Social Protection can be implemented *either* through programs or through laws or regulations
- Programs
 - Example: Cash Transfer Program
- Laws or Regulations
 - Example: Worker Protections on safety, etc.
- A feature of social protection is that many social protection programs are found in OECD countries

Labor Market Interventions

- Occur when governments intervene in labor markets to:
 - **Provide jobs when market is not (seasonally or potentially in recession);**
 - Can imply creating policies to improve the operations of labor markets;
 - Other worker protections (labor laws)– which can create jobs
- Examples in Developing Countries
 - Productive Safety Nets Programme (PSNP) in Ethiopia
 - National Rural Employment Guarantee Scheme (NREGS) in India

Social Insurance

- Types of Insurance
 - Health
 - Unemployment
 - Crop
 - Old Age
 - Disability
- Many developing countries offer some basic health insurance; other types are more rare
 - Exception: Old Age Pension in South Africa (also in Brazil)
- Some social *assistance* programs double as insurance for vulnerable groups (e.g. disabled)

Social Assistance

- Cash Transfer Programs
 - Conditional or Unconditional (Welfare)
- Most studied programs with both randomized and non-randomized evaluations
 - All over Latin America
- Some of the largest programs: Oportunidades (Conditional), Bolsa Familia (Conditional), China's Di Bao (Unconditional), Pakistan's BISP program (Unconditional)
- Difference between Insurance and Assistance
 - Insurance implies a premium; assistance does not
 - "Graduation" may be an issue with assistance

Targeting Social Protection

- First Question: Should Programs be Universal or Targeted?
 - Universal Program: Unemployment Insurance in US
- Second Question: Opt In or not?
 - E.g. Conditional Cash Transfer programs; opt in basis.
 - Even unconditional cash transfer programs can be opt in: e.g. Pakistan BISP (need an ID card)
- If not Universal, what type of targeting?
 - PSNP and El Salvador's Comunidades Solidarias Rurales: Geographic Targeting
 - Alternative Method of Targeting: **Proxy Means Test**
 - Third Question: How to construct a PMT?

Proxy Means Test (PMT)

- Build a “model” of poverty status (or welfare indicator like consumption)
 - Include variables that might predict poverty and/or consumption measure
 - Choose a “cut-off” score that determines eligibility for the program
 - Households/individuals below the cut-off receive benefits, others (above the cut-off) do not
- Sometimes a score or a ranking is used as a “Guide” rather than as a hard rule for targeting

Targeting Problems

Errors of Exclusion and Inclusion

- Exclusion: People deserving of program are excluded incorrectly by PMT or other targeting mechanism
 - Can occur because aggregate resources for benefits are not large enough to provide for all who are needy
- Inclusion: People who are not poor are included in the list of beneficiaries incorrectly by targeting
- Note: Targeting adds to the **cost** of running the program
- *Reference: Coady, Grosh, and Hoddinott (2004)*

Examples of Programs/Evaluations

PSNP (Ethiopia)

- Geographically Targeted at 319 food insecure districts
- Households that are food insecure for 3 months or more are eligible (community based selection process)
- >7.9 million beneficiaries
- Two modalities of transfers
 - Public Works Transfers– Households must provide work to community chosen, labor intensive projects to be eligible for food/cash transfers
 - Direct Support– For Food Insecure Households who cannot provide labor

PSNP (cont.)

- Transfers provided for six consecutive months
- Same transfer level whether public works or direct support
- Cash and Food Transfers set at level required to fill gap
 - In theory, cash/food mix set to ensure impact on local food prices is minimal

IMPACTS (Non-randomized; from Hoddinott et al., 2012)

1. PSNP increases “food security” by 1.05 months;
2. Children eat 0.15 more meals (increase from 2006-2010);
3. Livestock and productive asset holdings increase somewhat, but:
4. Government often has trouble delivering food/cash in a timely manner which mutes impacts.

Example: Old Age Pensions in South Africa

- Pension policy changed at the end of apartheid: by 1992 pensions were made same for blacks and whites
 - Subject to a proxy means test which was largely income based and meant to exclude whites with high incomes from pensions
 - Women over age 60 and men over age 65 were eligible
 - For blacks, pensions were LARGE
 - Monthly benefit=R370, when per capita income=R149

Impact: Old Age Pensions

- Duflo (2003) looks for impacts on children's nutritional status (HAZ, WHZ scores)
 - Uses age as forcing variable, comparing people in households “just” ineligible with people who are “just” eligible
- Finds girls have higher HAZ scores when grandmothers are eligible for pensions
- Finds no result for boys, no result for grandfathers who receive pensions
- Explanation?

Example: PROGRESA

- First CCT program subjected to a rigorous impact evaluation
- Evaluation took place between 1997 and 1999, then expanded
- Bono payments:
 - Health Bono paid for regular visits to health centers by family members (included nutritional supplements for under 2s)
 - Education Bono paid for School Enrollment and Attendance (85%); up to 3rd year of secondary school (increasing amounts for higher levels in school)
- Within poor communities, also targeted at poor families
- Payment size reasonably large

Impacts: PROGRESA

- PROGRESA had impacts on:
 - Educational attainment, but ONLY when children move from primary to secondary schools (Behrman, 2004)
 - Anthropometric measures among young children
 - Household diet quality
 - Household well-being, measured in per capita consumption
- BIG success due to evaluation- led to expansion of social protection throughout Latin America (though Brazil already had a program)

Example: Ecuador BDH

- Ecuador's BDH is an interesting program- supposed to be like PROGRESA, but there is a difference- conditions were **announced** but not **enforced**
- **Impacts**
 - Big positive impact on school enrollment, especially for those who thought the benefits were conditional
 - But no impact on school test scores
 - Also positive impacts on vocabulary in two year olds in households receiving transfers
- Lessons: Impacts appear to come through

Testing Conditional vs. Not Conditional Transfers

- A couple of experiments now on pilot programs in Malawi and Burkina Faso (latter, World Bank funded)
- Pilot Program in Burkina Faso finds that:
 - Conditions on health transfers increase the number of preventative health visits (not HAZ scores among children)
 - Conditional and unconditional transfers have similar impacts on boys, older children, but conditional transfers have larger impacts on enrollment among girls, younger children

Open Questions: Social Protection

- How much does the amount of the transfer matter to changing behavior?
 - Do large transfers create “better” outcomes than small transfers?
 - Technically, what is the elasticity of various outcomes with respect to the transfer amount?
- Does transfer delivery method affect results?
 - Transfers to cell phone mobile money, to bank account, etc. quite possible now- same results? Evidence from Niger but not elsewhere or versus a control group.
 - Also food transfer programs
- Does political economy influence heterogeneity of impacts?
 - Several levels of questions here.
- Program design Issues