

CCT Programs in Latin America and the Caribbean

Niky Fabiancic

Bureau for Latin America and the Caribbean, UNDP



Content

1. What are CCTs?
2. What are the main CCT programs in Latin America and the Caribbean?
3. What is the impact of CCTs in the region?
4. Discussion

What are Conditional Cash Transfer Programs (CCTs)?

- CCTs provide monetary subsidies to poor households conditional on the fulfillment of responsibilities related to children's education and health
- *Health conditions* include children's regular check-ups and vaccinations, parents' attendance to health talks, prenatal care
- *Educational requirements* incorporate enrollment, attendance to school, and in some cases, performance
- An added focus is frequently placed on girls to address gender disparities in education
- The transfer is typically handed out to the mothers of the household

What are the main CCT programs in Latin America & the Caribbean?

- Latin America constitutes the pioneer region in the world to implement CCTs with Oportunidades (formerly PROGRESA) in Mexico and Bolsa Escola in Brazil in the late 1990s
- One of the main objectives of CCTs in the region is to address inequality, aiding households to break free from poverty traps
- Today, practically all countries have CCTs in place

CCTs in Latin America and the Caribbean

| Country | Program | Years | Coverage | Budget |
|--------------------|---|--------------|--|-------------------------------------|
| Argentina | Programa Familias | 2002-present | 504,784 families, 2007 | \$853.3 million in Phase I |
| Bolivia | Juancito Pinto | 2006-present | 1.2 million children | \$30 million per year |
| Brazil | Bolsa Alimentação | 2001-2003 | 1.5 m. beneficiaries , 2003 | R\$8.3 million, 2005 |
| | Bolsa Escola | 2001-2003 | 8.2 million children, 2001 | R\$626 million |
| | Bolsa Família | 2003-present | 11.1 million families, 2006 | \$5 billion, 0.36% of GDP 2005 |
| | Programa de Eradicação do Trabalho Infantil | 1996-2006 | 3.3 million beneficiaries, 2002 | R\$535 million, 2005 |
| Chile | Chile Solidario | 2002-present | 256,000 | 0.08% of GDP, 2005 |
| | Subsidio Unitario Familiar | 1981-present | 1.2 million individuals | \$70 million in 1998 |
| Colombia | Familias en Acción | 2001-present | 1.7 m. households by 2007 | 0.2% of GDP; 2007 |
| | Subsidio Condicionada a Asistencia Escolar-Bogotá | 2005-present | 10,000 beneficiaries (pilot program) | N.a. |
| Dominican Republic | Solidaridad | 2005-present | 461,446 families, 2008 | \$124 millions 2008 |
| | Tarjeta de Asistencia Escolar | 2001-2005 | 4.1% of households, 2004 | \$5.7 million in 2004 |
| Ecuador | Bono de Desarrollo Humano | 2003-present | 40% of population, 5 million people, 2006 | \$194 million in 2005 (0.6% of GDP) |
| El Salvador | Red Solidaria | 2005-present | 89,000 households in 77 municipalities by 2008 | \$51.4 million |

| Country | Program | Years | Coverage | Budget |
|-----------|---|-------------------|--|--|
| Guatemala | Mi Familia Progresá | 2008-present | 250,000 households by end 2009 | 0.2% of GDP, 2007 |
| Honduras | Programa de Asignación Familiar | 1998-present | 240,000 households, 15% of population | \$20 million, 2008 |
| Jamaica | Program of Advancement through Health and Education | 2001-present | 300,000 people or 12% of total population, 2008 | \$245 million during FY2007/08 |
| Mexico | Oportunidades (<i>formerly PROGRESA</i>) | 1997-present | 5 million households, approx. 18% of population | \$3,181,214,484 in 2006 (0.4% of GDP) |
| Nicaragua | Atención a Crisis | 2005-2006 | 3,000 households (pilot program) | \$1.8 million, (0.1% of GDP) |
| | Red de Protección Social | 2000- | 20,000 households in phase 1; plus 16,016 in phase 2 | \$3.7 million in Phase I (0.2% of GDP) |
| Panama | Red de Oportunidades | 2006-present | Nationwide | \$160.1 million for transfers in 5 years |
| Paraguay | Tekoporã/PROPAIS II | 2005,2006-present | Tekoporã: 14,000; PROPAIS II: 5,800 | US\$9.6 million, 2007 (0.08% of GDP) |
| Peru | Juntos | 2005-present | 453,823 (June 2008) | \$100 million in 2006 (0.11% of GDP) |

Coverage

- Coverage varies according to the intended policy pursued, available budget, population size, as well as the intended policy pursued
- For instance:

Percentage of population covered

- Ecuador's BDH 40%
- Brazil's and Mexico's programs close to 20%
- Jamaica's PATH 12%

- In terms of absolute coverage:

Number of households covered

- Brazil's Bolsa Família over 11 million
- Chile Solidario program 256,000
- Nicaragua's Atención a Crisis pilot program 3,000

Target Population

- The target population also varies across countries, from specific criteria regarding age and grade, to individuals excluded from the social security system, to universal coverage
- For instance:

| Program | Target Population |
|-----------------------------------|--|
| Oportunidades, Mexico | Extremely poor households |
| Atencion a Crisis, Nicaragua | Poor households in regions affected by drought |
| Familias en Accion, Colombia | Extremely poor families with minors aged 0–6 years of age, not participating in other programs, and/or minors aged 7–17 enrolled in school |
| Programa Familias, Argentina | Beneficiaries of the Jefes y Jefas program, with two or more children, where the household head has not completed secondary school |
| Subsidio Unitario Familiar, Chile | Households that are not part of the social security system |
| Juancito Pinto, Bolivia | Universal approach: all first grade students |

What is the impact of CCTs in the region?

- Positive impact on education & health -particularly in terms of increasing use of services- as well as in reducing poverty...
 - Nicaragua's RPS increased school enrollment by 13 percentage points
 - Significant impact of Jamaica's PATH on number of preventive healthcare visits in children under 6 years of age
 - Familias en Acción reduced poverty gap in Colombia by 7 percentage points
- ...disappointing results on achievement, as pointed out by studies from UNDP's IPC-IG:
 - Beneficiaries of Oportunidades are not getting better test scores than non-beneficiaries
 - Evaluation of Bolsa Família's shows no impact on child nutrition or immunization
 - No evidence of increased immunization with Paraguay's Tekoporã

Discussion

- CCTs have been well targeted towards poor households; contributing to reduce poverty levels and increasing the use of education and health services. However, this has not necessarily meant healthier, better fed or educated children
- More attention will have to be paid to outcomes over the use of services alone; as well as to the opportunity to complement CCTs with a comprehensive social protection system
- CCTs can help weather short-term effects of shocks, as well as increase the probability of households to break free from future poverty traps, investing in children's productivity today. This is particularly important in light of the current economic crisis.

Suggested Questions

- The evidence to date proves that CCTs are successful in the rural areas, while results for the urban ones are mixed at best. Should CCT programs be redefined for the urban context?
- What are the complementary policies that would enhance the impact of CCTs on poverty reduction?
- What are the possible ways to integrate CCT programs in a more comprehensive social protection system?
- Are CCT programs the best policy instrument to respond to shocks, given that they were designed for a different purpose, namely eliminating structural poverty?

www.undp-povertycentre.org



United Nations Development Programme

International Policy Centre for Inclusive Growth (IPC-IG)

Poverty Practice, Bureau for Development Policy

Inclusive Growth

Rural & Sust. Develop.

Social Protection

South-South Learning

Advocacy