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Impacts of Social Protection

Georgia Rowe

Vientiane

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www.ausaid.gov.au

Session Objectives

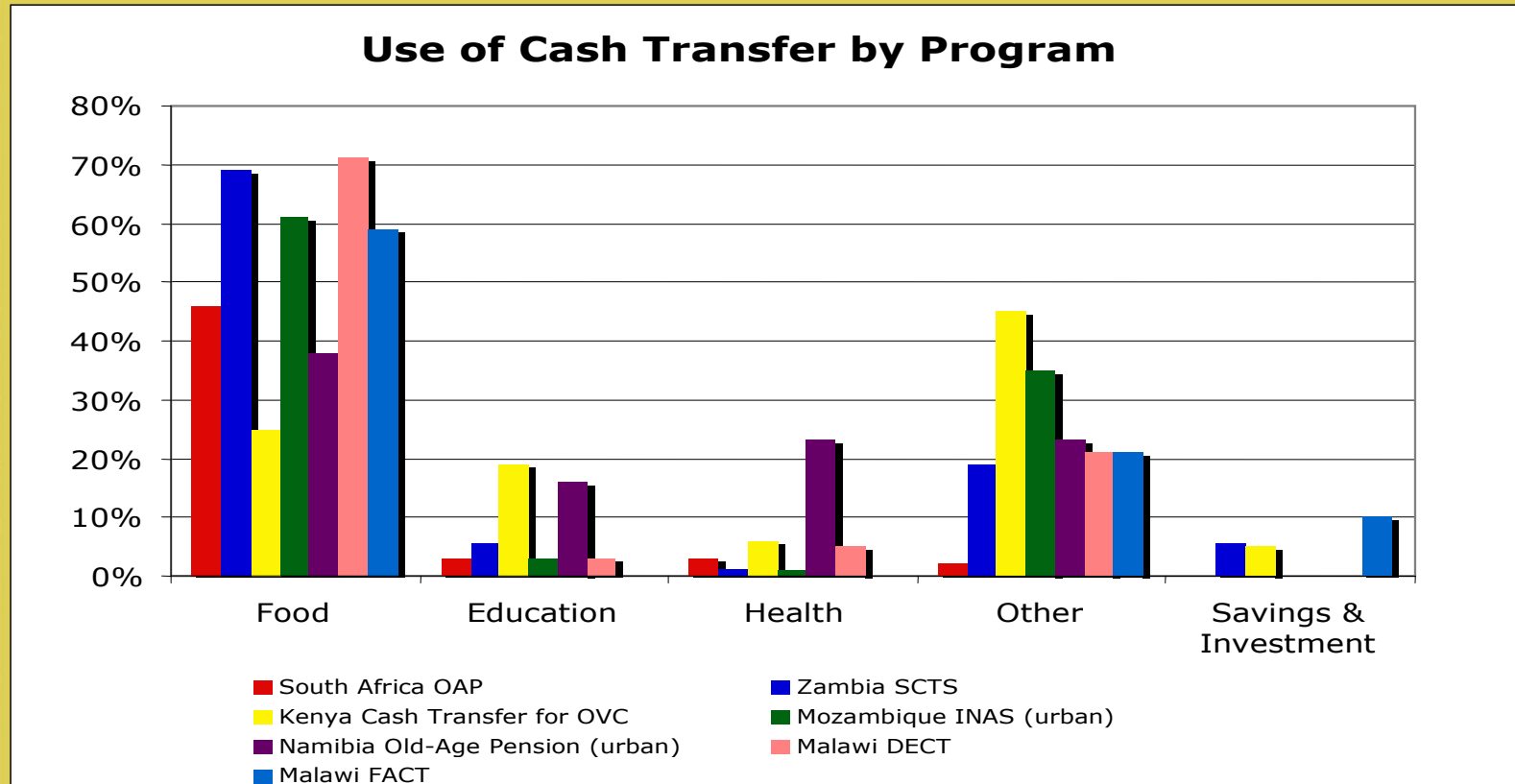
- Present an overview of the existing evidence base globally and in the region
- Contextualise evidence on impacts within the policy dialogue in Lao PDR

Session Overview

- **Presentation**
 - How do people spend their transfers?
 - Impacts on *Poverty, Inequality, Health & Nutrition, Education, Fertility, Empowerment, Dignity & Social Relations*
- **Plenary discussion**
- **‘Buzz group’ discussion**
 - To what extent would these same impacts be expected in the Laos context?
 - Which are likely to be most convincing to Lao political and technical decision-makers?

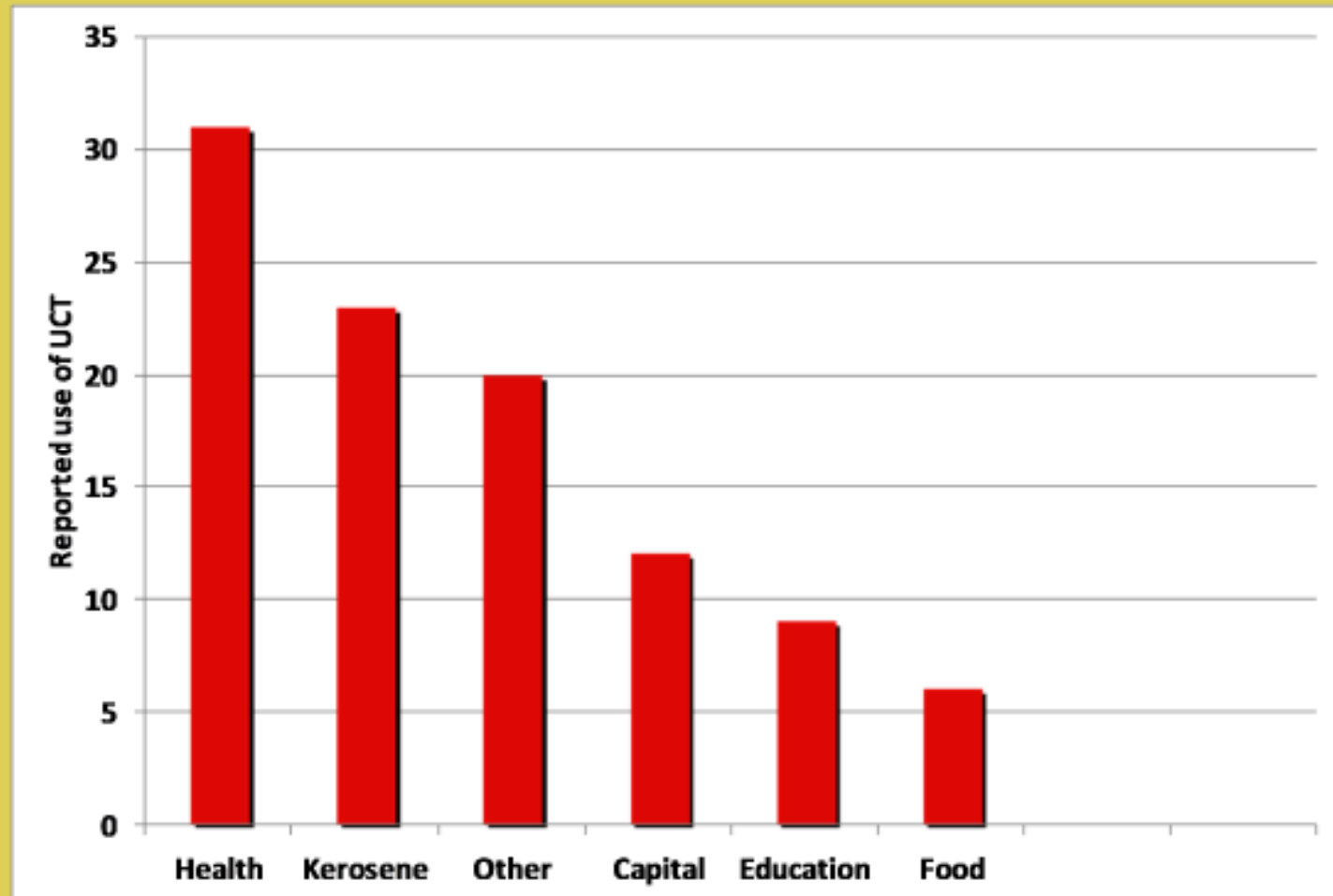
How do People Spend their Transfers?

Use of Transfers



Source: IFPRI, 2008

Indonesia Unconditional Cash Transfer



Sumarto & Bazzi, 2005

Poverty and Inequality

Impacts on Consumption Poverty

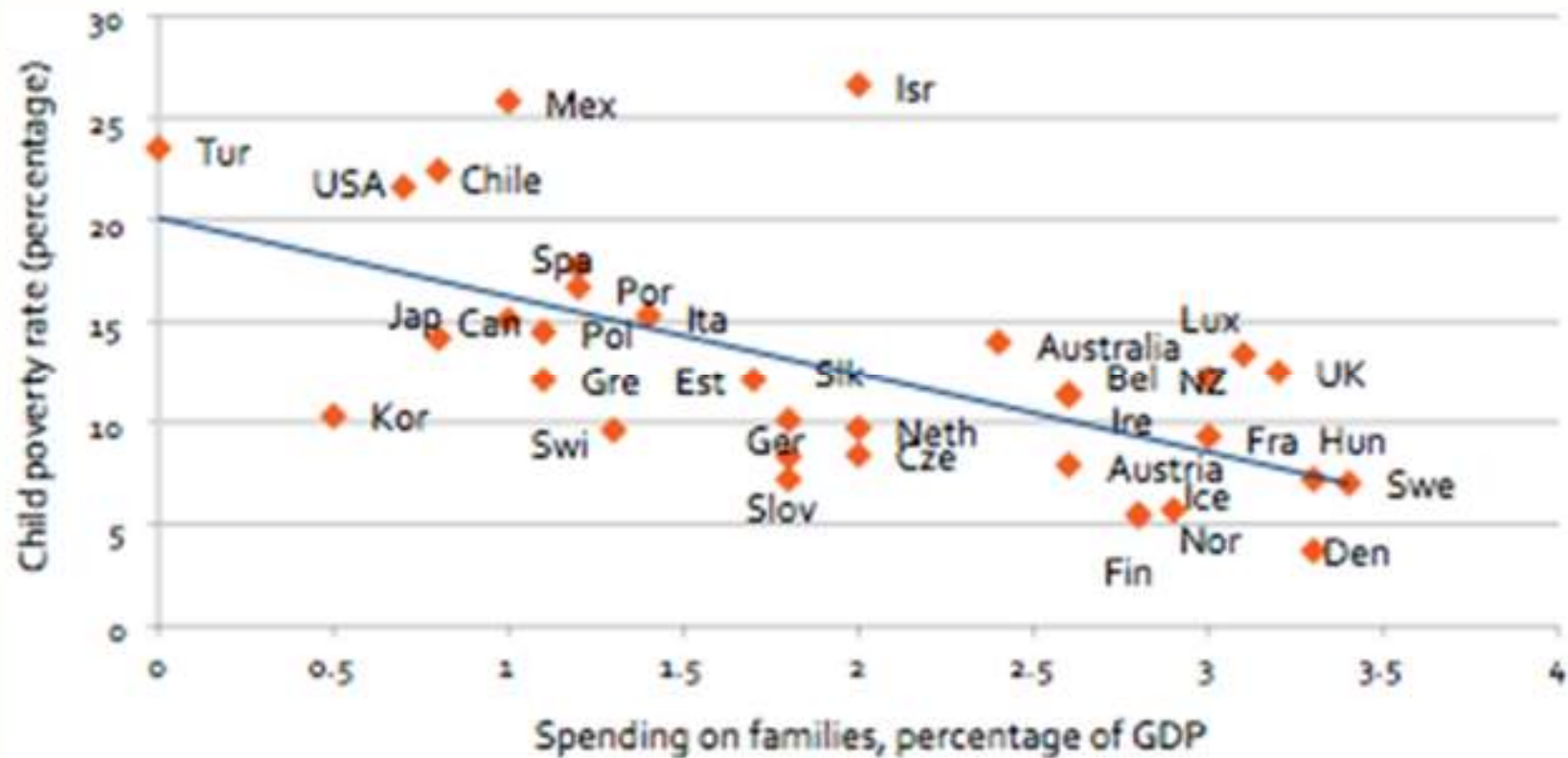
“Evidence suggests that cash transfers constitute the most direct approach to addressing extreme poverty. By directly providing income to the poor, cash transfers can raise living standards and reduce the severity of poverty” (DFID, 2011)

- Non-contributory pensions were found to reduce the probability of poverty by 18% in Brazil and 12.5% in S. Africa
- The *Oportunidades* programme in Mexico has reduced the poverty gap by approx. 20%
- The *Child Support Grant* in S. Africa has reduced the poverty gap by 47%

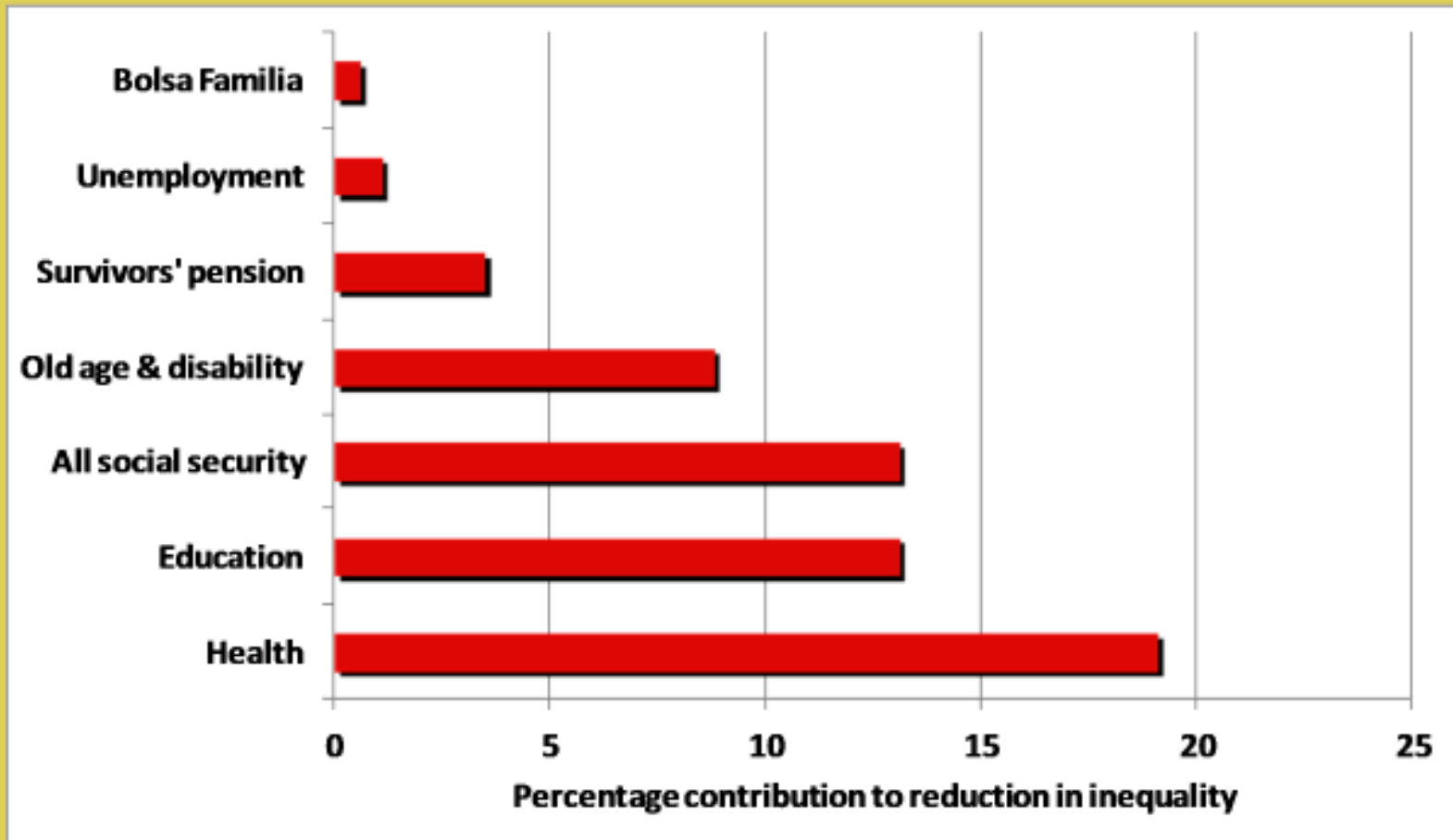
Impacts of the Thai Social Pension on Consumption Poverty

- Universal program paying monthly benefits to citizens aged 60 or older – reaches almost 6 million people.
- Initially small and targeted but expanded and made universal in 2009.
- Elderly poverty declined from 14.1% to 10.9% between 2008 and 2010.
- Social pension responsible for **72%** of the reduction in the average poverty rate amongst elderly eligible people in the years prior to the expansion of the programme and the years after expansion.
- Transfer values significantly increased in 2011 – so future evaluations likely to show greater impacts.

Relationship Between Spending on Benefits for Children and Child Poverty Rate: Developed countries

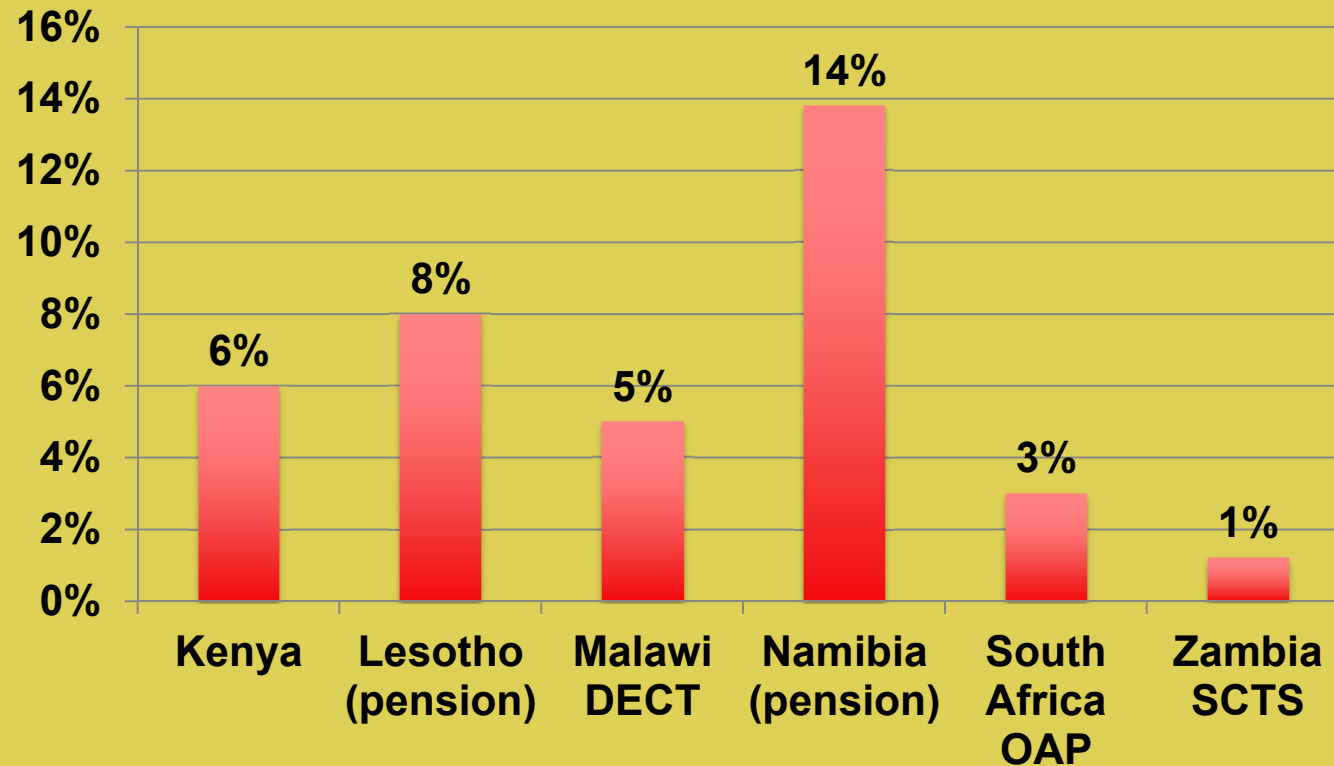


Brazil: Contribution to Reduction in Inequality



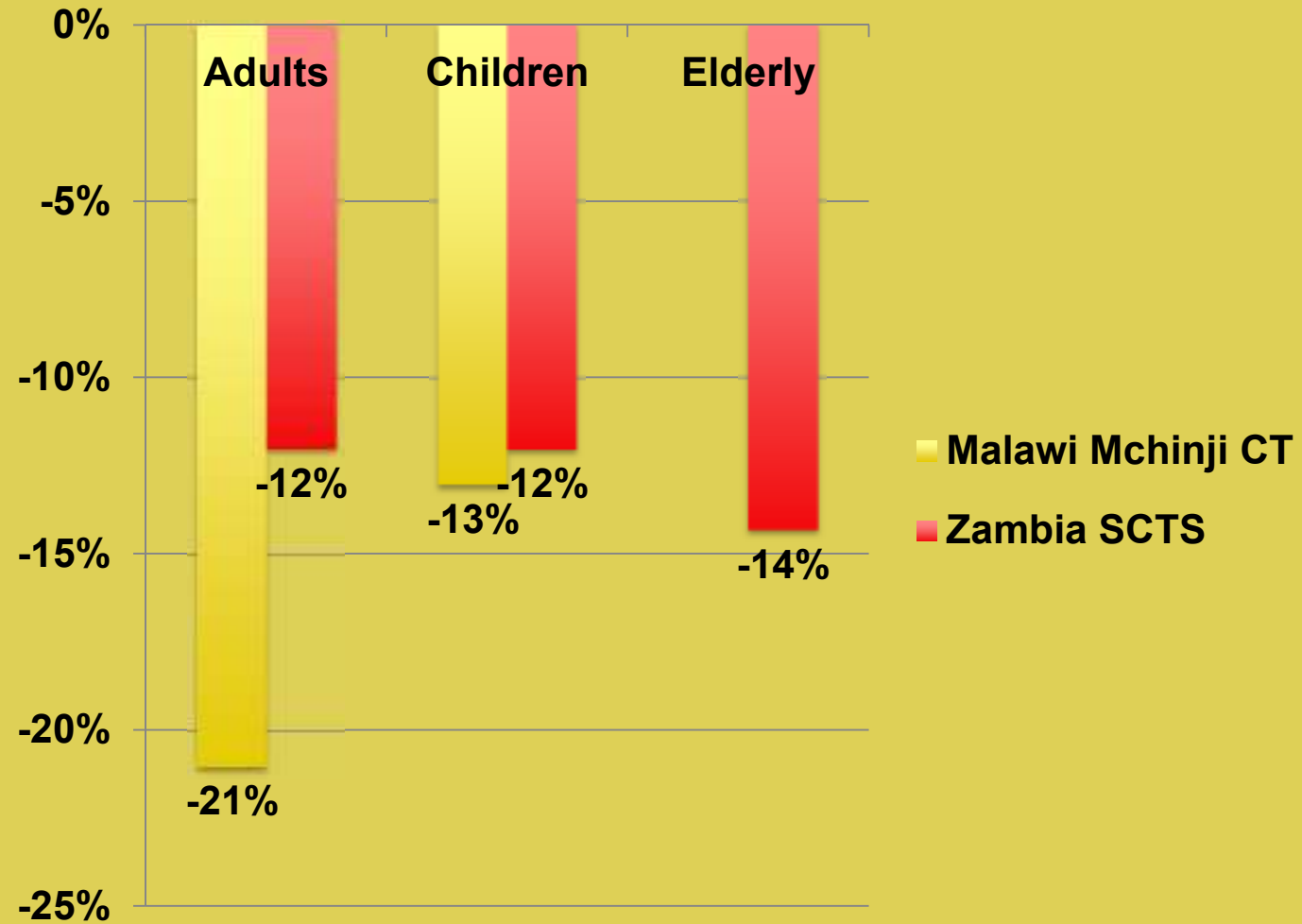
Health and Nutrition

% of Transfer going to Health Expenditures



- **Indonesia UCT:** led to increased utilization of outpatient healthcare services (Sumarto & Bazzi, 2005)

% Change in Incidence of Illness



Nutrition Impacts

Mexico

- *Oportunidades*: Women beneficiaries were found to have 127g higher birth weights compared to non-beneficiaries.

Nicaragua

- *RPS social transfer programme*: Children experienced reductions in malnutrition **1.7** times greater than national average

South Africa

- *Pension*: In families receiving S.African pension, children have 5cm greater growth on average
- *Child Grant*: children are **3.5 cm** taller after receiving grant in 2 of first 3 years.

Education

Education Impacts of Unconditional Cash Transfers

Country / Programme	Enrolment	Attendance
Ethiopia PSNP		+12% points (boys 6-10)
South Africa CSG	+8.1% points (age 6)	+25%
South Africa OAP		+20-25%
Zambia SCTS	+10.4% points (ages 5-6) +8% points (ages 14-15)	
Malawi Mchinji Cash Transfer	+5% points newly enrolled	-1.3 days absence in previous month

Source: Adato & Barrett, 2008

Fertility

Fertility Impacts: Child Support Grant, South Africa

- Only 5.3% of CSG recipients of the age group 15-19 years were young mothers, and the group as a whole accounted for only 18% of all mothers receiving grants (FFC, 2009:67)
- The no. of births per 1,000 women aged 15–19 fell from 106 to 52 between 1980–1986 & 2006–2009 respectively (Makiwane, 2010)
- This meant that there were fewer births per 1,000 teenagers when the CSG was available compared to before its introduction.

Fertility Impacts: Old Age Pensions

- Historically, state pensions have reduced fertility rates, as parents no longer need to depend on their children in old age.
- In Europe and North America, more than half the reduction in fertility rates in the past 60 years is due to the existence of state pensions (Boldrin et al. 2005).
- Once guaranteed pensions are in place, poor parents have confidence to produce fewer children, and so direct resources to offering greater care to a smaller number of children.
- In households where parents care for older people and children, the existence of a pension means that more resources can be directed towards children, including those from the pension.

Empowerment, Dignity & Social Relations

Empowerment of Women

- **Mexico:** Oportunidades increased women's decision-making role in household expenditure, financial security, self-esteem & social status.
- **Brazil:** Bolsa Familia increased women's domestic status because the income they received was regular, while the wages of other household members was uncertain. Labour market participation 16% greater than for women in non-participating households.
- **Malawi:** cash transfer to girls reduced early marriage & pregnancy, which is likely to have highly positive impacts on their empowerment.
- **Uganda:** signs that “female genital mutilation” is disappearing as result of old age pension.

Dignity of Older People

- Old age can become a struggle against dependence and indignity. Through a pension income, older people are able to engage actively in social networks, even as they become less able to work.

Uganda Senior Citizen Grant

- *“...It also brings re-union among the elderly; they will meet and socialise. The first payment was like an elders’ convention. They would ask: ‘you mean you are still alive? What about the sickness?’ This meeting means more to them than just money.”*
- *“My social relations have become stronger. Once I receive this money, my friends come and we share good moments together.*

Dignity of Older People

Brazil:

- Older people have been restored to position of leaders of communities

Pensioner in Lesotho:

- *“Before we were treated as if we were dead. Now people respect me.”*

Zambia:

- *When a villager sees one of us they shout out, ‘60 years! 60 years!’*
- *“The village is very proud of us, they call us ‘bosses’ now.”*

Strengthening Traditional Systems of Care

- **Zambia:**
 - *“If you have only dust in your hands, then friends are far; when they are full, they come closer.”*
- **Uganda**
 - *“What surprised me are the old people who had been abandoned by neighbours and their relatives. These people started coming back to reinvigorate their relationships. The grandchildren come around because they know the grandmother is cooking something and grandfathers carry some pancakes to their grandchildren.” [Uganda SCG implementer]*

Strengthening Traditional Systems of Care

Uganda

- *“Some people do ‘Koya’, a communal digging practice in which the owner of the garden gives food [but...], you must have some money for the food. The programme has helped the elderly to attract the youth through this mechanism, and this helps older people to open up land and to weed their cassava gardens.”*
- *My son has become humble because he knows he will always receive something from me on pay days.”[Uganda SCG Recipient]*

Thank you.

**Any Questions or
Comments?**

Buzz Groups

- **To what extent would these same impacts be expected in the Lao PDR context?**
- **Which are likely to be most convincing to Lao political and technical decision-makers?**