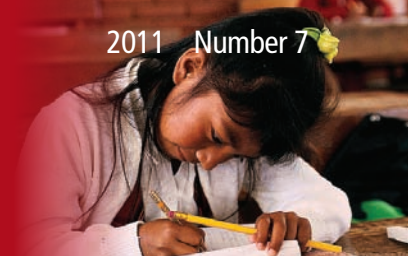




from EVIDENCE to POLICY

a note series on learning what works, from the Human Development Network



Can Targeted Assistance Help the Very Poor? 65348

Policymakers often struggle to promote improvements in the well-being of the poorest individuals and families. The challenges are many. People living in extreme poverty frequently have multiple needs that require a range of services. They also may face special psychological and social challenges that can make it difficult for them to connect with and benefit from social assistance programs. Governments that want to assist this most vulnerable group need to engage the participants, deliver the mix of services that works best for each family, and know what incentives help people successfully utilize available programs.

At the World Bank, we are committed to helping countries eradicate extreme poverty and alleviate hunger, the first of the eight United Nations Millennium Development Goals. To help policymakers and development experts design programs that successfully address the range of prob-

lems that keep people poor, the World Bank supported an evaluation of Chile's targeted extreme poverty reduction program, *Chile Solidario*. The program, which twins regular visits from social workers with a reorganization of programs to increase access, make them more relevant to the needs of poor households, and better meet demand, has resulted in increased take-up of subsidies for the indigent. It also has raised enrollment in housing and employment programs, among other services. Overall, people who participated in *Chile Solidario* show gains in living standards, including more stable housing and, for some groups of participants, more stable work and increased income. Chile's program offers some important examples of the uses of, among other things, concerted and regular social worker visits. But more work still needs to be done analyzing what works best to target all of the very poor.

Case Study Chile

Researchers set out to study the effectiveness of *Chile Solidario*, a targeted social welfare program designed to reach, in its first phase, the country's 225,000 families living in extreme poverty. Rolled out in 2002 and fully phased in by 2005, the program combines cash transfers and other assistance programs with regular visits by social workers. Families get priority access to employment, education and other social programs, including housing improvements, and special programs for children, among others. Families are also guaranteed the cash subsidies available to poor families for which they are eligible, such as child allowances. Previously if funding was not adequate, eligible families might be put

on a "waiting list." Social workers help families navigate the system to access benefits and social services and families prepare and sign personal plans, called "contracts," to identify strategies and actions to improve their living conditions. In addition to the cash benefits mentioned above, enrolled families also receive regular and relatively small cash transfers (decreasing over time) to compensate them for their efforts.

To analyze the impact of the program, researchers compared families just above the cut-off point for eligibility, with those just below. By employing this method, called regression discontinuity design, researchers could attribute differences in use of assistance programs, in employment and in income, among other measurements, to participation in the program. The evaluation combined information from administrative records used by the government to identify people eligible for social programs, with survey data collected specifically for the evaluation. The survey data was used for more detailed and in-depth measurements of psychological outcomes and income. The evaluation focused on those people who joined the program between the launch and nationwide implementation in 2005.

Did You Know...

A 2009 national survey found that 3.7 percent of Chile's population, or about 630,000 people, were living in extreme poverty (World Bank defines that as living on less than \$1.25 a day)

Still, according to Chile's own CASEN study in 2009, there were 634,000 Chilean—or 3.7 percent of the population—living in extreme poverty. Extreme poverty was defined as living on less than about \$2.00/day in urban areas, and less than \$1.50/day in rural areas.

The Findings

Among families participating in the program, there was increased take-up of government subsidies for the very poor.

The program resulted in more people accessing government subsidy programs to help stabilize and raise living conditions for the very poor, ranging from an increase of two percent to 20 percent, depending on the specific subsidy and how long the family had been in the program. Available subsidies included those for families with children under the age of 18, for the elderly, for disabled family members, for people with mental disabilities and to help families cover the costs of water consumption. The biggest impact in terms of take-up of these subsidies was among families who lived in municipalities with a good network of social services, who were working with a social worker with a relatively low caseload and who had a male head of household.

The program also raised enrollment in employment training and other jobs programs...

The people registered for *Chile Solidario* often had few of the skills needed to get a job and a poor vision of their own abilities. Women, in particular, had little or no experience in the labor market, further hampering their chances of finding work. The program helped direct and ensure places for participants in training and self-employment programs. Similar to the increased take-up in available subsidies, the program led to greater enrollment in programs designed to help people find and hold jobs.

...but there was not always an increase in employment or income.

Most male heads of households were already working when the program was started so there was limited room for improvement. Nonetheless, among those aged 51-65, there was a positive effect on employment, mainly linked to more stable jobs. Participants in this age group had a two percent to three percent increase in the likelihood that they would have a job with a labor contract.

Among women who headed households, there was no discernable effect on employment, despite the fact that most of these women were not working when the program was started. Female-headed households may be harder to reach because they have less work experience, and the experience they do have is intermittent, coupled with more poorly developed skills and greater child-care responsibilities.

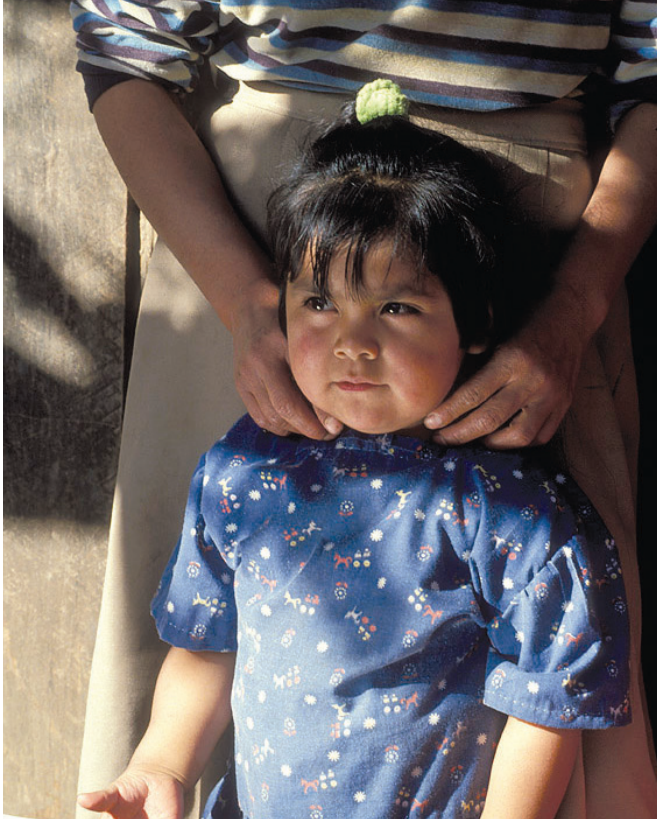
"We have set the goal of achieving a 'Chile free from misery...'

—Ricardo Lagos, then President of Chile, speaking at launch of *Chile Solidario* in 2002.

The biggest impact on employment and income was registered among spouses of heads of households.

For spouses who took advantage of the jobs services, which included training, there was a corresponding increase in employment, or in increased income from employment. The increase in take-up of the jobs services was about four to six percent, compared with similar families not enrolled in *Chile Solidario*. (About 20 percent of spouses were employed before the program began.) This impact did translate into a small but

This note is adapted from "The Impact of Providing Psycho-Social Support to Indigent Families and Increasing their Access to Social Services: Evaluating *Chile Solidario*," by Pedro Carneiro, Emanuela Galasso, and Rita Ginja. The evaluation and the Policy Note were supported by the Spanish Impact Evaluation Fund (SIEF).



important boost in higher total household income. The impact was greater in rural areas and, similar to the increased take-up of subsidies, was seen mainly among families served by a social worker with a low caseload.

The program takes a comprehensive approach to the problems faced by the very poor, making sure enrolled families have access to a range of assistance programs, from social worker visits to subsidy programs. Families are also made active players in working to better their situations.

Families work directly with their appointed social worker to identify and prioritize principle problems and develop a strategy for overcoming them. Social workers explain what programs are available, who qualifies and how exactly these services can be accessed. Families commit to working to meet certain improvement goals—such as in family dynamics, education, health and housing—and sign personal plans with the social worker. The ‘contract’ commits the government to providing services and commits the families to use these opportunities to help overcome the difficulties they have identified.

Overall, on average families that benefited the most from the program—in terms of take-up of services—had been paired with social workers with low caseloads.

An innovative aspect of the Chilean program is the concerted use of social workers to help families navigate the system of social assistance programs and develop goals. In addition to helping families identify what their priorities are for improving their living conditions, they also provide active encouragement to the families, which can boost self-confidence and optimism.

Although the effect of using social workers cannot be separated from the effect of the social assistance programs, results suggest that the quality of the social worker can help explain some of the substantial variation in the overall program’s impact on households. Future work by the researchers will explore the more in-depth aspects of the interplay between the involvement of social workers and the take-up of services.

The Chilean program also led to increased use of housing programs and home ownership

Families had better access to municipal programs designed to help them protect their homes from rain and cold. In the longer-term, there was an improvement in access to adequate sewage systems and to legalizing their housing situations. For families in the program, there was a 3.5 percent to 7 percent increase in the rate of home ownership or rental of the house in which they live, instead of squatting or staying for free somewhere, compared with families not in the program. This is important because housing conditions, like employment, was a key problem for participating families and something families said they wanted improvement.

Percentage of People in Chile Living in Poverty

| | |
|------|-------|
| 1998 | 21.6% |
| 2000 | 20.2% |
| 2003 | 18.7% |
| 2006 | 13.7% |
| 2009 | 15.1% |

Source: World Bank

In terms of the program leading to improvement in psychological and social well-being, the results are harder to pin down.

How people perceive the impact of the program is very dependent on how the survey questions are framed. It is clear that people in the program are more optimistic about their future, in line with the program's goal of working with households to develop a future life plan. While there were some mild positive effects on self-esteem, there also was a negative impact in perceived social support and psychosocial distress. The analysis uncovered some weaknesses in the tests used, making it clear that more work needs to be done in how psychological and social effects are measured.

But one thing that was clear, younger families that participated in the program were less likely to break apart.

The stability, as reflected in maintaining the same head of household, may be due to the effect of families' work to improve communications and relationships with the support of the appointed social worker. The social worker works with family members to improve communication and settle conflicts, among other things. In some cases, special programs and training are also available to help families improve how they relate and interact with one another.

Conclusion Making policy from evidence

The households targeted had not previously taken advantage of available social programs, despite qualifying for them. The research suggests that social workers were key in helping these families bridge this gap, and that pairing active social worker involvement with an existing good supply of social programs to which families have "guaranteed access" can help increase the use of programs and subsidies by families in extreme poverty. Even then, there appeared to be stubborn pockets of poverty where the assistance did not help: especially in increased employment or income for female heads of household, an already very vulnerable population.

Nonetheless, as governments and aid organizations continue to exert efforts to focus on the very poor, Chile's program is a useful example of the range of issues that need to be addressed in trying to reach people who live in extreme poverty. From helping families access the services to which they are entitled, to focusing on the psychological and social issues that act as another barrier, the Chilean program provides an example of the broad approach governments may need to consider in their efforts to reduce extreme poverty.

The Human Development Network, part of the World Bank Group, supports and disseminates research evaluating the impact of development projects to help alleviate poverty. **The goal is to collect and build empirical evidence that can help governments and development organizations design and implement the most appropriate and effective policies for better educational, health and job opportunities for people in developing countries.** For more information about who we are and what we do, go to: <http://www.worldbank.org/hdchieconomist>

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