PANEL # 1: What we do to eradicate poverty.

Purpose and dynamic

Country delegations will choose a panelist to present the main conditional cash transfer programs (CCT), or social protection programs implemented by their governments. Key questions: What actions are taking place to eradicate poverty in the country? How do poor people gain their living? What are the most representative poverty alleviation programs? In which implementation phase are these programs? Panelists will establish a common ground regarding different public policies and programs to tackle extreme poverty and vulnerability in each country.

Participants:

1. Florencia Villalba (Paraguay)
2. Philip Mathiew (India)
3. Rogelio Grados (Mexico)

1. FLORENCIA VILLALBA (PARAGUAY):

Paraguay’s Social Policy stated with the 2030 National Development Plan. It presents the central government’s proposal to create a country with equal opportunities for all. This is a strategic document that defines the actions to be implemented by different government levels and for all the stakeholders. The Technical Secretariat of the Social Development Plan is the body in charge of the poverty alleviation program. This body coordinates local, state and central governments as well as NGOs and Civil Society.

Within the last 15 years Paraguay has managed to reduce poverty. To the date, 22.2% of the population is poor: of these, 10% are extreme poor, 71.8% living in rural areas. Currently 687,000 people in the country cannot afford the basic food basket.
“Sembrando Oportunidades” is the national strategy to fight poverty. Its goal is to raise the income of poor families and allow them to access basic services. The program differentiates between households with and without farming skills.

The main components of the program are:

- Targeting
- Productive inclusion
- Consumption support
- Better coordination within the public offer of services
- Technical training
- Handholding for families
- Territorial focus and infrastructure
- Effective supervision
- Inter-institutional coordination (public and private actors)

In this context the “Mesa de Sembrando Oportunidades” was created: an inter-institutional coordination board that gathers public and private actors involved.

As for the CCT in Paraguay, they began in 2000 under the jurisdiction of the Social Action Secretariat. Paraguay has three CCTs:

1) “Abrazos”: targeted to attend children and adolescents

2) “Tecomuná”: this program’s purpose is to break intergenerational poverty cycle through monetary transfer and human capital investments.

3) “Adultos mayores”. Since 2009, poor elder people get a monetary transfer.

These three programs are addressed to poor and vulnerable families. Each program has its own targeting methodology. There are other programs:
“Programa Familia x Familia”: jointly implemented by Fundación Capital, the Agencia Española de Cooperación Internacional, and the government of Paraguay. The program includes financial inclusion and capacity-building components. It offers a basket of public goods and services for extreme poverty families. The program aims to help families break the poverty cycle. It promotes the organization of support groups along with the aid of social workers that offer workshops and motivational meetings.

“Programa PCSAN”: this program includes a graduation approach. It does not offer seed capital for families. It offers seeds for self-consumption particularly for the indigenous families. There are 3000 beneficiary families today. The program is implemented with the support of Trickle Up. There are savings groups, using Guatemala’s experience as a reference. One key element of the program has been the participation of indigenous social workers.

What are the main outcomes? What are the main lessons of Familia x Familias (pilot program)?

There has been an increase in many families’ human capital and their resilience capacities. We are currently creating new measurements.

Accountability: this has been a major concern, with the use of ICTs and other mechanisms such as the “Ficha Social”, a format that collects data from families, we have managed to attend to the most vulnerable families and monitor the use of resources.

Use of technology: this has been useful for capacity building and also for monitoring families. We use tablets to train families in daily life skills and to educate them about finance and entrepreneurship.

Another lesson is the adaptation to guarani language and traditions. We have also learned that technology cannot replace human contact and handholding. This is done with the aid of the social workers that come from those same communities, who act as intermediaries with the government.

The outcome is that women develop their self-esteem and their capacity to socialize with other people, and learn about the production of animals. They have learned to value themselves and have become aware of their capacity to achieve goals. This generates a revolution within families that traditionally have been left behind.
For these families, the fact of receiving seed capital in cash represents a factor of dignity. These resources are allocated according to a plan. Every participant has a bank account and a debit card.

In conclusion: this project has produced positive externalities among beneficiaries, social workers and society as a whole. There is a sense of certainty that we are following the right path, and we have noticed a change of attitudes where families are generating their own progress. This is a change of paradigm in public policy in Paraguay.

2. PHILIP MATHEW (INDIA):

Fighting poverty. The Indian approach. The purpose of the program is financial support and guarantying the respect of the rights of the population. It aims to include all rural households: this is a target population of 88.5 million families. It offers long-term handholding to overcome poverty. The goal is that beneficiaries live with dignity and be self-sufficiently.

To date, there are 44 million households organized in 3.37 million savings support groups. Each group has 5 to 10 members. We work also with 150,000 best practitioners from the communities. There is a specific budget for this program.

Some of the components of the program include: savings groups, housing, health, education, government support, sanitation (a major challenge), animals, social security, capacity building, transport (another major challenge in the rural areas), credit.

How to accomplish all this? We are currently in the process of creating institutions. Organizations within the communities. These community organizations are then grouped in clusters to build a bigger network. We aim to generate a dynamic circle with the provision of services, community participation and governance. We aim to foster agency for women and children.

The main components of the program are:

1. Saturation approach.

3. Long-term handholding and coaching for families (6 to 5 years).

4. Capacity building

5. Financial services for the poor

6. Diversified and sustainable livelihoods for the poor

The program has a social inclusion approach, which refers to the inclusion of the most vulnerable groups, for example elder and disabled people.

Some recommendations: regarding targeting, we must include the poorer of the poor. Continuous handholding. To include in the planning process community participation and convergence. To privilege bottom-up approach.

Some challenges: the acceptance Community-Based Organizations (CBOs), building sustainable institutions, getting funding from banks and finding an equilibrium between market trends at the families’ conditions.

3. ROGELIO GRADOS (PROSPERA-MEXICO):

It is important to start with the definition of poverty. So, what does it mean to be poor in Mexico? In 2010, the Consejo Nacional de Evaluación de la Política Social (CONEVAL), a government body created in 2007, developed the official methodology to measure poverty. In the past, there were three income levels that defined poverty. Today, poverty is measured from a multidimensional perspective considering 6 social needs. So nowadays we measure not only income or the capacity of families to afford a basic food basket but also those 6 social needs. Therefore, we have the following poverty levels: a) extreme poverty, b) moderated poverty, c) vulnerable with needs d) income vulnerability, e) neither poor nor vulnerable. The goal is to lead the population to the last level.

PROSPERA is targeted to those below the minimal wellbeing level. This is the main inclusion criteria.
The **permanence criteria** is defined by the income level, which must not exceed the minimal threshold to remain a beneficiary of the program. Once families exceed this level, they stop being eligible.

PROSPERA was launched in 1997 considering the structural poverty notion. The main idea behind this approach was to deal with intergenerational poverty that was a result of low levels of human capital. The purpose was to foster human capital accumulation for the next generations. It was not focused on today’s poverty but in the future of families. The argument was that the market should encourage families to invest in human capital, which would lead them out of poverty.

Since its arrival in 2012, the current federal administration, has considered that on one hand the previous approach (focus on human capital) had been showing acceptable outcomes, but on the other hand, there was also room for improvement. Human capital investments were not producing better incomes or more participation in productive activities for households. This forced us to reflect: should we keep blaming poverty solely on contextual or structural issues?

The proposed solution was the **PROSPERA program**. The objective was to maintain the human capital investments, but in addition, to establish linkages with programs of other public bodies of the federal administration, particularly those related to labor market inclusion or productive activities. We identified that there were a variety of programs implemented by other public bodies not only within the federal government but also on the state and municipal level.

So, in conclusion, today we are still working in social capital investment, but with the introduction of PROSPERA we are adding inter-institutional coordination (financial, productive, labor inclusions).

**What is the basic scheme of the program?**

a) **Education**: This is still the key component of the program. It is a scholarship scheme addressed to the children of the families. Since 2015, there are also scholarships for higher education. Previously financial support finished after High School.

b) **Health**: there is a package of basic preventive services.

c) **Nutrition**: families receive a cash transfer, which supports their consumption. This is a fixed amount to guarantee a minimum income level. This does not change depending on the number of family members and is conditioned in exchange of some tasks that families must cooperate with.
What is new with PROSPERA?

The institutional coordination component: there are 4 schemes. Productive inclusion, labor market inclusion, social inclusion and financial inclusion.

Not all families are eligible for all the schemes: it depends on the needs of the household. We are currently in the process of having conversations with other government bodies. It is within this context that we consider there is room to implement a graduation model or graduation models in plural.

PROSPERA coverage is 100% of the territory, 25% of PROSPERA beneficiaries are indigenous, 60% rural and 40% urban. There are a great variety of profiles and needs, that would, consequently, require different graduation models.

We have a comprehensive database that keeps a continuous data collection from the families that monitors for example the educational performance. With this information we can analyze our beneficiaries as households and as individuals. This database could be used to identify specific needs and to design cost-effective interventions.

In few words, what we are doing now is transferring income to families to reduce poverty while dealing with the 6 social needs through the coordination with other agencies. As for social security, in Mexico, it is related to labor market and that is how it should be addressed.

Q & A OF PANEL # 1

PARAGUAY, ANSWER: Social Policy is centralized, local governments does not have the resources to take action. Municipal and State level government access aid schemes through agreements with different central institutions. There have been coordination efforts. An example of this is the Mesa Intersectorial that I mentioned when I presented Sembrando Oportunidades program. Weekly, this board brings together 28 institutions. Traditionally inter-institutional collaboration has been a big change in Paraguay: sharing resources, exchanging experiences, we also observe jealousy among institutions.

KATHERINE MCKEE – WOLD BANK (Question): I would like you to elaborate on successful experiences incorporating the extreme poor to value chains in your countries.
PARAGUAY, ANSWER: this is the biggest challenge we have, and are still struggling with it. There is a Public-Private Counsel where important private sector actors are involved that can help us get there. There have been some attempts. For example, we managed to set a scheme that allows families to sell their products in events coordinated by the local authorities.

MEXICO, ANSWER: we have mixed experiences. The principal challenge we identified in the productive inclusion scheme is precisely the incorporation to value chains. And to accomplish this goal we need to deal with hard and especially soft skills training. We realize we are trying to lead them through an ecosystem (the market) that remains unknown for them. Entrepreneurship is not a straight line. The beneficiaries must understand what it means to take part in markets and to generate value. Our typical beneficiaries are undereducated. They are willing to get involved but they lack skills. They must learn about management, to be proactive. These aspects are more difficult to tackle.

INDIA, ANSWER: we are talking about the poorer of the poor. In our case we are currently designing interventions. Kerala region is one example. We have an extremely decentralized system. We must also consider the fact that most of farmers own a small and limited surface of land. There are also, connectivity, infrastructure and transport challenges to move merchandises from the countryside to the cities. So, how to create better technology to reduce transaction costs, to produce better to make things easier for small-scale producers? This remains a big challenge. Another is the competition with the big players that produce in large volumes.