

"The Impact of Psycho-Social Support and Social Services on Poor Families: Evaluating Chile Solidario"

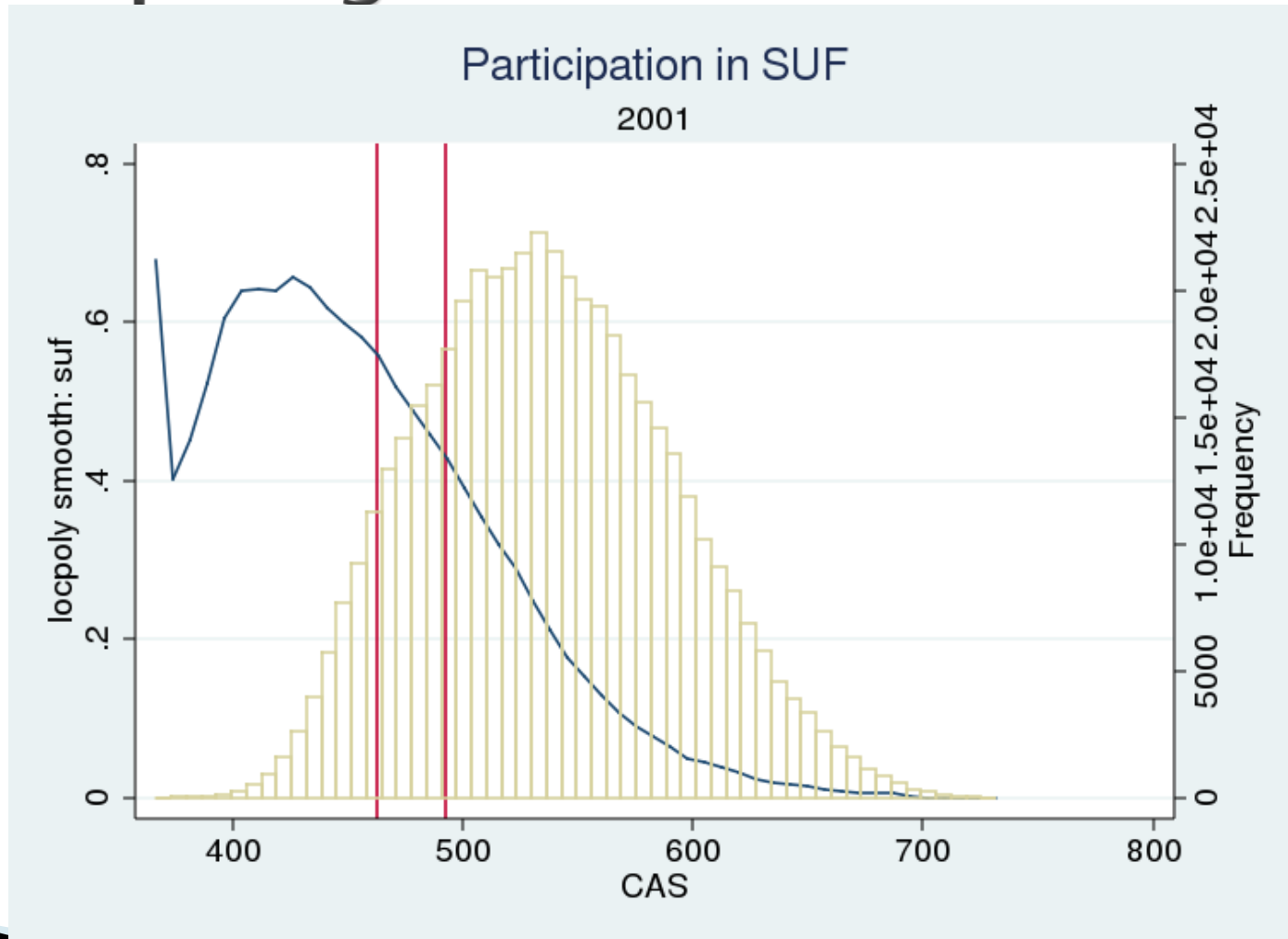
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Employment Support Policies
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What is Chile Solidario (CS)

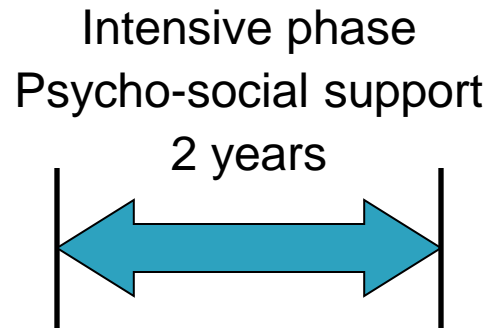
- Social protection program targeted to the *extreme poor/vulnerable*.
 - Scaled up a pilot program (Puente) nationally. (bottom 5%: 225,000 beneficiary households 2002–2005, became law in 2004)
 - Integral approach to social exclusion focused on both demand and supply side of social services
- ▶ Approach inspired adaptations in Colombia (*Juntos, Medellin*), Mexico (*Contigo vamos*), now Brazil (*Brasil sem Miseria*), Peru –Lima (*Estrategia Igualdad*)

Motivation diagnostics: takeup targeted SA



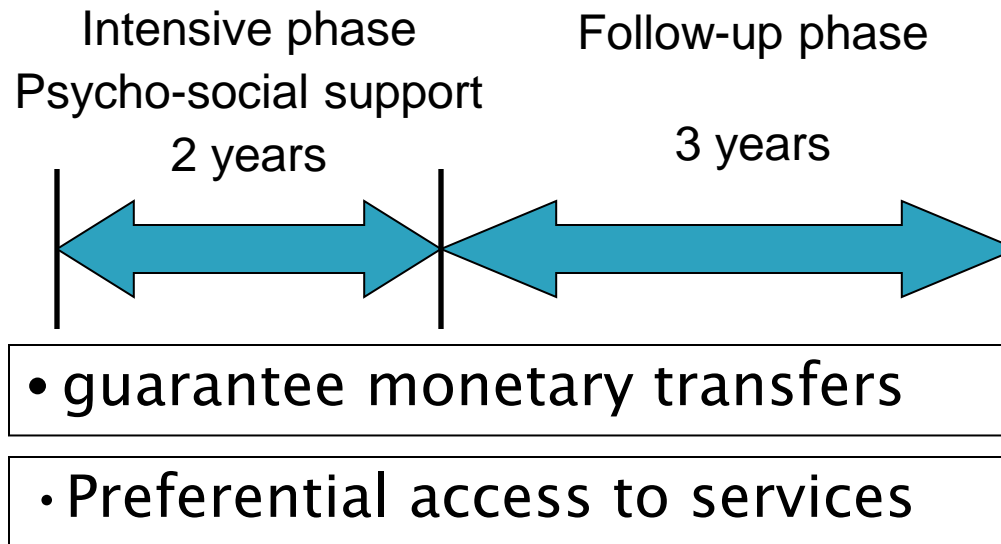
Note: Only families eligible for SUF are considered (heads 20-50 years old). The first vertical line corresponds to the 5th percentile of 2000-CAS distribution (462), The second vertical line corresponds to the 15th percentile of 2000-CAS.

2. Demand side: (i) tailored outreach psychosocial support



- Social worker visits regularly the participating families at their place:
 - social workers visiting families at home for 2 years, decreasing contact.
 - Jointly identify structural constraints along different dimensions of well-being operationalized in minimum conditions (identification, family dynamics, education, health, housing, employment, income)
 - “Active”: households sign *partial contracts* with the social workers (*compromisos específicos*) identifying conditions with highest priority

Demand side: (i) short term assistance (ii) medium term promotion



- (i) elicit demand of social assistance/transfer programs to which participating households are already eligible to
 - Small cash transfer, tapered over time
- (ii) Preferential access and promotion of social programmes to increase skills/endowments: housing assistance, skills development, employment programs.

Supply side:

- ▶ Reorientation of existing supply
 - Reach out and identify households in needs rather than responding passively to demand by applicants
 - Allow coordination of the local services: existence/availability
- ▶ Creation new 'tailored' programs:
 - Supply side response activated after 2004 (relevant for employment and housing)

Evaluation questions

- ▶ Complex program: bundle
- ▶ Effectiveness of the program relative to its first order objective: bridge the demand gap for social services
 - Take-up of social transfers and services
 - mechanisms
- ▶ Medium-longer term effects: sustained effects on more final outcomes?
 - Housing and employment self-reported as the key welfare dimensions to exit poverty in the long run

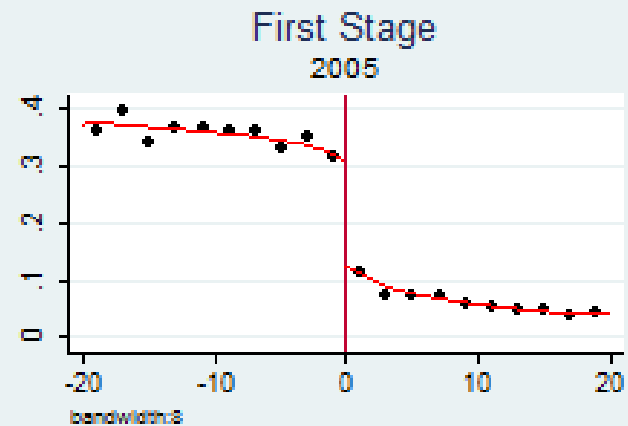
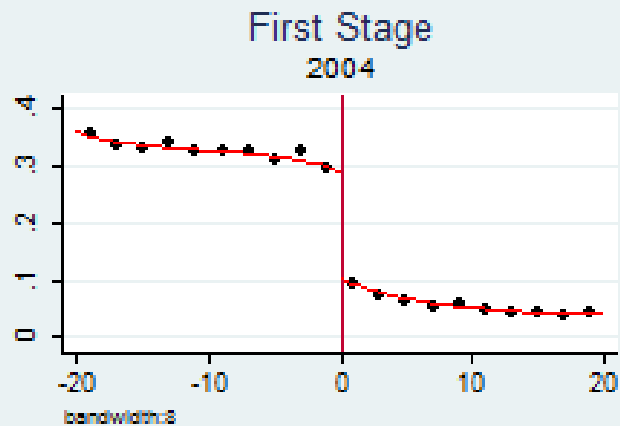
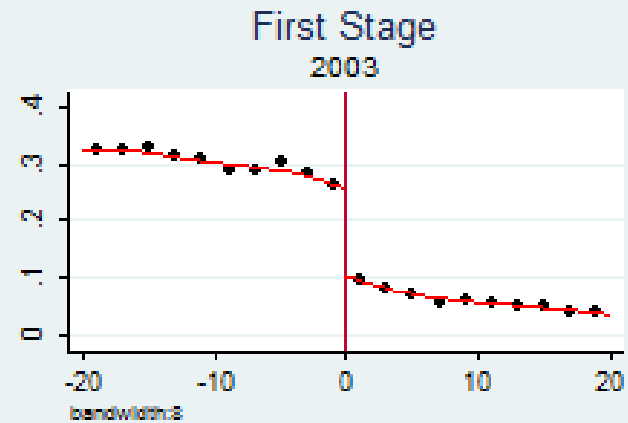
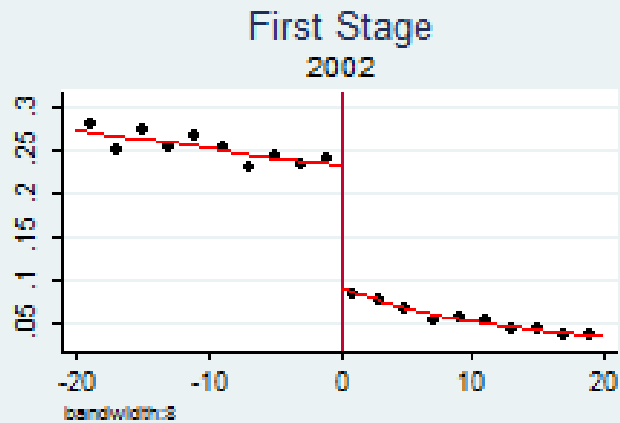
Data

- ▶ Panel of admin. records proxy means: Ficha CAS and FPS 2000–2009
 - Family composition, age and education of each member; geographic location
 - Access to subsidies
 - Employment, housing
- ▶ Administrative data from CS (identity participants via unique ID)
- ▶ Can complement with administrative data on social workers, caseloads, and participation on training/employment programs
- ▶ Survey data: panel 2003–2007, beneficiaries/non beneficiaries
 - Non representative sample, larger set outcomes

Identification: regression discontinuity design

- ▶ Best possible non-experimental evaluation design
 - Eligibility: proxy means score $<$ cutoff
 - Compare families just below and above cutoff
- ▶ Gradual roll-out program: effective (\neq official) cutoffs not observed (Chay et al, 2005) vary with municipality and time
- ▶ Overcome standard limitations:
 - Sample size: admin. data – large sample.
 - local effect: Multiple discontinuities

Entry by cohort/year



Take-up of social assistance

- ▶ CS reducing cost to take-up
- ▶ direct effects of participation are large- e.g. 8.5% take-up of child subsidy
- ▶ Works through those who were previously not connected to the welfare system (ex 15% for those previously disconnected)
- ▶ Effect is long lasting (up to 4 years after entry): acting on permanent barriers
- ▶ Take-up still <100%: awareness is important but not only limiting factor, role of psychic cost

Profile target population

	CAS population 2002		Eligible to CS Sample [-20,20]	
	mean	st.dev	mean	st.dev
CAS score	546.8	(55.6)	472.3	(21.5)
head employed	0.80	(0.40)	0.77	(0.42)
spouse employed	0.22	(0.41)	0.13	(0.33)
% adults 18-64 employed	0.52	(0.09)	0.52	(0.19)
female headed	0.31	(0.46)	0.33	(0.47)
years education head - female	7.82	(3.82)	5.15	(3.21)
years education head - male	7.99	(3.59)	5.16	(2.97)
Rural	0.17	(0.38)	0.36	(0.48)

Promotion/Activation: role supply side of employment programs

▶ Pre-existing programs

1. Job placement:

- wage subsidies

2. Self-employment

- Training/technical assistance+ financing productive inputs

3. Education completion/employability

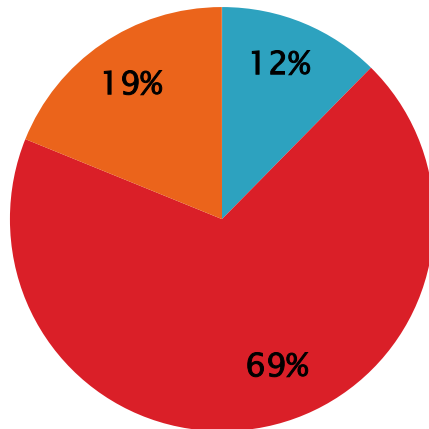
▶ Supply side response

- Self-employment catered only to CS beneficiaries
- Variants of existing programs to tailor target pop. (e.g. employability/education completion, complementary child care services)
- Geographic targeting increasingly based on potential demand

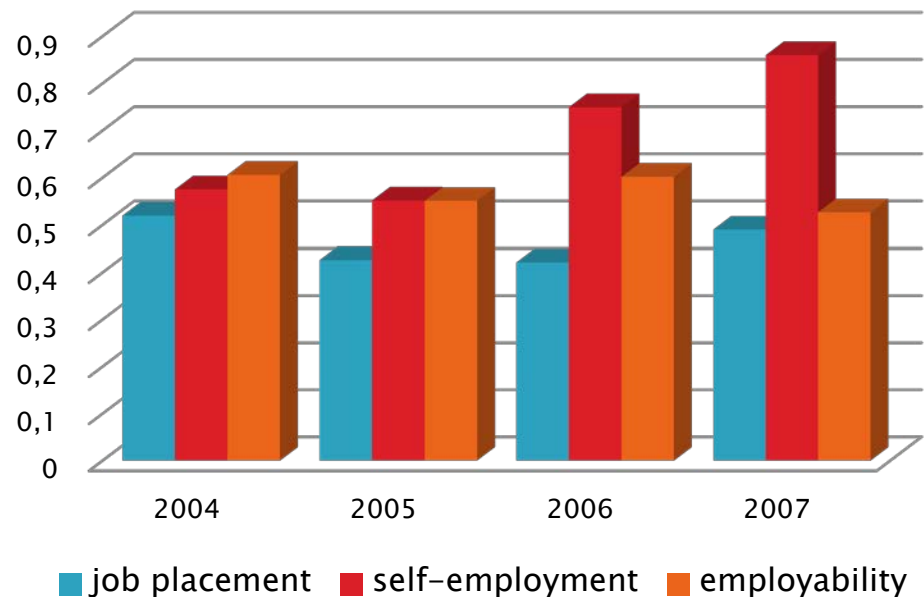
Type of employment programs:

Program type (2005/6)

■ job placement ■ self-employment ■ employability



Share of CS participants



- self-employment programs take the lion share
- increasingly targeted exclusively to CS
- share of females [90%] female heads and spouses

Medium–long term results

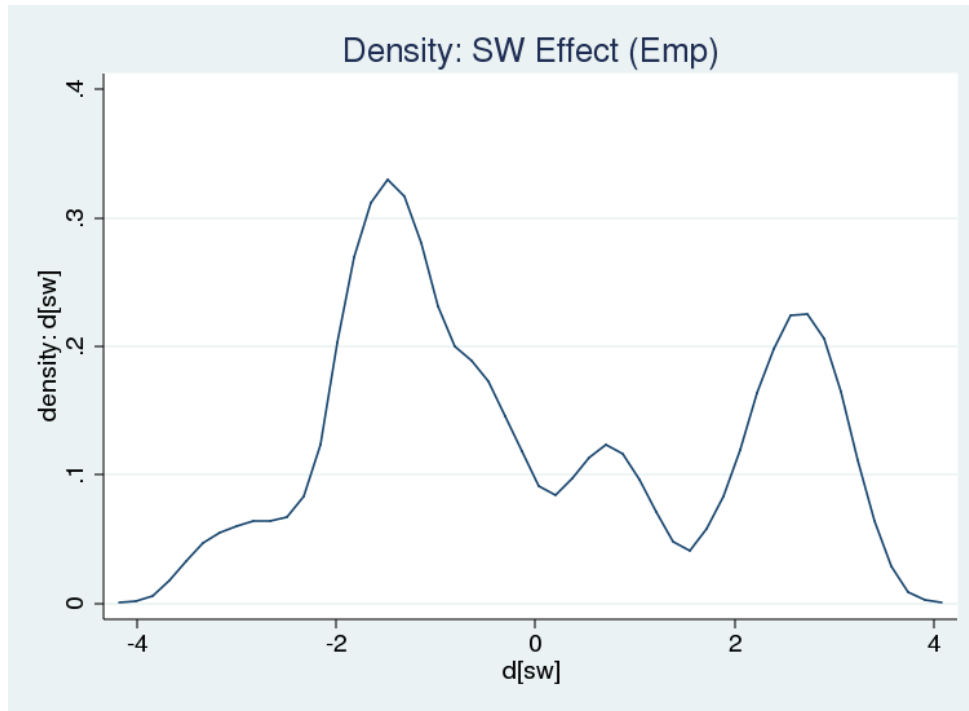
Years after entry:		2	3	4
Take-up of SUF	CS	0.189***	0.124***	0.231***
		(0.040)	(0.044)	(0.049)
	CS*Early	-0.139***	-0.131***	-0.199***
		(0.023)	(0.024)	(0.031)
Head is employed	CS	0.064*	0.071*	-0.030
		(0.036)	(0.041)	(0.044)
	CS*Early	-0.078**	-0.088**	-0.006
		(0.031)	(0.038)	(0.038)
Legal occup. of home	CS	0.014**	0.032***	0.074***
		(0.006)	(0.011)	(0.020)
	CS*Early	-0.022***	-0.038***	-0.051***
		(0.005)	(0.007)	(0.010)

Employment programs:

Years after entry:		2	3	4
Take-up of Employment programs	CS	0.008	0.015	0.024***
		(0.007)	(0.010)	(0.009)
	CS*Female head	0.091***	0.036***	0.003
		(0.009)	(0.009)	(0.007)

Years after entry:		2	3	4
cotizando?	CS	0.008	-0.013	-0.062*
		(0.045)	(0.037)	(0.037)
	CS*Female heads	0.027	0.058**	0.066***
		(0.034)	(0.023)	(0.023)

Social worker quality (fixed effects) is important: Head employed



Quantile of SW quality	Avg. prop. Head emp.
10	0.5414
25	0.7059
50	0.7222
75	0.8700
90	0.9816

Conclusion

- ▶ Critical role of an intensive and tailored intervention to indigent families to overcome barriers to take-up of social assistance/employment programs
 - Effects are significantly for those who were previously disconnected from the system
- ▶ Long term effects on employment:
 - Critical role initial conditions
 - Short/medium effects employment head, for those previously not employed/inactive
 - More secure labor force attachment of female heads
 - Employment of the spouse: positive results on subgroups (rural, biparental , lower education)
- ▶ Social worker effects are large: key role quality psychosocial support