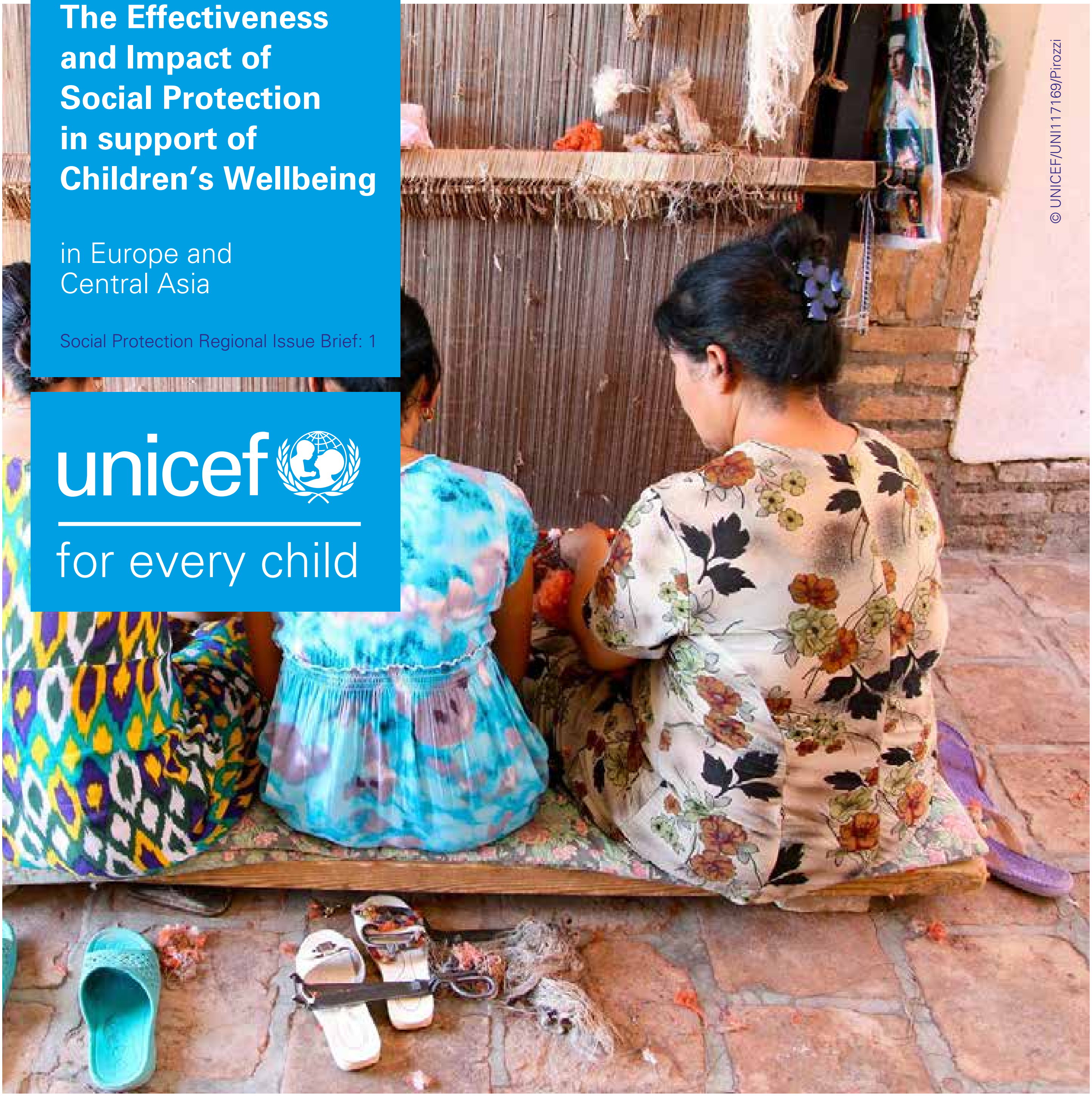
The Effectiveness and Impact of Social Protection in support of Children's Wellbeing

in Europe and Central Asia

Social Protection Regional Issue Brief: 1

unicef
for every child



Well-coordinated cash transfers and social services support families and safeguard children, ensuring the realisation and advancement of child rights for all children. Cash transfers and social support services are integral components of social protection systems in Europe and Central Asia. Global evidence shows that social protection supports the realisation of children's rights in a number of ways, contributing to poverty reduction and an adequate standard of living for children. Cash transfers, if well designed and effectively implemented, have been shown to reduce child poverty across a variety of intervention designs. Social protection interventions also impact, directly or indirectly, on the realisation of a number of other children's rights, for example cash transfers and support services can enable children and their families to access health care, early childhood services, and primary and secondary education programmes. Most countries in the region have some kind of cash transfers and social support services for children. However, the evidence relating to effectiveness of these programmes on child wellbeing is less discussed than in some other regions. This brief summarises research and evaluation evidence on the effectiveness of different social protection programmes, i.e. cash transfers and social services on wider aspects of child wellbeing in the region.

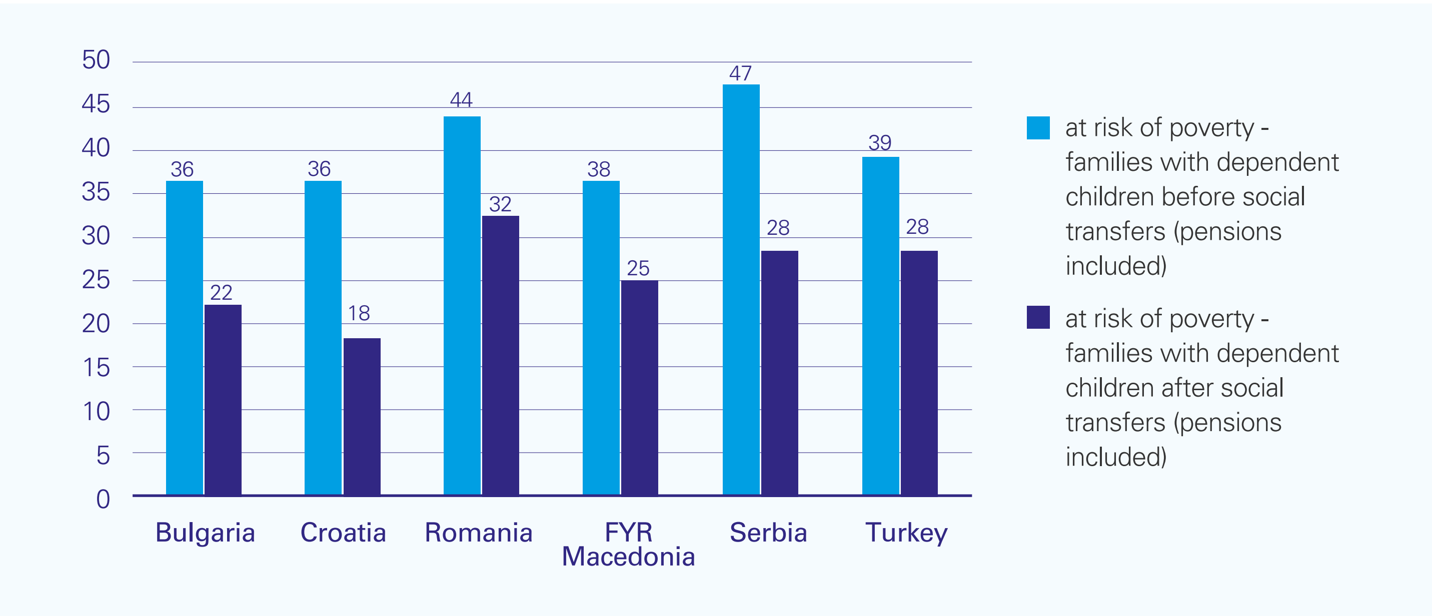
Reducing child poverty and vulnerability

Poverty in childhood often impacts on children's physical, cognitive and social development. It can undermine the physical and mental health of children, potentially placing them on a lifelong trajectory of low education, low productivity and perpetuating intergenerational cycles of poverty. The global community have placed eradicating extreme poverty at the heart of the Sustainable Development Goals (SDG 1). More importantly, for the first time, the centrality of children to ending poverty is recognised in global goals – child poverty is being specifically recognized and targeted. Social protection is also considered central in the fight against poverty and highlighted explicitly or implicitly in several SDGs.

Although child poverty figures are not available for all countries in the region and many countries do not conduct these measurements on regular basis, available poverty measurements based on monetary national poverty lines show that child poverty rates are higher than national poverty rates and the poverty rates of other social and demographic groups across the region. Households with three or more children are the most likely to be living in poverty. However, monetary poverty is only one aspect of poverty and does not provide adequate information about children's access to education, health and nutrition, housing and leisure – all of which are very important for children's wellbeing and development. These aspects are assessed through multidimensional poverty measurements, which frequently indicate considerably more children experience deprivations than is shown by monetary poverty measures. Regular monitoring of child poverty and deprivation is essential for identifying the most vulnerable children and those at risk, and informing targeting of policies to realise all children's rights.

Evidence from the region shows that cash transfers, directly or indirectly, have a strong impact on child poverty. Since poverty in most countries is measured in monetary terms, the most common method for assessing the effectiveness of transfers in reducing poverty is to assess what would be the level of net disposable household income in relation to the poverty line if there were no social transfers. Figure 1 shows the most recent at-risk-of-poverty estimates for families with dependent children before and after social transfers (including pensions), for a subset of countries[1]. Social transfers substantially reduce at-risk-of-poverty rates for families with dependent children in all the countries where this measure is available – by 13.8 percentage points in Bulgaria, 18 percentage points in Croatia, 11.7 percentage points in Romania, 13 percentage points in the Former Yugoslav Republic of Macedonia (fYROM), 19.2 percentage points in Serbia and 10.7 percentage points in Turkey.

Figure 1: **Risk of poverty rates* for families with dependent children before and after social transfers**



*Data for Bulgaria, Croatia, fYROM, Romania and Serbia is for 2015, and Turkey 2013

Source: EUROSTAT, last updated 11.07.2017

1 These are countries covered by the Eurostat database, using the measure of relative poverty known as at-risk-of-poverty, which identifies as poor those persons living in households with income below 60% of the median income in a country.

Pensions are the largest public spending scheme in most countries, and have an impact on child well-being since many children live in three generation families that include elderly family members and pension coverage is often near-universal. In Georgia, over half of households (52 percent) include at least one pensioner and 41 percent of households with children include one or more pensioner. A UNICEF study suggests that the number of children living in households in extreme poverty in Georgia would have doubled without pensions, and the percentage of children living in poor households according to the national poverty line would have increased from 28 to 38 per cent (UNICEF, 2012). Similarly, in Armenia and Kyrgyzstan, if pensions were not included in household income, extreme child poverty would have increased by 8 and 19 percentage points respectively (UNICEF, 2008).

Some studies further suggest that the impact of pensions and other contributory benefits on child poverty is stronger than social assistance payments. One study from 2011 shows that means-tested social assistance payments to families, introduced in Armenia, Azerbaijan and Georgia, are far less important than contributory benefits, in terms of their financial impact (Garbe-Emden et al., 2011). Similarly, findings based on 2011 Household Budget Survey data for Bosnia and Herzegovina suggest that pensions help to lift up to 20 per cent of children above the relative poverty line, while child care allowances made a difference to only 5 per cent of children from beneficiary households (Bruckauf, 2014). In a study on poverty among pre-school children in Croatia, based on Household Budget Survey (HBS) data from 2010, Šućur et al., (2015) found that pensions reduce poverty of pre-school children by 8.3 per cent on average. The study further shows that in three generation families (where parents and grandparents are pensioners), pensions reduce poverty in pre-school children by 16.2 per cent. However, unlike results from Garbe-Emden et al. (2011) and Bruckauf (2014) above, in Croatia other social transfers are found to have a much stronger impact than pensions. Social transfers (excluding pensions) reduce the risk of poverty in families with two children of pre-school age by 44.2 per cent and by 41.5 per cent in single parent families (Šućur et al., 2015).

Design issues, especially targeting failures, are found to have an impact on the effectiveness of transfers. In most countries of the region, social transfers are means tested and paid to households whose income is judged to be below the national subsistence level. Although it appears to make sense to direct limited resources to those most in need, many studies suggest targeted schemes are not effective in coverage of the poor. In Kazakhstan, Kosovo, Bosnia and Herzegovina, Azerbaijan, Albania, Armenia, and Georgia social assistance programmes targeted at the poor offer very limited amounts of benefits and have very limited coverage (Babajanian et al., 2015; Gassmann and Roelen, 2009; UNICEF 2015; Stubbs and Nesti, 2010; Mangiavacchi and Verme, 2011; Garbe-Emden et al., 2011; Bradshaw and Kenichi, 2016). In these countries social assistance transfers have not been effective in guaranteeing the minimal subsistence needs of poor households and their effects on poverty reduction are insignificant, although they do contribute to making the very poor less poor (reducing the poverty gap). For Kazakhstan, Babajanian et al., (2015:7) argue that this undermines the objectives of other transfers (for example transfers for children with disabilities) as households use these transfers to meet their basic subsistence needs.

Limited coverage of social assistance programmes in many countries is also a consequence of inadequate targeting of the poor population. Poor households often fail the means test (based on income, property, proxy means testing or a combination of all three requirements), used in countries across the region. Otter and Vladicescu (2011) in a study on social transfers in Moldova show that despite improved targeting, the social assistance scheme covered only 22 per cent of the poorest persons in households with children. Similar findings related to the problem of targeting were found by Gassmann and Notten (2006) in the case of, at the time, newly introduced means tested assistance in Russia. However, Mangiavacchi and Verme, (2011), in a study of social assistance in Albania suggest this could be due to several factors – insufficient funds reaching poor regions, inadequate targeting mechanisms, arbitrariness of administrators when applying the targeting mechanism, low uptake of benefits, especially by those from rural areas who have difficulty in reaching municipal offices and applying for the benefit. Akhter et al. (2007), in an impact assessment of conditional cash transfers targeted at the poorest in Turkey found that the target population knew very little or nothing about the programme due to low levels of education and literacy (especially among women) and little experience in dealing with formal state institutions (e.g. inability to deal with the application processes and procedures). Otter and Vladicescu (2011) found that in Moldova, some families are not able to fulfil bureaucratic conditions - e.g. Roma families without personal identification documentation.

Gender dimensions have an impact on the situation of children and are critical in designing policy responses. Research evidence from many countries suggests that mothers and fathers spend income differently because they have different preferences. Paying transfers to women is thought to guarantee that cash would be spent wisely, empower them in household decision making and enhance the focus on the well-being of children. In particular, increased control of household income by women shifts the allocation of household income towards food and other expenditures benefiting the whole family, especially children. Most conditional cash transfer programmes in developing countries, therefore, explicitly target women as primary transfer recipients. Limited research evidence in Europe and Central Asia tends to support this notion. A randomised research experiment on recipients of conditional cash transfers in fYROM found that the gender of the transfer recipient affects the allocation of household expenditure (Armand et al., 2016). The study shows that, within the food basket, targeting cash transfer payments to the mother in households with low levels of food expenditure induces a move away from salt and sugars, and towards meat, fish and dairy from 4 to 5 per cent. This suggests that, at least at low levels of food expenditure, there is a shift towards a more nutritious diet as a result of an increase in household resources controlled by women.

Another study in Albania (Mangiavacchi et al., 2013) researched intra household distribution of resources by placing special emphasis on the economic situation of females and children within households. They found that female poverty is much more endemic than is evident from traditional poverty estimates measured at household level. This deepening gender inequality is not a problem restricted to women, but also involves children's wellbeing. In an earlier study, Mangiavacchi and Verme (2011) suggested that cash transfers such as the "Ndihma Ekonomike" implemented by the Albanian Government may not be effective in improving critical poverty situations in the short run because a transfer to families where the power position of mothers is weak may not reach the children who are the ultimate recipients. Similarly, an impact evaluation of conditional cash transfers (CCT) in Turkey (Akhter U. Ahmed, et al., 2007) found that gender issues were the second highest ranking factor affecting schooling decisions. In particular, in some areas many parents do not see the value of schooling to girls. As such, conditional cash transfers may not always be adequate to overcome barriers to girls' participation. However, the study also suggests that the transfer does have an effect. Programme beneficiaries (both parents and girls) recognize that without conditional cash transfers there would be greater reluctance to send girls to school beyond the basic education (grades 1 – 8).

Evidence on other child wellbeing outcomes

Most countries in the region have some social transfers for children, especially for families living below a national minimum income threshold. In many countries, transfers for children are conditional on school attendance, health check-ups or similar requirements. In the former Yugoslav Republic of Macedonia, conditional cash transfers are offered to beneficiaries of Social Financial Assistance with the aim of increasing secondary school enrolment and completion rates among children in the poorest households. Hence, family benefits are conditional on having their children enrolled and attending secondary school. Similarly, Romania and Turkey have means tested benefits for families with children of school age, whose income is below national poverty threshold. For families with younger children in Romania, the child benefit is conditional on the school age child attending education without interruption and receiving a mark of at least eight (out of ten) for attendance (European Commission 2013:26). In Bulgaria, the child benefit is means tested and the amount of the minimum income benefit is reduced if the family fails to comply with schooling and health checks, i.e. does not comply with regular check-ups and immunization (TARKI, Social Research Institute 2014:25). This conditionality could be a factor accounting for the very low take-up of the child allowance in Bulgaria. According to estimates, some 30 percent of eligible households in Bulgaria do not claim transfers (Tasseva 2012), and at the same time there is significant inclusion of non-entitled or non-poor recipients.

However, for those that claim the benefits, studies show improvements in education and health outcomes. Turkey's conditional cash transfer raised primary and secondary school enrollment rates for girls (1.3 and 10.7 percent respectively) and increased their attendance rates by 5.4 percentage points (Akhter U. Ahmed et al., 2007:10). The study findings also suggest that the programme has improved the test scores for children enrolled in primary school - by increasing attention to schooling within families and allowing children more time for study. Furthermore, the conditional cash transfers resulted in a 13.6 percent increase in the full immunization rate for preschool children. Similarly, an impact evaluation on a conditional cash transfer programme for pre-school education in Kazakhstan found that the conditional cash transfers significantly increased the proportion of pre-school-age children in poor households who had never attended preschool: in 2012 this figure stood at 84 per cent in treatment areas compared with 70 per cent in control areas (O'Brien et. al., 2013). Evidence also suggests that under specific circumstances, conditional cash transfers can be a useful policy tool to promote investment in human capital among the poor, when the reason for underinvestment is low demand for the given service related to lack of information or low motivation (TARKI, Social Research Institute 2014). On the other hand the effects of conditional cash transfers can be limited if there are supply side constraints, i.e. there are no available and accessible services. In Turkey, for example, the conditional cash transfer did not affect the rate of progression from primary to secondary school, because secondary schools are concentrated only in larger towns and attendance increases education costs and commuting time to attend school (Akhter U. Ahmed, et al., 2007:10). It should also be noted that although the effects noted above were found in conditional cash transfers, it is not clear from the evidence whether the effects were the result of the condition, or of the cash alone.

Social assistance, employment and dependency

Promoting labour market activation and discouraging dependency on cash transfers is an important social policy priority for many governments in the region. Despite much global evidence showing the positive effects of social protection in supporting job search, encouraging investment in human capital and income generation, many policy makers believe that long-term social assistance creates dependency and is detrimental for human development outcomes in the long run. There is little evidence on this issue from the region. However, social assistance benefits in all countries in the region are low and often insufficient to meet the basic subsistence needs of recipients, and are too low to live on without an additional source of income (Bradshaw and Kenichi, 2016). One study in Albania, (Mangiavacchi and Verme, 2011) found social assistance transfers (Ndihma Ekonomike) to have a significantly negative effect on household welfare, suggesting that households receiving social assistance were less likely to engage in the informal economy, thus reducing welfare in the long run. The study also suggested the possibility that a high level of informal payments necessary during the social assistance application could be another unobserved factor reducing the programme's effectiveness. In the case of Kosovo, Gassman and Roelen (2009) found mixed evidence for the creation of dependency as a result of social assistance. While some respondents indicated that the receipt of social assistance might lead to a disincentives with respect to employment, others indicated that there are simply too few employment opportunities for recipients to find a way out of social assistance.

Availability of care services, labor market participation and children's wellbeing

Research findings from Montenegro (World Bank, 2013) suggest that cash transfer beneficiaries have a higher incidence of caretaking responsibilities. This is not because cash transfer beneficiaries are more likely to be caretaking. It is rather, because of eligibility requirements - cash transfer beneficiaries are expected to be fulltime care takers and hence not be active in the labour market. As a consequence this can cause a longer-term detachment from the labor market, especially for mothers, who are principally responsible for caretaking. The study also suggests a supporting approach whereby parents of young children have an option to seek employment with their child care costs partially or fully compensated. More importantly, child care services should be available and accessible to families to ensure higher labour market participation, especially for women of childbearing age.

Evidence from developed countries shows that the provision of affordable and quality day care services for children, like kindergartens and crèches, serves parents best and liberates them to look for jobs and keep employment. Employment of both parents provides a better guarantee that the family and children will not live in poverty. Similar studies in the region suggest the same. Research in Albania (Mangiavacchi et al., 2013:15) found that the presence of pre-school facilities allows mothers to enter and stay in the labour market, improving women's share of household resources. The study also analyzed resource sharing arrangements for families with only children under five, comparing those with no children attending preschool with those with at least one child currently attending preschool. The result shows that the share of resources received by children attending pre-school was significantly higher than for non-attending children, suggesting that pre-school attendance may be effective in shifting household resources in favour of children. Similarly, the impact evaluation of BOTA conditional cash transfer programme in Kazakhstan (O'Brien et al., 2013) found that an increase in coverage of preschool education led to a significant increase in paid employment (28 per cent of carers in treatment areas, versus 21 per cent in control areas).

In most countries of the region the supply of child day care services and pre-school education is insufficient and children from poor families are the least covered. In Croatia, children of working parents are given priority when enrolling kindergartens or crèches (Šućur et al., 2015). As unemployment is the major cause of poverty in Croatia, this restricted access for children of non-working parents simultaneously deprives children of the pre-school education and opportunities to learn and socialize, while parents are left with the choice of not-working to care for children or finding a non-formal care arrangements for their children if they are to search for a job or work. In Moldova, parents perceive that the access for children from vulnerable families is restricted by the lack of places in the preschool institutions and that children of well off parents are received with preference (Otter and Vladicescu, 2011). These findings suggest that services providers do not give equal access to all children and children from vulnerable groups are being excluded. This is deepening existing inequalities, including gender disparities, while also propelling social exclusion.

Conclusions

From the evidence reviewed, a number of conclusions emerge.

Cash transfers contribute to poverty reduction and children's wellbeing. However, means tested benefits are found to have very limited effects on poverty reduction because of limited coverage, significant targeting errors and low value of benefits. In most countries in the region means tested social assistance benefits are too low to meet subsistence needs of families and this can undermine the objectives of other transfers (e.g. transfers for children with disabilities) as households may use them to meet their basic subsistence needs. In many countries, contributory pensions are more effective than social assistance in reducing child poverty.

The **low coverage of the poor** by social assistance schemes in most countries in the region is often a consequence of **inadequate targeting mechanisms**, but also lack of information and illiteracy among the poor, inability to fulfill bureaucratic conditions and handle application procedures, and difficulty in reaching administrative offices. In some countries evidence suggests that administrators apply targeting mechanisms arbitrarily, which may also imply the presence of corruption.

Conditional cash benefits are not effective in certain circumstances. Family cash transfers conditional on child school attendance and health check-ups can be useful in improving education and health outcomes for children, when low demand for the given service is related to lack of motivation or information. But, these measures are not always effective in ensuring outcomes for children. For example the effects of conditional cash transfers can be limited if there are supply side constraints, i.e. there are no available and accessible services, or in cases of social exclusion and discriminatory social norms.

There is no conclusive evidence to suggest that cash transfers in the region create dependency and negatively affect labour supply. Social assistance benefit amounts are generally low in the region and often insufficient to meet basic subsistence needs. However, in some countries, evidence suggests that cash transfer beneficiaries have a higher incidence of caretaking responsibilities, which preclude them from being active in the labour market. This implies that **cash transfers can cause a long term detachment from the labour market for carers, especially women** – effectively subsidizing women to stay at home for long periods. However, this would not be the case if child care services were available and accessible for all families.

There is limited availability of pre-school institutions in most countries**. As a result, service providers do not give equal access to all children and children from vulnerable groups are being excluded**. This is deepening existing inequalities, including gender disparities, while also propelling social exclusion.

There is some evidence that suggests the effectiveness of transfers for children would be enhanced by tackling gender disparities and improving the power position of women. In particular, intra household distribution of resources is related to the position of women and children within a family. **When the power position of a mother is weak, benefits are less likely to reach the children**. However, unlike in other regions, no evidence was found to suggest that providing transfers to women empowers the women themselves. In fact, since many of the transfers given are effectively conditional on them not working, they may disempower women.

Recommendation

There is a dearth of robust evidence concerning the effectiveness and impact of social assistance transfers and services in the region, and particularly on their effectiveness and impacts on children. Although many policy interventions supported by international donors are subject to evaluation, very few evaluations are conducted using scientifically rigorous methodologies for assessment of impact.

Governments and partners should do more to generate evidence as the basis for more transparent policy making and effective implementation of social protection programmes. An important step is to make administrative data and research findings and analysis transparent and publicly available, and to encourage and stimulate independent research. Impact assessments (focused on some specific effects of the intervention) and evaluations (covering a wider range of issues such as the adequacy of policy design, cost and efficiency of the intervention, unintended effects and lessons learned) should be conducted on a regular basis. When reforming policy or introducing new programmes, impact assessments and evaluations should be used ex ante to assess possible impacts of the intervention on children and their families. After implementation impact assessments should be undertaken to understand to what extent and how a policy intervention achieved its intended results, including on children. Evidence from these exercises should be the basis of policy design and fine tuning of existing interventions.

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