

**Chile Solidario:
Toward an Integrated Approach to the Delivery of Social
Protection**

**Learning Programme on Evidence Based Policy Analysis to Deliver
Results for Children
Final Policy Paper
Helen Schulte**

1. Introduction

1.1 Rationale and objective

Building and strengthening social protection systems is emerging as a priority for Governments, donors, UN agencies and NGO partners. Long considered a privilege of developed countries, social protection is now recognized for the role it plays in addressing poverty and vulnerability in developing countries, especially among marginalized and socially excluded groups.

Social Protection is a set of “(...) *public interventions to (i) assist individuals, households, and communities better manage risk, and (ii) provide support to the critically poor.*”¹ In principle, many key players in the social protection arena accept this (or similar) broad definitions. In practice, however, there has been tendency to focus on risks related to income poverty, with social protection strategies in most regions predominantly centering on measures to provide the poor with income support through social transfers.²

The focus on measures to promote household economic security is reflected in the existing body of social protection research. There is no shortage of studies and evaluations on the impact of social transfers on human capital development, and on their operation and design.³ Very little attention, however, is paid to the question of how to integrate these schemes into an overall package of expanded social protection that works on both the demand and supply side to have maximum effect.⁴

This paper argues that the implementation of social transfers alone will not bring us any nearer to the long-term goal of breaking with patterns of inter-generational transmission of poverty and exclusion. Rather than examining cash transfers in isolation, the focus of policy makers and researchers should be on their successful articulation within broader social protection policies. It will take an integrated approach – where social transfers are delivered in conjunction with social welfare services⁵ – to simultaneously address the multiple structural constraints that jointly lock the poor into indigence.

1 Holtzmann, R. (2000), “Social Risk Management: A New Conceptual Framework for Social Protection and Beyond”, Social Protection Discussion Paper Series No. 006, page 4.

2 Social transfers are regular, contributory and non-contributory disbursements (cash or in-kind) from governments or NGOs to individuals or households.

3 The evidence thus far available shows that cash transfers, if properly designed and monitored, can have a significant poverty reduction impact, including on child poverty. Whether programmes are directly targeted at children or not, evaluations show they benefit through increased household spending on education, health, nutrition, and protection (child labour, birth registration). Barrientos, A., DeJong, J. (2004), Cash Transfers and Child Poverty, CHIP Report 4, page 5.)

4 There are examples of reports addressing the question of coordination of social assistance policy (e.g. de la Briere, /Rawlings, L. (2006), “Examining CCTs: A Role for Social Inclusion,” World Bank, Social Protection Discussion Paper, No. 0603). However, this question has received little to no attention in evaluations of existing cash transfer schemes.

5 The paper defines social welfare services to encompass: family and community services to support families and promote youth and adult employment; alternative care for children outside family environments; and additional measures to enable children and adults to access basic services and

The paper will support this argument by way of discussing a concrete example of a policy intervention that is based on an integrated, systemic approach to poverty reduction and that combines cash support with social welfare services to facilitate poor households' access to social services. The programme to be examined, Chile Solidario, was created in 2002 by the Chilean Government in response to a setback in the country's efforts to eradicate extreme poverty. The paper will discuss both the programme's design, as well as its impact to date.

It will be argued that Chile Solidario provides important lessons learned for the design of other social protection programmes, particularly with regard to: a) its focus on facilitating access, i.e. its use of a psycho-social support service as the means to connect poor families with the existing network of public assistance programmes and social services, thus enhancing their benefits; b) its operationalization of a multi-dimensional concept of poverty: Chile Solidario is not just about increasing participating families' income, but works to overcome barriers to their well-being in several other dimensions, including education, family dynamics, and protection; and c) its attempt to match interventions on the demand side with a reorganization of the supply side to meet the needs of families participating in the programme.

1.2 Methodology, information sources and structure

The paper is based on a multi-dimensional concept of poverty, with monetary subsidies alone considered insufficient to address the multiple structural barriers that keep the extreme poor from escaping destitution. It will start off with a brief discussion of this concept (1), followed by a review of poverty trends in Chile and the context in which Chile Solidario was conceived (2). Section 3 will provide an analysis of the programme's design and key features, using documentation from FOSIS (Fondo de Solidaridad e Inversion Social), the Economic Commission for Latin America and the Caribbean (ECLAC/CEPAL), and other sources. Section 4 is devoted to the discussion of Chile Solidario's impact in the short-term, looking at effects in three dimensions: (a) uptake of services by beneficiaries, (b) human capital development, and (c) perceptions of participating families (the psycho-social dimension). This discussion will be based on quantitative data from evaluations of the World Bank and ECLAC, as well as qualitative data from a study commissioned by FOSIS to gauge the effects of the psycho-social support provided to families participating in Chile Solidario. The conclusion will pull together the findings of section 4 and discuss them in light of the main argument set out in the paper's introduction.

Due to the limited scope of the paper, it was not possible to include a discussion of Chile Solidario's targeting efficiency and an analysis of its costs - both important aspects that should be taken into account in a comprehensive assessment of the programme's overall success (and efficiency) in reducing extreme poverty in Chile. In terms of the programme's short-term impact, it was not possible to assess its results

entitlements. UNICEF (2007), "Child Protection and Social Protection: Linkages and Opportunities", concept paper developed by the Child Protection Section.

on the supply side, i.e. its success in adjusting the programmatic supply to the characteristics and needs of participating families. Based on my research, this aspect has not been the subject of studies and evaluations yet.

2. Theoretical underpinning: Beyond Poverty as Lack of Income

This paper is based on a multi-dimensional concept of poverty. It goes beyond the physiological approach to poverty - where people are considered poor because they lack income, food, clothing and shelter - to include the underlying structural factors that prevent the poor from accessing both external (credit, land, infrastructure, common property) and internal assets (health, nutrition, protection and education).⁶ In this sociological view, lack of income and material deprivation are just two of several mutually reinforcing dimensions that also include: lack of education/capabilities (Amartya Sen), lack of information, lack of political clout, a sense of powerlessness and insecurity, lack of social relations, and physical ill-being.⁷ This multi-dimensional view of poverty is closer to how the poor themselves describe their situation. In a participatory research programme of the World Bank, "Voices of the Poor", poor men and women from 23 countries characterized poverty as, among other things, the lack of power to bargain and defend oneself in the marketplace; the sense of dependence, insecurity, anxiety, impotence, inferiority and ill-treatment; injustice; exclusion; bad social relations; and chronic health problems and disabilities.⁸

Based on this multi-dimensional notion of poverty, poverty reduction strategies must go beyond increasing primary and secondary income of the poor, as well as their attainment of basic needs, such as health and education.⁹ To address the psycho-social dimensions of poverty, anti-poverty strategies must place emphasis on empowering the poor, improving their access to information, building their capabilities, and facilitating their participation in society.

3. Poverty in Chile: Background on the evolution of Chile Solidario

During the 1990s, governments in Chile put the fight against poverty at the top of their agendas, combining a pro-growth strategy with active redistributive policies. At the heart of the pro-growth strategy was a commitment to conservative fiscal policies aimed at building a budget surplus and reducing public debt, a further opening of the

⁶ Lok-Dessallien, R. (), "Review of Poverty Concepts and Indicators," page 4.

⁷ UNDP/International Poverty Center (2006), "What is Poverty? Concepts and Measures," in: Poverty in Focus, pages 3-6.

⁸ Over 20,000 poor women and men from 23 countries were convened as part of the programme "Voices of Poor". Narayan, D. (2000), "The Voices of the Poor: Crying out for Change," Vol. 2, World Bank.

⁹ "Primary income refers to income generated directly through the production and exchange of goods and services. It is transmitted through markets, in particular labour and product markets. Secondary income refers to the distribution of income through public or private transfers. These include, inter alia, subsidized goods (food), and services (health, education), remittances, pension receipts etc." Schaffer, P. (1998), "Poverty Reduction Strategies: A Review," UNDPSPD/UNDESA, Discussion Paper.

Chilean economy to free trade through the reduction of external tariffs and the pursuit of free trade agreements with main trading partners, and, importantly, comprehensive reforms of labour and tax policies.¹⁰ Following an increase in 1990, tax collection grew by 3% of GDP in subsequent years, with hundred percent of these additional revenues spent on a) expanding services and benefits (education, health, housing, social security) for the entire population and b) social protection programmes targeted at the poor and vulnerable sectors of society.¹¹

This combination of strong growth – Chile’s economy grew on average by 4.5% (per capita GDP) in the 1990s – and aggressive social policies led to a dramatic reduction in the number of families living below the poverty level by more than half over a period of 10 years. As data from the World Bank’s poverty assessment shows, however, eradicating extreme poverty proved to be more difficult than taking people up the poverty line. Despite increases over time in spending on social sectors and highly targeted social assistance, the reduction of the number of people living in extreme poverty slowed down considerably after 1992 and began settling at around 4.4% in subsequent years.

		Chile: Poverty Trends in the 1990s						
		1987	1990	1992	1994	1996	1998	2000
Mean	Income	90,599	101,075	122,353	126,644	142,892	159,821	160,441
	Poverty	40.0	33.1	24.2	23.1	19.9	17.0	15.7
	Indigence	12.7	9.0	4.7	5.1	4.2	3.9	4.2
Source		: World Bank (2003) Poverty Assessment						

Concern with the persistence of indigence¹² led the government to review its policies and programmes aimed at rooting out extreme poverty. A study by the Planning Ministry (MIDEPLAN) found that households classified as extremely poor not only had lower independent incomes but also received lower levels of State cash subsidies than non-indigent households. In other words, take-up of means-tested social programs among the poorest was found to be very low, with their access to these

¹⁰ Foxley, A. (2004), “Successes and Failures in Poverty Reduction: Chile,” World Bank.

¹¹ Palma, J./Urzua R. (2005), “Anti-poverty Policies and Citizenry: the Chile Solidario Experience,” UNESCO, Most -2 policy Papers Series, No.12. In the 10-year-period between 1990 and 2000, total social expenditures (health, housing, social security, education) grew by 214% (Foxley, 2004).

¹² In assessing absolute poverty, countries often distinguish between indigence, or primary and secondary poverty (also referred to as extreme and overall poverty). “Indigence” usually refers to those who do not have access to the basic necessities for human survival, while other forms of poverty refer to degrees of deprivation above that threshold. In this paper, the terms “indigence” and “extreme poverty” are used interchangeably.

supports hampered by a variety of barriers, including lack of information about their existence, rules, and benefits; stigma; and high transaction costs due to administrative barriers.¹³

It was against this background that in 2002, President Lagos proposed “Chile Solidario”, a social protection programme with the overall objective to achieve the social integration of families living in extreme poverty by bringing them into the public network of social services.¹⁴ The next section will provide a detailed description of programme’s design and different components.

4. Key Features of Chile Solidario

Chile Solidario goes beyond improving the targeting performance of existing public programs or simply providing recipients with cash assistance. The programme, targeted at the poorest 225,000 families in Chile, ¹⁵ understands extreme poverty as a multidimensional problem that relates not only to lack of income but also to the scarcity of human and social capital, as well as psycho-emotional deprivation. It is unique, at least in the context of the experience of developing countries, in operationalizing this concept by addressing the multiple and interrelated deprivations of the extreme poor in an integrated, systemic way.

The programme is based on a two-pronged strategy, working on both the demand and supply sides of public services: On the demand side, Chile Solidario provides participating families with a two-year psycho-social support service, called *Programa Puente*. Each household is assigned a social worker whose role is to help families assess their needs, devise a strategy to exit extreme poverty, and to link families with the existing network of public assistance programmes and services. As part of the two-year psycho-social support component, families are also provided a cash transfer at a decreasing rate over time (“bono de proteccion”). After the two-year intensive phase, households receive a smaller cash transfer for an additional period of three years, during which they also continue enjoying preferential access to assistance programmes. On the supply side, Chile Solidario focuses on reorganizing public services to be better coordinated and tailored to the needs of the target population. These two parallel interventions will be further discussed below.

¹³ Palma, J./Urzua, R. (2005), page 17; Galasso, M. (2007), “With their effort and one opportunity: alleviating extreme poverty in Chile”, World Bank, powerpoint presentation at the Inter-American Development Bank.

¹⁴ FOSIS/MIDEPLAN (2004), “An Introduction to Chile Solidario – El Programa Puente.”

¹⁵ Eligibility for the programme is determined on the basis of a proxy-means test. A household’s proxy-means score is calculated on the basis of a card, CAS ficha. The score is a summary index of unsatisfied basic needs that is used as a pre-requisite for participation in Chile Solidario and a wide array of other social programmes in Chile, from income transfers and subsidies to public housing. The score is updated every two years and takes into account 13 variables, grouped in four categories: housing, education, employment situation and income/net worth. The thresholds (CAS cut-offs) are not the same nationally. To reflect differences in the poverty rates across different geographic areas, the decision was made to allow the thresholds to vary across communes and regions. The methodology has been criticized for exclusion and inclusion errors (CEPAL (2002), “Análisis del Programa Puente”).

4.1 Addressing the psycho-social dimension of extreme poverty: Programa Puente

Programa Puente, Chile Solidario's most innovative feature, is built upon the work of more than 2,500 support counselors who provide personalized psycho-social attention to each participating family during work sessions in the home throughout a two-year period.¹⁶ Its goal is that at least 70% of the participating households will be: *"(...) families who support each other, who are integrated into their local surroundings, who take advantage of the social programmes offered to meet their needs, who are integrated into existing social networks and with an income above the line of extreme poverty."*¹⁷ Programa Puente thus aims to break the cycle of social exclusion affecting families living in extreme poverty by bringing them into the existing network of public assistance and services. It is often described as the "entrance" to Chile Solidario.¹⁸

At the center of the work between the family counselors and the participating households is the goal of achieving a set of minimum conditions considered instrumental in escaping extreme poverty in the long-term. These minimum conditions were conceived on the basis of a multi-dimensional concept of poverty and fall into seven welfare dimensions, with household income being only one of them:

- Identification/legal documentation
- Family dynamics
- Education
- Health
- Housing
- Income

Based on an assessment of their situation, families, with the support of the counselor, devise a work plan around these minimum conditions and commit to meeting them, starting with those they consider a priority. As an expression of their mutual commitment to working towards the minimum conditions, families and their counselors, the latter representing the State, sign "contracts" in each of these dimensions – the content of which is particular to each family's characteristics.

¹⁶ The social workers are either professionals hired by FOSIS, the social fund in charge of the implementation of Programa Puente, or local municipal employees who allocate a part of their time to the programme. Those provided by FOSIS are pre-selected on the basis of a public competitive bidding process, which is organized jointly by FOSIS and the respective municipality (FOSIS/MIDEPLAN, Presentation on Chile Solidario prepared for the Second International Workshop on Conditional Cash Transfers, Sao Paulo, Brazil, April 26-29, 2004.

¹⁷ FOSIS/MIDEPLAN (2004), "An Introduction To: Chile Solidario – El Programa Puente, page 8.

¹⁸ Ibid.

Examples of the set of minimum conditions (Programa Puente)

Identification	<ul style="list-style-type: none"> All members of the family must be incorporated into the Civil Registry and have an identity card Members of a family with a disability should be registered in the National Disability Registry
Health	<ul style="list-style-type: none"> The family must be registered in the Primary Health Care System Children under 6 years of age should have regular medical check-ups and vaccinations in line with the guidelines established by the Ministry of Health Elderly family members should be under the supervision of a doctor Members of the family who suffer from chronic illness should be under the supervision of a doctor Family members with a disability should benefit from rehabilitation programmes All members of the family should be given personal healthcare information
Education	<ul style="list-style-type: none"> Children of pre-school age should attend a pre-school or kindergarten programme If the mother works and there is no other adult able to care for the children, children under 6 of age should attend a day care programme Children under 15 years of age should attend an educational institution, or be in the process of reintegration if they have previously dropped out Children 12 years or older should be able to read and write, or be in the process of learning it Children with a disability who are able to study should be incorporated into mainstream schools or, where more appropriate, into the special education system Adults should have a positive attitude toward education, and at least recognize the importance of formal education
Family Dynamics	<ul style="list-style-type: none"> The family should have the daily custom of discussing topics of importance, such as schedules, habits etc. There should be clear rules within the family, including regarding the management of conflicts There should be a fair distribution of household chores The family should be aware of programmes and services in the community (sport clubs, youth clubs, community organizations etc) If there have been incidents of domestic violence, the persons directly involved should be connected with an appropriate counseling/support programme A family with a child in foster care or in an institution should make regular visits A family with a child in the penal system should support him/her and collaborate in the rehabilitation process
Housing	<ul style="list-style-type: none"> The situation of the family with respect to ownership of land and the home in which they live should be clearly defined If the family wishes to apply to a housing program, they should be in the application process The family should have access to clean water, energy, adequate sewage and waste disposal systems Each member of the family should have a bed with sheets, blankets and a pillow
Employment	<ul style="list-style-type: none"> At least one member of the family should have a regular job and a stable salary No child under 15 years of age should leave school in order to work All unemployed persons in a household should be registered with the Municipal Employment Information Office
Income	<ul style="list-style-type: none"> All members of the family who have the right to the Family Support Subsidy should be receiving it All members of the family who have the right to Social Security Assistance should be receiving it The family should have an income above the line of extreme poverty The family should have a budget organized according to their resources and priorities

Source: FOSIS/MIDEPLAN (2004)

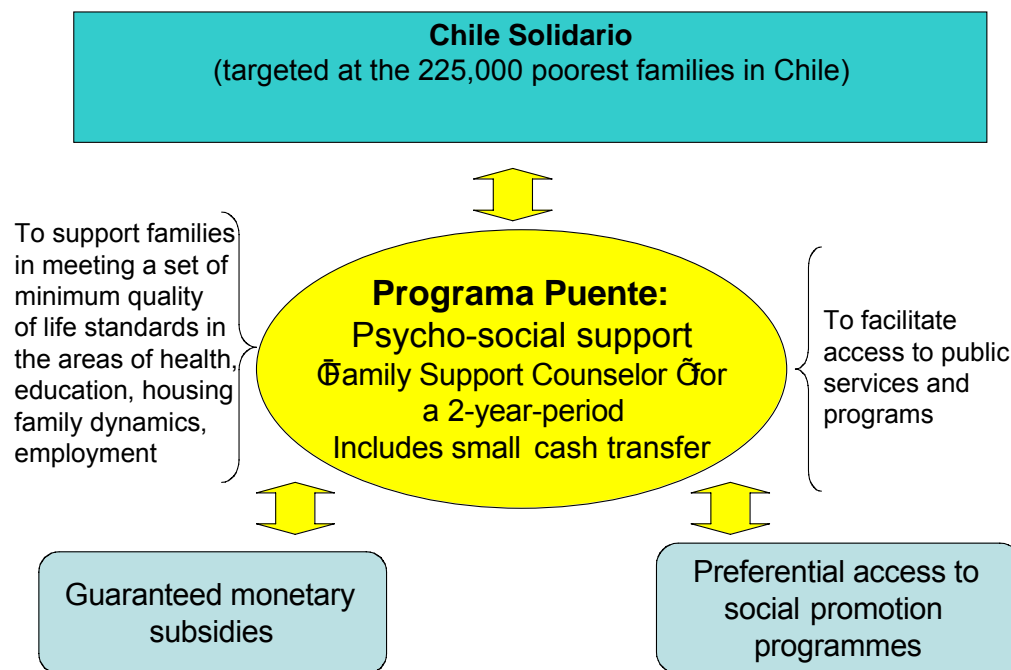
Programa Puente also includes a small cash transfer (“bono de proteccion”), which is conditional upon the families’ working toward meeting the set of minimum conditions – as per the agreements signed with the social worker. The value of the cash transfer is independent of family size or composition. It decreases over time, with the idea that households should progressively improve their living situation as a result of the programme¹⁹. The transfer represents about 80% of Programa Puente’s overall costs.²⁰ Following the two years of psycho-social support, households receive an

¹⁹ The transfer is set at Ch\$10,500 (about US\$ 21) per month for the first six months of the Programa Puente; it decreases to Ch\$8,00 in the second six months. In the second year, it further decreases to Ch\$5,500 and finally to Ch\$3,500 for the last six months, an amount equivalent to the family allowance (SUF), one of Chile’s main cash assistance transfers. Galasso, E. (2006), “With their Effort and one Opportunity” – Alleviating Extreme Poverty in Chile, World Bank, Development Research Group, page 6.

²⁰ The direct cost per family to access Chile Solidario (via Programa Puente) is estimated be around US\$330, of which US\$275 correspond to the transfer itself. The social worker accounts for about 10%

unconditional “graduation” bonus (“bono de egreso”) for an additional three years. It is set at an amount comparable to the last transfer of the “bono de proteccion.”

It has to be noted that the emphasis of Programa Puente is less on the transfer – it being small in size when compared to other poverty reduction programmes in Latin America²¹ – than on facilitating poor families’ access to the existing network of public assistance programmes and services. The intervention’s focus is on the psycho-social support component as the means to bridging the gap between demand and supply and increasing take-up of existing social programmes by families living in extreme poverty. During the phase of psycho-social support, and for an additional three years thereafter, participating households are ensured “preferential access” to programmes to which they are already eligible, however have not taken advantage of, such as a family subsidy (SUF), a pension programme (PASIS), a disability grants and a water subsidy (SAP). In addition, participating households enjoy preferential access to social development and occupational skills programmes, including domestic violence prevention and support services, special attention programs for high-risk children, and labour market programmes (public employment/labour-reinsertion and training programmes).²²



of the direct costs. It is estimated that the total programme costs in 2003 accounted for 0.3% of social protection spending, or 0.08% of Chile’s GDP (Lindert, Skoufias, Shapiro (2005).

²¹ In the sample used in the World Bank’s 2006 evaluation of the programme, the median transfer amounts to about 6-7% of the total income of the participating households – compared to about 25% in conditional transfer programmes in Nicaragua and Honduras and 22% in the case of Mexico’s Progreso programme (Galasso, M. (2006), “With their Effort and one Opportunity” – Alleviating Extreme Poverty in Chile, World Bank, Development Research Group, page 6).

²² FOSIS/MIDEPLAN (2004), “An Introduction To: Chile Solidario – El Programa Puente,” pages 6-7.

The main conduit of Programa Puente is the family counselor, who has two key functions: (1) He or she advises participating families in the process of meeting the set of minimum conditions and (2) provides them with the necessary supports in doing so, i.e. information on existing public assistance programmes and services and advise on how to access these. The counselors are also in a position to make specific suggestions at municipal level to ensure that services and benefits do in fact reach the families who most need them.²³ This leads us to Chile Solidario's second component, its intervention on the supply side of public programmes and services.

4.2 Toward a “system” of social protection: changes on the supply side

For participating families to meet the minimum conditions set out in the series of contracts in each of the seven welfare dimension, it is necessary that a) the existing supply of social programmes and services in fact matches household demand created by Programa Puente, b) existing social programmes and services are adapted to the needs of the target population and c) local providers of assistance programmes and services closely coordinate their interventions.²⁴

In terms of its institutional set-up, Chile Solidario was designed in ways to respond to these criteria, i.e. to facilitate a transformation in the delivery of public benefits and services from an approach based on parallel interventions to an integrated system tailored to the needs of families in extreme poverty.

MIDEPLAN, Chile's Planning Ministry, has overall responsibility for Chile Solidario, while Programa Puente is managed by FOSIS. At municipal level, FOSIS has transferred responsibility for the execution of the programme to the respective municipalities, due to their “on-the-ground” knowledge and experience in service delivery, and to ensure that the supply side is locally organized to attend to the needs of the target population. In the 336 municipalities participating in the programme, a dedicated unit run by a municipal employee designated by the mayor, the Family Intervention Unit (UIF), coordinates and monitors the implementation of the programme. All family counselors working in the municipality form part of this unit, and are supervised by its head.²⁵ A key element of the UIFs mandate is to ensure coordination within the existing institutional supply, to identify gaps in services and create new programmes where the existing supply was insufficient, and to promote changes in the way in which services are being delivered to ease poor families' access to them (e.g. reducing administrative requirements for registration etc). In working toward reorganizing the supply in these ways, the UIFs are supported by local action networks. These are convened by the municipalities, and are comprised of the representatives of all public and private institutions and organizations that offer

²³ Ibid, page 13.

²⁴ The existence of different dimension of deprivation, and their inter-linkages, implies that households will have to simultaneously tackle different inter-related minimum conditions. This, in turn, will require coordination among different institutional actors involved in the provision of services at municipal level.

²⁵ Palma, J./Urzua, R. (2005), “Anti-poverty Policies and Citizenry: the Chile Solidario Experience, UNESCO, MOST-2 Policy Paper No.12, pages 22-23; FOSIS/MIDEPLAN (2004), page 15.

services/or benefits to poor families. These networks provide the platform for programme coordination at local level, with the articulation of public services at provincial and regional levels being subsidiary to and at the disposal of the local networks. Thus, where the supply to meet Programa Puente's minimum conditions is found to be insufficient, municipalities can turn to the provincial and regional levels to mobilize resources to fill these gaps.²⁶

In 2004, Chile Solidario became law, thus institutionalizing the process that had started in 2002. The law helped to clarify the basic procedures and the roles of different actors at different levels involved in the programme's implementation.

5. Evidence on progress and short-term impact of Chile Solidario

Chile Solidario began operations in 2002; the first families to complete the programme did so in the summer of 2007. Existing evaluations of Chile Solidario are thus on its short-term impact, with the jury on the programme's mid-term and long-term impacts still out. After a brief summary of Chile Solidario's success in meeting its coverage targets, the discussion will focus on its short-term impacts in three dimensions: the success of the programme in connecting participating families with the network of existing benefits and services (take-up); its impact on education and health outcomes (human capital outcomes); and the extent to which Programa Puente changed the participating families' self-perceptions and attitudes.

5.1 Coverage

Chile Solidario has made real progress in terms of reaching families in extreme poverty throughout Chile. In fact, as of the end 2006, 246,000 families were enrolled in the programme, a number exceeding its original coverage target of 225,000.²⁷ The programme also shows low levels of rejection and interruption. According to 2005 data from FOSIS, only 5.2% of all families invited to participate in the programme decide to opt out. The interruption rate is 4.8% nationally, with significant differences among regions.²⁸

5.2 Short-term impacts

a. Take-up of services

Evidence suggests that Chile Solidario eases participating families' access to existing social programmes and services. Chile Solidario households exhibit very strong take-up of labour market programmes: programmes aimed at supporting the self-employed, as well as public employment/labour-reinsertion and training programmes. Participation in Chile Solidario also increases the likelihood of household members to be enrolled in local employment offices – one of the minimum conditions of Programa Puente. These offices not only facilitate a person's search for a job; enrollment in these is also a pre-condition for eligibility to various

²⁶ Palma/Urzua (2005), page 22.

²⁷ <http://www.mideplan.cl/final/categoria.php?secid=1&catid=112>

²⁸ Palma/Urzua (2005), page 26.

public training programmes. While the take-up of labour market programmes has increased, evaluations have thus far not been able to establish an improvement in employment, except for a positive and significant effect on labour force participation in rural areas. Impacts in this important dimension may only be observable in the long-run, with current and future research likely to provide additional answers.²⁹

In terms of improved access to public assistance programmes, the evidence is less strong. Families participating in the programme are more likely to have received the family subsidy (SUF); evaluation results also show significant effect on the enrollment in housing programmes in urban areas.³⁰ However, no increases could be observed in participating families' take-up of the pension programmes, disability grant, and the water subsidy.

b. Human capital outcomes

Chile Solidario shows positive effects in terms of families' take-up of education and health services; however, there is very little evidence on its impact on education and health outcomes, with future research likely to fill in this gap.

Evaluation results show significant increases in the likelihood of children aged 4-5 in participating households to be enrolled in pre-school programmes. These effects are likely to be the result of Programa Puente: pre-school enrollment of children in participating households constitutes one of the minimum conditions; importance of early education for children's cognitive and behavioral development is also subject of the work sessions with the Family Support Counselor. Gains in pre-school enrollment are in the range of 4-6 percentage points, and are found in both urban and rural areas.³¹ Evaluation results also show positive results for school enrollment of children age 6-15, which has improved between 7-9%, relative to children of non-participating households. Chile Solidario households in urban areas are also more likely to have accessed school-based programmes providing materials, meals and dental care to children from poor households. Adults in participating households have also been found to be more likely to take advantage of adult literacy and education completion programmes.

In terms of effects on health outcomes, the only consistent result found is that participating families are more likely to be enrolled in Chile's public health system (SAPS).³²

The results particularly in the area of pre-school enrollment suggest that families' intense work with the support counselor triggers a change in attitudes – in this case a recognition on the side of families of the importance of children being enrolled in pre-school for their cognitive and behavioral development. The accompaniment by

²⁹ Galasso, E. (2006), page 15.

³⁰ The estimated effect ranges from 7% in 2003 to 14% in 2004. Compared to an average take-up of 24% among non-participants, this amounts to an estimated increase between 30 to 6% (Galasso, E. (2006), page 17).

³¹ Galasso, E. (2006), page 18.

³² Ibid, page 19.

the social worker serves to discuss the potential benefits of certain programs and actions, such as enrolling children in pre-school or attending literacy classes for adults, and helps family members to feel motivated and capable of attaining such a goal.

c. Perceptions of participating families

“In 2002, when I entered [Programa Puente], I learned about my rights as a woman and citizen; this makes me feel freer. I also learned how to organize my household chores and to have more time to spend with my children. I have more patience with them now. In other words they’ve helped me a lot.”
(Gloria Osorio, Arica commune)

“I’ve grown since being in the Puente Programme. Before, I did not have the type of personality that could go and speak to the mayor, ask him for help, tell him that I was not doing well. I was too embarrassed to tell Ms Caroline (Family Support Counselor) to show me how to do something, but not anymore. I am more mature. I’ve grown with the guidance and now I can ask when I don’t know.”
(Pilar Zamudio, Africa commune)³³

In 2004, Chile’s national household survey, CASEN, included basic perception questions administered to the head of households and/or her spouse.³⁴ These were used for a quantitative analysis, however crudely, of the effects of the psycho-social support component. The perception questions addressed, among other issues, the household’s awareness of public assistance programmes in the community, its assessment of the future (whether the household expected its economic situation to be better in the future than now), and self-initiative (looking for help out of own initiative).

The World Bank’s evaluation shows that households participating in Chile Solidario are more likely to be aware of social services in the community (10 percentage points in rural and 13-16 in urban areas), suggesting that Chile Solidario is successful in reaching one of its main goals, that of bridging the demand gap by facilitating poor families’ access to services and supports. Participating households also seem to be more optimistic about their future socio-economic status (15-20% relative to non-participating households); in urban areas, they report to be looking more proactively for help from local institutions.³⁵ The self-projection into better standards of living is likely to be a result of the work with the social worker, which aims to orientate participating households toward the future by working toward a set of goals (the minimum conditions) to escape poverty over time and providing support in achieving these.

³³ Both quotes taken from Perez Diaz, C. (2006), “The Puente Programme, a Bridge between the Family and its Rights”, FOSIS, pages 38 and 41.

³⁴ Caracterización Socioeconómica Nacional (CASEN) is the main source of information on household welfare in Chile. The survey is multi-topic, ranging from questions on demographics, employment, education, income, health status and utilization of services to access to public subsidies and transfers. Galasso, E. (2006), pages 11-12.

³⁵ Galasso, E. (2006), pages 20-21.

These results are echoed in qualitative research commissioned by FOSIS in 2005,³⁶ which compared the needs and aspirations of families before entering Programa Puente and after finishing the two-year intensive phase of psycho-social support. The assessment showed that families not only highly value the support of the counselor in identifying key problems and advising on concrete steps to solve these; it also showed that families that successfully participated in Programa Puente assume a more positive attitude toward the future, are more self-confident, and are more proactive in reaching out to others in order to improve their living conditions.³⁷

d. Changes on the supply side

The studies used for the development of this paper only make cursory reference to Chile Solidario's effects on the reorganization of the supply side to meet participating families' needs. This question is closely related to the programme's institutional arrangements and the role of and coordination between the different actors involved in implementation. Results in this dimension can only be observed over the long-term.³⁸

6. Conclusion

Underlying the design of Chile Solidario is the recognition that many households in extreme poverty are unable to formulate and activate their demand for social services due to barriers such as high transaction costs (application process, lack of information about eligibility and programme rules, stigma, feeling of helplessness). The programme's main goal is to overcome this demand gap by providing families with the supports needed to connect them with the existing network of public assistance programmes and social services. In trying to achieve this goal, the programme adopted a highly innovative approach: through Programa Puente, a psycho-social support service, it brought the psychological dimension of poverty into the center of a large poverty reduction intervention.

Social transfers are a key element of Chile Solidario, however they come embedded in the psycho-social support component (protection and exit bonuses), which itself has the explicit goal of facilitating participating families' access to existing public assistance programmes (and social services). On the demand side, the programme

³⁶ Fernandez, I. (2005), "Necesidades y Aspiraciones Prioritarias de las Familias Que Han Finalizado La Etapa De Apoyo Psicossocial Del Sistema De Proteccion Social Chile Solidario," Asesorias Para el Desarrollo.

³⁷ "Successful" refers to the degree to which a family participating in Programa Puente met the programme's 53 minimum conditions. A look at the characteristics of "successful" households shows that they are among the better-off, i.e. functional families with health relations, with some source of income, and absence of illness. Fernandez, I.(2005), pages 51-55.

³⁸ Several studies suggest that the process of effecting changes on the supply side has met with many challenges. Chief among them are inter- and intra-sector tensions, such as strains between MIDEPLAN and FOSIS and MIDEPLAN and municipalities; difficulties in implementing new frameworks for operating norms and procedures to channel compliance with the minimum conditions; and difficulties in promptly filling the gaps in the programmatic supply for families to meet some of the minimum conditions. FOSIS/MIDEPLAN (2004), page 15; Palma/Urzua (2005), pages 24-25.

thus works with a combination of cash supports and a social welfare service intervention (Programa Punte). On the supply side, it works with an institutional set-up designed to improve the delivery of benefits and services to match the needs of Chile Solidario families.

Chile Solidario is an excellent example of a policy intervention that is well articulated within existing social protection programmes and services. Its integrated approach is expected to create synergies (between its cash and service components) and thus to maximize effects in poverty reduction. The evidence available to date is encouraging, however needs to be substantiated with additional research as the programme is maturing. Existing evidence points to the programme's success in facilitating access, as expressed in an increase in the take-up of public assistance programmes and social services by participating households. In terms of human capital development, Chile Solidario is found to improve educational outcomes, while the evidence on the impact on health outcomes is (still) inconclusive.

Although very crude, the evidence available on the role of the psycho-social support component in enabling some of these changes – increased access to benefits and services, including health and education – is encouraging: the two-year phase of intensive work between the support counselor and participating families appears to increase their awareness of public assistance programmes and social services in the community. As reflected in the steep increase in pre-school enrolment of children of participating families, Programa Punte also appears to promote a change in household perceptions of the value of certain programs and actions, and helps family members to feel motivated to pursue such activities.

Chile Solidario is a social protection intervention that deserves further research and analysis. The Chilean context does of course not compare to the situation of many developing countries in need of social protection policies and programmes to address high levels of poverty.³⁹ While Chile Solidario cannot be replicated one-to-one, a lot could potentially be learned from its approach and methodology for the implementation of social protection interventions elsewhere – not least from its use of social welfare services (Programa Punte) in enhancing the benefits of existing public assistance programmes and additional income supports (Programa Punte's protection and exit bonuses).

Future analysis of Chile Solidario should 1) further corroborate the impact of the psycho-social support component in facilitating access for the poorest households to public assistance programmes; 2) explore the way in which Programa Punte, in combination with families' access to social transfers (public assistance programmes and Programa Punte's income supports) impact child and household poverty outcomes (all dimensions – income, employment, education, health, protection,

³⁹ The context in which Chile Solidario was developed is ideal in comparison to other countries: The programme's scope is limited (targeting only 5% of the population); institutional capacity at both the central, regional and municipal levels is strong; the country has an existing range of social protection programmes and services.

family dynamics); and 3) establish the effects of the changes on the supply side on the programme's impact on poverty reduction.