

IZA Policy Paper No. 94

**Addressing Access and Behavioral Constraints
through Social Intermediation Services:
A Review of Chile Solidario and Red Unidos**

Adriana Camacho
Wendy Cunningham
Jamele Rigolini
Veronica Silva

December 2014

Addressing Access and Behavioral Constraints through Social Intermediation Services: A Review of Chile Solidario and Red Unidos

Adriana Camacho

Universidad de Los Andes

Wendy Cunningham

World Bank

Jamele Rigolini

World Bank and IZA

Veronica Silva

World Bank

Policy Paper No. 94
December 2014

IZA

P.O. Box 7240
53072 Bonn
Germany

Phone: +49-228-3894-0
Fax: +49-228-3894-180
E-mail: iza@iza.org

The IZA Policy Paper Series publishes work by IZA staff and network members with immediate relevance for policymakers. Any opinions and views on policy expressed are those of the author(s) and not necessarily those of IZA.

The papers often represent preliminary work and are circulated to encourage discussion. Citation of such a paper should account for its provisional character. A revised version may be available directly from the corresponding author.

ABSTRACT

Addressing Access and Behavioral Constraints through Social Intermediation Services: A Review of Chile Solidario and Red Unidos¹

Social programs are often designed under the assumption that individuals make rational decisions that improve their welfare. Yet, informational and behavioral constraints limit the extreme and chronic poor's access and participation in social programs. This paper reviews the implementation and performance of two "social intermediation services" that were designed to address these constraints, improve beneficiaries' access to social programs, and help the poor surmount poverty: *Chile Solidario*, the first such service in Latin America, and *Red Unidos*, implemented later in Colombia. The analysis provides insights on key factors influencing performance, cost effectiveness, and the impacts that such services can be expected to have.

JEL Classification: D1, H5, I3

Keywords: extreme poverty, behavioral economics, social programs

Corresponding author:

Jamele Rigolini
The World Bank
1818 H St. NW
Washington, DC 20433
USA
E-mail: jrigolini@worldbank.org

¹ The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors. They do not necessarily represent the views of the International Bank for Reconstruction and Development/World Bank and its affiliated organizations, or those of the Executive Directors of the World Bank or the governments they represent. We would like to thank Margaret Gosh for her comments; Juliana Sanchez from ANSPE for providing administrative information about Unidos; and Rafael Calderón, who authored a background paper on behavioral economics and *Red Unidos*.

1. Introduction and overview

Social assistance programs are often designed under the assumption that individuals have a good understanding about availability of and eligibility for social programs. They also presume that individuals make “rational” choices, and correctly weigh all their options, and risks. Many of the first generation Conditional Cash Transfers (CCT), for instance, saw households as willing to make important decisions about their future (such as sending their children to school, or infants to health checkups) if given the proper economic incentives today that would help them surmount economic barriers.

Yet economic reasoning is only one element influencing people’s decision making process, with informational, behavioral and societal barriers playing often a more important role. This is especially the case for the chronic poor who, constantly faced with crises that may affect their basic needs, may not have the psychological space to quickly make immediate decisions that will only be felt in the long run (Mullainathan and Shafir 2013). Many social programs that require short run actions for long term outcomes therefore face, despite all good intentions, relatively low take up rates among extremely poor and marginalized families.

Barriers that for a rational individual may seem to be minimal, such as bus fares, filling out a short form, inquiring about eligibility, or a few hours waiting in a program’s office to receive benefits, may be insurmountable for some, particularly the extreme poor. The chronic and extreme poor may also doubt the government’s intentions of helping them: when they fail to fulfill imposed co-responsibilities, for instance, they may feel to be penalized by those who aim at helping them. Therefore, if these seemingly low information and behavioral barriers are not addressed in program design, social programs may fail in their ultimate objective: to reach and support the poorest.

In response to this observed disconnect between the supply of social programs and their take-up, Latin American countries have been developing “umbrella” or “social intermediation” services, intended to support the poor to overcome information and other barriers, via a holistic, systemic, and family-based approach. These services have the dual objective of facilitating access of the chronic and extreme poor to existing programs, and to improve their chances of exiting extreme poverty by addressing their specific needs. They represent a shift away from the “traditional” social assistance paradigm of providing the poor with a broad range of services and goods, towards a more personalized approach

that aims at giving people the right building blocks needed for overcoming their specific challenges.

This review looks at two of these services: *Sistema Chile Solidario*, the first such service in the region, and *Red Unidos*, implemented later in Colombia. Although similar services are being developed along the same lines (see below), we focus on the first two services for two reasons: First, their longer implementation history allows an assessment of their impact and cost effectiveness. Second, these two services start with very different levels of households' welfare indicators, and such heterogeneity may allow us to gain a better understanding of the driving factors behind their performance.

We argue that social intermediation services can be powerful and cost effective tools to support poor and marginalized families. Our analysis concludes that these services facilitate the poor's access to social programs, improve their socio emotional well-being, and, if the right conditions are provided, raise their employment perspectives. The analysis of *Chile Solidario* and *Red Unidos*, for instance, shows that both services are associated with a substantial improvement, by approximately 20 percentage points, of the well-being of its beneficiaries along all areas in which the programs are active: identification, health, education, family dynamics, housing, employment and income. Yet, more in-depth analyses, and evaluations of impacts with respect to rigorously defined control groups, suggest a more nuanced picture. Some of these improvements cannot be attributed solely to these services, and their effectiveness depends very much on the quality of their implementation, and the taking into consideration of both the profile and constraints faced by the chronic and extreme poor, as well as existing institutions and local conditions.

Social intermediation services do not bring directly material benefits to the families; they instead facilitate access to *other* programs. They must be therefore well integrated within the social assistance system, have inter-operable information systems to track the supply of social services and the population demand, and employ a staff of qualified, informed and well trained social workers to actively work with the target population to match them to social programs that will address family-specific needs. Social intermediation services stand right in-between the demand and supply of social services, and therefore, in addition to the need of addressing beneficiaries' constraints, a good articulation with the supply side is also essential for their success. What such an articulation implies, and what is their specific roles and functions, is very much context-specific. In a context of rationed social services, for instance, social intermediation services may need to negotiate priority access

for their beneficiaries. Social intermediation services may also need to advocate for tailoring the design of available programs to the needs of their beneficiaries; changing eligibility rules to include their beneficiaries; or for the implementation of new programs, to cover emerging sources of vulnerability, or as bridges for the extreme poor to be able to access other programs (think, for instance, of a literacy program for becoming eligible for a job training program). The common thread across these actions is the need to maintain an active dialogue with existing social programs, and give social intermediation services the right tools and authority to achieve effective coordination.

A family support component – where one-on-one support to the family is provided - is the central pillar of any social intermediation service. As such, it is important that it is well developed and implemented. Social workers are the backbone of family support. They need to be well trained and satisfy minimum qualifications. It is not only important that they know well the rules and procedures of all social assistance programs, but they need to have some knowledge of the informational and psychosocial barriers faced by the extreme poor, and know how to dialogue with families to help them overcome these barriers. Visits to families must happen on a regular basis, and must be tailored to individual needs – behavioral barriers can only be overcome if families feel that their constraints are understood, and that social workers are willing and have the means to help them overcome these barriers.

Social intermediation services can vary in complexity. The ambition of an intervention such as *Chile Solidario* goes beyond the mere access to social programs and includes psychosocial support and programs to fill supply gaps. In a context of more limited resources and capacity, simpler programs that mainly focus on access can also lead to positive impacts.

It is also crucial to keep families focused on a few goals to be achieved. Once a dialogue with poor families has been established, it is tempting to enroll them in a variety of programs to try meeting several objectives at once. Yet, families' "attention span" is limited, and the more complicated family development plans become, the less likely it is that families will be able to accomplish them. The essence of social intermediation services, and of the family development plans, should precisely be to agree on a subset of actions tailored to the condition and needs of each family. Additional features, conditions and requirements should only be the outcome of a thoughtful and gradual process.

Finally, ensuring the quality of the supply side is as important as addressing the demand for social services. Granting access to services of poor quality, or poorly tailored to the needs of the extreme and chronic poor, may lead to little or no impacts. At times the greatest increase in access can be achieved by working directly to solve supply side constraints, such as simplifying enrollment procedures, or improving the quality of health services, as opposed to implementing a whole new program.

This review is structured as follows. The next section examines behavioral sciences concepts, with emphasis on the decision making process of the poor. Sections 3 and 4 review the experience of *Chile Solidario* and *Red Unidos*, respectively. Section 5 examines the impacts of these services. Section 6 concludes by drawing lessons for the design of such intermediation services, and discusses the objectives and impacts these services can be expected to achieve.

2. The apparently irrational, but (psycho-) logical behavior of the poor

The assumptions underlying classical economics insufficiently account for psychological factors, thereby leading to policies that will not, when adopted by people with an inherently complex psychology, return the expected economic results. People's behavior is often guided by interpretation of their previous experiences and by current representations of the world (Bertrand, Mullainathan and Shafir 2006). And there are reasons to believe that psychological factors may have a stronger impact on the lives of the poor, than of wealthier people. Driven by the context in which they live, the poor may hold a set of values, aspirations and attitudes that are different from those of the non-poor resulting in sub-optimal choices (Ray 2002). These constructs diminish their possibilities to leave extreme poverty by their own efforts and can be thought of as synonymous with a culture of poverty (Bertrand, Mullainathan and Shafir 2004). But even if the poor may be subject to the same thinking biases of the non-poor, the context the poor face while making choices is more complex than that of the non-poor, and obliges them to make difficult choices more often (Bertrand, Mullainathan and Shafir 2004 and 2006; Mullainathan 2009). The poor are also exposed to narrower margins of error, and consequently, are susceptible to worse outcomes than the non-poor (Bertrand, Mullainathan and Shafir 2004).

Behavioral economists have identified a set of channels through which people make seemingly “irrational” decisions. Those that may provide useful insights for the design of social programs for the chronic poor include:

Heuristics. When faced with a choice, economic thinking assumes that people collect all available information before undertaking a rational process of cost benefits calculations in order to make a final selection among options. However, people do not always make choices in this way – a finding confirmed by (laboratory) controlled experiments. Instead, people often find a parallel between the current choice and another that was already made. Or, as stated by Kahneman (2003), people answer difficult questions by answering easier ones. Even when considering prior experiences, people will search for shortcuts by guessing at the final answer – the “gut feeling” strategy. Exposure also matters. Kahneman (2003) finds that the more experience a person has, the more her thinking approaches statistically-based selection. Accordingly, in the context of limited self-fulfilling aspirations in which the poor live, accumulated experience of frequent failures since childhood, and the scarcity of successful peers from which they can learn, may reinforce a vicious cycle of sub-optimal decisions.

Choice Overload. Too much information can however also lead to suboptimal results. Too many options increase complexity and therefore confusion, raising the probability of making suboptimal choices. For example, a program in South Africa intended to incorporate the poor into the banking service offered a range of interest rates and loan conditions associated with each interest rate, which did not always differ significantly from one another. The program had low take-up rates. However, once the number of options was reduced to a few markedly differing ones, loan applications increased significantly – by an amount equivalent to a 2.3% reduction in the interest rate (Bertrand 2010, cited in Datta and Mullainathan 2001). In contrast with classical economics, presenting the poor with too many options may therefore not be optimal: there may be a need for an informed, well-trained specialist to discuss with the poor a limited set of options that are tailored to their needs and context.

Unstable and time-inconsistent preferences. Preferences change over time and with the context (Rabin 1998), and sometimes dramatically: people may even value positively tomorrow something that they value negatively today. For example, people may have a long-term preference for savings, but when faced with expenditures such as a wedding ceremony, a television or a car, the preference may change in the short run – just to switch

back shortly after. Shortsighted choices are therefore made even if people rationally know that it may hurt their long term welfare (Mullainathan 2009).

The instability of people's preferences may have greater welfare implications for the wellbeing of the poor, who have fewer resources to cope with poor decisions (Bertrand, Mullainathan and Shafir 2004). And, if not taken into account, unstable preferences can dramatically affect programs' impacts. For example, a cash transfer to parents right before school fees are due may lead to higher school registration than paying the same amount of money several months before school begins. Or leaving a cash box for depositing spare change at home leads to greater savings when the key of the box is kept by someone outside the house, instead of keeping it inside. The concept of unstable preferences applies across a range of issues, such as savings choices for retirement, failure to eat well, lack of adherence to medications and dismissing vaccinations and medical checkups, among others (Mullainathan 2009).

Inertia and procrastination. Traditional economics understands choices as time-invariant cost-benefit analysis; however, in practice, behavioral sciences suggest that often people tend to favor the status quo. Both poor and non-poor are apt to neglect or delay taking active choices that impose small short-term costs but that would produce large long-term effects.

A well-documented example comes from the contributions for the 401(k) retirement savings plans in the United States. In a study, a firm initially offered new employees the option to opt-in to a 401(k); only 49 percent of new hires registered for the 401(k). Shortly thereafter, the default was changed to an opt-out option for a new group of hires. After the change, 86 percent of new hires were registered for the 401(k) (Madrian and Shea 1999; Bertrand, Mullainathan and Shafir 2006; and Sunstein 2013). Carefully designing default options is thus crucial for the effectiveness of social programs, especially when facing unfamiliar and complex contexts (Sunstein 2013).

Hassle factors. Relatively small transactions costs can create strong disincentives and insurmountable obstacles to participate in social programs, or to abide to contractual rules. Programs may assume that standing in a line (especially for the poor whose opportunity cost, in terms of foregone wages, may be low) or filling out forms is a low cost process, but the hassle cost might be sufficiently high to affect program participation. Examples of hassle factors include: difficult understanding of information-communication, including illiteracy; long time spent on bureaucratic requirements; low quality of services provided by

officials (Bertrand, Mullainathan and Shafir 2006). Hassle factors may be of particular relevance for welfare programs, since they are often based on strict rules for participation (Bertrand, Mullainathan and Shafir 2006). The food stamp program in the US provided evidence of the power of the hassle factor: regions where people are required to recertify in person every 90 days face lower take-up rates than regions that require annual recertification (Bertrand, Mullainathan and Shafir 2006). Minimizing hassle factors is therefore of high importance for maximizing program participation.

Endowment effect and framing. People are more sensitive to losing what they have, than to gaining something (Sunstein 2013; Bertrand, Mullainathan and Shafir 2004): they are “loss averse” (Kahneman 2003). Thus, rather than weighing an option based on the final transaction value, people often think in terms of gains and losses. Furthermore, people’s choice is very sensitive to how it is presented, known as the framing effect (Kahneman and Tversky 1979).

Multiple experiments have demonstrated the power of framing (Kahneman 2003) and endowment effects. In one experiment, one group of women was exposed to a video called “The Risks of Neglecting Mammography,” which focused on the losses associated with not getting regular mammograms. The other group was exposed to a video entitled “The Benefits of Mammography,” which focused on the gains related to the screening. Over the following year, 66.2% of the subjects exposed to a loss-framed video had a mammogram while 51.5% of the women exposed to the gain-framed video had the examination in the same period of time (Bertrand, Mullainathan and Shafir 2006).

All these factors, and the consequences of taking suboptimal choices, are often exacerbated among the poor, both because of the social and economic context in which they live, and because of their greater need to focus on short term planning, which impairs their ability to think about the long term (Datta and Mullainathan 2001). Yet, often social assistance systems remain tailored to “rational” individuals who know what is best for them, have all the information, and correctly weigh all their options and risks.

It is therefore important not only to think about how social intermediation services can take into consideration behavioral responses and information constraints to improve the functioning of the social protection system to serve the extreme poor, but also to develop realistic expectations about the long term impacts of social assistance programs, and about the likelihood that the chronic poor will eventually be able to permanently escape poverty.

Social intermediation services can help surmount some of these barriers – though by far not all – as demonstrated by several examples across the world. Two such interventions have been in implementation in Chile and Colombia for many years, and provide lessons on the experience of social intermediation in reaching and benefitting the extreme poor, design elements for program success, and challenges in implementation.

3. Design and implementation of *Chile Solidario*

The 1990s was a good decade for poverty reduction in Chile, thanks to a combination of growth-oriented economic policies, improvements in the quality of education and health, and a set of new social policies focused on the poor. The faster pace of poverty reduction occurred between 1990 and 1996, where poverty fell from 38.6% to 23.2%.

Thereafter, however, the rate of poverty reduction slowed down, declining 1.5 percentage points every two years, and extreme poverty stagnating in the 2000s at around 5.6%. Policy makers began questioning why policies had been working for the poor, but not for the extreme poor. An assessment (MIDEPLAN 2000) was therefore conducted to better understand the situation and recommend improvements for existing social policies aimed to better serve the extreme poor population. The main findings of this assessment were the following:

- a. *Social policies were successful in targeting poor families, but not the poorest.* Extreme poor families had proportionately fewer benefits than poor families – the benefits were concentrated in the upper side of the poverty distribution.
- b. *Social programs were based on explicit demand.* People had to apply for social benefits, by going to a government office and formally requesting enrollment.
- c. *The information available about social benefits did not reach the poorest population.* In general, processes for applying to social benefits were complex and required the applicant to manage a lot of information, not always in a language or in a format that facilitated proper understanding.
- d. *Extreme poor families were excluded from social and community networks,* and were isolated even within their own communities. This was the case particularly of extremely poor women, who had low self-esteem and exhibited in many cases symptoms of depression.

- e. *Social interventions were targeted at the individual level, with little coordination among them.* Programs were not coordinated at the family level, which generated duplications and inefficiencies.

These findings informed the final design of *Chile Solidario*, which was structured along three axes: (i) Addressing the economic dimension of extreme poverty, by reallocating resources towards beneficiaries and designing administrative mechanisms to implement and deliver a direct subsidy to families using available payment systems; (ii) Addressing extreme poverty by guaranteeing benefits and preferential access to social services; and (iii) Reversing the logic of centralized administration and service provision through a management model where regional and local institutions assume a strategic role of coordinator and service provider.

Chile Solidario was also built on existing foundations. In particular, good information was already available about the condition of poor and extreme poor families, including their geographic location, through a consolidated targeting instrument for social interventions (Ficha CAS), which had a wide territorial coverage throughout the country; existing evaluations of social programs also indicated acceptable results in terms of targeting the poor; primary health care services, primary and secondary education and social assistance were decentralized to the municipal level, with good coverage; and there was already a wide variety of social programs available.

At the same time, a few aspects required substantial improvements. There was a clear lack of coordination, and a better and more efficient use of existing resources was needed; there was also a need to strengthen capacity of public institutions at the local level, particularly in the municipalities as leaders in the provision of social services; the performance of social services had to be improved, especially in terms of relevance and quality; and there was a need to implement social intervention strategies focused on families, rather than individuals, and with a much stronger focus on results.

The design of *Chile Solidario* followed the three axes mentioned before. It also responded to the strengths and challenges of the existing social protection system – as such, it was not design *ex novo*: the diagnostics process identified a set of needs for *Chile Solidario* to address, which are presented in Table 1.

Table 1: Requirements for and responses of *Chile Solidario* (CHS)

Requirements for CHS	Responses of CHS
Implement a model to actively find and enroll families who were not accessing programs and social services.	Intensively use the information available in the targeting instrument not only to qualify eligibility, but to identify potential beneficiary families.
Involve beneficiaries in the social intervention process, promoting a shared responsibility approach in the task of improving their living conditions.	The intervention used a “Task Centered Approach”, based on results. A mechanism was established through signing of a formal participation agreement (called contract) between each beneficiary family and CHS, where family achievements were agreed upon.
Having a Development Agent to support families in the knowledge and use of institutional and social networks.	A personalized psychosocial support service was developed, provided by a social worker, called Family Support service.
Rearrange available resources to improve the focus on extremely poor families.	A coordination system of social services and benefits was established in order to ensure that various benefits were supplied to the same beneficiaries.
Define common and measurable objectives for both the institutions and the beneficiaries.	The social intervention was structured around 53 minimum quality of life conditions, organized in 7 dimensions: identification, health, education, family dynamics, housing, work and income (see Table 4).
Families need a temporary cash transfer to support financing costs associated to accessing social services.	A monthly transfer, for 24 months, was included in the design, with the amount decreasing every 6 months. The purpose of the transfer was to finance transaction costs related to the process of social inclusion.
Ensure economic resources to families to support those who are not able to generate their own income.	Transform existing cash subsidies into targeted and guaranteed cash transfers to support vulnerable family members and facilitate their participation in the network of social services.
Increase available opportunities in the local network of services.	The design included a Local Intervention Network, coordinated by the Municipality.
Having appropriate and sufficient information to arrange an effective service delivery process.	Installation of a Comprehensive Social Information System to register, monitor and supervise the implementation of CHS in order to follow-up demand

for and supply of social services.

Source: Authors' compilation based on program information.

The essence of *Chile Solidario* is not a specific program or social benefit, but a management model based on the articulation of institutional and local networks to provide social protection to the poorest families. It aims to coordinate mechanisms to organize the delivery of integrated services to support families in extreme poverty (though, where gaps have been identified, *Chile Solidario* led to the creation of additional programs), by guiding them to effectively use the social services network to overcome factors responsible for their poverty.

The Family Support component and the preparation of a family-specific development plan (*Programa Puente*) are the backbone of *Chile Solidario*. So is the definition of common and measurable objectives for both the institutions and the beneficiaries to achieve, structured around 53 “minimum quality of life” conditions, organized in 7 dimensions: identification, health, education, family dynamics, housing, work and income (see Table 4). By reducing the number of conditions from thousands to only 53, the program addresses the “choice overload” problem that prevents the extreme poor from effectively using the social protection system. Some conditions were already well covered, for example, more than 95 percent of the target population was already registered in the civil registry, while on the other hand only 33 percent had an income above the poverty line and 39 percent had an identify card.

Participation in the system is voluntary. The Family Support component is the entry point to the system, and is provided by a Family Counselor for 2 years, implementing a methodology based on family visits, information and guidance, including referrals to social services and benefits. The frequency of contact with each family decreases over time and each work session has a specific methodology. The main objective of this service is to provide psychosocial support to the family in the development of the skills necessary to access and use the network of available services.

The Family Support Service is complemented by a family cash transfer (flat amount per family), called *Bono de Protección Familiar*, delivered on a monthly basis, preferably to a woman, that is intended to help finance the costs associated with access to services. The

transfer value decreases every 6 months, considering that transaction costs are higher at the beginning of the process of social inclusion and tend to decrease over time.

Finally, while a family is enrolled in *Chile Solidario*, a set of cash benefits is guaranteed. Although most of those benefits existed before the creation of *Chile Solidario*, families had to apply and quotas were allocated to each municipality. In contrast, benefits are legally guaranteed to families of *Chile Solidario* meeting the requirements and making the necessary steps to activate these benefits (see below).

In addition to guaranteed benefits, families covered by *Chile Solidario* have preferential access to a number of social programs. Preferential access is enabled through interagency agreements that provide institutional conditional transfers to providers of services.

All families that conclude the Family Support stage automatically enter a monitoring and tracking phase of life conditions. Along this 3 year period, families keep guaranteed benefits and preferential access to social programs, and the *Bono de Protección* is replaced by a *Bono de Egreso* (Exit Cash Transfer) during 36 months operating as a “prize” to the completion of the first stage. This design feature sets tangible and realistic goals that counteract forces created by unstable time preference and procrastination, which were discussed above.

Role of the family support service (*Programa Puente*)

The creation of a family support service (*Programa Puente*), which is a type of caseworker relationship, is one of the main innovations of *Chile Solidario*. The service basically responds to the need of providing families with a personalized service to navigate the social protection system, and establishing a relationship of trust, aiming at developing greater self-confidence and self-efficacy to successfully face the challenges of access and permanence in the network of social protection services.

The family support service adopts a methodology focused on achieving concrete results in terms of people’s quality of life. The objectives of this component are to help families to: (i) Achieve minimum conditions that the family has to fulfill during its participation in the intervention, drawn from Table 4; (ii) Maintain and strengthen these minimum conditions; and (iii) Develop family dynamics and personal skills that promote effective strategies to address the risks to which they are exposed.

The family support service features professionally trained Family Counselors, to which a number of families is assigned. The Family Counselor plays a crucial role of connector between the family and social services local network. For those families that sign a required Participation Agreement, the Family Counselor will regularly visit families at home and also refer them to local social services. One Family Counselor works with between 60 and 100 families simultaneously, some of them in the initial intensive phase (weekly or biweekly) and others in the phase of monitoring and follow-up (monthly, bimonthly or quarterly visits).

Chile Solidario provides regular training to Family Counselors. Twice a year, Family Counselors go through a binding performance evaluation process, and only those who achieved satisfactory scores can continue in the job. The performance evaluation assesses 3 dimensions: personal abilities, knowledge of social services and ability to connect with them, and productivity (coverage; number of families graduating; social empowerment of families). 95% of family counselors are university graduates.

System management and coverage

Since *Chile Solidario* is a management model, it was necessary to develop a set of management tools that facilitated its operations, which comprised:

1. An *Interagency Coordination System* that aims at achieving both horizontal (between institutions) and vertical (between levels of government administration) coordination. The daily management of *Chile Solidario* occurs at the local level. However, a national coordination process focuses on the articulation and coordination of resources (programmatic, managerial and financial) necessary for an effective and efficient local implementation.
2. An *Integrated Social Information System* (SIIS) containing data of families and their members. In addition to being the backbone of Chile Solidario's targeting system (based, for the most part, on a proxy means approach), the SIIS is the device that allows calculating the demand for services and monitoring the available supply, family support service and changes in the living conditions of the beneficiary families.

3. A *Sub-National Management* component based on annual work plans, both at regional and local level, and a mechanism to transfer implementation resources to Municipalities.
4. A *Financial Management Component* based on a mechanism of conditional transfers to institutions that provide services and benefits to the population covered by *Chile Solidario*.

Chile Solidario began its operation in 2002. In 2012, the effective cumulative coverage of *Chile Solidario* amounted to 482,558 families (around 2 million people). Effective coverage includes those families who completed the whole intervention process of *Chile Solidario*, and excludes those who refused to participate (2.2% of those invited) and those who did not complete (5.6% of those with signed agreement) the stages of the system. All these families entered *Chile Solidario* through the family support service (*Programa Puente*).

Since 2006, additional vulnerable target groups were incorporated into the system, such as homeless individuals, the elderly living alone, and children dependent of adults in prison. In all three cases, the support component were adapted to the specific needs of these populations.

The range of programs and social services sponsored and coordinated by *Chile Solidario* were restructured over time. A few new programs were also created (though not necessarily managed by *Chile Solidario*) to meet the needs of *Chile Solidario* beneficiaries, such as a subsidy to pay for the issuance of ID cards, a school retention subsidy paid to schools, an extra meal in school feeding, family dynamics workshops, a housing program and support to income promotion.

Influence of Chile Solidario on the social protection system

The creation of *Chile Solidario* influenced the overall social protection policy design. It led to a number of adjustments and improvements of existing programs, and to the development of new programs responding to the specific characteristics of the target population. Tools for effective management of the supply chain at the central, regional and local government levels were also created.

A National Integrated Social Information System (SIIS) was created from *Chile Solidario's* Management Information System (MIS). One of the central tools for the well-functioning of a social protection system is the intensive and coordinated use of information for the decision-making process. The management information system of *Chile Solidario* was the model and initial module for the integration of information available in national institutions in a modular system that can add up new initiatives. While at the end of 2002 *Chile Solidario's* MIS contained information of a little over 170,000 people, in December 2009 the SIIS recorded data of about 12.6 million people – 75 percent of the national population.

Thanks to the global database of beneficiaries, the intervention changed the criteria for the allocation and distribution of resources, going beyond the allocation of “quotas” by municipality based on general indicators calculated on average, to cover specific beneficiaries (“with name and known address”).

Institutions participating in *Chile Solidario* also achieved efficiency gains using the program registration as their targeting tool in selecting extreme poor beneficiaries. Provider institutions do not need to identify beneficiaries anymore, since they are referred from *Chile Solidario*. The good targeting performance of *Chile Solidario* is therefore transferred to participating institutions.

Finally, the strengthening of inter-institutional relations improved the efficiency and effectiveness of the delivery of social services to the poorest at all levels of government. The local coordination efforts led by municipalities enabled a more efficient organization of social assistance delivery, coordination between different municipal units and coordination among various local institutions, and ultimately strengthened the leadership role of the municipality in terms of social protection.

Costs

Calculating the implementation costs of *Chile Solidario* is a difficult task given the diversity of the components, and a management model that draws resources from external programs and institutions. Administrative data allow however to review the costs of components financed totally or in part by *Chile Solidario*. The *Chile Solidario* budget has been organized into 4 areas of expenditure: (i) Family support service, (ii) Family Protection and Exit cash transfers, (iii) Programs fully or partially financed by resources transferred to provider institutions, and (iv) Administrative costs related to the operation of

the system. The overall budget went from USD 3.6 million in 2002, to USD 182 million in 2012. Of these, around 14 percent financed the family support service; 24 percent consisted of cash transfers; and 62 percent were transferred to other social programs in order to fill coverage gaps. Administrative costs remained relatively small: in 2009 (the latest year for which information is available), they represented around 3 percent of the total budget.

The cost per year of family support services, which includes salaries of social workers, varies significantly depending on the target group, from an average of US\$ 132 for poor families, to US\$ 474 for the homeless, to US\$ 1,263 for children of prisoners. All of them include home visits, personalized work with beneficiaries, group activities, networking, and educational materials for the intervention; however variations on the frequency, level of complexity and specialization of the intervention strongly impact costs.

Remoteness also impacts costs significantly. The cost of the family support service (*Programa Puente*), for instance, can vary between US\$ 99 for municipalities of easy access and high geographic concentration, to US\$ 531 for municipalities of difficult access and high geographic dispersion, where fewer visits can be attended per day (Table 2).

Table 2: Cost of the *Programa Puente*, by geographic area

Type of Municipality	% Municipalities	% Families	Total yearly cost per family (Av. 2008/09; US\$)		
			Min.	Max.	Mean
Difficult access – high geographic dispersion	15.6	6.1	128	531	181
Combination of localities with easy and difficult access	71.8	63.2	119	133	126
Easy access – high geographic concentration	12.6	30.7	99	128	105
ALL	100	100	99	531	132

Source: Authors' compilation based on program information.

A new program for extreme poverty

In 2013, under a new administration, the *Ingreso Ético Familiar* (IEF) replaced *Chile Solidario*. The IEF offers to its beneficiaries a set of cash transfers organized into 3 categories: (i) *Bonos por Dignidad* (“Transfer for Dignity”), (ii) *Bonos por Deberes* (“Transfer for Duties”), and (iii) *Bonos por Logros* (“Transfer for Achievements”). In addition, for the extreme poor population, the *Ingreso Ético Familiar* also includes a component called *Apoyo Social* (Social Support) and *Apoyo Laboral* (Employment Support), both for a maximum of 24 months.

The *Ingreso Ético Familiar* represents a radical change in thinking - in terms of expanded coverage, lower emphasis on the family support service, and of stronger focus on the employment dimension. Moreover, evaluations have yet to be completed. As such, we do not cover it.

4. Design and implementation of *Red Unidos*

In response to the 1999 crisis, Colombia began to build its social assistance system to support the extreme poor. The system consisted of three programs: a cash transfer, a temporary work program, and a youth training scheme; the cash transfer is still in operation as of 2014. Specifically, in 2001, Colombia implemented *Familias en Acción*, a Conditional Cash Transfer (CCT) program, with the objective of supporting poor families with an income transfer who in return would commit, in the context of co-responsibilities, to invest in their children’s health and education. *Familias en Acción* rapidly became an important pillar of the country’s poverty reduction strategy and together with other social programs and better economic conditions contributed to a reduction in poverty by 7.8 percentage points between 2002 and 2005. Despite these successes, 22 million Colombians remained poor, and 6.6 million remained in extreme poverty. Poverty was also geographically concentrated: one-fourth of the *departamentos*² presented poverty incidence rates above 25 percent of the population (CONPES 2006).

² Departamentos are a geographical unit comparable to a state. There are 32 *departamentos* in Colombia

The decision to launch *Red Unidos* (initially called *Red Juntos*), a national umbrella service designed to reduce extreme poverty, was spurred by two key factors. First, the government committed to achieving the Millennium Development Goals (Acción Social 2009). Second, the Colombian Mission for the Eradication of Poverty and Inequality (MERPD) identified a troubling lack of coordination between social agencies that was affecting their effectiveness (World Bank 2013). The MERPD also found incompatibilities in incentives and rules between social programs.

In response, the MERDP suggested adopting a multidimensional strategy, a “social protection system for families in extreme poverty, based on a management model that allows preferential access to public social services” (CONPES 2006). Based on the experience of *Chile Solidario*, the objective of *Red Unidos* was to build and strengthen capabilities among extreme poverty and internally displaced families so they can manage their own development to improve their wellbeing and overcome poverty. *Red Unidos* worked through the following axes (Acción Social 2009):

1. Integrating the public supply of national and local social services according to the demands of the households;
2. Providing family support and advice to households and communities in addition to preferential access, so that the resources and interventions allow poor households to reach minimum living standards;
3. Designing an agreed-upon customized action plan or family framework of co-responsibilities to help households escape poverty.

Identification and integration of poor households in *Red Unidos*

Identification of beneficiaries of *Red Unidos* makes use of the SISBEN, Colombia’s national targeting system based on a proxy means test. The SISBEN has been used to identify vulnerable households through their educational, demographic, and dwelling characteristics. The *Departamento Nacional de Planeación* (DNP) designs the algorithm, but each municipality collects household information. The resulting SISBEN score ranges from 0 (poorest) to 100 (richest). Each social program identifies its cut-off point to determine eligibility (Departamento Nacional de Planeación 2008).

The implementation of *Red Unidos* was carried out in three phases. In 2008, the 1.2 million families of *Familias en Acción*, as well as 300,000 internally displaced families,

were considered for inclusion. Of these, 140,000 families within 37 municipalities were selected for participation in the intervention (World Bank 2013).

In 2009, Red Unidos expanded to 1.5 million families across Colombia, covering 1,102 municipalities (Agencia Nacional para la Superación de la Pobreza Extrema (ANSPE) 2012). For this second phase, the Colombian government “broke” the link with *Familias en Acción*, and selected families based on poverty status as measured by the SISBEN, in addition to internally displaced families.

Finally, in 2012, eligibility was only driven by the SISBEN score. By the end of 2012, 10,376 *Cogestores Sociales* (i.e. social workers) were following 1,404,847 families in 1,102 municipalities. Similarly to *Chile Solidario*, each beneficiary family agrees on a Family Plan and works towards achieving the 45 conditions deemed as crucial to attaining minimum welfare conditions (see below). By the end of 2012, 1,252,499 families agreed upon a Family Plan; 900,502 families had at least one visit by a *cogestor* social to follow up on their agreed goals; and 157,064 (51,976) families surpassed poverty according to the multidimensional poverty (income poverty) measure. Among these, 35,017 families surpassed poverty according to both the multidimensional and poverty measures, and graduated from *Red Unidos*.

Service modalities

Red Unidos is based on two main principles: the service and the families work together to improve family well-being, and accomplish minimum welfare conditions; and, to reach these objectives, the service provides personalized (*tailor-made*) family counseling interventions. Similar to *Chile Solidario*, there are 45 welfare conditions used by *Red Unidos* to assess households' wellbeing, grouped along nine dimensions: (1) identification, (2) income and labor, (3) education and training, (4) health, (5) nutrition, (6) housing, (7) family dynamics, (8) financial inclusion and savings; and (9) access to justice. A tenth dimension is attention to internally displaced families (see Table 4). In addition, there were initially 22 basic territorial conditions (requirements), which the municipalities had to fulfill, in order to promote the accomplishment of the 45 welfare conditions or goals for the families (see the Appendix for a detailed list of territorial conditions). Since 2011, however, these territorial conditions are not binding anymore.

The *Red Unidos* beneficiaries were more disadvantaged than their Chilean counterparts. At program initiation, conditions compliance was clustered around 49 percent, as compared to 78 percent in *Chile Solidario* (Table 4).

Red Unidos is a social intermediation service with the objective of facilitating access to other existing social programs that families need to overcome their specific needs. Thus, similarly to *Chile Solidario*, the supply of these other programs is not under the control of *Red Unidos*, but is the responsibility of sectoral ministries and subnational governments. In contrast with *Chile Solidario*, however, *Red Unidos* has no resources available to transfer to other programs to facilitate the prioritization of its beneficiaries. This is an issue as the decisions on preferential access made at the national level were not systematically transmitted to the regional and program levels. (Econometría Consultores et al 2012).

At the household level, since 2012, *Red Unidos* operates four components to help families meet their Family Plans:

1. A **Family and community promotion component**. This component is dedicated to the design of family and community work plans, both coordinated by the *Cogestores Sociales*. Regarding the family work plan, the *cogestores*' goal is to help the family define priorities among the 45 welfare conditions and specific actions to attain the conditions and to motivate families to achieve the welfare conditions on their own. Similar to *Chile Solidario*, the family counseling coordinated by the *cogestores* has three phases:
 - First, the signature of an *Acuerdo de Corresponsabilidad* (co-responsibility agreement) to mark the beginning of the family participation in *Red Unidos*. Once the co-responsibility agreement is signed, the *cogestores* develop the *Línea de Base Familiar* (LBF: family baseline), which is a detailed profile for each family that summarizes the information of the welfare conditions already accomplished, and the ones to be reached from the total 45 goals.
 - Second, each family, supported by their *cogestor*, develops its own *Plan Familiar* (family plan), which prioritizes the conditions to be accomplished in the short term; conditions to be considered for the long term; and how these conditions will be achieved.
 - Finally, the *cogestores* monitor and follow up on the family's progress while providing orientation on how to access social services. The family is registered in a

web-based management information system, so that the *cogestores* are able to update profiles during the counseling. Originally the whole intervention, from the co-responsibility agreement to the moment families exit the service, was expected to last for a period of no longer than five years. Instead, the accompaniment is continuous until a family leaves poverty, as indicated by a multi-dimensional poverty measure and an income-based measure of extreme poverty.³

As a complement to the family counseling, the community counseling is intended to foster interaction between families with common challenges. At these sessions, *Red Unidos* provides information regarding the 45 welfare conditions that ought to be achieved (Table 4). Families are able to share their experiences concerning their family plans and achievements. Additionally, the community sessions allow families to make joint decisions towards collective actions that contribute to the accomplishment of any of the welfare conditions.

2. A **supply of social services component**. This component seeks to coordinate the preferential access of beneficiaries to social services (national and regional) by providing information and technical assistance to both families and regional authorities, and, at the national level, by coordinating the processes of selection of beneficiaries. This component has shown some challenges and results have shown strong context dependence: for example, in many cases, the information provided by local authorities about available services is not accurate (Acción Social 2008; World Bank 2013).
3. A **social private investment component**. This component is designed to connect beneficiaries with the private sector and social organizations like NGOs, academic institutions and private firms able to provide services benefitting *Red Unidos* beneficiaries. *Red Unidos* partners with private firms to support the profiling and family counseling processes in three different forms: philanthropy, social responsibility projects, and inclusive businesses.
4. A **social innovation component**. This fourth component is intended to promote national and international networks to develop knowledge and new practices for poverty reduction strategies (World Bank 2013). The ultimate objective of the

³ A household is considered to be multidimensional poor if it does not comply with 5 or more of the 15 dimensions of the index.

component is to provide technical assistance to both private and social organizations to better reach the poorest, by means of social innovation pilots with strong expansion potential, as well as promoting a culture of social innovation.

Implementation challenges

Evaluations of *Red Unidos* showed that it had an impact on the life of the poor, but in its first years, several implementation challenges may have prevented exploiting its full potential (Econometría Consultores et al 2012). Among the challenges, sporadic visits of *Cogestores*; the quality of services provided (in particular in remote areas); and lack of coordination stood out. There was, for instance, no inventory of existing social services at the local level, which made it difficult to establish whether households were able or not to access services. Decisions on preferential access made at the national level were also not systematically transmitted to the regional and program levels. Further, while budget was devoted to *Cogestores*, social spending aimed at *Red Unidos* beneficiaries was managed by different institutions (the Ministry of Social Protection, Ministry of Education, among others; see Quiroga, et al. 2010). This contrasts with the model of *Chile Solidario*, where most of the budget was devoted to grant and finance preferential access to its beneficiaries.

There are also indications that in its early years, the intervention was not meeting its intended informational and guidance roles. Some households in the sample reported that they did not know about the existence of some programs or about their right to access them. Households also complained about the ease of access of social programs, such as hours of operation, and cost and availability of transportation, particularly for households living in rural areas, though not a *Red Unidos* issue. Similarly, there was a perception of receiving “unequal” treatment by government employees, just for the fact of being poor or displaced (Econometría Consultores et al 2012).

According to a representative household panel survey, the ELCA 2013, *Red Unidos* is favorably viewed by 52% of beneficiaries, as compared to a favorable rating of 92% of *Familias en Acción* (Camacho 2014). This seemingly low rating may be due to a culture where people are accustomed to receiving money or goods rather than guidance and psychological support. This is demonstrated by the fact that households recognized that they had learned from *cogestores*, but also claimed that the improvement in their life

conditions was a consequence of their own effort and not of the *cogestores* interventions or the attention received from the service. Beneficiaries also reported that they did not receive preferential access to social programs because of their enrollment in *Red Unidos*. On the contrary, internally displaced families reported being the subject of discrimination by governmental agencies because of their condition, and SISBEN families because of their poverty condition (Econometría Consultores et al 2012).

Part of these challenges have also arisen because in its first years, *Red Unidos* has prioritized the expansion of the family support component without a corresponding expansion of social services, which limited the scope of action and impacts of the family support activities.

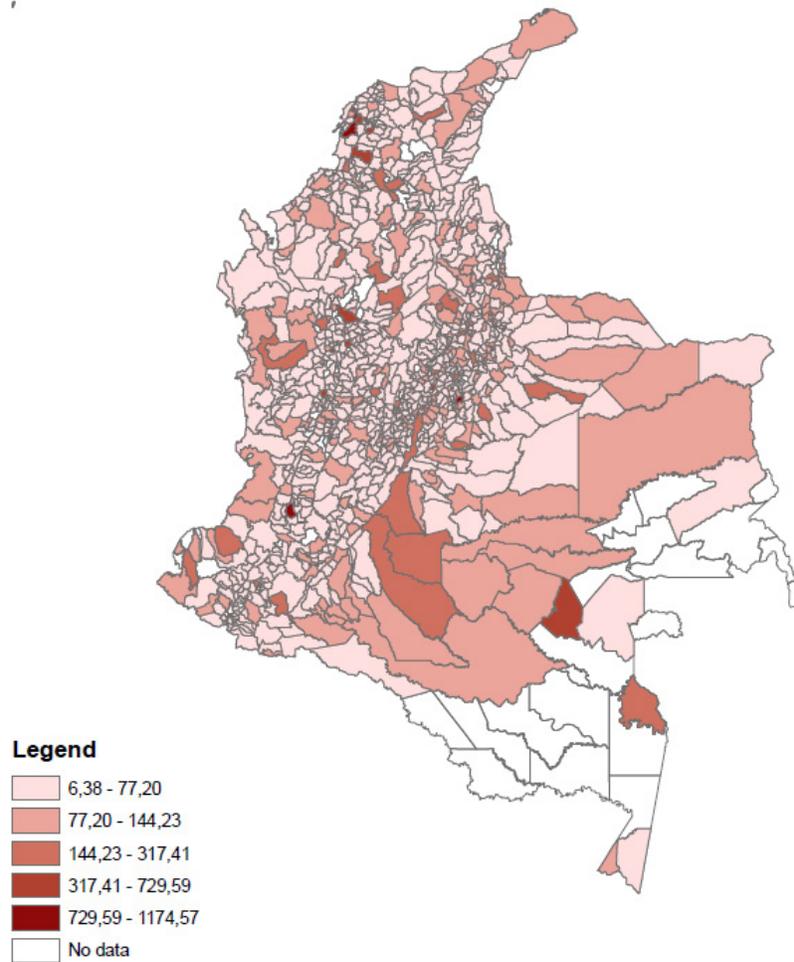
Costs

As with *Chile Solidario*, the unitary costs show variations across municipalities. The average yearly implementation cost across municipalities is around US\$ 80.6 per family,⁴ but unitary costs can climb up to US\$ 1,174 per family, with a standard deviation of approximately US\$ 81. However, less than 1 percent exhibit costs below US\$ 45 (approximately half the average), and only 1 percent has costs above US\$ 400 (five times the average).

Figure 1 maps the heterogeneity of planned costs for 2013 across municipalities. Interestingly, both visual and multivariate analyses fail to capture factors that systematically impact these costs: high and low costs are equally likely to be distributed along coastal and mountain areas, as well as the North and South. Several reasons can explain the lack of association with structural factors. Among others, expanding the intervention in certain municipalities may initially generate higher costs, something that we do not capture in the data. The intervention may also have adjusted its delivery modality, such as frequency of visits, in areas of difficult access, also something that administrative data fail to capture.

⁴ We have excluded municipalities with less than 10 beneficiaries.

Figure 1: Planned unitary costs per family (USD, 2013)



Source: Authors' compilation based on program information.

5. Impacts

Though similar in spirit, in their initial years *Red Unidos* and *Chile Solidario* differed along strategic axes. In what follows, we make an attempt to associate these differences in design and implementation, to differences in impacts.

Table 3: Design and implementation characteristics of *Chile Solidario* and *Red Unidos*

Implementation Axis	Chile Solidario	Red Unidos
Higher level institutional support; ability to propose/amend laws and decrees	Yes	No
Ex-ante identification of beneficiaries' social conditions and needs, and gaps in social assistance coverage	Yes	No
Frequent visits of social workers to beneficiary families	Yes	No
Intensive training and periodical evaluation of social workers' knowledge and performance	Yes	No
Integrated database management across programs and ministries	Yes	No
Own implementation of additional programs	No	No
Ability to finance other social programs to expand/prioritize coverage towards own beneficiaries	Yes	No
Ability to finance the expansion/prioritization of services to cover own beneficiaries	Yes	No
Community support component	No	Yes
Social private investment component	No	Yes
Social innovation component	No	Yes
Cash transfer for financing transaction costs of social inclusion process (accessing social programs)	Yes	No

Table 3 summarizes important differences between the two programs. What emerges is a picture of two rather distinct implementation models for social intermediation services. *Chile Solidario* is an intensive and highly coordinated intervention. Beneficiary families receive regular visits from social workers, who themselves are trained and evaluated on a regular basis. A database that is integrated across programs and ministries informs monitoring and implementation, and the intervention has resources available to influence the expansion of other social programs and the supply of social services to cover its beneficiaries. On the other hand, *Red Unidos*, while being inspired from *Chile Solidario*, is a less comprehensive intervention: Visits to beneficiary families happen with lower frequency, and social workers are not evaluated on a regular basis; databases are not integrated with other programs and ministries; and, while at the central level agreements have been reached, *Red Unidos* does not have the resources to finance the expansion of other social programs and the supply of social services to cover its beneficiaries. On the

other hand, some interesting innovations have also been added, such as the implementation of a community support component.

These differences in design and implementation seem to have translated into differences in impacts. Impact can be examined through different lenses; perhaps the most simple and comprehensive way to begin with is to analyze beneficiary families' accomplishment of the minimum welfare conditions defined by the interventions. For this purpose, we present in Table 4 the achievements under *Red Unidos* and *Chile Solidario*, using data on the percentages of households with goals achieved at baseline and five years later for *Red Unidos* (which initially was the time period thought for the family support component), and two years later for *Chile Solidario* (at the end of the *Programa Puente*). For comparability purposes and to have a longer span of time to see changes, we only consider the early cohort of households when both interventions started (i.e. the 2003 cohort for *Chile Solidario*, and the 2009 cohort for *Red Unidos*). Thus, the following indicators track performance at the beginning of implementation, and may miss improvements in performance that could have happened during the implementation through learning and as a result of changes. Also, the indicators do not allow for understanding *when* improvements happened. For *Red Unidos* in particular, changes could have happened at the beginning or at the end of the five year period (or gradually) – but our data are not able to capture it. Nevertheless, they provide an interesting insight on how the initial design we have reviewed may have influenced outcomes. Please note that the indicators in Table 4 only refer to the subgroup of the beneficiary population for which the indicators have relevance.

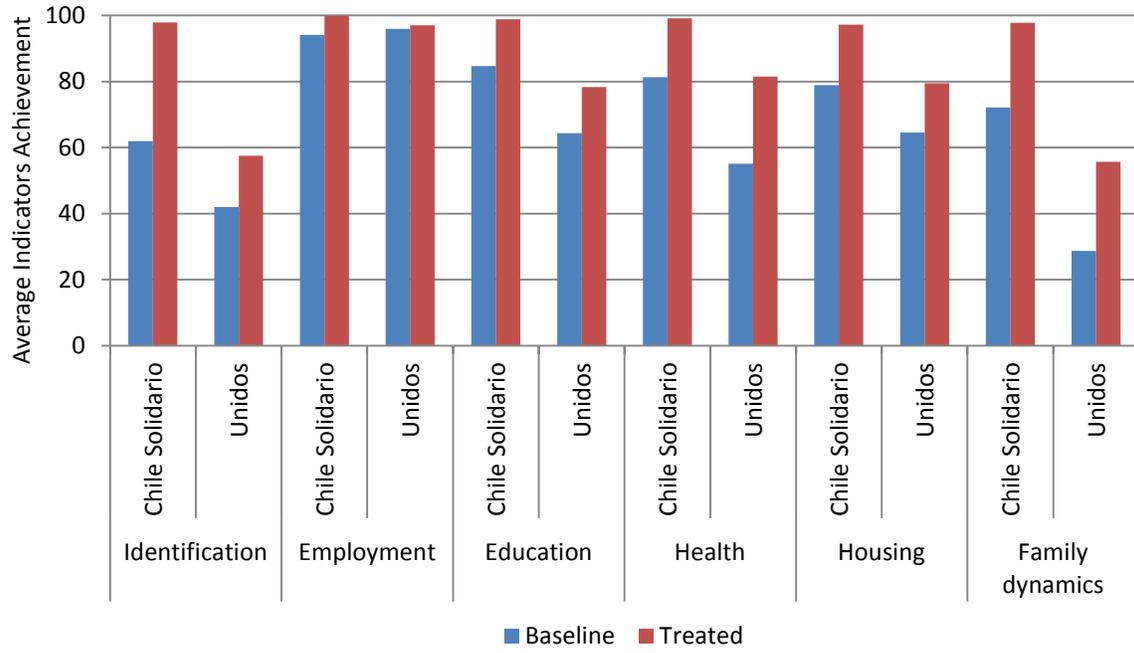
Monitoring indicators suggest that in both interventions, beneficiaries' social indicators progressed substantially (Table 4). After two years of treatment, most indicators of *Chile Solidario* were met by more than 90 percent of its beneficiaries, from a baseline of 78 percent, even for dimensions that started from a relatively low baseline. The indicator that started with the lowest baseline (families with income above the extreme poverty line) shows a dramatic improvement, from 33 percent to 86 percent. Progress was also observed in *Red Unidos*, which, on average, as measured by the indicators, covered worse off beneficiaries: the initial cohort of beneficiaries of *Red Unidos* achieved an average of 49 percent of the goals at baseline. Five years later, the same cohort had an average of 70 percent of goals achieved.

If we look only at indicators that are common across the two interventions (those in red in Table 4), the picture remains similar: the first cohort of *Chile Solidario* beneficiaries met on average 79 percent of the indicators at baseline, and 98 percent two years later; on the other hand, the first cohort of *Red Unidos* beneficiaries met 56 percent of the indicators at baseline, against 76 percent five years later. It looks therefore that both interventions managed to improve the wellbeing of their beneficiaries in similar proportions, around twenty percentage points. Nevertheless, *Chile Solidario* was not only able to practically close all the gaps of its initial cohort of beneficiaries, but it shows a performance that is similar to the five years of treatment we observe for *Red Unidos*.⁵ The more effective improvement of *Chile Solidario*, a more comprehensive intervention, and its ability to almost close gaps in indicators among its beneficiaries, suggests that design and intensity of treatment matters.

The picture also holds when we look at the share of beneficiaries who meet the goals specific in each dimension (Figure 2). In almost all dimensions, *Chile Solidario* started, but also ended, at higher levels. In many cases improvements, when measured in absolute percentage points, remain similar in both interventions; nevertheless, *Red Unidos* had more “space” for improvement, while the performance of *Chile Solidario* in raising indicators may have been limited by the fact that some indicators were closer to full completion to start with – and, due to their binary nature, it is not possible for an indicator to “exceed” full coverage.

⁵ To be sure, progress in *Red Unidos* could also have happened in the first two years – we are not able to assess it; nevertheless, such a scenario could also be perceived as less efficient, as it would implicate that little progress happened in the three subsequent years.

Figure 2: % of Beneficiaries who Achieved the Goals within each dimension



Source: Administrative data provided by program staff.

Table 4: Accomplishments of minimum welfare conditions

		Unidos (5 years)			Chile Solidario (2 years)		
		Percent hh with goal achieved at baseline	Percent hh with goal achieved 5 years later	Difference (% Points)	Percent hh with goal achieved at baseline	Percent hh with goal achieved 2 years later	Difference (% Points)
Identification	All members of the family must be incorporated into the Civil Registry.				99	100	1
	All members of the family must have an identity card.	74	89	15	39	98	59
	The family should have its ficha CAS/Sisben up-to-date ('vigente') in the Municipality where they reside.				89	100	11
	All adult members of the family (18 years old or older) have fulfilled their military duties.	10	26	16	85	98	14
	All adult family members should have their background records normalized.				88	98	10
Employment	Members of a family who have a disability should be recognized by the Commission of Preventative Medicine for Disability (COMPIN) and registered in the National Registry of Disability, if necessary..				66	95	28
	At least one member of the family should have a regular job and a stable salary.				47	97	50
	No child under 15 years of age should leave school in order to work.	96	97	1	94	100	6
	All unemployed persons should be registered with the Municipal Employment Information Office.(OMIL).				46	99	53
	Individual above 12 are capable of working						
Education	The household has a level of assets that enables them to work						
	Individuals 60+ have a stable source of income						
	Children in pre-school age should attend a pre-school program (or in case of no-availability that they have applied).	46	72	26	75	99	24
	If the mother works and there is no other adult able to care for the children, children under six years of age should attend a daycare program. (or in case of no-availability, that they have applied).				89	100	11
	Children under 15 years of age should attend an educational institution, or be in the process of reintegration if they have previously dropped-out.	71	81	10	94	100	5
	Children who attend pre-, primary or middle school should benefit from the school assistance programs to which they are entitled to..				84	100	16
	Children older than 12 should know how to read and write.				97	100	3
	Children with a disability who are able to study should be incorporated into the standard or special education system, (or in case of no-availability, that they have applied).				86	98	13
	The adult caregiver of children should be in regular contact with the school.				96	100	4
	Adults should have a positive and responsible attitude towards school and education, at least recognizing the necessity that the child participates in formal education systems.				94	100	6
Health	The adults should be able to read and write (or those who desire to learn to read, write and perform basic mathematics should be in the process of learning).	76	82	6	85	98	14
	Adults have access to tertiary education (technical, technological) or work training	33	61	28			
	The family must be registered in the Service for Primary Health Care	75	96	21	90	100	10
	Pregnant women should attend their preventive visits.	84	98	14	93	100	7
	Children under six years of age should have their vaccinations up-to-date according to the guidelines established by the Ministry of Health.	51	80	29	97	100	3
	Children below 6 years should have their health checks up-to-date.	46	72	26	95	100	5
	Women above 35 should have their pap smear up-to-date.	24	75	51	60	99	38
	Women who use any contraceptive method are under medical supervision.	63	86	23	76	99	24
	All elderly in the family should be under medical supervision at the health center.				80	99	20
	Members of the family who suffer from a chronic illness should be under the supervision of a doctor from the corresponding health center..				78	99	21
Health	Family members with a disability, who would benefit from rehabilitation, should be participating in a rehabilitation program.	29	55	26	70	97	26
	All members of the family should be given personal health and general health guidelines.	69	90	21	69	99	30

Nutrition	Family has good nutrition habits to prepare food	38	75	37			
	Family has healthy nutrition habit, consumes different food types	0	47	47			
	Mother engages in full breastfeeding at least 4 months	48	48	0			
Housing	The situation of the family, with respect to ownership of the land and the home in which the live, should be clearly defined.				83	100	17
	If the family wishes to apply to housing program, they should be in the application process.				42	92	51
	The family should have access to clean water(1)	61	74	13	91	99	8
	The family should have access to an adequate sewage system(1)				85	98	13
	The family should have access to an adequate energy system.	87	92	5	76	96	20
	The home should not be susceptible to floods, or have severe leakage and humidity problems.				40	89	49
	The house should count at least two rooms. (2)	57	75	18	73	97	23
	Family has less than 3 individuals per room, and children sleep separate from adults	39	60	21			
	Each member of the family should have a bed with sheets, blankets and a pillow.(3)	55	74	19	57	94	36
	The family should have the basic kitchen and dining materials to meet its needs. (3)	55	74	19	84	98	15
	The family should have access to an adequate waste disposal system.	72	88	16	92	100	8
	The environment around the home should be pollution-free.				80	99	19
	The family should have access to the water public subsidy, if eligible.				66	95	30
	Home has floors (no dirt floor)	66	72	6			
Family dynamics	Family has access to communications system	53	84	31			
	Home made with adequate materials	20	45	25			
	Home has lighting, natural ventilation, and privacy	21	45	24			
	The family should have the daily custom of discussing topics like habits, schedules and play spaces (4)				82	99	17
	The family should have adequate abilities to deal with conflict..	29	62	33	76	98	22
	There should be clear rules of cohabitation within the family.				83	99	16
	There should be a fair distribution of household chores.				80	99	19
	The family should be aware of the community resources and development programs available through local networks (sports clubs, senior citizens' centers, action groups, and community organizations, among others).	38	56	18	73	100	27
	In the case that there have been incidents of domestic violence, the persons directly involved in the situation should be incorporated into some type of support program.	19	49	30	67	96	29
	A family with a child in foster care or in an institution should make regular visits..				90	99	9
A family with a child in the penal system should support him/ her and collaborate in the rehabilitation process.				87	99	11	
Financial inclusion	Parents engage in good parenting practices	37	67	30			
	Family takes care of disabled member	37	49	12			
	Family has savings (formal or informal markets)	5	48	43			
Access to judicial system	Family is financially literate (know at least one financial service: savings, credit or insurance)	92	96	4			
	Family has access to different forms of (formal/informal) credit	48	66	18			
	Family is familiar with methods for resolving conflicts by the judicial system	21	49	28			
Income	Family has access to legal services	65	77	12			
	All members of the family who are entitled to the Family Support Subsidy should be receiving it (or at least have applied)				79	99	20
	All members of the family who are entitled to the Family Allowance should be receiving it				86	99	12
	All members of the family who are entitled to Social Security Assistance (PASIS) should be receiving it. (or at least have applied for it).				81	97	15
	The family should have an income above the line of extreme poverty.				33	86	53
The family should have a budget organized in terms of their resources and priority needs.				64	98	35	

Displaced families should receive support from the government

(1) Water and Sewage system reported together in Unidos; (2) Different wording in Unidos: Family has differentiated housing spaces (bathroom, kitchen, room); (3) Different wording in Unidos: Family has beds and cooking equipment; (4) Different wording in Unidos: The family did and follows a Family plan.

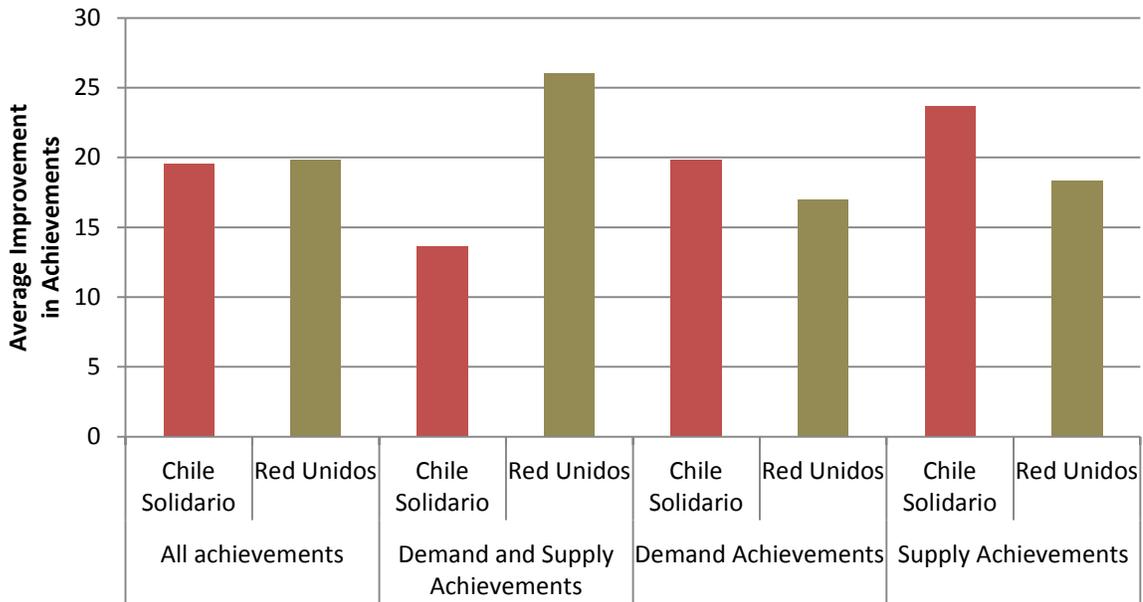
Note: Conditions in red are present both in Chile Solidario and UNIDOS. Some conditions in UNIDOS have not been reported, hence cells are left blank. Source: Administrative data provided by program staff.

Another interesting cut is to differentiate between objectives that focus on the “demand” side (i.e. achievements that depend on efforts of households or individuals), and the “supply” side (i.e. achievements that depend mainly on the supply and quality of public goods and services). From an implementation perspective, the demand side can be attributed to a larger extent to the effectiveness of the family support service, while the supply side hinges more on achieving cross-sectoral coordination in the delivery of services. Demand achievements include, for instance, the need for the family to own basic kitchen and dining materials; while supply achievements include, for instance, access to adequate services. To be sure, many indicators fall both into the demand and supply categories, as they require efforts from both the household, and the state.

Figure 3 shows average improvements depending on whether achievements hinge more on demand vs. supply factors. The picture, under this cut, remains similar to the overall picture: improvements in indicators remain fairly similar under both interventions, though *Chile Solidario* seems to have better managed progress in indicators that are “pure” demand or supply, while *Red Unidos* shows better progress in indicators that hinge on efforts of both beneficiaries and the state.

While informative, there are risks in relying purely on administrative indicators. First, they suffer from comparability issues. Improvements under *Chile Solidario* have been achieved under less than half the time frame. Moreover, the longer the time frame, the less it is possible to attribute improvements to the intervention itself, as some improvements may stem from other programs or from countrywide developments that are independent of the intervention, in particular under sustained rates of economic growth, which was the case in Colombia. To attribute impacts to the interventions, it is therefore important to validate our findings with the ones of rigorous impact evaluations based on experimental group comparisons.

Figure 3: Supply and demand achievements



Note: only common indicators have been considered. Source: Administrative data provided by program staff.

Evidence from impact evaluations

To the extent that improvements in indicators may be due to countrywide improvements that went beyond the specific interventions, it would be misleading to attribute the progress to the intervention. Rigorous impact evaluations with valid treatment and control groups can tell us causal impacts. Fortunately, both interventions have been evaluated to various extents. We summarize the findings of these evaluations, which broadly support the findings from the indicators analysis.

Red Unidos. In 2012, the only rigorous impact evaluation of *Red Unidos* was carried out, to measure impacts in the first two years of program implementation (Econometría Consultores et al 2012). The evaluation largely measures the impact of the Baseline and Family Plan since very few households had passed to the *Monitoring and Follow-up of Minimum Goals* stage by the time of data collection.

While the administrative data show that beneficiaries increased their achievement of the welfare goals, the impact evaluation shows that factors other than early program activities may have played a key role in driving the observed results. The impact evaluation found

that the family counseling activities did not result in higher welfare goal achievement among internally displaced families or among families targeted through the SISBEN (from rural or urban areas), as compared to similarly vulnerable families that did not receive the intervention. This suggests that observed gains were driven by countrywide progress or other social programs rather than by the initial engagement with the program. A companion survey that was designed to evaluate the knowledge and use of the social programs available in the municipalities also showed that beneficiaries of *Red Unidos* have the same knowledge of existing programs as do those who are not beneficiaries.

The 2011 evaluation also studied how early program activities affected other dimensions of their lives. These included conflict management; the inclination of parents to make decisions together about their children's education; risk aversion; and patience, the last measured as the preference to receive a small amount of money in the present against a bigger amount in the future. Again, *Red Unidos* and non-beneficiaries had the same behaviors along these dimensions (Econometría Consultores et al 2012).

The partial intervention appears to have had an impact on beneficiaries' perceptions and attitudes (Econometría Consultores et al 2012). Beneficiaries recognized having learned from social workers how to improve their nutrition, maintain crops, apply for housing subsidies, and learned about the importance of savings. Beneficiaries of *Red Unidos* have also developed greater hope in a better future, and have more positive attitudes towards life. Thus, the initial contact with the families and family plan exercise can change beneficiary information sets and some attitudes that inhibit the poor from being protagonists of their own well-being.

However, these results must be taken with extreme caution since the program was not yet doing its core business – supporting families to access services to meet their goals – when the evaluation was undertaken. Further, it was undertaken in the first year of the program, when implementation issues are being sorted out, potential beneficiaries were just getting to know the program, and *cogestores* were still learning their jobs and creating the tools to carry them out. The program has matured sufficiently that a new impact evaluation should be carried out to assess the degree that current program design is having its intended effects. Since the program is several years into implementation, there is less of a risk that program effectiveness will be confused with start-up challenges.

Chile Solidario. Evaluations of *Chile Solidario* are more abundant, and utilize data collected after full program implementation. *Chile Solidario* has been evaluated in the short (2 years) and medium (6 years) terms with two different sets of information: the *Chile Solidario* panel surveys and administrative data. The results of these evaluations consistently point towards two directions: first, the main objective of increased access and use of social programs by the beneficiaries of *Chile Solidario* has been met, especially for beneficiaries who were not enrolled in social programs before the intervention. Second, improvement in beneficiaries' ability to independently and permanently escape poverty, reflected in an impact on employment, has remained modest, and been observed only when the supply of training programs has been scaled up to meet the increased demand.

Galasso (2006) presents the first evaluation of *Chile Solidario*; she studies the impact of the first two years of operation of the intervention on socioeconomic outcomes such as income and housing programs, employment, health and education. She finds that beneficiaries have better access to direct cash transfer programs, and also better knowledge of the supply of social programs. She also observes small increases in school attendance, literacy, and, to some extent, access to health care, and finds an increase in participation in housing and job training programs. Nevertheless, the higher take-up in job training programs does not translate into an increase in employment or income, at least in the short run. Finally, she finds beneficiaries to be more optimistic about their future socioeconomic status. Peticara (2007) evaluates *Chile Solidario* using the same data, and finds no impacts on labor market participation or on income in urban areas; nevertheless, she finds some positive impacts in rural areas.

Table 5: Selected evaluations of *Chile Solidario*

Impact	Exposure time	Source
<ul style="list-style-type: none"> • Increases participation in job training programs, but no effect on employment rate or income in the short run. • Increases participation in housing programs. • Increases school attendance. • Some weak increase in the use of health services. 	2003-2004	Galasso (2006) Galasso (2011)
<ul style="list-style-type: none"> • Increases employment rate. • Increases housing index.⁶ • Reduces autonomous income.⁷ 	Between 15 and 48 months of intervention	Larrañaga, Contreras and Ruiz (2009)

⁶ This index is built using the following variables: roof, floor and walls materials, access to public electricity, drinking water and garbage disposal systems, and the ratio of number of sleeping rooms to number of household members.

<ul style="list-style-type: none"> • Increases psychosocial welfare. • Increases take-up of subsidies and social programs. • Increases the number and percentage of workers in the household, and the employment of household head. 	2003-2006	Hoces de la Guardia, Hojman and Larrañaga (2011)
<ul style="list-style-type: none"> • Reduces poverty and indigence in rural areas. • Increases use of health care system and participation in programs of training and intermediation for labor. • Positive effect along beneficiaries' self-esteem and self-efficacy dimensions. 	2003-2006	Galasso and Carneiro (2008)
<ul style="list-style-type: none"> • Largest impacts for families that were previously not accessing services. • Larger impact when the expansion of the supply of social services is effectively implemented. • Impact on employment outcomes only when met by an increase in the supply of training and employment programs. 	Cohorts participating between 2002-2006; impact measured up to 2009	Carneiro, Galasso and Ginja (2014)

Larrañaga, Contreras and Ruiz (2009) study short term effects using administrative data. They also find positive but small effects in terms of employment and housing after 2 years of accompaniment by the intervention. Nevertheless, they also measure a small reduction in net income.

Regarding the medium-term evaluations, Galasso and Carneiro (2008) look at the impacts of the intervention for the years 2003-2006. They find a reduction in poverty in rural areas, which is consistent with Peticara's findings. In urban areas *Chile Solidario* has positive effects over access to services and participation in job training programs. They also find positive results on psychosocial dimensions.

Under a five year period to evaluate impacts, Carneiro, Galasso and Ginja (2014) find that the intervention successfully increases participation in social programs. Impacts are however mainly concentrated on families who were not accessing services before *Chile Solidario*. The intervention tackled therefore demand side constraints (information, transaction costs, or emotional costs) for households previously disconnected from the

⁷ Autonomous income is defined as all the payments received by the household as a result of the possession of productive factors. It includes wages, earnings from independent labor, self-provision of goods produced by the household, rents, interests and pensions.

welfare system in a sustained way. Such findings strengthen the importance of beneficiary selection in the implementation of social intermediation services.

Households also improved their access to sewage and legalized the ownership of their housing. Consistent with previous findings, they also find a positive effect on optimism, but a negative effect on perception of social support and psychosocial stress. An additional and unexpected effect of the intervention is that it tends to promote a more stable marital status.

The intervention also had some impact on employment – but only when supply of training and employment programs met the increased demand. Carneiro, Galasso and Ginja (2014) look at different cohorts of families that have been in *Chile Solidario* between 2 and 6 years, and exploit the exogenous variation in the eligibility to the program during its roll-out. They find that beneficiaries from *Chile Solidario* tend to increase their participation in employment programs, but impacts on employment are more nuanced. Specifically, they find a 20% increase in the employment rate of females (spouses of the household head), only if they were not employed before 2002, and if their family enrolled in *Chile Solidario* after 2004, when the supply of training and employment programs was significantly scaled up. The demand for social programs induced by the *Chile Solidario* translated therefore into employment outcomes only for people who were previously out of the labor force, and when met by a corresponding increase in the availability of training programs side.

6. The emergence of other social intermediation services in the region

The experiences of *Chile Solidario* and *Red Unidos* have been followed carefully by countries in Latin America and the Caribbean seeking comprehensive intervention strategies for the fight against poverty. The main aspect that drew attention is the psychosocial or family support component through a social worker offered to participating families. At least four countries in the region have analyzed the Chile and Colombia models, and have made interesting adaptations based on their needs and resources, while maintaining the essence of the original proposals.

Nicaragua has developed its system of Social Welfare on the basis of a “model of comprehensive family and community support” (*Modelo de Atención Integral, Familiar y Comunitario*), which is articulated around the achievement of 25 welfare conditions for whose achievement the families are supported by cross-cutting groups coordinated by the Ministry of the Family, Adolescence and Childhood. Those families who are in a position of high vulnerability (expressed in one or more children working or being in the streets) receive psychosocial support. All families also participate in regular educational workshops that cover the rules of the program, and inform them about the social services available to them.

The metropolitan municipality of Lima also developed a psychosocial support program to families in extreme poverty, called *Familias en Acción*. The program offers “family counseling” structured around the achievement of 46 objectives. Social workers regularly visit families and accompany them in supervising a plan of action agreed in conjunction. The strategy also includes coordination of the offer of city and state social programs. Each district also has a social center where social services are provided to the community, with special attention to families from *Familias en Acción*.

Haiti has incorporated a family support component in the *Kore Fanmi* program through social workers working on a development plan with each participating family, centered around achieving 28 welfare goals, mainly focused on achieving better child health. The intensity and frequency of the family support varies with the level of vulnerability of the family. The social workers are also the ones who directly deliver preventive services to families.

Finally Jamaica, within the framework of a graduation strategy for families of the *PATH* conditional cash transfer program, will start the implementation of a family support service organized around a set of 28 resilience standards that families must have completed at the end of the intervention. Social workers support the families in the design and implementation of family development plans, and a network of services and programs, mainly around employment and income support, will be made available to participating families.

7. Conclusions and recommendations

The comparison of *Chile Solidario* and *Red Unidos*, two interventions with similar objectives, reveals differences in impacts that can be traced both to differences in design and implementation and to how the overall institutional and social environment has interacted with the intervention. We conclude by reviewing some of these factors.

Social intermediation services are effective tools for reaching the extreme and chronic poor. Evidence consistently shows that the extreme and chronic poor exclude themselves from social life – even from programs aimed at supporting them. There is therefore a need to go beyond the classical “passive” social assistance approach, where coverage is often dictated by budgetary considerations and poverty status, and the assumption that the poor will successfully seek out and enroll in social programs, and to move towards “active” approaches that seek out the poor and assist them to identify their goals and efficiently use the social protection system to achieve those goals. In that view, social intermediation services are effective tools for reaching the chronic poor and ensure they benefit from social assistance appropriate to each family’s specific needs. The analysis of *Chile Solidario* shows that, in two years, such an intervention was able to substantially improve the well-being of its beneficiaries along all dimensions. After two years of treatment, most indicators were met by more than 90 percent of its beneficiaries, even for dimensions that started from a relatively low baseline. Moreover, impact evaluations from *Chile Solidario* show that impacts can go beyond access. The implementation of the family support service in addition to cash transfers can help some beneficiaries to gain enough skills and confidence to permanently escape poverty on their own. The *Red Unidos* experience also shows that even simple outreach and planning for welfare enhancing goals increases information and affects less tangible dimensions underlying the poor’s ability to integrate into the social protection system, namely behavioral factors.

Social intermediation services have to be tailored to local capacity and conditions.

Social intermediation services do not need to be as elaborate as *Chile Solidario* or *Red Unidos* to lead to positive effects. Proactively identifying, seeking and registering the extreme poor into social programs can be done – at least to some extent – without the use of sophisticated family support components that have the more ambitious objective of helping families to overcome behavioral barriers. Achieving such an objective requires a

highly sophisticated vertical and horizontal coordination across institutions and levels of government, and can be challenging if an intervention lacks effective management tools and support from the highest levels. Simpler social intermediation services that give, for instance, a central role to local communities, may also be an interesting avenue to explore.

Social intermediation services should be well integrated within existing institutions and programs. Social intermediation services do not bring directly material benefits to the families; they instead facilitate access to *other* programs. They must be therefore well integrated within the social assistance system, have inter-operable information systems to track the supply of social services and the population demand, and employ a staff of qualified, informed and well trained social workers to actively work with the target population to match them to social programs that will address family-specific needs. Social intermediation services stand right in-between the demand and supply of social services, and therefore, in addition to the need of addressing beneficiaries' constraints, a good articulation with the supply side is also essential for their success. What such an articulation implies, and what is their specific roles and functions, is very much context-specific. In a context of rationed social services, for instance, social intermediation services may need to negotiate priority access for their beneficiaries. Social intermediation services may also need to advocate for tailoring the design of available programs to the needs of their beneficiaries; changing eligibility rules to include their beneficiaries; or for the implementation of new programs, to cover emerging sources of vulnerability, or as bridges for the extreme poor to be able to access other programs (think, for instance, of a literacy program for becoming eligible for a job training program). The common thread across these acts is the need to maintain an active dialogue with existing social programs, and give social intermediation services the right tools and authority to achieve effective coordination.

Do not forget to fuel the supply side. Improving the extreme and chronic poor's demand for services is by itself a complicated task. It might be easy therefore to forget the importance of the supply side. Yet, granting access to poor quality services may lead to little or no impacts. For instance, the lack of generalized impact along the labor dimension during the first years of implementation of *Chile Solidario*, where the supply of training and employment programs remained limited, and its subsequent increase in impact when the supply of those programs increased, suggests that not only *Chile Solidario*, but also the

accompanying programs ought to meet the increased demand, and be tailored to the specific and difficult reality of the chronic and extreme poor.

At times the greatest increase in access can be achieved by working directly on solving supply side constraints and congestion, such as simplifying enrollment procedures or providing an adequate amount of resources. Addressing supply side constraints should therefore remain at the forefront of the social agenda – and a key role of a social intermediation service is to pinpoint these constraints and congestion effects, and help to address them.

Focus. Both *Chile Solidario* and *Red Unidos* show the importance of working with concrete, specific and quantifiable goals and expected results (minimum conditions of quality of life in the case of *Chile Solidario*, and basic achievements in *Red Unidos*) to focus families' efforts on the one hand, and priorities of service providers on the other. Once a link with a poor family has been established, and given the holistic nature of social intermediation services, it is tempting to enroll them in a variety of programs to try meeting several objectives at once. Among others, financing an active employment component may be particularly tempting, as on paper it may facilitate families' permanent escape from poverty. Yet, the more is required from families, and the more family development plans become complicated, the less likely it is that families will be able to accomplish them. Adding modules and conditions should therefore be the outcome of a thoughtful and gradual process, which possibly takes place once the effectiveness of the core intermediation service to improve access has been demonstrated.

Set realistic expectations about impacts. We all would like to see most beneficiaries from social programs escaping poverty, and living by their own means. But let's not forget that social intermediation services target the most vulnerable and marginalized population, for which the lack of stable and well remunerated employment may be due to supply constraints, as much as to demand ones. Extreme and chronic poor families facing multiple social, economic and behavioral constraints, as described in Section 2, will not be able to permanently escape poverty, and will need assistance all along their life cycle. The success of social intermediation services should be measured against what they are designed for. Setting expectations exceedingly high may give wrong impressions about the intervention's performance.

Implement all aspects with rigor. Behavioral barriers can only be overcome if families feel that their constraints are understood, and that social workers have the means to help them overcome these barriers. Family support services work only if families are visited regularly by trained specialists, who follow strict procedures and a specific methodology. In addition to continuous training, most social workers from *Chile Solidario* had relevant university degrees and were re-evaluated on a yearly basis. *Red Unidos* social workers meet periodically with each other to provide information and advice in a peer-to-peer arrangement. Social intermediation services, while not implementing directly an assistance program, should have some means and discretion to help families overcome potential monetary constraints, such as transportation or child care costs, if they are not granted by any other social program. Social workers should also be empowered by connecting them to community leaders, so that they gain valuable information, trust and credibility from the community. *Red Unidos* social workers, for instance, collect information on local programs by each being responsible for a “ministry” at the local level, visiting weekly to collect information on new programs and processes, thus serving as a source of information for fellow social workers.

Cost effectiveness. The very essence of social intermediation services – ensuring access to other programs – makes it difficult to compare their cost effectiveness, as it depends mainly on the extent to which they manage to facilitate the poverty reduction efforts of other programs. These aspects notwithstanding, for most beneficiaries social intermediation services seem to be cost effective: in both Chile and Colombia, it costs less than US\$ 100 per year to cover most beneficiaries, which tend to be located in regions with easy access and high population density.⁸ For these beneficiaries there is usually also a good supply of social services, which reinforces the effectiveness of an intermediation program.

There are however municipalities – usually the most remote and sparsely populated – where costs jump to US\$ 500 per year, or even to US\$ 1,000 for Chile and Colombia respectively. Costs are, to be sure, only one element of the equation; for most social programs, families’ *right* to receive social assistance should overcome cost considerations, specifically for the case of the displaced population in Colombia. But social intermediation services do not deliver tangible benefits apart from facilitating access to other programs,

⁸ While poverty *rates* tend to be higher in remote rural areas, in many Latin American countries a majority of the poor now lives in urban or per-urban areas.

which, in remote areas, also tend to be in scarce supply. In these cases, a social intermediation service can therefore be justified only if it is able to act upon the supply of services by reinforcing collaborations and synergies in the delivery of services, something that has been observed for *Chile Solidario*, but less for *Red Unidos*. A systematized effort to create a data base of all social programs available in a locality will facilitate the ability of the *cogestores* to identify potential synergies in the delivery of services.

Finally, while difficult to quantify, we should not forget the benefits of improved psychosocial status brought by these services, such as higher self-esteem and more positive perceptions about life. This is particularly important for vulnerable populations such as the displaced population in Colombia, where families do need a follow-up that goes beyond pecuniary support. The attitudes, beliefs, and decisions emerging from them are a prerequisite for self-sufficiency.

Institutional arrangements for intermediation services. The 2000s saw the establishment in Latin America of several institutions in charge of coordinating social assistance services for the extreme poor. Some of these institutions have taken the form of a ministry (such as the *Ministerio de Desarrollo y Inclusión Social* (MIDIS) in Peru), while in other cases they sit under the Presidency, or in an existing ministry (such as the *Agencia Nacional para la Superación de la Extrema Pobreza* (ANSPE) in Colombia). In most cases, intermediation services are located in such institutions. These institutions are very much needed. Whatever form they take, they must be empowered to take decisions that go beyond the mere monitoring of progress in poverty reduction. They should be given the authority to negotiate as a peer with other ministries reforms and changes that lead to more effective support of the extreme poor; and possibly, also a budget to finance or implement programs that address uncovered vulnerabilities, including social intermediation services. In most cases, the establishment of such institutions requires institutional reforms, a radical change in the thinking of poverty reduction strategies, and the investment of substantial resources; as such, these new institutions should also be made accountable for progress in the reduction of extreme poverty.

References

- Acción Social. "Evaluación de la prueba piloto JUNTOS, Red de Protección Social para Superación de la Pobreza Extrema". Bogota, 2008.
- . "Red de Protección Social para la Superación de la Pobreza Extrema. Manual de operaciones", 5a ed. pag. 9. Bogotá, 2009.
- Agencia Nacional para la Superación de la Pobreza Extrema (ANSPE). "Segundo paso: condiciones suficientes. Cifras UNIDOS". Bogotá, 2012.
- Bertrand, Marianne, Sendhil Mullainathan, and Eldar Shafir. "A Behavioral-Economics View of Poverty. Memos to the Council of Behavioral-Economics Advisors". VOL. 94 NO. 2. p. 419. AEA Papers And Proceedings, 2004.
- . "Behavioral Economics and Marketing in Aid of Decision Making Among the Poor". Vol. 25 (1), 8–23. Journal of Public Policy & Marketing. American Marketing Association., 2006.
- Carneiro, Pedro, Emanuela Galasso, and Rita Ginja. "Tackling Social Exclusion: Evidence from Chile". Mimeo, The World Bank, 2014.
- CONPES. "Lineamientos para la focalización del gasto público y social". Page 11 . Consejo de Política Económica y Social. República de Colombia. Departamento Nacional de Planeación. Bogotá., 2006.
- CONPES. "Red para la Superación de la Pobreza Extrema" pag.8. Consejo de Política Económica y Social. República de Colombia. Departamento Nacional de Planeación. Bogotá., 2006.
- Datta, Saugatto, and Sendhil Mullainathan. "Behavioral Design: A New Approach to Development Policy". Washington, DC: CGD Working Paper 016, Center for Global Development, 2001.
- Departamento Nacional de Planeación. "Diseño del índice SISBEN en su tercera versión. SISBEN III". Resumen Ejecutivo. Roberto Angulo Coordinador. Dirección de Desarrollo Social. Grupo de Calidad de Vida, 2008.
- Econometría Consultores et al. "Evaluación de impacto de UNIDOS–Red de Protección Social para la Superación de la Pobreza Extrema". Bogotá: Institute of Fiscal Studies; Fedesarrollo; Sistemas Especializados de Información, 2012.
- Galasso, Emanuela. "Alleviating extreme poverty in Chile: the short term effects of Chile Solidario". Estudios de Economía, 38(1), 2011.
- . "With their effort and one opportunity: Alleviating Extreme Poverty in Chile". Mimeo, 2006.
- Galasso, Emanuela, and Pedro Carneiro. "Lessons from the evaluation of Chile Solidario". 2008.

- Hoces de la Guardia, Fernando, Andres Hojman, and Osvaldo Larrañaga. *Evaluating the Chile Solidario program: results using the Chile Solidario panel and the administrative databases*. Estudios de Economía, 38(1), 2011.
- Kahneman, Daniel. *"Maps of bounded Rationality: Psychology for Behavioral Economics"*. The American Economic Review, 93(5), 2003.
- Kahneman, Daniel, and Amos Tversky. *"Prospect Theory: An Analysis of Decisions Under Risk"*. Econometrica, 1979.
- Larrañaga, O, D Contreras, and J Ruiz. *"Evaluación de impacto de Chile Solidario para la primera cohorte de participantes"*. 2009.
- Madrian, Brigitte C, and Dennis Shea. *"The Power of Suggestion: An Analysis of 401(k) Participation and Saving Behavior"*. University of Chicago. Grad. School Bus., 1999.
- MIDEPLAN. *"Estrategia de intervención integral a favor de familias en extrema pobreza"*. 2000.
- Mullainathan, Sendhil. *"How behavioral economics can help change the fight against poverty"*. SEED Magazine, 2009.
- Mullainathan, Sendhil, and Eldar Shafir. *"Scarcity: Why Having Too Little Means So Much"*. Times Book, 2013.
- Perticara, Marcela. *"Análisis cuantitativo de impacto del Sistema Chile Solidario"*. Mideplan, 2007.
- Quiroga, A, R Steiner, M Parra, A Reyes, M Olivera, and A.M. Ibáñez. *"Los retos y desafíos de la red Juntos"*. Debates de Coyuntura Económica y Social, Fedesarrollo, 83. 2010.
- Rabin, Matthew. *"Psychology and Economics"*. Journal of Economic Literature, 36(1), 1998.
- Ray, Debraj. *"Aspirations, Poverty and Economic Change"*. New York University and Instituto de Análisis Económico (CSIC), 2002.
- Sunstein, Cass R. *"Nudges.gov: Behavioral Economics and Regulation"*. Preliminary draft. . Oxford Handbook of Behavioral Economics and the Law, 2013.
- World Bank. *"Activating Social Assistance Beneficiaries in Colombia: The Experience of Red UNIDOS"*. 2013.

Appendix

22 Basic Municipal Conditions to Implement *Red Unidos*

Identification

1. The municipality offer access to the distribution (and replacement) of identification documents required to access basic services.

Education and Job training

2. The municipality offers enough programs to provide integral education (care, nutrition and initial education) to children under 5.
3. The municipality offers access to formal education (from grades 0 to 11th) to school-age population.
4. The municipality offers access to higher education programs (technical professional, technologic, and graduate professional), and job training programs.
5. The municipality offers access to programs of alphabetization for the illiterate.
6. The municipality implements the strategy for prevention of child labor and protection of the young worker.

Health

7. In the municipality, the entire population is affiliated to the Health Insurance System.
8. Actions and projects guaranteeing accomplishment of immunization goals are implemented in the municipality.
9. The municipality promotes actions and strategies for the inclusion of children under 10 years of aged in ECD and youth programs.
10. There is an updated register and characterization of the disabled population, and integral rehabilitation programs for this population are carried out.
11. The municipality develops projects for Sexual and Reproductive Health promotion in the areas of Safe Motherhood, Family Planning, Adolescent Sexuality, Prevention of Cervical Cancer, Prevention and Treatment of Sexually Transmitted Infections, HIV / AIDS, Sexual Violence, and other.

Nutrition

12. The municipality has a municipal plan of food and nutritional security or its Development Plan has actions for the supply of food and nutrition assistance to the vulnerable population.
13. There is capacity to provide nutritional complements to children under 5 years of age.

Family Dynamics

14. There are active spaces for community participation and free recreational and cultural spaces.
15. There are programs aimed at promoting peaceful coexistence and dealing with domestic violence and conflict resolution.

Access to Justice

16. Formal and alternative mechanisms for conflict resolution are known and promoted.

Habitability

17. The municipality promotes mechanisms for legalization of land assets.
18. The municipality promotes home improvement projects, urban environment improvement and Social Housing.
19. There is sufficient provision of public services infrastructure given the municipality's population.

Saving and banking services

20. Financial institutions are known and used in the municipality, and financial education campaigns are carried out.

Income and work

21. Instruments for the generation of income in the target population are promoted.

Assistance to displaced people

22. There exist mechanisms for attention of displaced people.