



Social Protection:
Safety Net or Potential Economic Growth?
Examples from IDRC supported projects

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Question and Objective Presentation

Cash transfers known to help reduce poverty and inequality

Are there negative labour effects cash transfers ?

Can they help promote productive employment?

Objective: summarise results IDRC-supported research on those 2 questions
(or 3: gender differences in these impacts)

Cash transfers: negative impacts labour supply?

Theory: public transfers will reduce work incentives

South Africa research SALDRU

- Pervasive high youth unemployment, 40%, rural
- Universal social grants, non-contributory pension (twice median income)
- Debate this would reduce incentives, labour supply, entrepreneurship
- Rigorous research showed grants do *not* make youth idle, in fact encourages job search

Gasparini and Garganta – Argentina Universal Child Allowance for Social Protection

monthly benefit (fairly large) per child to households, not registered in national social security (unemployed or in informal sector)

-> leads to disincentives to join formal sector

Bergolo, Cruces and Galvan - Uruguay's CCT Asignaciones Familiares - Plan de Equidad (AFAM-PE)

does not discourage beneficiaries from working, but strong 'formal employment discouragement' effect women

disincentives to formalization: fear of losing the monetary benefit if surpass income testing threshold?

Social protection and productive development


Peru Escobal and GRADE: Haku Wiñay (“Mi chacra emprendedora”)

Provides productive technical assistance and small asset to a segment of rural households in Juntos

Early findings (matched controls):

- significant increase in total family income
- improvements in perceptions, empowerment, financial literacy (Proyecto capital), nutritional outcomes





Cesar del Pozo - joint implementation of CCT Juntos and agricultural credit to promote productive assets

- Combination between Juntos and productive credit produced a significant increase in the accumulation of productive assets.
- But: joint impact demonstrated only for male-headed households

Alcazar and Espinosa - impact of Juntos on women's empowerment, indexes dimensions empowerment

Early findings:

- Enhanced decision making women, respect
- No significant effects gender ideology, freedom of movement



Martinez-Restrepo et al. impact of Red UNIDOS strategy on women's empowerment.

Red UNIDOS Colombia: psychosocial support, access to services, strengthening government institutions

Findings: no effect on increasing women's economic empowerment

Explanation offered: implementation failures; women face complex barriers (trust in services, access to care and transportation)

Conclusions

Positive impact of social grants on some social outcomes – but equally important unintended effects on labor markets

Some are design issues: for example thresholds

Combining social grants with productive interventions help households increase income

Emerging evidence gender mixed: suggest need for additional complementary measures

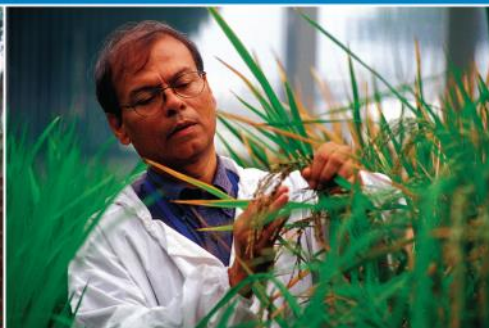




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