

# **GRADUATION AND SOCIAL PROTECTION**

## **CONFERENCE**

### **Learning Insights and Action Points**

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## Session 1: Why are we here? Understanding graduation

1. Graduation that is defined as **exiting from a social protection programme** after a certain time period, or after reaching a threshold level of income or assets, risks having 'graduates' falling back into poverty when programme support is withdrawn and the next shock hits them.
2. Graduation that is achieved by **combining social protection and livelihood development** (such as asset transfers and access to finance) has a greater possibility of leaving people with sustainable and resilient livelihoods after they exit from the programme.
3. The most effective approaches to graduation require **cross-sectoral coordination**, so that households do not exit from social protection support into 'no support', but instead move from social assistance to accessing a broader range of social services and economic opportunities.
4. The linear pathway to graduation that is implied in many graduation model programmes fails to recognise that **livelihoods are not linear**, and that the primary functions of social protection are to provide life-long insurance and to build resilience over the life-cycle.

## Session 2: Lessons from early movers: Graduation programmes in Bangladesh

5. The graduation model which was pioneered in Bangladesh by NGOs, led by BRAC, has achieved success by delivering a **sequenced package of support**, including regular cash transfers, asset transfers, training and mentoring, and access to financial services.
6. Impact evaluations have shown **extraordinary success rates** across a range of indicators, including income, consumption and asset ownership, and that these improvements are sustained even 2 years or longer after support from the programme terminates.
7. One concern is that **these achievements should be put into context**: most participants move from extreme poverty to moderate poverty – so they remain poor – they remain self-employed, and many ultra-poor people will never have the potential to graduate. So the eradication of extreme poverty might not be possible through graduation programmes.

8. **Replication and scaling up of the ‘graduation model’** in other contexts might not be straightforward, as the intense engagement with individual participants requires levels of financial and human resources that are beyond the capacity of most governments.

### **Session 3: Graduation programmes in Africa: Findings from Rwanda**

9. A 3-year panel survey of the Vision 2020 Umurenge Programme (VUP) found that **Public Works participants show a greater propensity to graduate than Direct Support beneficiaries**. This may reflect household characteristics: Direct Support beneficiaries (e.g. people with disabilities, older persons) have limited capacity to improve their circumstances, even with benefits.
10. **Households that no longer receive support show signs of falling backwards**, by disinvesting assets (e.g. selling livestock) accumulated while on the VUP.
11. **Sustainability of graduation from VUP can be strengthened by additional support** – access to financial services, training and community sensitisation.
12. Eligibility for and exit from the VUP is based on a **community-based targeting mechanism that is becoming distorted and less accurate over time**. However, validation of targeting lists (e.g. by local Joint Action Development Forums) increases targeting efficiency by screening out some households that are technically eligible but are not among the poorest in their communities.
13. **New approaches to targeting social protection programmes in Rwanda** are now being considered, including asset ownership, a poverty scorecard and proxy means test, but targeting (defining eligibility and graduation thresholds) remains a challenge.
14. A pilot project that draws on the Bangladesh model, **Concern Worldwide’s Graduation Programme in Rwanda, has demonstrated significant reductions in deprivation** and increases in asset ownership, savings, consumption, access to education and health services and social cohesion after just one year of cash transfers and mentoring support.
15. As cash transfers stop and other components are introduced, especially asset transfers for investment in enterprises, the challenge will be whether this package of support translates into self-reliant livelihoods – but **evaluating whether graduation is achieved and sustained requires long-term research**.

## Session 4: Gender and generations: Women's empowerment and building intergenerational resilience

16. **Social protection programmes should aim to empower women** in two dimensions: economic advancement, and power and agency. Many cash transfers that demonstrate positive economic impacts do not have positive social impacts for women and are sometimes regressive (e.g. conditional cash transfers and public works projects can increase women's time burden).
17. Household composition, especially **the presence of children, can slow down graduation** because most resources transferred are allocated to children's consumption needs and investment in education, so full family targeting is essential to avoid this problem.
18. **Some indicators of improvement at household level can have negative consequences for children** – for example, increasing livestock ownership is associated with increasing child work – so these possible effects of asset transfers must be closely monitored.
19. **Investment in children is essential for 'inter-generational graduation'**, but this requires a much longer time horizon than the 2-5 year cycles of most graduation programmes.
20. Maximising the potential for inter-generational graduation requires **ensuring that social protection programmes are gender-sensitive and child-sensitive**, for example by providing crèches at Public Works sites, and linking social protection to early childhood development (ECD) services.

## Session 5: Graduation programmes in Africa: Findings from Ethiopia

21. Although there are 'graduation guidance notes' for the PSNP, survey findings reveal that **several indicators of graduation are used to differing degrees across regions**, including some not included in the guidance notes. Does this reflect inconsistency in policy implementation, or adapting to local contexts?
22. The government's policy is 'evidence-based graduation', but officials at local level sometimes feel pressure to demonstrate 'success' in terms of graduation targets, which has often resulted in **premature graduation** from the PSNP.
23. Awareness of graduation criteria leads **some participants to adopt strategies to avoid being graduated**, in order to continue receiving programme support.

24. **Graduation benchmarks that are based on income levels or asset values need to be updated** regularly or index-linked annual to keep pace with inflation.
25. Extending PSNP to pastoral areas highlighted the need to modify programmes according to local livelihood systems. Challenges include **transfer dilution due to a culture of sharing and polygamy**, which undermines graduation impacts.
26. **Evaluations of PSNP focus on programme design and personal characteristics of participants** in explaining success or failure in terms of graduation outcomes. Too little attention is paid to the **contextual factors that 'enable' or 'constrain' graduation**, such as community cohesion, physical environment, access to markets, and political pressure.
27. **Stakeholders have different attitudes to graduation.** Some believe graduation is essential to reduce dependency and maximise poverty reduction impacts, others believe the focus on graduation distracts attention away from core functions of social protection.
28. **Social protection should provide a permanent safety net for some and an opportunity to graduate out of poverty for others.**

## **Session 6: Graduation potential of cash transfer programmes in Africa**

29. **Even social protection programmes that do not have graduation objectives can achieve graduation outcomes.** Several unconditional cash transfers in Africa have moved participants out of poverty and into sustainable livelihoods.
30. **Determinants of graduation potential in Africa include programme design** (e.g. large and predictable transfers), **household characteristics** (e.g. demographic composition), and **conducive market conditions** (cash transfers cannot be a motor of economic growth on their own).
31. In Uganda, the graduation potential of social protection programmes is maximised by **strengthening linkages with semi-formal financial institutions** such as SACCOs and VSLAs, and with government livelihood initiatives, but access barriers are a constraint.
32. A pilot project in South Africa targets means-tested Child Support Grant beneficiaries and provides support to small enterprise development. One indicator of graduation is if the **participant's income rises until they are no longer eligible for the Child Support Grant.**

## Session 7: Policy-maker panel

### *[Government and donor agency representatives]*

33. Comparing the 'NGO graduation model' and the 'government social protection model', panellists saw advantages of both – governments can learn from NGO innovations, but **social protection is a government mandate, so the two approaches have to converge.**
34. In terms of the politics of graduation, there was consensus that **political commitment is crucial for programmes to succeed**, but there are also concerns that too much **political pressure can undermine the commitment to provide basic welfare and safety nets.**
35. Financing graduation programmes is challenging – these programmes are complex and expensive and the scale of need is high – millions of poor people across the world. **Governments and donors all face resource constraints, so partnerships are needed for financing and technical support.**

## Session 8: Components of the Graduation Model: Savings, asset transfers, sustainable livelihoods

36. **Village Savings and Loan Associations (VSLAs) can be a powerful driver of graduation**, because it offers both protection against risks or shocks and opportunities to invest in productive enterprises.
37. Asset transfers are a central component of graduation approaches, but **if the costs of managing the asset and the riskiness of the asset are high, this can undermine the likelihood of graduation.** (One example from a CGAP pilot project in Honduras: chickens given to households died from disease, leaving participants worse off than before.)
38. A challenging question for programmes that focus on providing physical and financial assets to encourage participants to start small businesses: **Do graduation programmes focus too much on self-employment rather than helping poor people to find jobs?**

## Session 9. Graduation Model pilot projects: Findings from around the world

39. Pooled results from a range of evaluations of eight Graduation Model pilot projects across Asia, Africa, Latin America and the Caribbean find statistically significant **positive impacts on household consumption, household income, poverty reduction, assets, savings, education and health**. However, success is not uniform – there is variability across sites, for context-specific reasons.
40. The CLM project in Haiti found that some beneficiaries slipped backwards after graduating due to shocks (hurricanes), but still maintained a higher standard of living than before the project. This supports the argument that **graduation means building resilience as well as crossing income or asset thresholds**.
41. An evaluation that found positive impacts of graduation projects in DRC and Rwanda concluded that **confidence is probably the #1 key factor in determining whether participants can graduate – especially women**. But how do we measure this?

## Session 10. Implications for policy approaches to graduation

42. A challenging question for graduation programmes: **Should we expect the ultra-poor to graduate, or are there incentives to target the less poor who have more graduation potential?**
43. **Graduation is about creating active citizens and building the middle-class**. It is not about setting up more programmes and creating more beneficiaries.
44. **Graduation programmes cannot solve the structural problems of poverty on their own**, they need to be accompanied by substantial public investments in infrastructure, justice, and – especially in Latin America – reducing violence.
45. All kinds of **insurance programmes are needed to provide real social protection for poor people**, and this requires the active involvement of markets and the private sector.
46. Rights-based approaches to social protection are expanding in India but they face challenges in implementation and financing constraints. **Do rights-based approaches inevitably cause a gap between promises and delivery?**
47. **Is ‘exiting’ people from graduation programmes incompatible with the right to social protection?**