

Cash Transfers and Social Protection



Interview with Susana Gamez – Technical coordinator of the Social Cabinet of the Presidency of the Republic of the Dominican Republic.

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Susana Gamez explains the nature of the Solidaridad cash transfer programme in the Dominican Republic. She describes its three major components- a cash transfer, an incentive for children to attend school and assistance to acquire and ID. She also describes the Social Security system, under which the poor will have access to a state-subsidized Solidarity Pension, and the implications of limiting cash transfers to families to only three years.

IPC: Susana, what are the components of the program Solidariedad?

Susana Gamez: Solidariedad has three components. The first one is called “Comer es Primero”. It consists of a cash transfer of around 17 US dollars per month to families living in poverty. It is foremost a form of food aid; at least it is supposed to be directed to food. The second component is an incentive to school attendance, which is given to school age children with at least 85 per cent attendance. This incentive is about six to seven US dollars per month. This amount is increased when there are more than two children in the household. This was roughly the original design, even though we are thinking now of varying the value of the transfer according to the school grade of children. The third component has to do with a problem—I don’t know whether it occurs in all Latin American countries—but here it is a worrying condition, and it refers to the number of poor people who have no documents, a fact that renders them ‘invisible’ to the State and society.¹ This third component, although not a proper transfer, benefits the beneficiary families by helping the head or any member who does not have an ID to get one. These are the three components of the programme.

IPC: In the coming year, you will introduce aid to the elderly. Why have you decided to add this aspect to the programme?

S. G.: Listen, we have a Social Security law which is being gradually implemented. In this case, we have started a subsidized scheme... for social security whereby the extremely poor will receive family health insurance that is subsidized by the State. Among all the benefits that this system provides, this social security scheme is called “Solidarity pension”. The system has three levels. There is the contributory level where people pool their contribution together with their employer; and there is the subsidized contributory system in which there is a mix of a contribution from the beneficiary and a State subsidy, in case the beneficiary’s allocation does not reach a decent level of pension. The self-employed would be in this group. And finally, there are the social pensions that are fully funded by the State.

I was telling you that when this scheme is in place and all three levels are operating, the poor will have access to the Solidarity Pension. This pension is the State’s duty to transfer to poor adults over 65 years of age a pension equal to the minimum wage. As this part of the scheme has not been implemented yet, we have decided to offer temporarily—mainly due to the vulnerable situation of some households—a cash transfer to these adults whenever they are unemployed, when they lack access to another pension scheme—that is, when they are really in a situation of indigence. In other words, we are offering to those adults, in terms of assistance, an amount of money that is not our typical cash transfer.

1. The lack of an ID document in Dominican Republic may hinder students from enrolment in school; undocumented adults are not allowed to vote and cannot apply for a bank loan.

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This is something that makes us uncomfortable with the nature of our conditional cash transfer programme, but we see it as a way to deal with an important case of vulnerability. In this case, we are dealing with the vulnerability of the poor elderly of this country. For this group there had not been, or there was not, a social security system that would allow the elderly to have access to health care or to some income source in the final stage of their lives. And we thought that this was an opportunity of doing so, but for a limited period of time.

IPC: Another issue is that, according to the manual of the Solidariedad programme, the beneficiary households can only receive the transfer during three years. I would like you to comment a bit on why there is such a limit and whether you believe that this period is long enough for the beneficiaries to overcome poverty and to invest in human capital.

S. G.: Listen, the Solidarity programme established that, in principle, a family could stay for three years in the programme. I understood that these three years were an ideal target. We thought that it would be enough time to achieve some changes quickly in terms of people's behaviour. I believe that reality has shown us that in three years what is feasible is to do a kind of "recertification of the poor", to ascertain whether they still are in a destitute condition.

This recertification will show us whether the three year period was enough to overcome poverty. I personally do not think that it is possible to get out of poverty in three years. We are asking for changes in family behaviour towards children, towards the children's human capital. I believe that these are long term programmes, and that we should evaluate them in terms of long term results: what these children will be when entering the job market. Perhaps the program that could show us the eventual benefits of CCT programmes is Oportunidades,² but for us, who are just beginning, I would say that what, in fact, is going to happen within three years is the recertification. This will give us the possibility to ascertain the number of people able to get out of poverty, especially in a three year period.

IPC: Thank you very much for the interview, Susana.

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2. The Mexican CCT programme that started in 1997