

Cash Transfers and Social Protection



Interview with Federico Medina coordinator of the program Bono de Desarrollo Humano in Ecuador.

Date: 18/05/2007

In this interview, Federico Medina comments on the characteristics of the Bono de Desarrollo Humano – the Ecuadorian cash transfer program – which has both a conditional and an unconditional components. The latter is targeted to the extreme-poor or poor¹ who are over 65 years old and to the disabled. He discusses the way that the program deals with conditionalities as well as the changes that the new government wants to implement in the program.

IPC: What are the main characteristics of the Bono de Desarrollo Humano that distinguish it from the other CCT programs in Latin America?

Federico Medina: First of all, it is its own structure. As the Bono is one of the components of the Programa de Protección Social (Social Protection Program), it has a larger reach since it has to be articulated with other components. Besides having the accumulation of human capital as one of our objectives and guaranteeing a minimum consumption level, we have another component that increases our coverage among vulnerable segments such as people over 65 years old and people with disabilities. They do deserve a special treatment, but not in the dimension related to the accumulation of human capital dimensions. The elderly have already finished their productive cycle. We think that it is our duty to offer public services, and not only have the cash transferred. We are trying hard to implement an integral network of social assistance, coordinating benefits that already exist in the Ecuadorian State and ensure that they reach this target group that is made up by people with disabilities and the elderly. In general these segments do not have access to public policies and do not have any access to social security or insurance.

Moreover, I think that each program is different. We respond to our local realities. We do not need to define a universal methodology. We are using our management style to guide us along our own path. We have changed the way we look at corresponsibilities, we assume that the methodology of monitoring, following-up and checking co-responsibilities will not reflect necessarily the expectations and the targets we want to reach.

Basically I believe that each one of the programs in Latin America is different, they have local characteristics that lead to the adoption of different approaches, processes and methodologies which cannot be replicated in other circumstances.

IPC: Up to now the Bono has not monitored the co-responsibilities in health and education. What are the government plans regarding the monitoring of conditionalities?

F. M.: Indeed. We only have an implicit implementation of the co-responsibilities. Until last year the beneficiary mothers had to deliver documentation: enrolment certificate, vaccination card stamped or the certificate stating that the child had visited the health center as a prerequisite. We have this culture that our beneficiaries implicitly comply with the corresponsibilities. According to the structure of the program, the co-responsibility has to do with three aspects, three stages.

1. The program is target at families and persons who are in the first two quintiles of the distribution of the multidimensional index of welfare as indicated by the System for the Identification and Selection of Social Program Beneficiaries (SELBEN).

Cash Transfers and Social Protection



The first one is an assessment of the available infrastructure; the second one is to gather up-to-date information on the family so that we can link a child to a health center and to a school, so that we can gauge the coverage; and the third one is monitoring co-responsibility. The change of the administration has led to a change also in the way the program treats co-responsibility, because this new administration does not believe in sanctioning. We believe that there is no point in generating a universal control, because the monitoring stage has to create a perception of control, but also identify the factors that would allow us to morally sanction a family which cannot comply with the co-responsibility. Therefore, we are trying to implement an incentive-based approach, motivating families to assume this shared responsibility.

On the one hand, the state has to guarantee that an adequate supply of services will be in place for the use of the beneficiaries and, on the other hand, the recipients have to be responsible for the compliance with the corresponsibilities. They have to be aware of the objectives of the program, which are basically to improve their quality of life and to break the cycle of poverty.

We are in a transition process in which we are trying to build a consensual strategy between Ministry of Education and the Ministry of Health in order to avoid duplication of efforts and waste of resources, so that each of the three institutions – the Ministry of Social Welfare, Ministry of Education and Ministry of Health – that take part in the monitoring and in the implementation processes can understand their tasks and their responsibilities. We need this process in order to be coherent and efficient during the implementation of the monitoring. This year, in June, part of the pilot implementation of the monitoring and controlling of corresponsibilities will start in three provinces and we intend to have at least eight provinces with controlling and monitoring in place by end of the year (2007).

The proposals and the methodologies are ready. The only problem is to reach an agreement, I mean, to try to find a consensus among all the involved parties, so that we would end up with a State policy and not simply a government policy. We will resume the controlling and monitoring of corresponsibilities with a new operational manual, because we are reformulating it and this activity does take time. Its restructuring and mostly its logistical planning have taken time. As for the institutional coordination, we want to make clear the functions of each institution. If we succeed, we will not have the Ministry for Social Welfare doing things that can be done perfectly well by the Ministry of Education with its own resources. If we manage to avoid overlapping, the Ministry of Social Welfare will be able to concentrate on its specific activities.

IPC: Are there other changes in the program that have been planned by the new administration?

F. M.: There are remarkable changes. The government has generated a whole new analysis for the different axes of social intervention, so that the social policy will not be simply an “assistencialist” policy. Inside the new government, we do not want to treat the Bono (transfer) as an “assistencialist” policy, but as a policy for empowerment, which will succeed in inserting our beneficiaries into the productive system.

First of all, we have increased the amount of transfers. This increase in the value of the transfer will allow the beneficiaries to have greater access or to improve their current economic activity. We want our beneficiaries to be able to get credit and to save.

Other important changes refer to the components of training, technical assistance, and organization issues; those components have been raised to the same level of the bono (transfer) in the structure of the program. They are seen as complementary components, as part of a joint action, making it clear that we want our beneficiaries to be productive... through self-management and the channeling of resources that would enable

Cash Transfers and Social Protection



them to have income from their own work... using credit, technical assistance... and making sure that the beneficiaries would be protagonist actors in the local development strategy.

Our beneficiaries have to be the actors who identify the needs of their local communities. In these communities there are other stakeholders besides the state, such as private institutions and NGOs. If we can make them act all together, then the quality of the intervention changes and we can obtain a much better result.

Therefore, I believe that state policies have to change... the beneficiaries must be supported – through the transfers – while the structural policies take the beneficiaries out of poverty. We want the beneficiaries to feel like citizens who are entitled to rights and who claim those rights, and take on their role in the society... giving to them the tools to get out of poverty by themselves, so that they will not need anymore the support of the State.

The International Poverty Centre is jointly supported by the Brazilian Institute for Applied Economic Research (IPEA) and the Bureau for Development Policy, United Nations Development Programme, New York. The views expressed in this interview do not necessarily reflect the views of IPC, IPEA or UNDP.