



## Introducing Empowering Conditional Cash Transfers to Egypt

### The Ain el-Sira Experiment

The Social Research Center  
American University in Cairo, Egypt  
30-31 January, 2008

On January 30<sup>th</sup> and 31<sup>st</sup>, the Social Research Center (SRC) hosted a workshop entitled “Introducing Empowering Conditional Cash Transfers to Egypt,” aimed at garnering the insights and experiences of colleagues, both local and international, pertaining to the design and future implementation of a conditional cash transfer (CCT) pilot in Egypt. The SRC functions as the Middle East hub of the research consortium Pathways of Women’s Empowerment, funded by the DFID UK and has been developing the pilot in this capacity. Foreign presenters included a range of experts from Latin America and the UK who have worked closely on such projects, including the two largest and longest-running CCT programs to date (Oportunidades in Mexico and Bolsa Familia in Brazil).

Experts were asked to facilitate discussion about current CCT programs and how they can best be adapted to the Egyptian social, political, and economic landscape. Within many countries, CCTs are positioned as policy through which inter-generational poverty cycles can be broken. Dr. Hoda Rashad, director of the SRC, launched the conference by introducing the Egyptian pilot within the context of policy creation. She explained the intention of the Ministry of Social Solidarity (MSS) to implement a social protection program of this nature and will fund the implementation of the SRC CCT pilot, primarily designed as an experimental research model. Upon evaluation, the pilot has the potential to serve as a model for scaling-up on the national level. The Ain el-Sira team is working to reconcile the MSS search for short-term and immediate-results projects with its own focus on inducing long-term impacts on inter-generational poverty.

Dr. Hania Sholkamy and Dr. Somaya el-Saadani, professors with the SRC, discussed the target neighborhood of Ain el-Sira, a slum in Cairo exhibiting high incidence of poverty. A low percentage of households (6%) in the area receive aid from the MSS and many live in overcrowded transitional housing (not intended for extended inhabitation, as units are currently being utilized). Rates of unemployment, illiteracy, illness and school desertion are also high. The Ain el-Sira project is intended to encourage collaboration between the government, local NGOs, academic institutions and the private sector to address poverty in the region. At this time, the sample will consist of 200 families who meet the following criteria: living in one room, experiencing overcrowding (more than three people to a room) and having children between the ages of three and fifteen years. As the sample size is relatively small, it will be possible to divide families into beneficiary treatment and control groups only. Dr. Heba Handoussa, an economist with the Economic Research Forum, explained the positionality of CCTs in Egypt as one of 55 programs proposed within the New Social Contract of 2005 to eradicate poverty. Dr. Mercedes Gonzalez de la Rocha discussed the characteristics of inter-generational poverty (early school desertion, high fertility rates, no productivity of labor, the early creation of new households with the same profile as household of origin) and stressed creating mechanisms to dis-incentivate such behaviors. Emphasized throughout the conference was the distinction that CCTs are not intended as a

panacea for indigence and must be implemented along with other programs designed to address problems that CCTs cannot.

The Ain el-Sira Experiment has been classified under the Pathways theme of “Empowering Work,” as the potential for empowering women (as well as strict attention to the ways CCTs can disempower women) is a primary priority of the pilot. Traditionally, the cash transfer is paid to the female head of household. It has been argued that this element of CCTs alone does not empower women. In fact, many programs are criticized for aggregating the extensive time burdens borne by impoverished women as a result of charging the female head of household with responsibility for complying with conditionalities (as she is the receipt of the transfer). Dr. Marlene Libardoni, AGENDE Brazil, stressed how Bolsa Familia utilizes the “culture of mothering” without necessarily supporting the personal progress of women as active citizens. Dr. Amparo Armas Davila, from CONAMU, utilizing evidence from Ecuador’s Bono program, included that conditionalities ought to match the responsibilities of the female head of household. Dr. Maxine Molyneux, professor at the University of London, argued that a sense of self-empowerment is observable more through female employment.

Dr. Marcelo Medeiros, of the International Poverty Center in Brazil, added to this theme by emphasizing data suggesting increased labor market participation by women can have serious effects on reducing income poverty. Utilizing the example of Latin American markets, Dr. Medeiros showed that by completely reducing entrance barriers for women to the labor market, the index of poverty can be reduced by as much as 25% (Argentina, Brazil), even reaching rates as high as 40% (Chile). By utilizing services such as pre-schools and daycare, encouraging girls to continue their education (which CCT programs like Oportunidades achieve by giving larger cash incentives to keep female children in school), and otherwise easing the time burdens placed on women, they are more free to seek employment. A presentation by Dr. Nesrine Boghdady, from the Ministry of Social Solidarity, provided a range of projects that could develop family capacities. Such evidence bolsters the present aim of the Ain el-Sira team to foster strong links between beneficiaries and the labor market, through job training and involvement of the private sector (location/creation of job opportunities).

However, workshop participants stressed that training for beneficiaries ought not to be strictly economic. An emphasis on fostering leadership/ teamwork skills and non-violent, healthy intra-familial and community relationships is regarded as a crucial and innovative element of the program. The Ain el-Sira approach intends to provide a package for beneficiaries that includes not only money but also training and social workers who facilitate matching families with various appropriate services for their needs (integrated from the Chile Solidario-Puente model).

Dr. Molyneux provided an overview of existing CCT programs and presented a list of characteristics that mark successful CCT programs including: presidential support, inter-ministerial collaboration, adequate budgeting, continuity, regular evaluations by independent assessors, adequate supply of quality services, and political independence of the program. The design of Ain el-Sira pilot currently pre-supposes many of these elements and will take into account the rest (such as the employment of independent assessors, to ensure a greater degree of legitimacy). Accounting for monitoring and evaluation at the outset of design were also identified as crucial to a well-designed program.

Under debate were questions of targeting, eligibility criteria, and conditionality. Dr. Heba el-Laithy warned against certain types of targeting that can create tension between households within the community. It was suggested that transparency and simplicity in targeting and criteria can help eliminate confusion about why families were accepted as beneficiaries and others were not while also creating a pilot that will be easier to scale up than a more complex model. However, to

accurately assess which families are in need, often a multi-dimensional approach can identify vulnerable households that might not meet the threshold of specific indicators (i.e. income). Geographic targeting was suggested, followed by proxy-means tests, to determine recipients (in addition, possible randomization within the sample is still being discussed). The issue of conditionality was also widely discussed by workshop attendees. Dr. Barbara Ibrahim, of the Gerhart Center (American University in Cairo), acknowledged a differentiation between “hard” and “soft” conditionalities (conditionalities that must be fulfilled to remain a transfer recipient and conditionalities will be addressed in a different capacity, respectively). Dr. Ibrahim used the examples of regular school attendance as a hard conditionality and the elimination of drug addiction or household violence as soft conditions.

Dr. Naila Kabeer, from the IDS UK, provided a presentation on the necessity of fostering an understanding of citizenship and rights as a component to beneficiary empowerment. She cited examples of a program in Pakistan which supplies training for recipients about the “right to have rights” and another in Bangladesh which not only discusses the facets of citizenship but also encourages recipients to protect their rights and hold others accountable. Dr. Kabeer also described various South Asian work programs for destitute women that are a result of CSOs working with local government and stressed the importance of encouraging and providing a way for beneficiaries to save money they earn, an element that will be taken into consideration by the Ain el-Sira team.

An issue that surfaced repeatedly was whether Egypt’s pilot will be centralized or decentralized (addressed by Illiana Yaschine Arroyo and Dr. Roberto Wagner da Silva Rodrigues, among others). As the pilot will be dependent on the collaboration of multiple ministries in addition to Social Solidarity (Health, Education, Finance, etc.), as well as potential coordination with local NGOs, the institutional structure of the Egyptian CCT model is still under development. Additionally, the current Ain el-Sira experimental model emphasizes strengthening and utilizing existing services in the area, as opposed to implementing new ones. Indeed, Ain el-Sira has available services (schools, NGOs, etc.) but residents do not truly feel a sense of ownership over them. A CCT pilot would aim to strengthen community ties to such institutions, simultaneously bolstering a sense of entitlement within beneficiaries.

Exit strategies were also discussed as were questions of the length of the program (tentatively, two years). A concern is that two years is too short a timeframe to observe deep-impact results and that once families are introduced into the pilot, the Ain el-Sira program is responsible for properly preparing households to graduate and not return to an impoverished state. The workshop concluded with an extensive group discussion lead by Dr. Ragui Assaad of the Population Council in Egypt. On February 3<sup>rd</sup>, participants were invited to a meeting with the Minister of Social Solidarity and advisors to exchange suggestions and critiques, followed by a visit to the NGO Alashanek Ya Balady in Ain el-Sira.

#### **Presenters and Facilitators**

Illiana Yaschine Arroyo, Ragui Assaad, Nesrine Boghdady, Amparo Armas Davila, Heba Handoussa, Barbara Ibrahim, Naila Kabeer, Heba el-Laithy, Marlene Libardoni, Marcelo Medeiros, Maxine Molyneux, Hoda Rashad, Mercedes Gonzalez de la Rocha, Roberto Wagner da Silva Rodrigues, Somaya el-Saadani, Hania Sholkamy

