

A Note on Targeted Conditional Cash Transfer Programme (TCCTP) in Trinidad and Tobago

By

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Recent IMF reports note that social spending is necessary, particularly social safety net programmes to distribute the gains from the energy windfall (IMF, 2007). The government of Trinidad and Tobago introduced various initiatives to address unemployment and vulnerability. For instance, the Ministry of Housing administers two home improvement programmes targeted at vulnerable members of the population. Older persons mostly access these programmes. Another example is the Meals on Wheels programmes run by the Ministry of Social Development, which provides healthy nutrition to older people. The Ministry is also in the process of establishing a countrywide Senior Centres to address social exclusion and loneliness associated with older people (ECLAC, 2006a). The Youth Training and Employment Program Partnership (YTEPP) offered training and counseling for those aged between 18 and 25 years (for a 3- month period three times a year). The unemployment relief program (URP) was designed to provide temporary employment (1-2 months) in infrastructural and community-based projects. In terms of human capital development, the government initiated free tertiary education. Reports suggest that enrollment has increased threefold after the introduction of free tertiary education at the universally level (IMF, 2007).

The current cash transfer system is a continuation various social protection initiatives. It is called the Targeted Conditional Cash Transfer Programme (TCCTP). The scheme emanated from the Government's appointment of a Ministerial Sub-Committee in 2005 to make recommendations on how to tackle the rising food prices and provide food security to the indigent population, especially in light of the recent rise in inflation, which is affecting food prices in particular.¹ It is also believed to be a safety net for transitory unemployed heads of households and/or a temporary food subsidy for those who are under-trained while they utilize training programmes to qualify for gainful employment.

TCCTP's predecessor was the Social Help and Rehabilitative Efforts (SHARE) programme,

which was financed by the Ministry of Social Development and executed by NGOs. The SHARE scheme provided monthly supplementary food hampers to needy families, defined as those with a household income of less than TT\$1,000 per month (according to the clients own declarations, i.e. unverified). Clients were self-identified. There appears to be little public marketing for the scheme, suggesting that perhaps social workers as well as word-of-mouth were the main methods of drawing clients. In 2004, a report by IDB (2004, p. 9) noted “the Government’s social programmes, which number over 120 and account for 10% of expenditures, are not properly targeted for lack of information. The SHARE was found to be undesirable for the following reasons:

- The families had no choice in the types and quantities of goods they were given;
- Only non-perishable items were distributed, i.e. no fruit, vegetables, or meat;
- Some families did not have adequate storage space for a month’s worth of grocery items;
- Public distribution centres for hampers led to stigmatization of beneficiary families;
- There was little accountability to determine undeserving beneficiaries; and
- There were no tracking mechanisms to understand clients’ behaviour, e.g. consumption patterns.

The TTCard or Debit Card system was launched under the TCCTP to assist low-income families purchase foodstuff on a monthly basis. The first year’s budgetary allocation (for fiscal year October 2006 to September 2007) was TT\$96 million and caters for an estimated 22,000 beneficiaries. If the number of beneficiaries exceeds this amount, extra funding can be requested from Cabinet. According to the Ministry of Social Development the TTCard system is contracted to First Citizens Bank at a cost of TT\$885,375. Under the scheme 18,844 cards were prepared for disbursement costing TT\$7,016,600, but the actual cards delivered were 17,023. Over 200 supermarkets signed up for accepting the TTCard. The Cabinet Sub-Committee determined the specific amounts of the transfer and the payments are according to the following categories:

- Category 1: Families of 3 members and under to receive TT\$300

- Category 2: Families between 4 and 5 to receive TT\$400
- Category 3: Families with 6 members and above to receive TT\$500

In terms of flexibility, the programme does not allow for cash transfers for anything other than food purchases (i.e. no investment, start-up capital). The programme presupposes that there are other options for these needs and that the liaison officers could suggest alternatives to clients. There is also no option for saving with this scheme, other than retaining cash balances for future purchases as mentioned earlier. It does, however, cater to persons who may ‘float’ into and out of poverty by considering a mean or smoothed monthly income for persons who have inconsistent incomes. It also can accommodate for multiple conceptualisations of the household, for instance single persons can qualify; two families living in the same house may qualify for separate benefits if their cooking arrangements are separate.

The TTCard allows families more choice with the type, quantity, and timing of their purchases, although there is a pre-approved list of limited items and retail outlets where purchases can be made. Another advantage is that leftover cash balances on the debit card can be retained for use in the following months. Stigma is also reduced as clients shop for their own food, as opposed to lining up monthly at public collection centres. It is, however, anticipated that there will be some stigma associated with the TTCard itself as its prominent red, white and black colours become recognizable, but this is still perceived as an improvement on the old system.

The TTCard also operates on a more selective basis, as potential applicants must undergo a verified means test, consisting of four components. They are educational attainment of the household head, household income, condition of household’s housing, and a health indicator as in the case of *proxy means test* described in Section 2 above. The applicants are graded according to a standardized scoring system to determine if a household qualifies for the transfer (more detail on the test was unavailable at the time of writing). As with the SHARE, clients *self-select*, or apply for the TTCard on the recommendation of social sector agencies or employees (social workers, teachers, etc.) – which is similar to *selection by community*. It should be noted that the beneficiaries of the SHARE did not automatically

qualify for the T*TCard and had to undergo the application process as new applicants. An entirely new database of beneficiaries under TCCTP has been developed.

Once a household qualifies the head of household, if unemployed, able-bodied and of working age, must either actively seek employment, or undergo training or else risk being disqualified by the liaison officers who are assigned to all qualifying families. There are 75 such officers nationwide who operate under regional coordinators, and more than 16,000 households on the programme. Households are not allowed to remain on the scheme for more than two years, unless there are verified extraordinary circumstances. The TCCTP will not automatically end in the event food price inflation is substantially reduced. The programme may target less clients, but there is the belief that even with a lower level of inflation, there will still be indigent persons - those who cannot afford a sufficient minimum level of food. Although the transfer is not linked to an inflation index, there will be a preliminary examination of the TCCTP before August 1, 2007, which may take such considerations into account when determining the amounts of transfers.

The TCCTP is intended to support upgrading the skills of transfer recipients through the conditional component. First, recipients are required to register with an employment agency and actively seek employment. Second, the objective is to engage 80 percent of the beneficiaries in conditional life skills training (family and budgetary planning). The main focus is on sexual health and reproductive education as well as attendance in nutritional programmes. The Family Planning Association (FPA) will be key to the success of the programme. Collaboration among various ministries, including the Ministry of Social Development, the Ministry of Community Development, Culture and Gender Affairs, and the Ministry of Health. Third, the plan is to engage a minimum of 50 percent of the beneficiaries in employment training (career guidance and planning as well as technical and vocational training) programmes within the first two years of eligibility. The training, guided by the “Skills Assessment Survey” of the National Training Agency, will focus on auto-maintenance and repair; construction; electricity/electronics, garment, and culinary art. Beneficiaries are expected to maintain an 85% minimum rate of participation. It is also envisaged NGOs, CBOs, FBOs and the private sector will be encouraged to take on beneficiaries in their existing programmes. Fourth, the incentives will be provided for those

seeking self-employment and entrepreneurship. These include training in business and managerial practices as well as provision of micro-credit.

The TCCTP is monitored at two levels. The liaison officers, who are meant to make contact with their clients several times per year, monitor the clients for compliance to the conditionalities described above. The programme as a whole is meant to be monitored by comparing the Survey of Living Condition (SLC) findings with those of the TCCTP, e.g. do the demographics match up? At present, this system is not functional, as the CSO has not fully interpreted the last SLC conducted in 2004/2005. In the meantime, programme coordinators file monthly reports for their regions. There is also neither explicit exit strategy nor a support system for families who 'graduate' from the programme.

The TTCard will be upgraded to the so-called SMART card by August 1, 2007.² The SMART Card system is a more technologically advanced card with massive data-storing capacity. The major changes will be that additional social service transfers can also be accessed with the same card, if the clients qualify (such as disability payments, the 'old age' pension, and 'public assistance' payments); that the cards will work with a biometric component (fingerprint identification); and the card will have 'controls' such as electronically blocking purchases of prohibited items such as alcohol and cigarettes.

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Notes

¹ This is the short term recommendation of the Cabinet appointed Ministerial Sub-Committee convened to ensure that the underprivileged could meet their food needs despite inflationary economic conditions.

² A major evaluation of the programme will take place two years after inception - 2 years post 1st August 2006, possibly by an external consultant.