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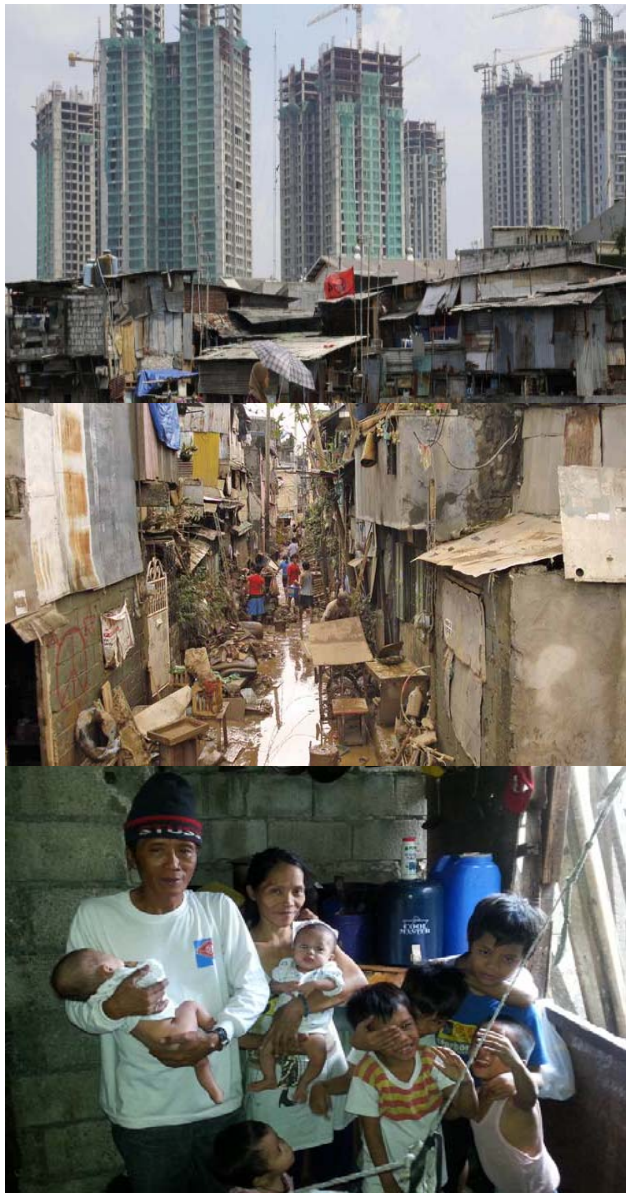
Why and how are safety nets shaping up in urban areas?

Emerging analytical, practical, and strategic issues from global experiences



Ugo Gentilini* and Sumila Gulyani**

SPL* & SURR** Global Practices

Social Safety Nets Core Course (May 6, 2016)

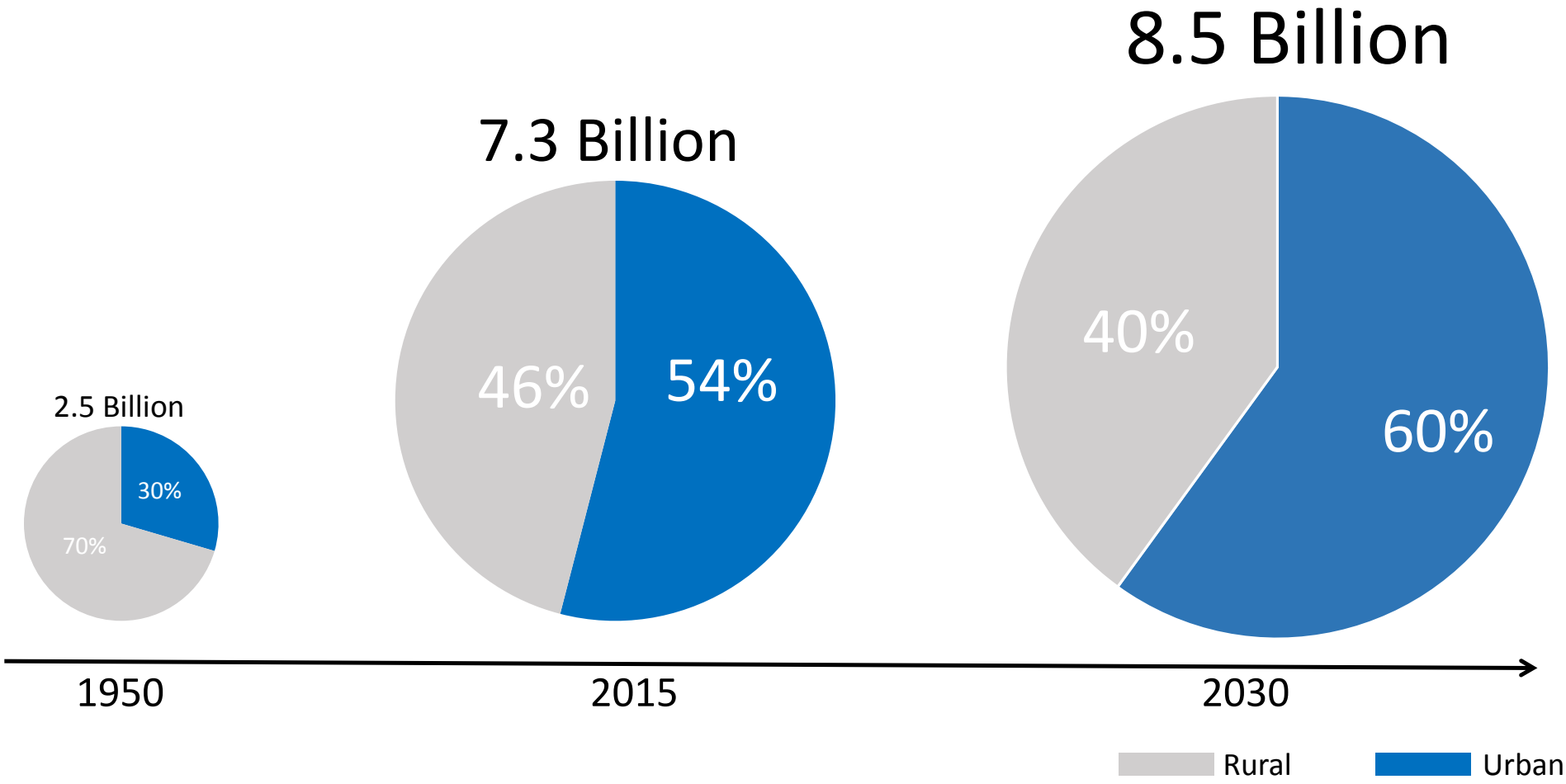
Agenda for today's talk

- **Overview**
- Safety nets in urban areas
- Connecting safety nets & space/urban development

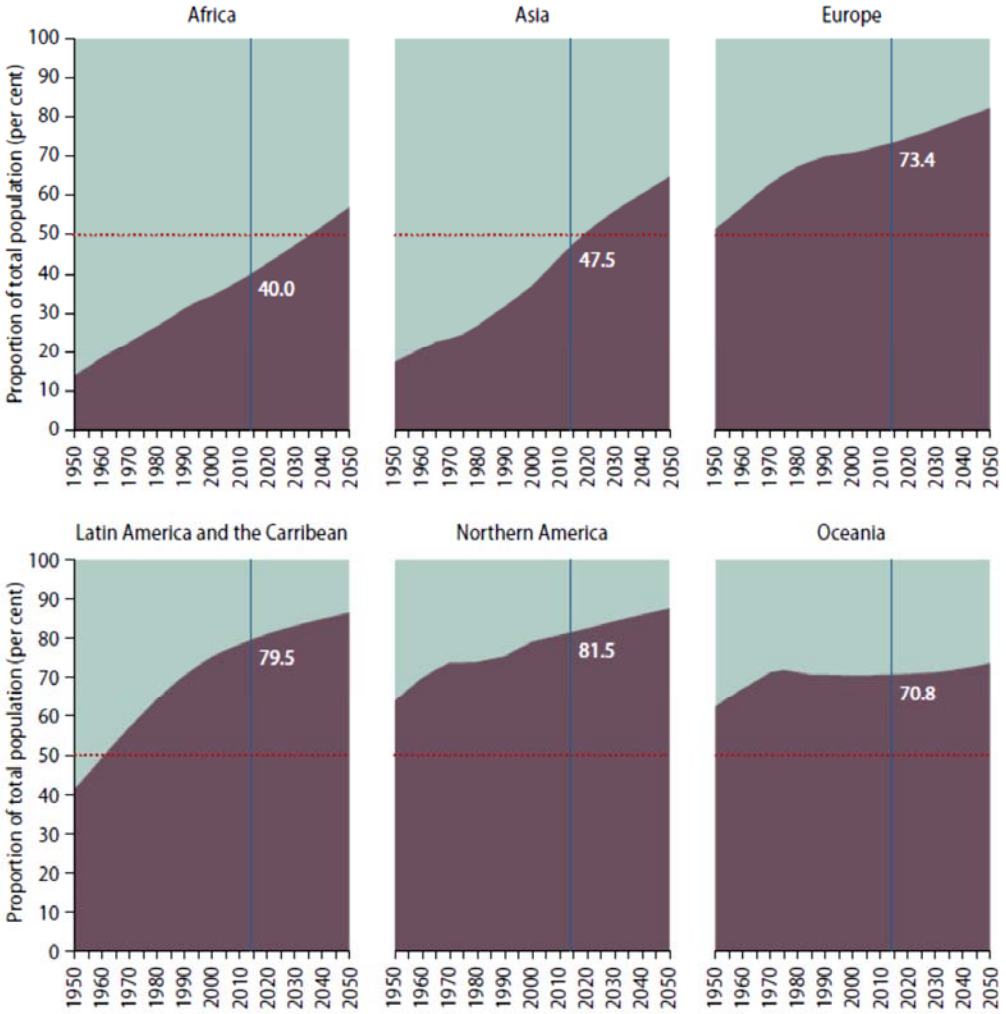
Overview

- Urbanization is happening at a massive scale and rapid pace
- Poverty is urbanizing
- Nature of urban poverty presents peculiar features

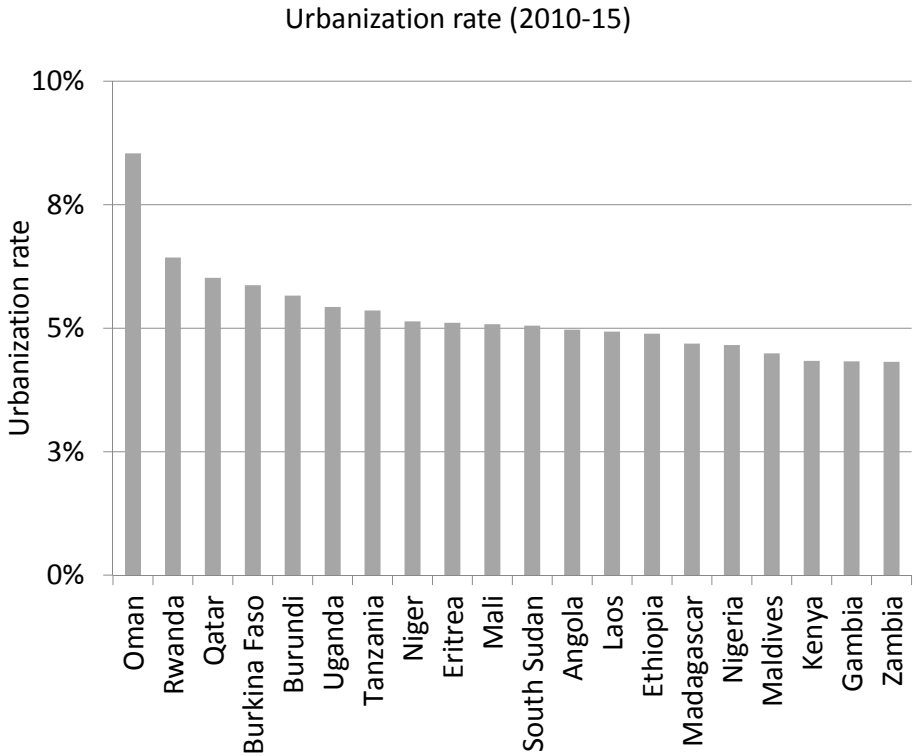
Urbanization as process of spatial concentration of people (and activity…)



Different regional urbanization levels…

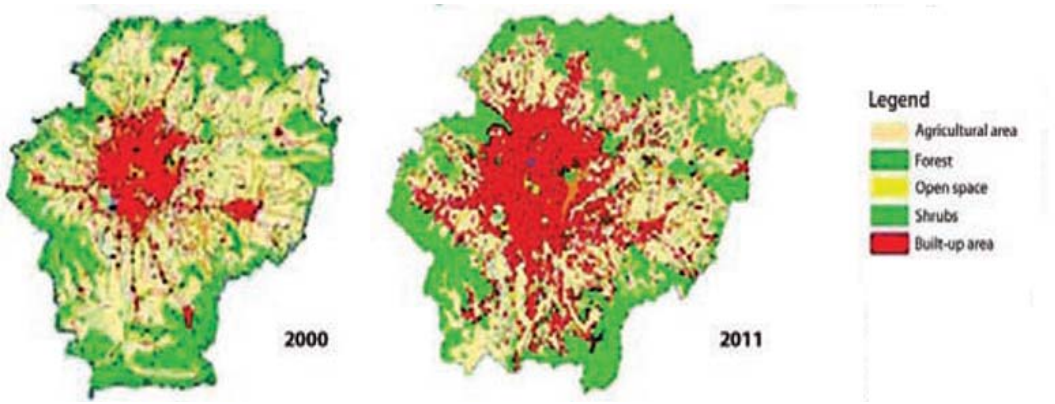


… with African countries being the fastest growing



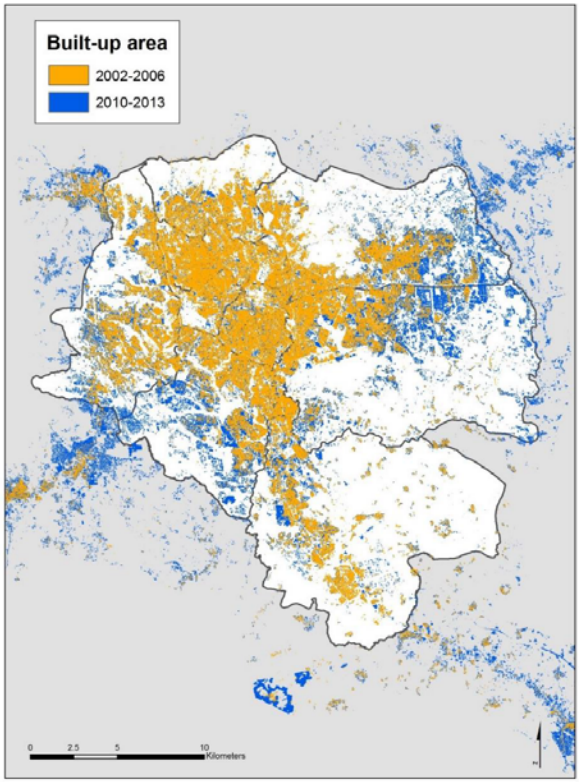
But more urbanization = more development and opportunity? Quality of urbanization process matters

Kathmandu valley, Nepal (2000-2011)



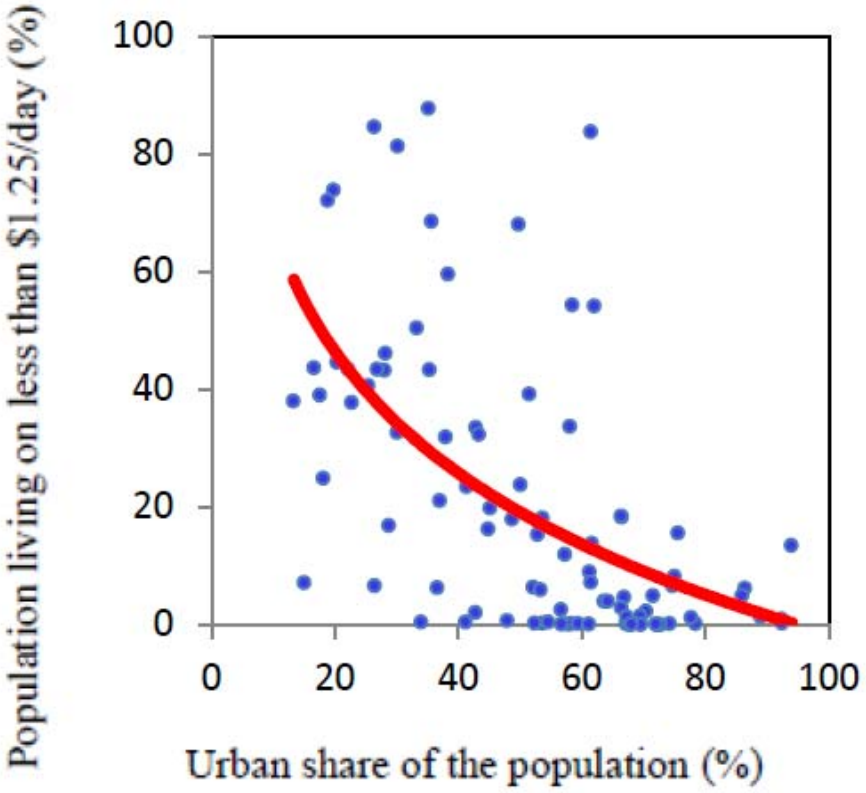
Source: World Bank (2016)

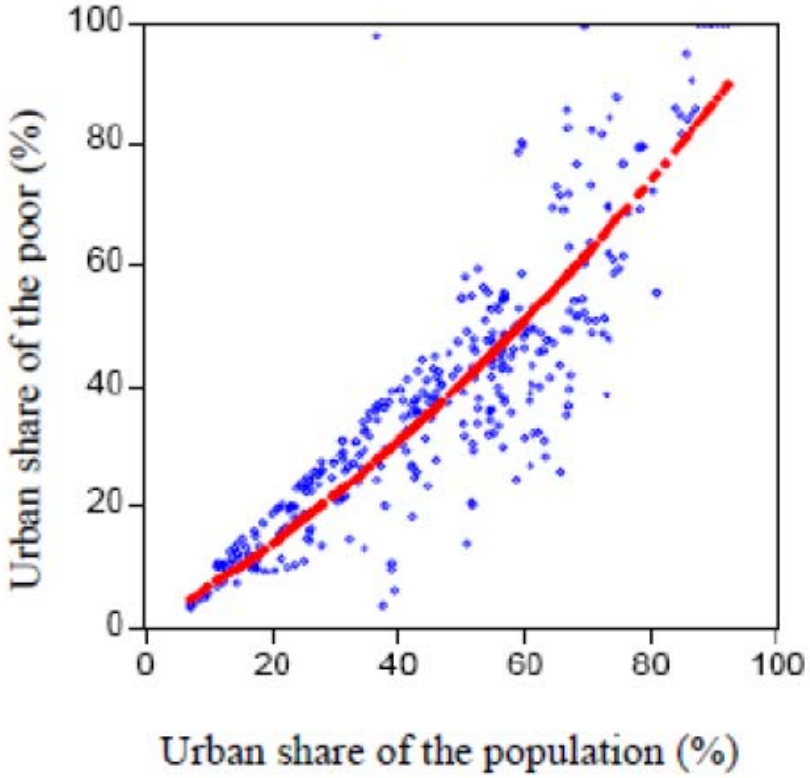
Addis Ababa, Ethiopia



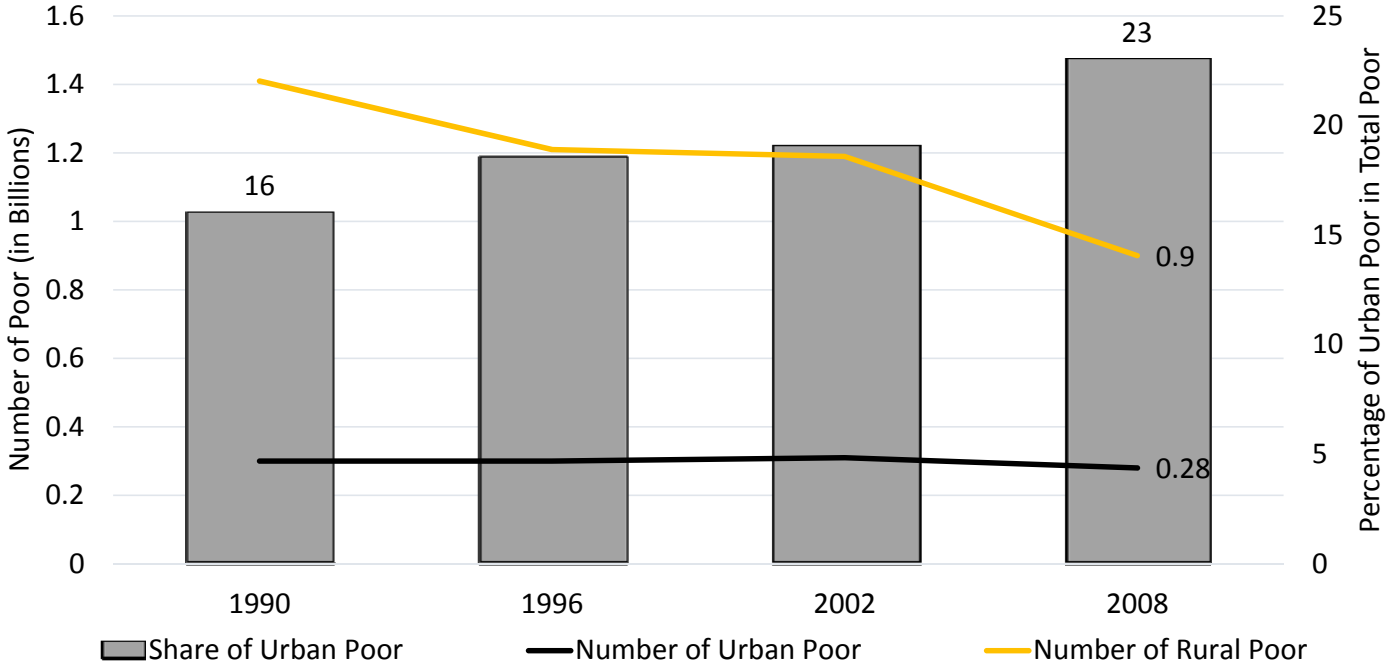
Source: World Bank (2015)

The urbanization of poverty





Urban poverty ($1.25/day)



- 23% of the poor live in cities (280 million people), up from 16% in 1990
- In 11 years, the number of urban poor will outpace the rural one
- In 1/4 of developing countries, such transition already happened

Nature of urban poverty

1 High mobility, including seasonal migration
In Indonesia, 20 percent of households that were initially surveyed in urban areas could not be found in the same residence 6 months later

2 Constrained commuting to jobs
In Kampala, 70% of workers walk to work, public transport accounts for 41% of HH income.
In Pune, India, people prefer to live in slums for their proximity to job poles.

3 Poor housing conditions
Globally, 863 million people live in slums.
In Sub-Saharan Africa, 62% of urban population live in slums

4 Low quality and congested social services
In Nairobi's slums, 1:500 people have access to toilets.
in Dhaka, only 1:10 of the poorest quintile has access to a sewage line

5 Market-mediated access to food
In Dhaka, supermarkets grew from to 5 in 2001 to 80 in 2009. Relatively fast transmission of global price volatility.

6 Urban crisis risks
In Senegal, 40% of the urban growth occurs in high-risk highlands (riverbanks, etc.). And spatial concentration of crises…

7 Socio-economic marginalization
Perception of employment discrimination because of living in fragile/crime areas (Brazil). In highly-violent areas in Colombia, the Familas safety net program was "… the only tangible presence of the State"

Agenda for today's talk

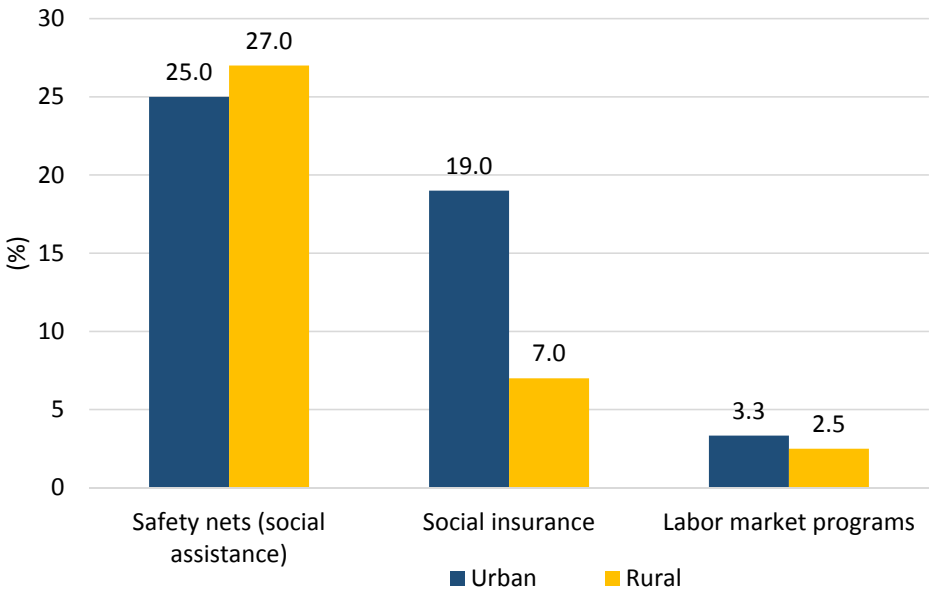
- Overview
- **Safety nets in urban areas**
- Connecting safety nets & space/urban development

Urban safety nets

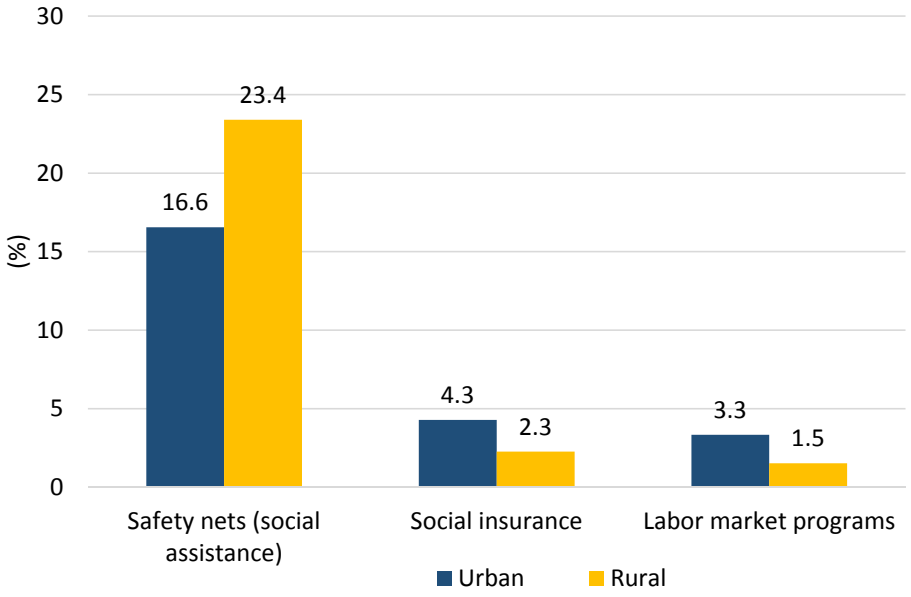
- More experience and better performance of safety nets in rural than in urban areas
- Design of national programs often not sufficiently adapted to urban contexts
- A new generation of experiences starts building evidence base and practices

Are the urban poor well covered by safety nets?

For total population, gap in urban-rural safety net coverage not remarkable. But better insurance and LM

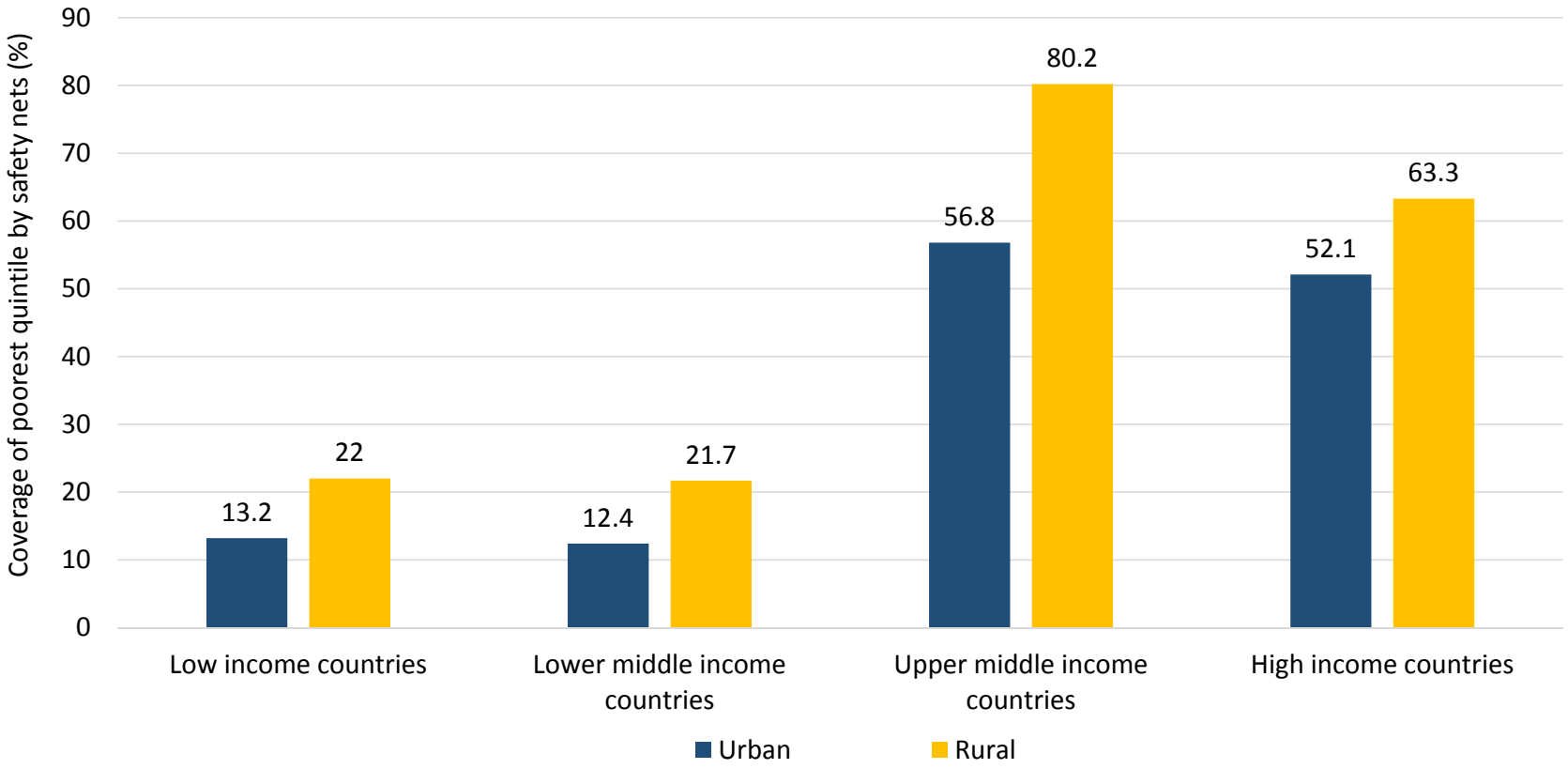


… but for the poor, wider difference in urban-rural safety net coverage, and low insurance and LM



Source: Gentilini (forthcoming) based on ASPIRE dataset

Reaching the urban poor is challenging

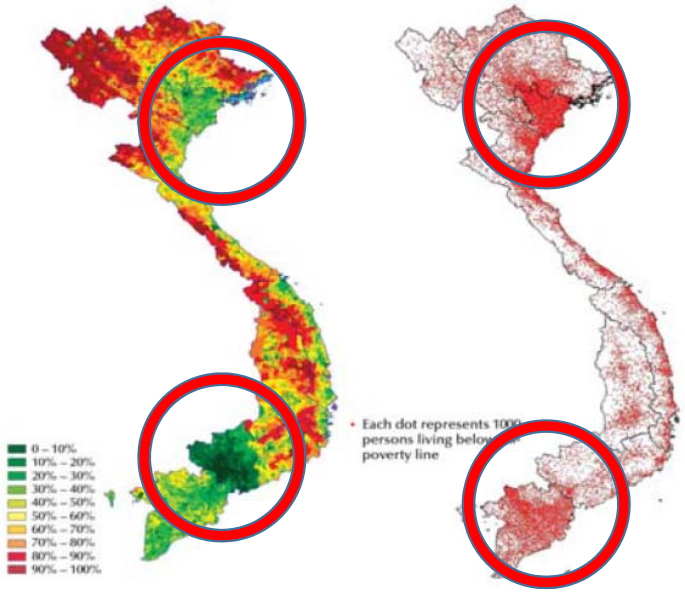


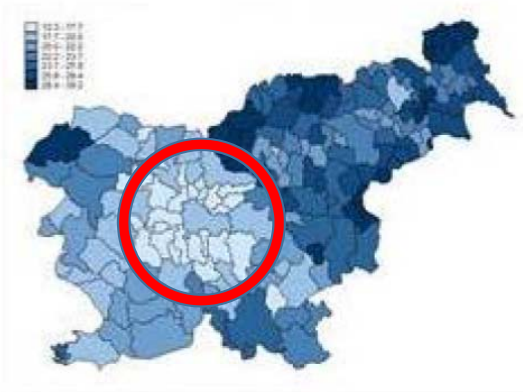
Source: Gentilini (forthcoming) based on ASPIRE dataset

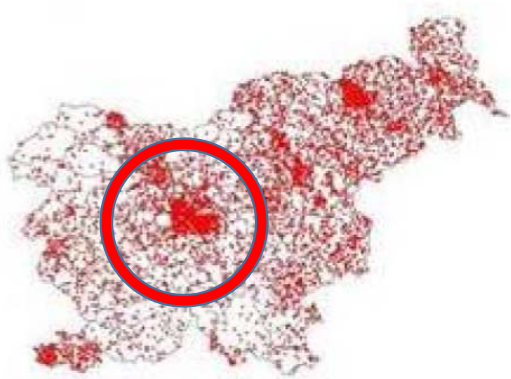
Why such coverage gap of the urban poor?

- Perception that labor markets and insurance would fill the gap
  - But 3-4% of urban poor covered by insurance and labor market programs

- Urban poverty as underestimated?
  - Rates vs absolute numbers; cost of living; focus on consumption vs multidimensional nature

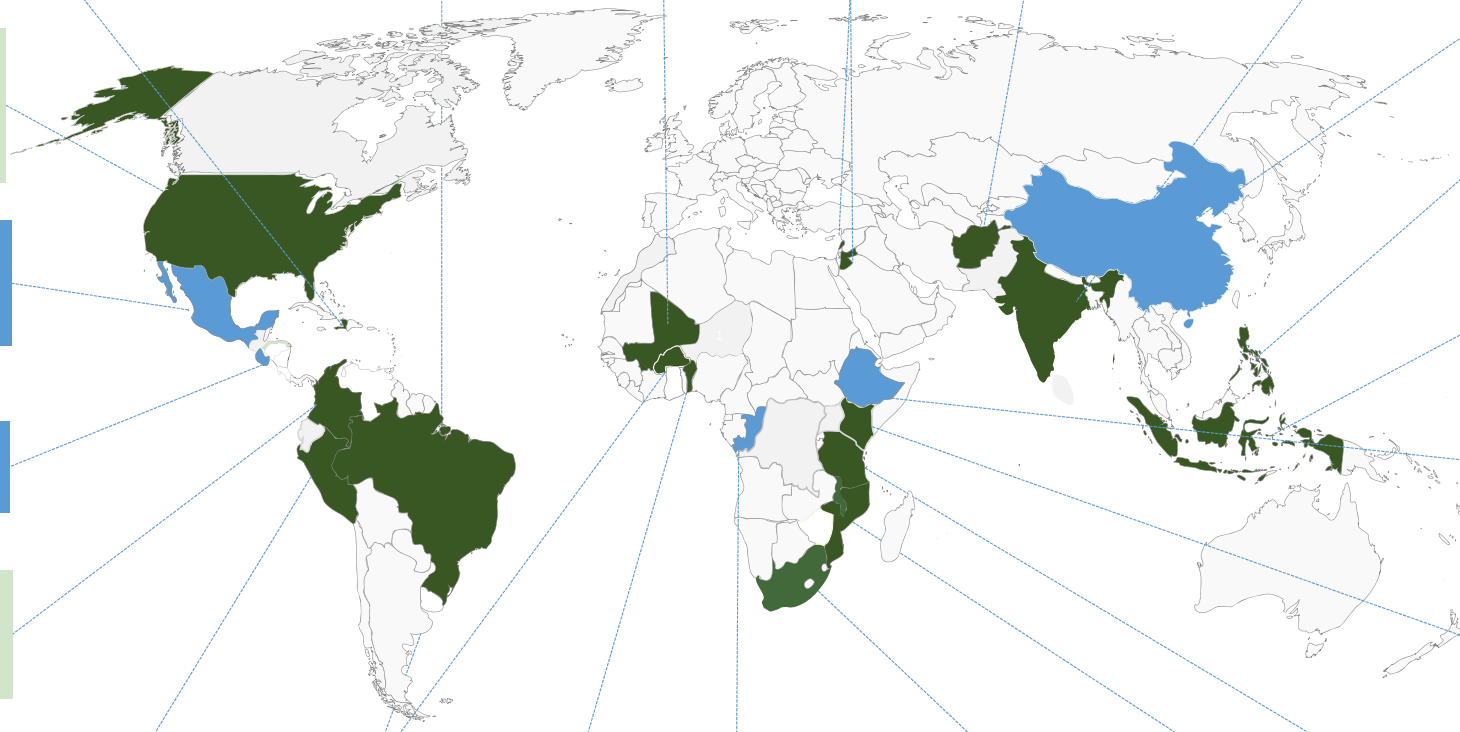






Why such coverage gap of the urban poor?

- Reliance on regressive subsidies as a de-facto safety net?
  - Untargeted, almost-universal (food and energy) subsidies can be skewed toward urban areas (with historical reasons for that)
- Ongoing interventions in urban development/planning?
  - Poor areas vs poor people
- Issues in program design and implementation
  - A less-explored, central question…..



Rental support program in Haiti provided cash for housing (0.5 million people). Various small-scale initiatives exist, mostly humanitarian-oriented by NGOs.

Bolsa is generally uniform, although some institutional and complementary urban-rural differentiations are introduced at State level (e.g., Rio Sem Miseria). Some adjusted procedures related to diagnostics (slums).

Mali's 'Tree of Hope' programs includes a component for urban Bamako (916 hh).

Displacement/refugee programs in Lebanese cities. Rise of 'multi-purpose cash' programs to cover rents etc. In Palestine, an urban voucher program reaching 230,000 individuals.

Afghanistan's Kabul voucher program (600 hh), and ongoing design in urban public works.

Three major urban social pension programs in Delhi (National Old Age Pension Scheme; National Widow Pension Scheme; National Disability Pension Scheme) reaching 563,000 people. Pilot PDS in urban Chhattisgarh.

China's Dibao was launched in urban areas (1996-99), reaching 21 million people. Some adaptation in links to labor, one-stop-shops, and public-private partnerships. Hukou system as origin-based, although pilots emerge to support portability

SNAP enrollment procedures being adapted to urban profiles (e.g., elderly living alone, newly-arrived migrants). Lessons from portability and interoperability across states. The CCT in NYC Family Rewards covered 2,400 hh.

A urban pilot of the Pantawid (4.2 million hh) was tested, i.e., MCCT, including for new poverty profiles and adapted procedures for enrollment, links to housing (218,000hhs).

Prospera program reaching, with beginning of phased expansion in 2001, followed by major scale-up in 2004 and onwards. It covers 2.4 million hh in urban areas (5.8 million in total).

Indonesia exhibits little spatial variation in design of the national CCT (KPH), although half of the 3 million hh beneficiaries are in cities. Its Raskin scheme (18 million hh) emerged from urban areas.

Urban PATI in El Salvador targeting 30,400 people in violent urban settlements with public works-plus programs.

Ethiopia's UPSNP as the first and largest urban safety net in the continent, including reaching about 0.7 million hh in 11 cities (design stage).

Colombia's Familias CCT program being implemented in Bogota` (111,000 hh) separately from the national scheme (3 million hh); overall little differentiation in approach.

Kenya displays limited system-wide spatial adaptation of safety nets (although tailored on labor interventions). Several examples of single interventions in Naiorbi's slums, e.g., urban subsidy program, NGOs (4,700 hh).

Chile Solidario is a leading example in application of protocols and approaches for social workers in cities.

Burkina Faso's urban voucher scheme was introduced in 2008 and reaches about 30,000 hh in Ouagadougou and Bobo Dioulasso.

Benin's testing a program in Cotonou (1,197 hh) out of a cash transfer program targeting 13,000 hh.

The Republic of Congo is in the early stages of reaching 6,000 hh in periurban areas of three major cities (Brazzaville, Pointe Noire, Cuvette).

South Africa EPWP includes violence-related modules for cities.

Emerging work around mapping and assessment of targeting protocols in Mozambique.

Tanzania's PSSN reaches 1.1 million hh, with about 16% in urban areas. No adjustment, but possible plans to do so. Program provides public works, CCTs and livelihood grants.

Urban adaptation

Urban presence

Emerging urban design issues

- Defining a ‘household’
- Informal and mushrooming settlements
- Outreach, communication, mobilization (mobility)
- Targeting
  - Data collection/granularity, choice/adaptation of methods, role of communities
- Benefit size and structure
- Eligibility and enrolment

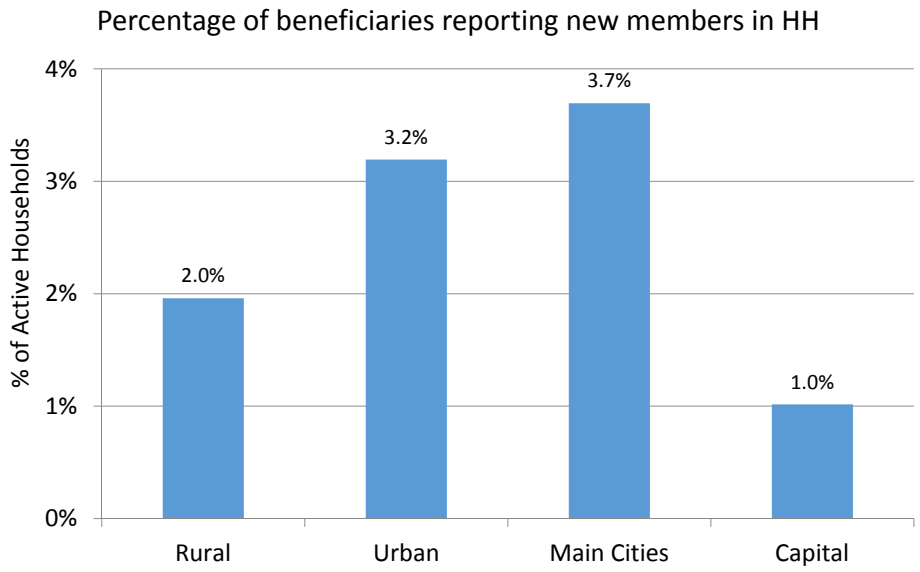
Emerging urban design issues

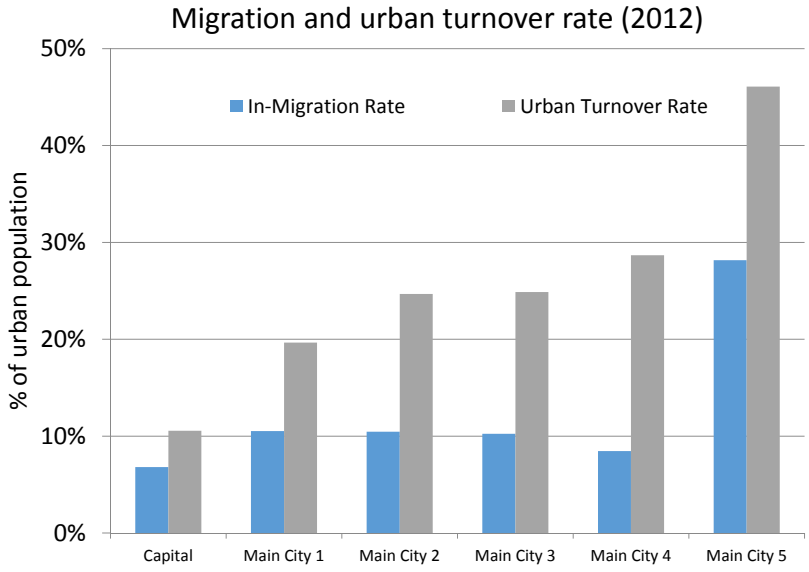
- Institutional coordination – working nationally…. and with mayors (proliferation)
- Links to service provision in health, education, nutrition (saturation)
- “Plus agenda”: matching profiles and urban self/wage employment opportunities
- Type of public works; links to city and municipal plans
- Key linkages to spatial issues (slums upgrading)

Lets illustrate some of these, including by city size….

Real-time illustration: “Countryland”

Changes in HH composition

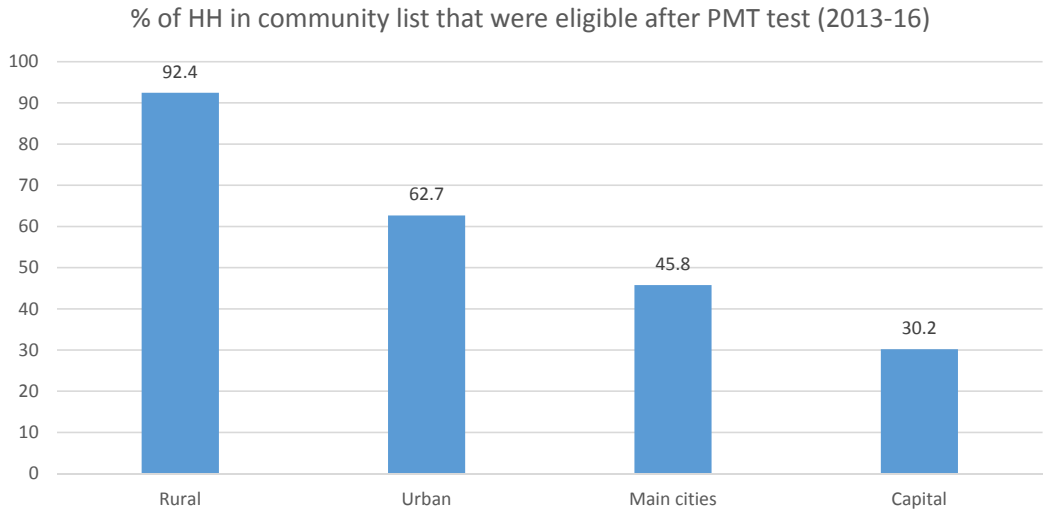




Source: data from Countryland Management Information System. Preliminary results

Real-time illustration: “Countryland”

Targeting and eligibility

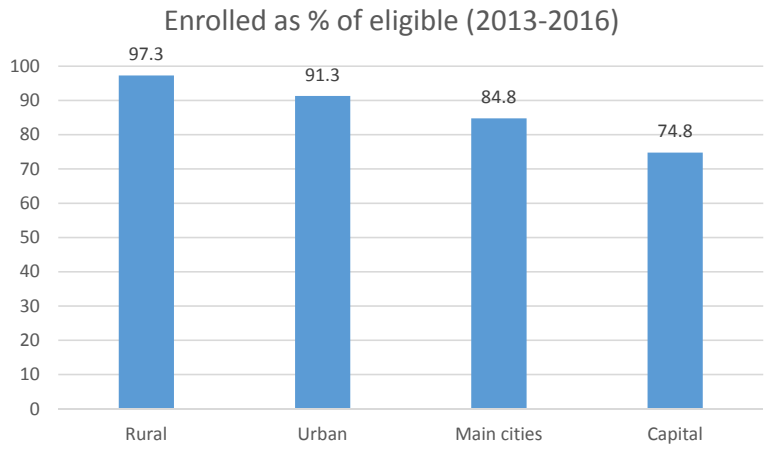


Possible explanations
- “Everybody’s equally poor” in rural areas
- Way community arrangements work in urban areas
- Threshold as possibly too low for cities (cost of living adjustment)
- Urban geographic targeting in the first place
- Nature of urban poverty not fully captured in assessment forms, community methods, PMT

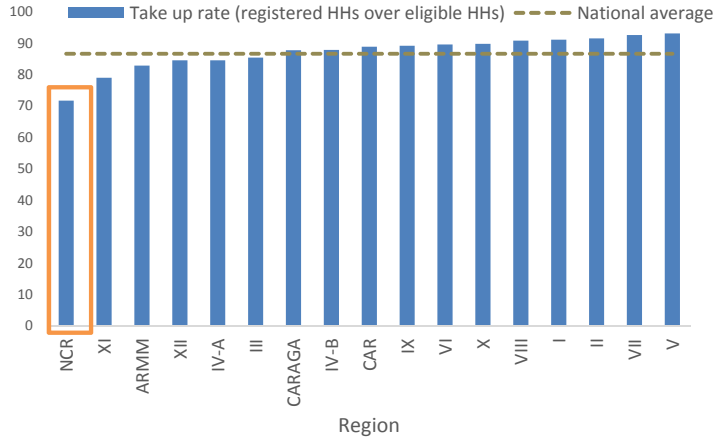
Source: data from Countryland Management Information System. Preliminary results

Real-time illustration: “Countryland”

Enrolment



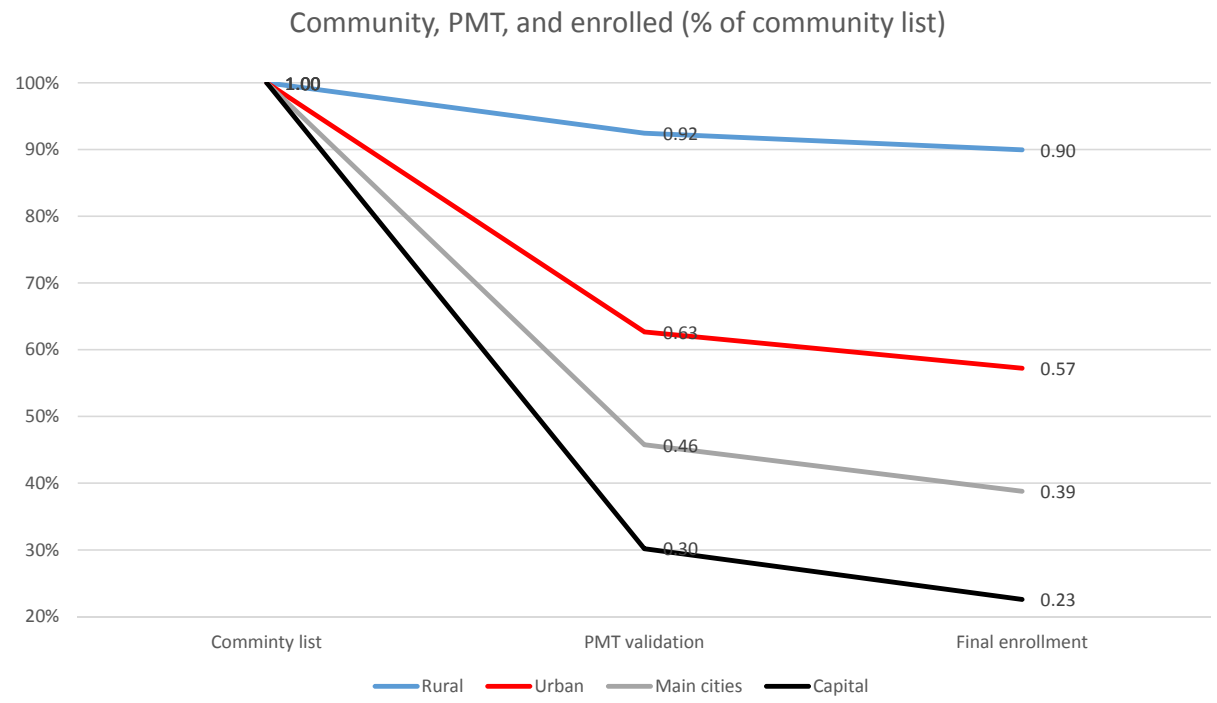
… in line with Philippines (2014) [and higher than Mexico in 2001]



Possible explanations
- Mobilization of neighborhoods/communities
- Meeting attendance and hours of operation
- Transaction costs
- Change in residency (inability to pay rent; less expensive options)

Source: data from Countryland Management Information System. Preliminary results

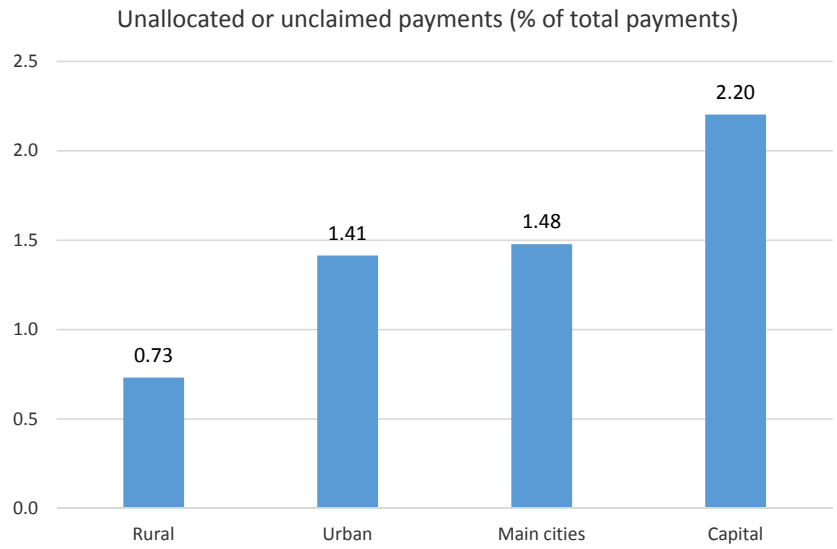
Real-time illustration: “Countryland”



Source: data from Countryland Management Information System. Preliminary results

Real-time illustration: “Countryland”

Unallocated payments

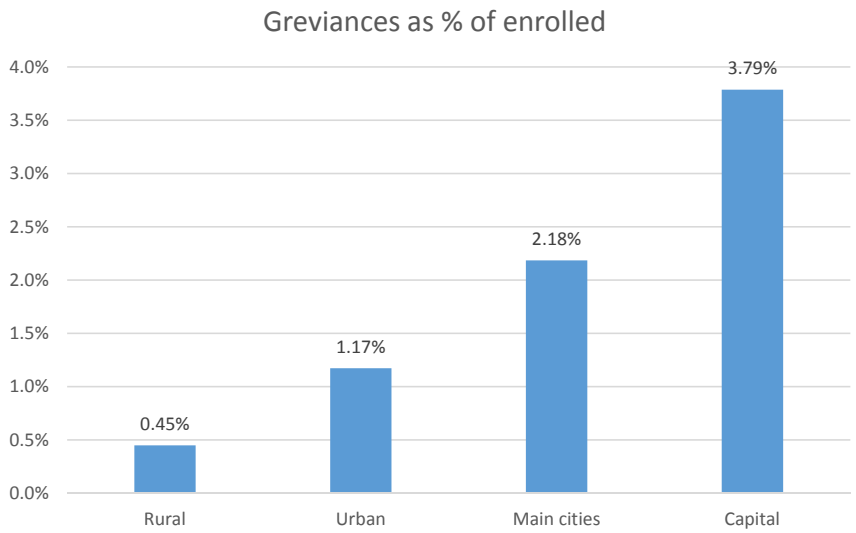


Possible explanations
- Dissemination on info around payments day
- Urban insecurity

Source: data from Countryland Management Information System. Preliminary results

Real-time illustration: “Countryland”

Grievances (exclusion)

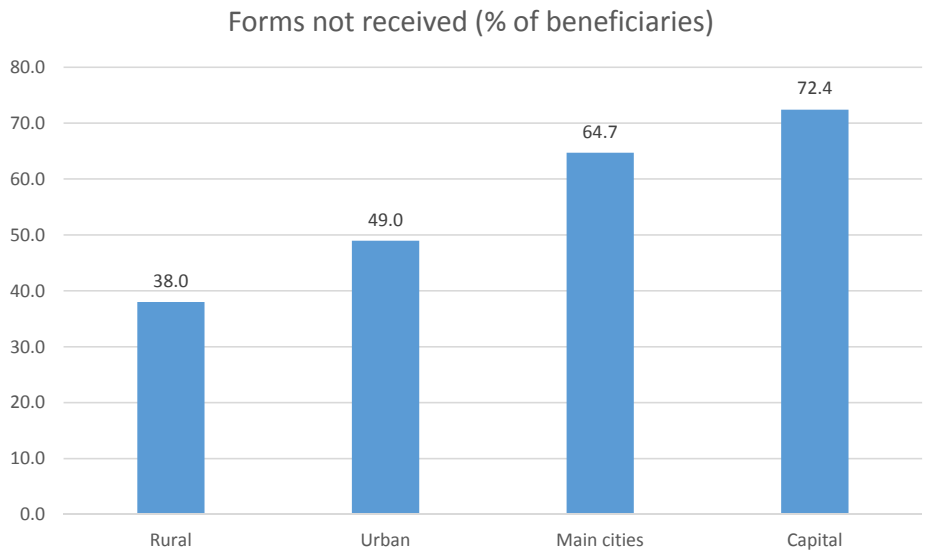


Possible explanations
- Anecdotal evidence on limited feedback on selection
- Lack of clarity on program criteria among people ‘living side-by-side’ in dense settlements

Source: data from Countryland Management Information System. Preliminary results

Real-time illustration: “Countryland”

Compliance to conditions (supply side)



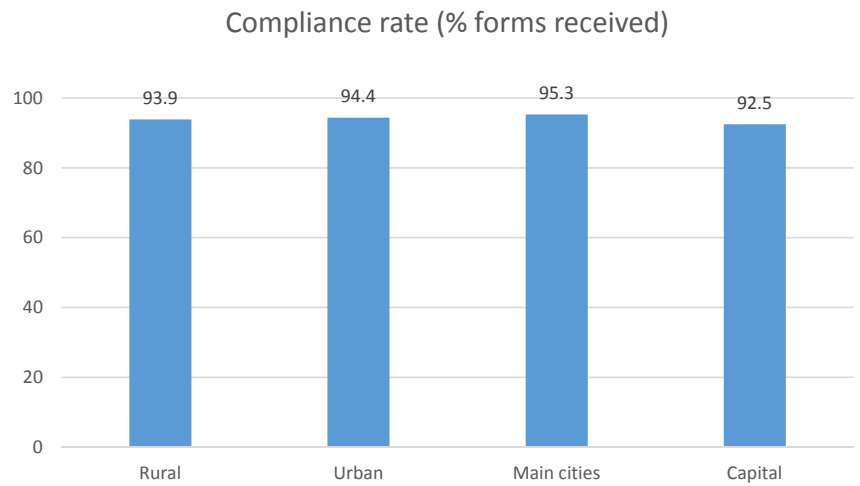
Possible explanations

- Limited cooperation of service providers in filling the forms (extra unpaid work)
- Lack of tools for record keeping
- - HH knowledge of actual schools where individual children are enrolled

Source: data from Countryland Management Information System. Preliminary results

Real-time illustration: “Countryland”

Compliance to conditions (demand side)



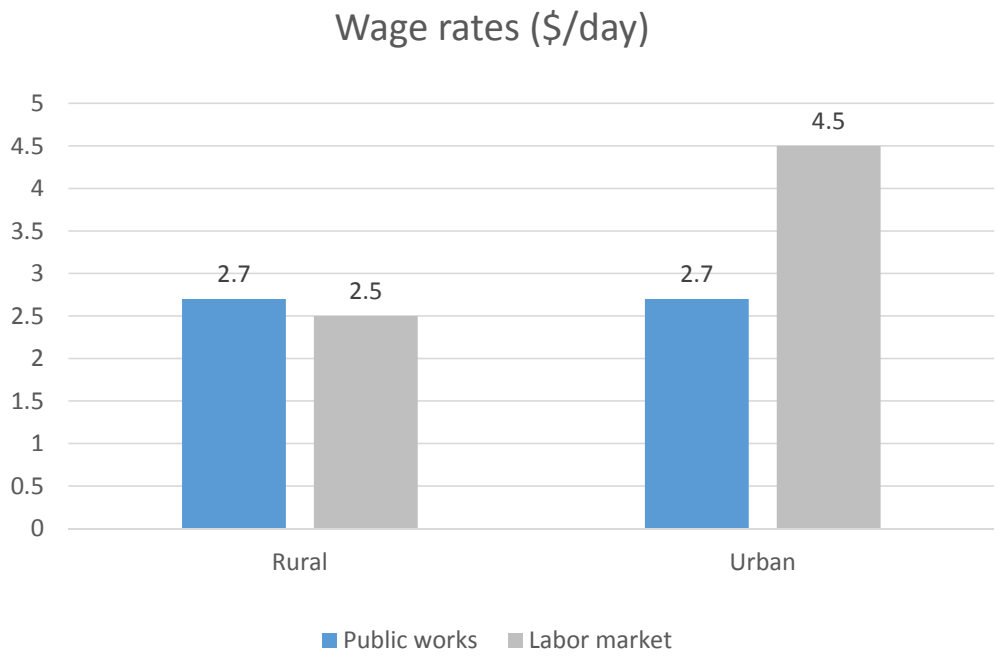
Possible explanations

- Compliance as % of enrolled beneficiaries: 60% rural, 56% urban, 35% main cities, 25% Capital

Source: data from Countryland Management Information System. Preliminary results

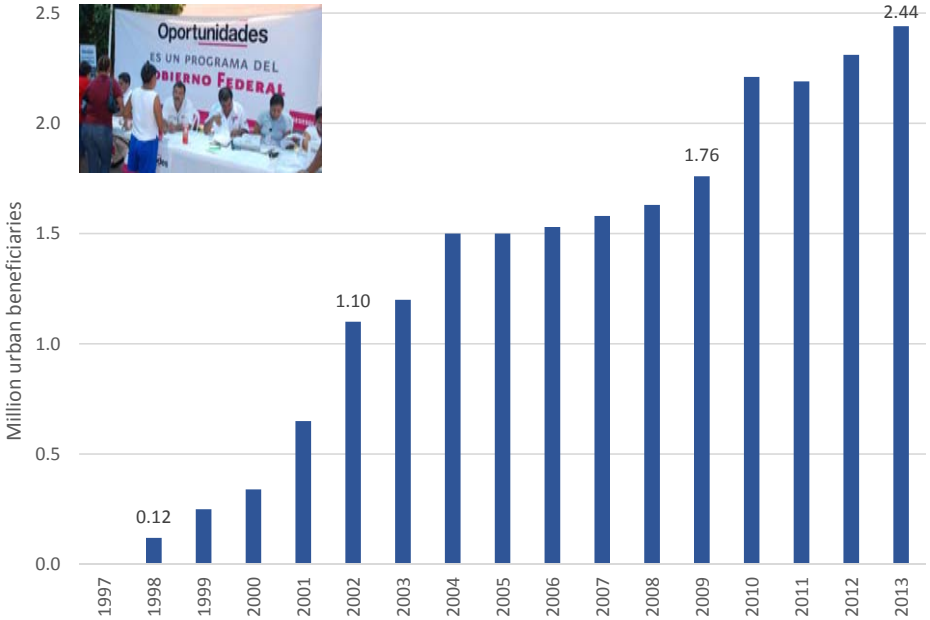
Real-time illustration: “Countryland”

Benefit size



Source: data from Countryland Management Information System. Preliminary results

From rural to urban: lessons from reaching *same* household profiles



<u>Phased expansion by density</u>
1997: pilot of 0.3M in rural areas
1998-2000: expansion to settlements of 2,500 to 5,000 inhabitants
2001: inclusion of areas of up to 15,000 inhabitants
2002: areas up to 1 million
2004: four largest metropolitan areas
2009-10: several innovations to enhance pick-up…

Mexico

- New multidimentional poverty model (urban-sensitive)
- Benefit structure
  - From grade 3-9 to 10-12, inclusion of scholarships
  - Still low take-up (63% of eligible didn't apply): high opportunity costs (e.g., transport up to 80% of benefit), low perceived value of education
- Conditionalities
  - Less medical visits required
  - No immediate exit from lack of compliance
  - Challenging re-enrolment of drop-outs
- Alternative health model, with emphasis on prevention
  - Switch from caloric to micronutrient-rich nutritional supplements
  - Workshops for urban risks (diabetes, hypertension, prevention of addictions, violence, etc.); held every 2 months (instead of monthly); delegation of attendance to one adult family member, extended service hours at healthcare centers
- Personalized orientation and service model (*MAPO*)
  - 130 service and registration centers in microzones, service representatives (40HHs each)
  - Cost of census vs cost of communication

From rural to urban: lessons from reaching *different* household profiles

The Philippines

- National CCT Pantawid process for rural areas: assessment by saturation; urban areas: saturation only in 'pockets' of poverty
  - Baranguay captains (smallest admin unit) compiled list of 60-65,000 poor households disaggregated down to street level
  - Validation according to criteria by National Housing Targeting Office
- Special urban variant MCCT (218,000 hh) for homeless and street families (HSFs). Local governments identify 'hotspots', i.e. areas of major concentration' of HSFs
  - Validation conducted in 2010; subsequent displacement (2011); HSFs located in secondary streets, parks, cemeteries
  - 36% of HSFs have been living on the street for more than 10 years
- Adapted enumeration (4am-7am); on-the-spot analysis by NGOs with pre-enrollment form developed by DSWD
- Conditions
  - Health (more family development sessions); education (gradual increase of attendance, alternative education models)
- Package of interventions
  - Housing grant ($88/month), CFW ($6.6/day), psychological counselling, other measures
- Duration: 6 months-1 year (until enrolled into Listahanan)
  - About half enrolled; 30% of them were able to sustain rent after the first 6 months

From rural to urban: lessons from dealing with an urban *crisis*

Sierra Leone

- Ebola emergency situation required minimizing the number of contact points (i.e., field visits) and avoiding large community gatherings
- Engaged representatives of existing urban structures (Ward and Local Council Planning Committees, Civil Society, youth groups) to mobilize, organize potential beneficiaries
- Strong communication campaign to call for applications from eligible households living in the targeted urban areas
- Set up of temporary registration desks in center of targeted locations
- Use reliable electronic forms (smartphone-based LPMT) to assess eligibility and enroll successful applicants on the spot
- Each registration team was provided with smartphones loaded with an ODK electronic form: the Urban Light Proxy Means Test (U-LPMT)
- The U-LPMT form collected data on household basic information, a series of indicators statistically correlated with poverty, direct or indirect impact of Ebola outbreak
- The applicant presented a voter's ID or similar national identification document (e.g., national ID, birth certificate)
- Eligibility based on minimum poverty score combined with first-come first-serve basis
- The electronic U-LPMT automatically generates a score, which determines eligibility for enrollment

Agenda for today's talk

- Overview
- Safety nets in urban areas
- **Connecting safety nets & space/urban development**

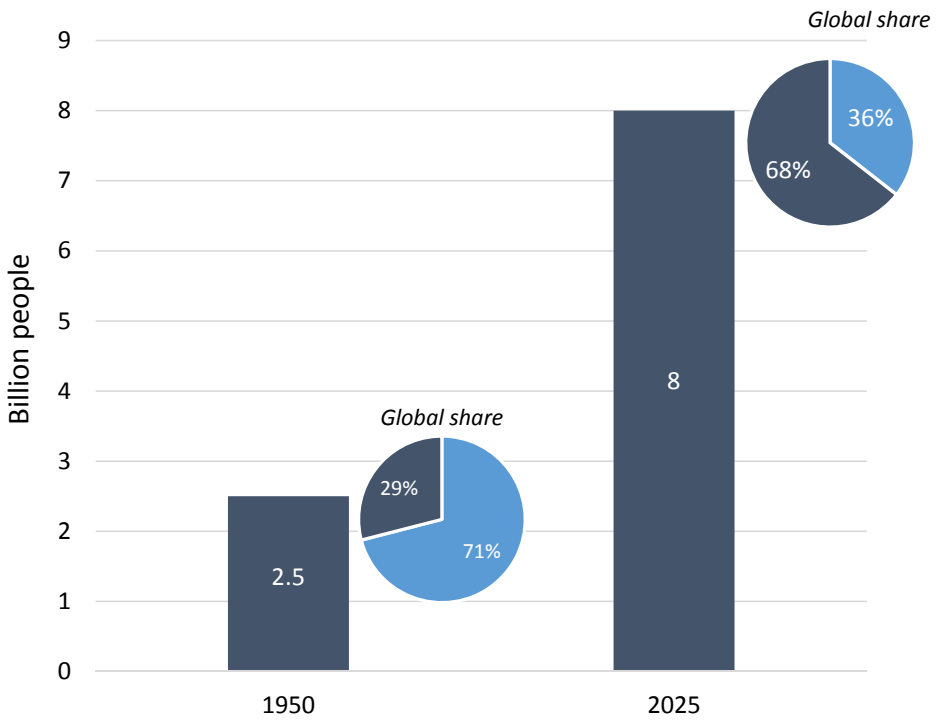
Some concluding remarks

- Urbanization here to stay – and grow indefinitely: simple replication of rural approaches didn't work
- Gauge what can be adapted in specific design and what should be re-thought in overall approach
- Urban areas fluidly expand and contract, and so do people as they move: build feedback loops for continuous adaptation
- Bridging space and people: potential to better connect with city and municipal plans for housing, transport, waste management, water systems
- Beginning of an exciting agenda: test, learn, and share practices

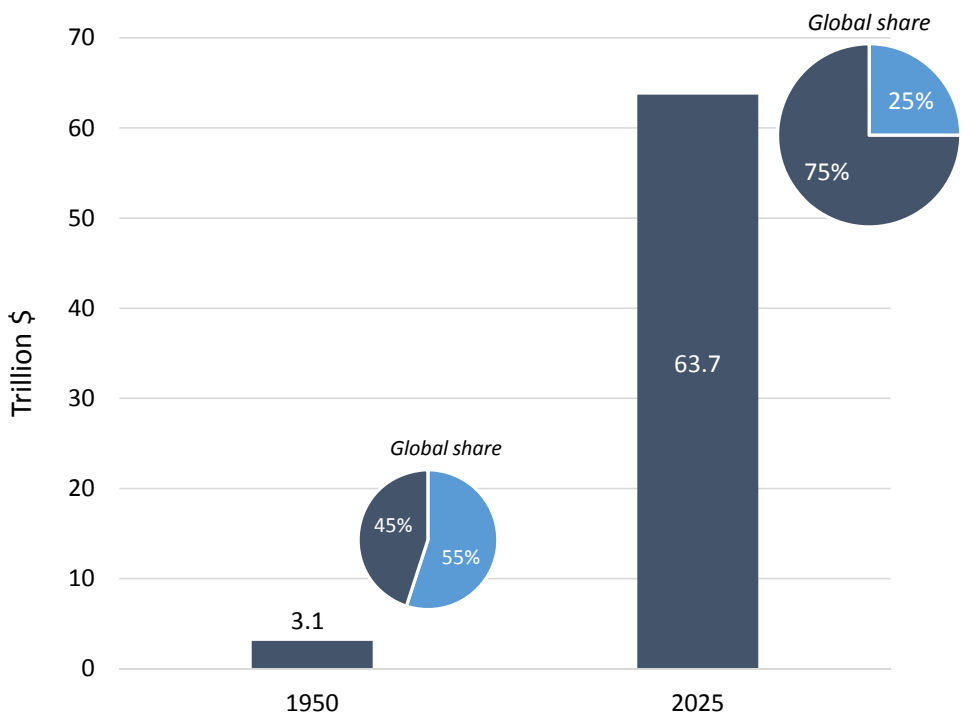
Thank you

Urban areas concentrate people and activity…

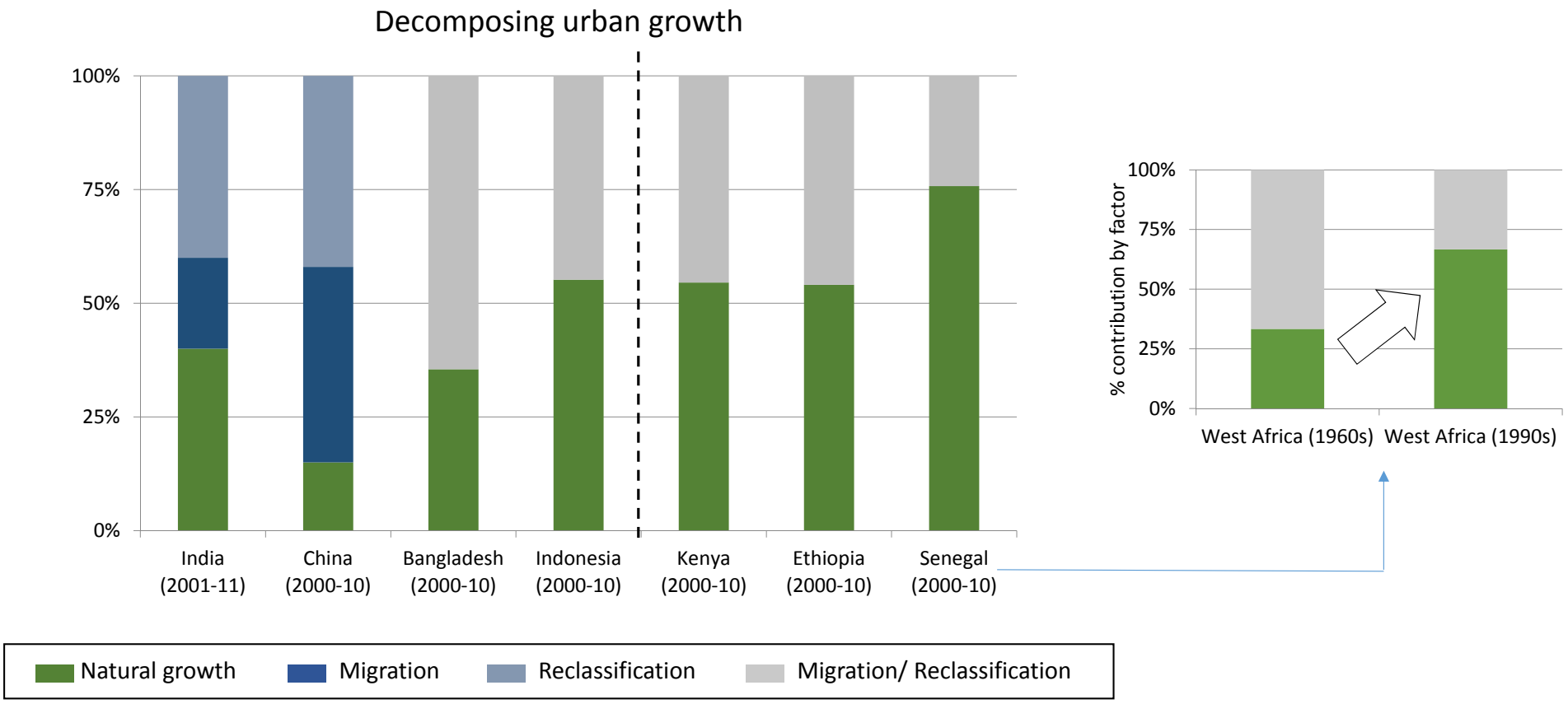
Urban population will triple over 1950-2025…



… and economic activity will do so x20

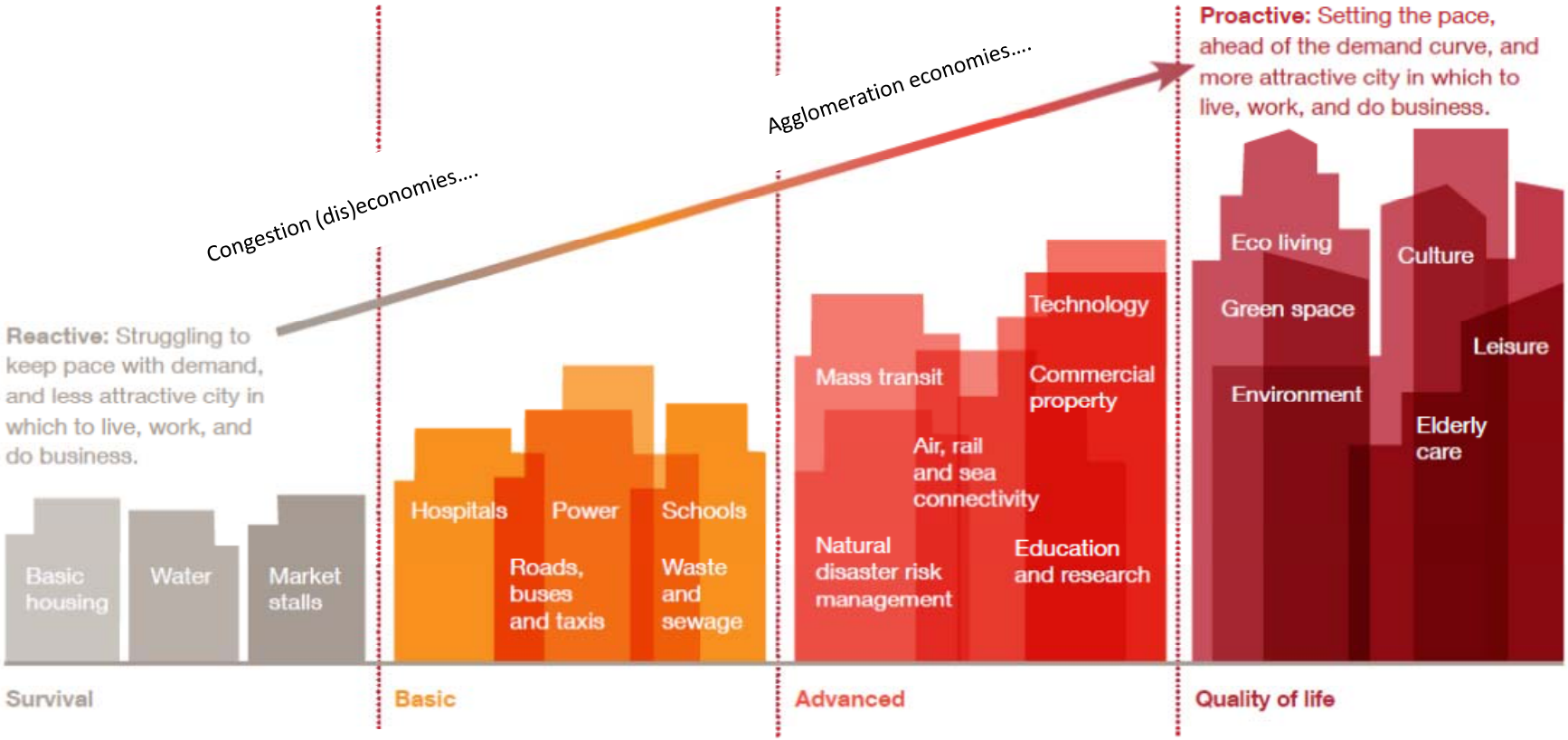


Urbanization has different underlying drivers



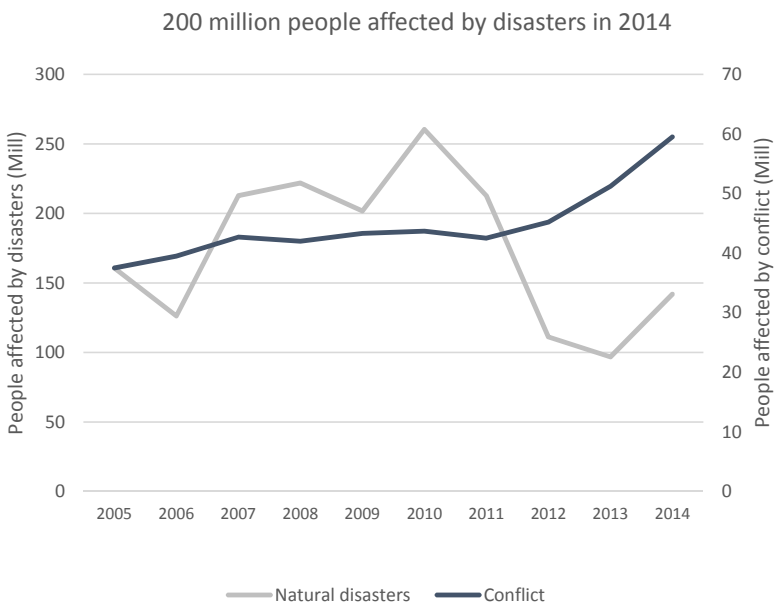
Source: Jedwab et al. (2015), Gentilini (2015)

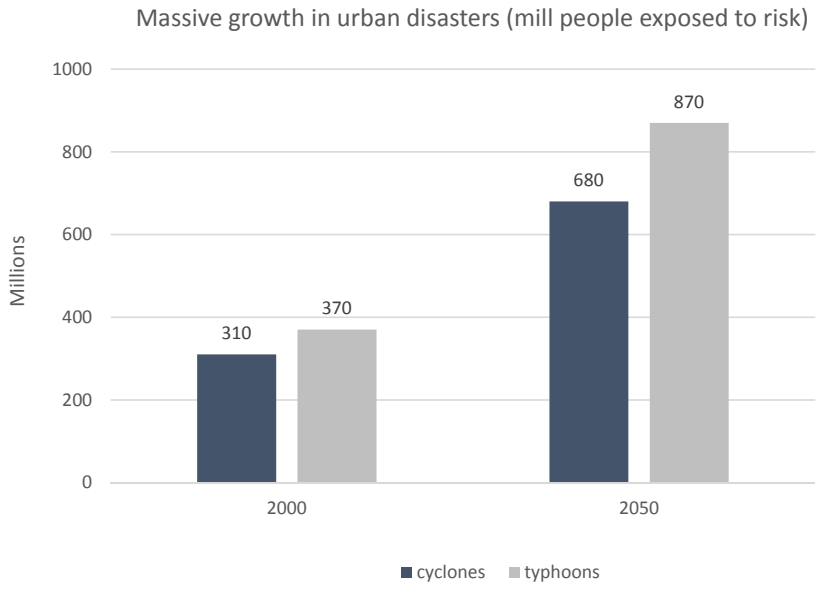
Stylized stages in urbanization…



Source: Adapted from PWC (2016)

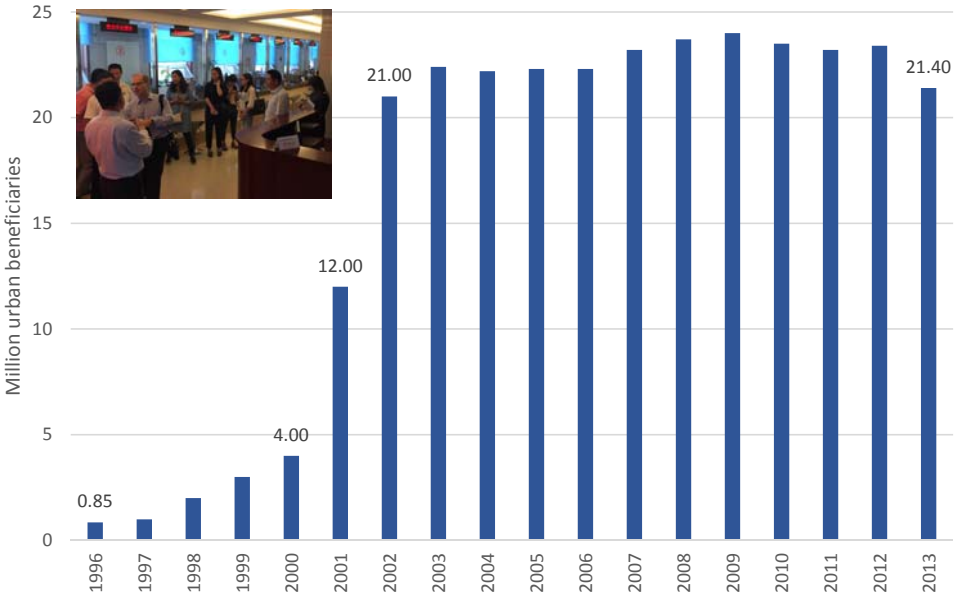
… unplanned urbanization can amplify risk exposure to crises





Source: UNHCR, IFRC, ED-DAT database

… and from urban to rural



Features

- Structural reform in mid-1990s, massive layoffs from state-owned enterprises
- 5-year decentralized piloting, subsequent scale-up (from 2007 to rural areas)
- Covers about 4.6% of urban pop; average stay of nearly 2 years
- Based on hukou system, do not support 167 million urban migrants (rules relaxed in pilots)

China

- Targeting
  - Urban households with per capita income below local min. threshold
  - Means-tested approach, with neighborhood validation
- Average transfer size as 17-25% of threshold
  - Full threshold amount for “3 no” (income source, work capacity, family support), while top-up for “typical urban poor”
- High variance in thresholds across regions
  - Different methods: Survey-based food + nonfood needs (Beijing), 30-40% of minimum wage (Hangzhou), % of food expenditures (Shandong)
  - Less generous lines in low-income regions
- Dibao as ‘golden ticket’ and access to several services (‘one-stop-shop)
- Unconditional cash transfer, but sometimes with requirements
  - e.g., can only refuse a limited number of job or training offers; Shanghai excludes those in receipt of social insurance; Guangdong requires participation in birth control programs
  - Gradual phase out as labor market is reentered (e.g., Shanghai keeps benefits for 3-6 months, + 100 yuan/month); tax/waiver incentives for self-employment (e.g., Yunnan)

Sierra Leone: smartphones to quickly assess poverty levels

- Each registration team was provided with **smartphones** loaded with an **ODK electronic form**: the **Urban Light Proxy Means Test** (U-LPMT)
- The U-LPMT form collected data on household basic information, a series of indicators statistically correlated with poverty, direct or indirect **impact of Ebola outbreak**
- The applicant presented a voter's ID or similar national identification document (e.g., national ID, birth certificate)
- Eligibility based on **minimum poverty score** combined with **first-come first-serve basis**
- If the applicants were more than the interview quota, the team would conduct a **public lottery** to reduce the number
- The electronic U-LPMT **automatically generates a score**, which determines eligibility for enrollment