

Mainstreaming Graduation into Social Protection floors

by Harshani Dharmadasa, Ian Orton and Lauren Whitehead, BRAC USA

With the recent adoption of the United Nations Sustainable

Development Goals (SDGs), eradicating extreme poverty presents a major challenge for governments worldwide. Despite recent progress, 902 million people remain in extreme poverty. To attain the right to social protection for people living in extreme poverty and, simultaneously, SDG Goal 1, it will be necessary to lift them above the international extreme poverty line of USD1.90/day. It is necessary to implement holistic, complementary and assessed interventions that support the realisation of national social protection floor initiatives (SPF-I) and other human rights. We argue that the 'Graduation' approach, which aims to equip the poorest of the poor with the tools, livelihoods and self-confidence to escape extreme poverty after the end of the intervention, is one such approach.

The 'ultrapoor'—the poorest and most challenged of those living in extreme poverty—often live on significantly less than USD1.90/day, are chronically food insecure and highly vulnerable to external shocks, often lacking the necessary skills and capital to lift themselves out of poverty, hunger and vulnerability. Policies designed to address the needs of poor populations have fallen short of reaching the most destitute.

Through the 'Graduation' approach as pioneered by BRAC, significant steps have already been taken towards financial inclusion and livelihood development for the ultra-poor. By addressing their lack of assets and skills, this approach combines support for immediate needs with longer-term investments in training, income generation and business development. Consequently, within two years participants are able to help themselves 'graduate' into sustainable livelihoods.

Launched in Bangladesh in 2002, BRAC's 'Targeting the Ultra-Poor' (TUP) programme has reached 1.7 million households, graduating 95 per cent out of ultra poverty. Non-governmental organisations and governments within Africa, Asia and Latin America have replicated the model (BRAC USA 2016). Bandiera et al. (2016) discuss the evidence from a seven-year study of BRAC's TUP programme, and Banerjee et al.'s (2015) impact evaluation of six CGAP-Ford Foundation pilot programmes shows broadly positive results through Graduation, although some studies are more circumspect (Bauchet et al. 2015). Nonetheless, the consensus is that Graduation enables the ultra-poor to meet their essential needs, increase labour supply and experience positive occupational change (i.e. from agricultural labour/domestic servitude to livestock rearing), reduce poverty and increase annual earnings, assets and savings (World Bank 2016). The study concludes that the programme exhibits an impressive return on investment, which over the working life span of a participant can be as much as USD5.4 for each dollar spent (Bandiera et al. 2016). Other studies also show positive impacts such as increased political involvement (Banerjee et al. 2015). Ultimately, Graduation allows individuals to live more sustainably and with greater dignity.

Beyond its programmatic confines, the Graduation approach can play a stronger role when linked to and integrated with national development strategies and services. We further contend that Graduation can help address coverage gaps in social protection systems, facilitating broader rights realisation and enabling the poorest populations to permanently exit poverty. Its proven efficacy makes it a natural ally of and complement to social protection. Interestingly, recent signs indicate that Graduation components are beginning to feature increasingly in mainstream SPF-I.

Adopting Graduation approaches is a logical step in many emerging social protection frameworks. Arguably, this is why further Graduation mainstreaming seems to already be occurring in a number of places where implementation and scale-up are under way. In Bangladesh, for example, Graduation will feature as a component in its new national SPF. Other countries where governments are operating Graduation-type approaches at scale include Ethiopia, Costa Rica and, most notably, Chile. Perhaps the most advanced Graduation approach to be tied to a social protection intervention is the *Ingreso Ético Familiar* (previously *Chile Solidario*) which is a ladder approach covering 170,000 families in extreme poverty nationwide. Enacted into law in 2012, it forms an integral part of Chile's SPF. Its national legal status is critical, as it obliges the government to commit resources, enables courts to protect against political interference and provides all citizens with a claimable, judiciable right. The programme also links other components of its national SPF, permitting the individual to move into higher and more comprehensive social protection—precisely the movement that the SPF envisions.

Graduation is gaining traction as an effective method due to positive impact evaluation and because it builds on the concept of a social protection system. Its logic can also be found in the Mexican *Prospera* conditional cash transfer and in the *Brasil sem Miséria* strategy. Over time, the strategies that have hinged mostly on cash transfers have incorporated other programmatic dimensions beyond the cash component, creating linkages with not only health, nutrition, education and mentoring but also access to higher education and formal employment and, in some cases, access to financial services. The adoption of Graduation logic can strengthen existing programmes by combining complementary mechanisms. The proliferation of Graduation-type approaches provides good examples of how to mainstream it into nationally owned SPFs.

Despite strong evidentiary support for the approach, it may not work for every scenario. However, it will be a powerful tool if States are serious about tackling their human rights deficits and extreme poverty challenges. Different pathways to mainstreaming Graduation include:

- embedding components of the Graduation approach within national SPF strategies;
- renewed endorsement of Graduation approaches by multilaterals/proponents; and
- national experimentation with Graduation through pilots designed for national expansion.

Ultimately, national Graduation approaches ought to attain statutory status and, therefore, be a legal guarantee within social protection programmes.

References:

- Bandiera, O. et al. 2016. Labor Markets and Poverty in Village Economies. <<http://sticerd.lse.ac.uk/dps/eopp/eopp58.pdf>>. Accessed 28 April 2016.
- Banerjee, A. et al. 2015. "A Multifaceted Program Causes Lasting Progress for the Very poor: Evidence from Six Countries." *Science* 348: 6236.
- Bauchet, J. et al. 2015. "Failure vs. displacement: Why an innovative anti-poverty program showed no net impact in South India." *Journal of Development Economics* 116, September: 1–16.
- BRAC USA. 2016. PROPEL Toolkit: An Implementation Guide to the Ultra-Poor Graduation Approach. New York: BRAC USA. <https://issuu.com/bracultrapoor/docs/brac_propel_toolkit>. Accessed 28 April 2016.
- World Bank. 2016. "Poverty reduction through large asset transfers: a look at the long run." World Bank website. <<http://blogs.worldbank.org/impactevaluations/poverty-reduction-through-large-asset-transfers-look-long-run>>. Accessed 28 April 2016.