

Pathways to graduation: a work in progress in Ethiopia

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structure

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The case for graduation

- **Resources are limited**: so it's right to focus what's available on those who need it
 - A conceptual question for critics of graduation in principle: how is graduation different from re-targeting?
- A graduation aspiration might **encourage work effort / discourage dependency**
- Political economy: might be **necessary to ensure popular (taxpayer) or political (MoF) support**



The case against graduation

- It is **unrealistic** to expect significant numbers to graduate over a short period in any context where:
 - beneficiaries are chronically food insecure / extreme poor
 - in remote rural areas vulnerable to frequent climate shocks (and others)
 - the programme delivers only modest transfers
- **False economy** of graduating people prematurely (need to re-enrol)
- May enable / encourage inter-temporal **dilution**, cycling people on and off for brief spells
 - hard choices between sustained support – and sustainable impact – for a smaller number vs. minor, unsustainable impact for many
- Encourages **perception of social safety nets as time-bound**
 - successful societies provide *more* coverage, not less, as they get richer
- Creates **perverse incentives** (households avoid investing in assets or improvements to living standards which they know make them eligible for graduation)
- **Hard to define / measure** objectively (food gap? Assets? Income?)



basics of PSNP-HABP

- Reaches up to 6-8 million people each year
- PSNP (since 2005)
 - Provides cash or food for six months each year
 - 85% of households receive transfers as wages for public works
 - 15% of households ('direct support' - elderly, disabled, pregnant...) receive an unconditional transfer
- HABP (since 2010)
 - provides advice on livelihood options
 - provides a range of financial services to fund livelihood options
 - links livelihoods to the market
- Purpose: to lift people out of food insecurity, to achieve stable and predictable income sources – i.e. graduation



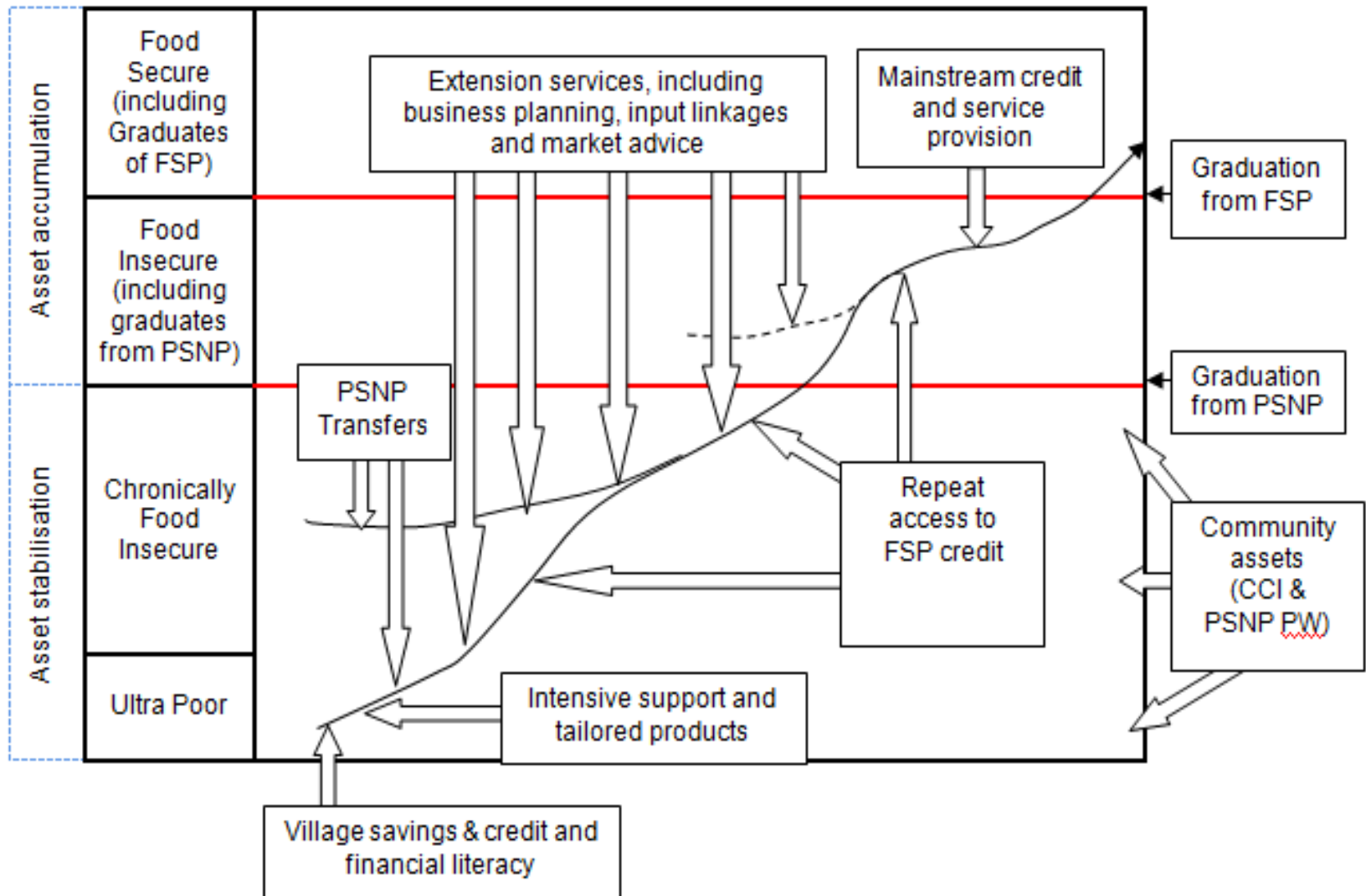
Graduation in Ethiopia's PSNP-HABP: the concepts

- Many potential meanings or definitions:
 - Graduation from the PSNP programme; from food security; from poverty...
- A household graduates on achieving **food sufficiency**, defined as
 - “when, in the absence of receiving emergency transfers, it can meet its food needs for 12 months and is able to withstand modest shocks”.
 - Translated into region-specific measures / tests (assets, income, others)
- Intention that **graduation will be achieved through transfers (PSNP) plus livelihood support (HABP)**.
- **Political targets** for reducing chronic food insecurity – and therefore reducing PSNP coverage through graduation.



Graduation in Ethiopia's PSNP-HABP

transfers + credit + microenterprise advice



Graduation in the PSNP: 2005-2010

- **2005:** Graduation a fundamentally important design feature for Government to accept and implement a safety net programme
- **2006-2007:** design phase for graduation, resulting in 'benchmarks' for exit
- **2007-2010:** implementation and learning

Despite comprehensive agreement on principles and safeguards:

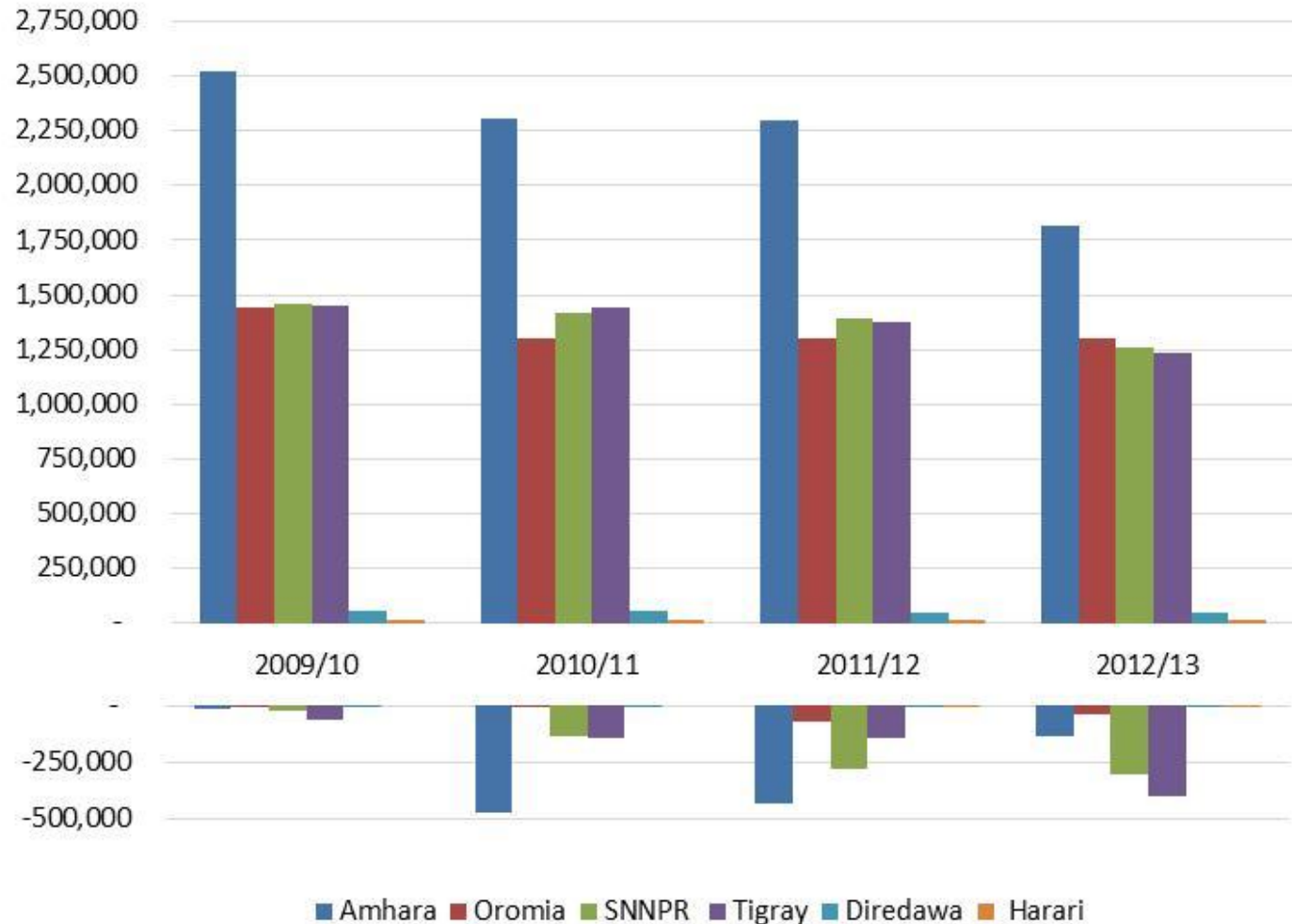
- Assessment system was too complex given time and resources
- Little local context of benchmarks
- Insufficient communications at all levels, including with clients
- Concern that political economy was compromising sustainable graduation



Graduation in the PSNP, 2010-13

In each of the last three years c. 850,000 (11%) have been graduated

beneficiaries



graduates

Graduates as %
beneficiaries

1%

10%

12%

13%

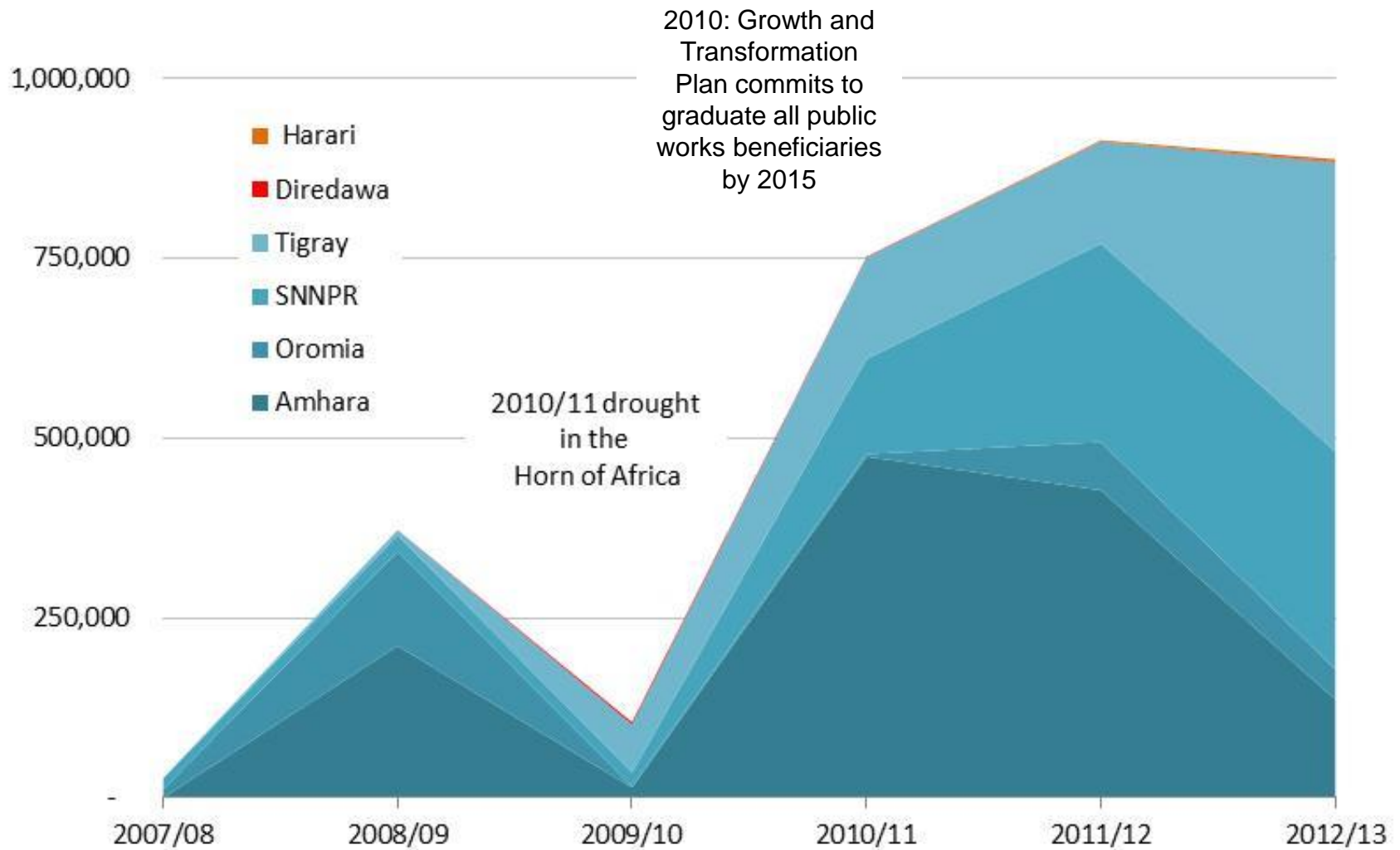


Significant impact - justifying graduation?

- reversing decade-on-decade deterioration in livelihoods and food security
- **Household level resilience**
 - food insecurity reduced by more than 50% for PSNP households
 - PSNP increased non-food expenditures by just over 500 Birr p.a.
 - Distress sales declined
- **Community level resilience:** small studies suggest that public works
 - reduce soil loss by more than 12 tonnes / ha,
 - decrease sediment loss of 15.3 tonnes / ha / annum,
 - Increase crop yields (up to 66% for cereals and 22% for pulses)
 - Sequester around 5 tonnes / ha of atmospheric carbon
- **Education:** both boys and girls in PSNP households attain higher school grades
- Diet quality and **nutrition:** an increase of 0.46 food groups
- **Does this imply that the 2.5 million people graduated since 2006 have sustainably escaped food insecurity?**



Why the uptick in graduation from 2009/10 to 2010/11?



Is graduation evidence-based and sustainable?

The 2012 impact assessment

- A broad consensus found between beneficiaries, local officials and the quantitative data that **many graduates are not food secure and remain vulnerable**
- The survey data suggest that **graduated households do differ from remaining beneficiaries on demographic and asset criteria...**
- **But *not*, critically, in their food security:** which is intended to be the focus of PSNP objectives, targeting and graduation



Planning targets are interpreted, rightly or wrongly, as quotas to be met...

The quota given from woreda level should consider the real situation of the kebele, but since this reality isn't considered we were forced to graduate households who didn't fulfill the graduation criteria / benchmarks.

Oromia Region

Many of the graduates are early graduates. I do what I don't believe. You can't find a graduate who fulfilled the preset criteria. We did this just to attain the quota provided by Woreda. It is good that graduates are slightly better than their counterparts who are in PSNP.

Tigray Region



...with concerns about premature graduation

There is no observable difference between those households graduated and other PSNP beneficiaries. It is impossible to say they have changed their livelihoods. They have graduated only due to the decision it is not because they are food self sufficient...

Southern Nations, Nationalities and People's Region

Some households become food secure and live a better life, in my opinion they could be 40 percent. But others (60 percent) who were graduated because of fulfilling the quota are still in problem and food insecure...

Oromia Region



Graduates have more assets and different demographics; but are equally food insecure and vulnerable to drought

beneficiary household characteristics in 2009-10	of hhs who by 2012:		statistically significant difference?
	graduated	stayed in PSNP	
food gap (months)	2.9	3.0	no
experienced food shortage during hungry season (%)	69.9	73.8	no
livestock holdings (TLU)	4.6	2.9	yes, at 1%
land cultivated (ha)	1.4	1.2	yes, at 1%
headed by a woman (%)	17.1	33.3	yes, at 1%
headed by old widow (%)	3.4	9.2	yes, at 1%
household size (number)	5.9	5.0	yes, at 1%
number of economically active males (number aged 16-60)	1.3	1.1	yes, at 1%
experienced drought in 2009 (%)	68.2	67.5	no
experienced drought in 2010 (%)	27.7	30.3	no



Ideas for improvement - 1

- the **Graduation Prediction System**: a more evidence-based, consistent approach to setting indicative local planning numbers for graduation
 - ➔ addresses challenges experienced in earlier phase
 - provides a technical basis for local area graduation numbers
- The GPS is a software tool that:
 - Uses key livelihood variables to predict aggregate livelihood outcomes based on seasonal changes
 - Predicts the number of households graduating each year
 - Uses Government-owned livelihood database



ideas for improvement - 2

- Drawing on national (Tigray pilot) and international (CGAP) experience, **avoid a hard either/or graduation threshold**; and create incentives for graduation
 - ➔ **Scale back transfers** - smaller monthly amounts and / or fewer months per year: but avoid a one-for-one reduction of transfers with rising private income
 - ➔ and / or **transition from safety net transfers to different forms of support**, more appropriate to those who are (gradually) improving their situation
 - ➔ and / or create a **one-off graduation grant** that will allow less-poor households to make lumpy investments in assets or inputs that will sustainably improve their incomes
- **De-link indicative planning targets from individual assessments** of readiness to graduate



Key lessons on graduation

- Model of graduation is valid – *if* implemented properly
- But **realism is critical**: start modest, assess rigorously, avoid setting targets / quotas
 - ➔ if a safety net targets the extreme poor in a context of high vulnerability (as it should), graduation rates will be slow
 - ➔ especially if transfers are modest and complementary livelihoods services are slow to come in
- Keep graduation model simple for everyone at all levels to understand
- Keep graduation based on evidence
- Use as much Government data as possible (use existing data streams when possible)
- Communication is critical



Thank you!

