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SELECTION & IDENTIFICATION

BUILDING SOCIAL PROTECTION FLOORS IN AFRICA

TRANSFORM

SUMMARY DOCUMENT

TRANSFORM is the result of an iterative process of co-creation involving experts and practitioners from southern and eastern Africa. This summary manual is based on a document prepared by Stephen Kidd (Development Pathways) with contributions from Luca Pellerano (ILO), Daniel Kumitz (UNICEF) and Valentina Barca (Oxford Policy Management). It draws extensively from existing publications on the topic particularly Kidd (2014), Kidd (2017) and Kidd, Gelder and Bailey-Athias (2017). The full version of the corresponding manual is available on the TRANSFORM website

The editors of the TRANSFORM curriculum series are Luca Pellerano, Luis Frota and Nuno Cunha. Participants to workshops in Kenya, Zambia and Tanzania provided useful comments and inputs. The content of this manual does not reflect the official position of the different organizations supporting the TRANSFORM initiative.

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Suggested Citation: Transform, (2017) "Selection and Identification in Social Protection Programmes - Manual for a Leadership and Transformation Curriculum On Building and Managing Social Protection Floors in Africa", available at http://socialprotection.org/institutions/transform

LIST OF ABBREVIATIONS

PMT	Proxy Means Test
CBT	Community Based Targeting
HSNP	Hunger Safety Net Programme
MIS	Management Information System
ID	Identity
NGO	Non-Governmental Organization
SP	Social Protection

CONTENTS

1.	**Introduction**	**4**
2.	**"Targeting" policy & fiscal choices in the selection process**	**6**
2.1.	Overview of selection processes	7
2.2.	Policy choices	8
2.3.	Fiscal choice (linked to coverage)	8
2.4.	Measuring the accuracy of the selection mechanisms	9
2.5.	Causes of exclusion	11
2.6.	Takeaways	11
3.	**Design choices in selection processes**	**11**
3.1.	Challenges to be addressed by selection mechanisms	12
3.2.	Methodologies for identifying people living in poverty	13
3.2.1.	Means test	13
3.2.2.	Proxy Means test	13
3.2.3.	Community based targeting	14
3.2.4.	Self-targeting	14
3.2.5.	Affluence or pension testing	14
3.2.6.	Quotas	15
3.3.	Other challenges with poverty targeting	15
3.3.1.	Administrative costs	15
3.3.2.	Perverse incentives	15
3.3.3.	The moral costs of selection methodologies	15
3.3.4.	Impacts on community and social cohesion	16
3.4.	Simple options for reducing coverage in lifecycle schemes	16
3.4.1.	Assessing individual entitlements using household wellbeing	16
3.5.	Takeaways	17
4.	**Implementation of selection processes in social protection schemes**	**18**
4.1.	Example of exclusion during Implementation	18
4.2.	An example of the challenges of some registration mechanisms	19
4.3.	Communication about registration	20
4.4.	Description of the registration process	20
4.4.1.	Types of registration	21
4.4.2.	Best practice in registration	23
4.4.3.	Dissability assessments	23
4.4.4.	Challenges with providing proof of identity	23
4.4.5.	Community verification of beneficiary lists	24
4.5.	The importance of grievance mechanisms	24
4.6.	Investment is critical in improving registration	24
4.7.	Takeaways	25

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1

INTRODUCTION

The summary version of the module on Social Protection Selection Processes is informed by the more detailed manual on Social Protection Selection Processes. Ideally, this should be presented to participants together with the detailed manual containing interactive exercises as this has more detailed information focusing on providing the general storyline to back up the presentations and detail on some of the examples given.
It is therefore advisable that the summary is read in tandem with the manual so as to provide better understanding and appreciation of practical examples contained in the manual.

The summary is informed by three main social protection selection thematic areas:

- Targeting: introduction and policy and fiscal choices in the selection process
- Design choices in selection processes
- Implementation of selection processes in social protection schemes

The first area highlights policy and fiscal choices and also examines methods for measuring targeting accuracy. The second focuses on design choices when decisions are taken not to provide universal coverage. Whilst the third examines the challenges of implementing selection processes, in particular through registration, which is the point at which people apply for programmes, as well as the grievance mechanisms.

The overall objective of this module is therefore to give participants:

- An understanding of selection processes – often known as "targeting" – as comprising four key stages: policy choices; fiscal choices; design choices; and, implementation.
- An understanding of how policy choices can determine the inclusion and exclusion of people at later stages in the selection process, and how policy choices are closely linked to ideology.
- Once a policy choice is made, how that can be further modified by fiscal choices, which are played out in decisions on the level of coverage of a scheme. Participants will understand how coverage is critical in determining the effectiveness of a scheme.
- An understanding of the range of design options for selection mechanisms, when a decision is taken to reduce coverage from universal coverage, as well as the implications of these choices.
- An understanding of the challenges of implementing selection processes and how the delivery of schemes can also contribute to the exclusion of people. Participants will build an awareness of the importance of understanding social exclusion and how this interacts with programme design to undermine access to schemes.
- An awareness of how to measure targeting accuracy and how different measures can be used to demonstrate that the same programme is either successful or unsuccessful.

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"TARGETING" POLICY AND FISCAL CHOICES IN THE SELECTION PROCESS

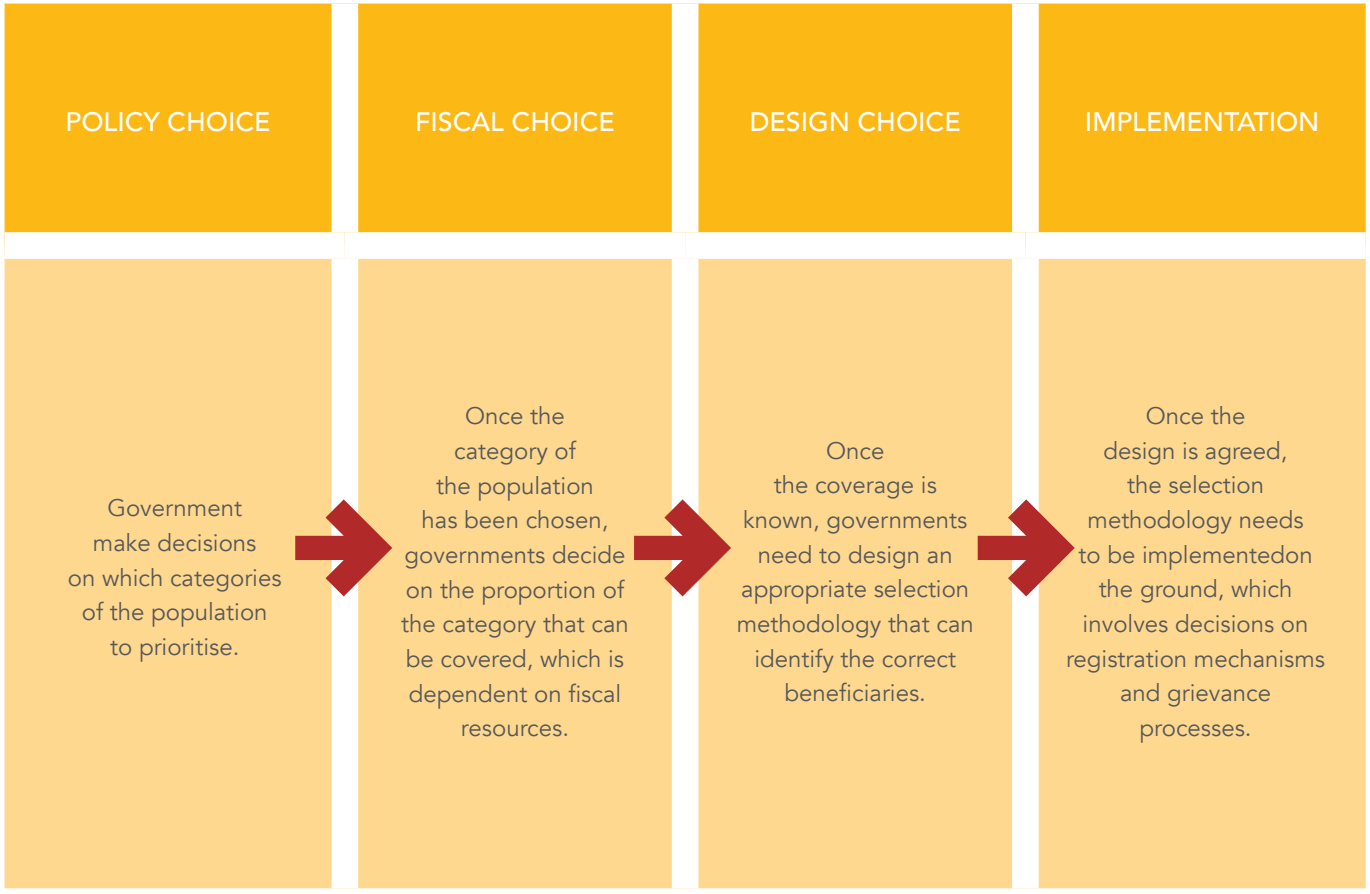
A critical issue faced by all countries developing systems of social protection is how to select beneficiaries. No country has ever been able to effectively cover everyone in need of transfers during the early stages of developing their social protection systems. The numbers of people in need are too great and place excessive demands on a country's financial resources. Developed countries have taken decades to develop comprehensive social protection systems, which gradually expanded as resources become available. Therefore, developing countries need to take a long-term vision for their social protection schemes, expanding them as resources become available and greater priority is given to social protection.

As a result, in the early stages of the development of their social protection systems, countries have to make hard choices about which people to prioritise. Debates on "targeting" are often very narrow, focusing on how best to design particular social transfer schemes to accurately identify those living in poverty. In reality, questions on the selection of beneficiaries should be considered much more broadly, especially when taking into account that social transfer schemes often have multiple objectives, beyond just providing those living in poverty with a minimum income.

2.1. OVERVIEW OF SELECTION PROCESSES

Process of selecting beneficiaries has at least four stages, as set out in Figure 1. Governments initially have to make decisions on which category of the population to prioritise: this may be a particular demographic category – such as older people, people with disabilities or children – or it may be an economic category such as the "poor." To a large extent, governments make this decision on the basis of the level of finance they wish to invest in the programme (while also taking into account the value of the transfer to be provided).

Figure 1: The four-stage selection process for social assistance transfers



2.2. POLICY CHOICES

Governments will tend to make choices between two approaches. They either decide to direct their social transfers to the category of the population regarded as "poor"; or, they follow a more complex policy direction by designing their social transfer systems to address challenges and risks faced by individuals across their lifecycle. The former can be referred to as a "Poor Relief" approach while the latter can be categorised as a "Lifecycle" approach.

POOR RELIEF APPROACH	LIFECYCLE APPROACH
• Address the symptoms of poverty rather than the underlying causes: • Tackle the challenge of low incomes by providing additional and regular income. • Aim is primarily protective rather than preventive (in other words, they are not designed to stop people falling into poverty, but only help people once they are in poverty) • The concept of a fixed group of the "poor" is, to a large extent, an imaginary construct • There is significant churning around poverty lines as households move in an out of poverty. Potential exclusion errors due to income dynamics. • Provide similar levels of benefit to households, irrespective of the composition and capabilities of the household. • Value of transfers provided low and insufficient to provide families with income security. • Examples of countries with poor-relief approaches are Pakistan or Malawi.	• Directly addresses the causes of poverty that are linked to lifecycle contingencies. • They are also preventive as well as protective, since they can stop people falling into poverty if they face a particular contingency, such as disability, unemployment or old age. • Benefits are individual entitlements, households are able to receive multiple transfers, meaning that the value of transfers received by a household is related to their demographic composition, labour capacity and capabilities. • Lifecycle approaches are, necessarily, more costly, although the overall cost depends on decisions regarding coverage and value (see below) • Most countries eventually move towards a lifecycle approach. Many causes of poverty and insecurity often are related to stages in an individual's stage in the lifecycle. • Examples of countries with lifecycle approaches are South Africa and Brazil.

2.3. FISCAL CHOICES (LINKED TO COVERAGE CHOICES)

Once countries make a policy choice to address the needs of a particular category of the population, the effectiveness of the scheme – when measured in terms of the exclusion of eligible people – depends, to a large extent, on decisions made subsequent to the policy process.

The degree of commitment of governments to their policy choices is indicated, to a large extent, by their level of investment in implementing the policy. As noted earlier, a key determining factor in the cost of a scheme is the level of coverage of that scheme. For example, a country may decide to address the needs of the "poor" through Poor Relief but it also needs to determine the level of coverage. Similarly, a country could offer its old age pension to everyone over the age of 60 years or only to a sub-set of older people. At a similar value of transfer, lower coverage translates into a lower financial cost.

Decisions on coverage have a significant impact on rates of exclusion from schemes, including the exclusion of those living in poverty. Necessarily, the higher the coverage of a particular category of the population, the lower the rate of exclusion of people within that category.

The evidence indicates that transfer schemes with higher coverage provide higher transfers to those living in poverty. It has been noted that higher coverage of those living in the greatest poverty can be achieved by expanding the coverage of schemes. Evidently, universal schemes are the most effective while, when coverage is low, a high proportion of those living in the greatest poverty are excluded. This is often the result of a combination of low coverage, inadequacies in selection design, and problematic registration (which are discussed later).

2.4. MEASURING THE ACCURACY OF SELECTION MECHANISMS

There are a range of ways of measuring the accuracy of selection mechanisms and the option chosen can depend on whether the analyst wants to show that a particular mechanism is good or bad. Three common types of measures are suggested here:

- **Accuracy:** this is a measure of the proportion of those eligible that are included. Inclusion and exclusion errors are exactly the same. It favours more universal programmes.
- **Incidence:** this is a measure of the percentage of overall benefits that reach the poorest 40% of the population. It emphasises the need to reduce inclusion errors. It is the measure used by Coady Grosh and Hoddinot (2004) in their manual on "targeting." It favours small schemes targeted at the "poor."
- **Effectiveness:** this is a measure of the percentage of the poorest 40% that are included in the selected category. It emphasises the need to reduce exclusion errors. Again, this favours universal schemes, as exclusion errors in universal schemes are very low.

Table 1: Economic Targeting vs. Universal Coverage. Key considerations at play

	CONSIDERATIONS IN FAVOUR OF ECONOMIC TARGETING	CONSIDERATIONS IN FAVOUR OF UNIVERSAL COVERAGE
Ideological	Redistribution and equity principle. Give more to those who have larger needs. It is morally unacceptable to support those who are already better off.	Leave no-one behind. It is imperative to cover all in order to make sure none of those in need is excluded. Because of targeting errors, targeted programs necessarily exclude some of the poor. Redistribution can be more effectively achieved through a progressive tax system even when benefits are universal.
Fiscal Constraints and Efficiency	In the face of fixed budges it is a matter of efficiency to maximize the impact of public spending by targeting resources on the poorest and most needy	Budgets are not fixed and depend on political choices. Universal programs enjoy broader political support and they are more difficult to scale back. Universal programs also have larger multiplier effect on the economy, adding to the overall economic efficiency from a macro perspective

Table 1: continued

	CONSIDERATIONS IN FAVOUR OF ECONOMIC TARGETING	CONSIDERATIONS IN FAVOUR OF UNIVERSAL COVERAGE
Political Economy	Middle class and median voters prefer to support social assistance scheme if they are reassured that tax money will reach those who are really in need of that support (and does not foster dependency). Political support from the middle class for universal transfers can reinforce regressive social spending (e.g. subsidies).	Middle class and median voters support universal programs because they also benefit from them. Due to political pressure they can achieve larger benefits and broader coverage, including for the poor. Economic targeting is an argument to reduce spending on social protection. The focus on the "deserving poor" is paternalistic and segregating.
Social Acceptability and Social Cohesion		Universal programs are more transparent and understandable for people, they enjoy broader social support. Targeted programs offer grounds to being politicized. Poverty targeting leads to stigma and can create tension and division in communities.
Targeting Accuracy and Administrative Costs	Even if imperfect, economic targeting improves the allocation of resources to those most in need. The additional cost of poverty targeting will not offset the benefits of resources unless in very extreme cases (very high poverty rates, very high targeting costs or large targeting errors). Although categorical mechanisms (e.g. pensions) are simpler they leave out a large number of poor individuals (e.g. children) unless they cover the whole life-cycle.	It is extremely challenging to identify the poor, especially in countries where poverty is widespread and dynamic. As a result economic targeting is always associated with very large exclusion errors. Categorically targeted universal programme can be almost as good as poverty targeted programmes in reaching the poor, but they are by far simpler, more transparent and more economical to implement. Economic targeting is expensive.

Source: Barca and Chirchir (2016)

2.5. CAUSES OF EXCLUSION

There are three sources of exclusion from social protection schemes:

- **Under-coverage**, which is generally the result of insufficient investment and is linked to the political economy of social protection;
- **Targeting design**, which will be dealt with in the next session and is linked to issues such as the mechanism chosen for selection and whether quotas are used. The next session will indicate that many mechanisms that use poverty targeting could more accurately be described as "rationing";
- **Targeting implementation**: this is the actual selection process and is often ignored in discussions on selection. But, many people can be excluded from schemes at this stage of the selection process which will be discussed in section 4.

2.6. TAKEAWAYS

The session finishes with these key takeaways:

- The selection process includes four key stages and decisions at each stage are critical in determining who is included and excluded from social protection schemes;
- So-called categorical targeting is a policy choice rather than an example of targeting design;
- All countries eventually implement a lifecycle system of social protection, which ultimately is much more effective in ensuring the inclusion of the most vulnerable members of society;
- Higher coverage in schemes necessarily leads to reductions in exclusion from schemes;
- Choices on how to measure "targeting performance" can be ideological.

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DESIGN CHOICES IN SELECTION PROCESSES

If countries decide not to provide universal access to a scheme, they need to design a mechanism that can identify those who are eligible. There are a range of design options used by countries to select beneficiaries when coverage is limited, some of which are simple while others are much more complex. However, countries often use multiple approaches when seeking to reduce coverage. This presentation will describe some of the most common options.

3.1. CHALLENGES TO BE ADDRESSED BY SELECTION MECHANISMS

There are a range of challenges that need to be taken into account when designing selection mechanisms.

The first challenge is that there is **little difference in wellbeing between the majority of the population in any country**, so it is difficult to differentiate between them. Generally a fraction (between 80 and 60%) of the population of the population live on less than US$2 PPP; this is a more reasonable poverty line - $1.25 is too extreme – and means that 60 to 80% of the population should be regarded as living in poverty – and in precarity or insecurity – and therefore in need of SP. They are highly susceptible to shocks that will push them into extreme poverty or a significant fall in living standards.

Second, there is also **significant churning around extreme poverty and poverty**. When designing selection mechanisms, it is important not to confuse poverty rates with the number of people in poverty. Poverty rates provide a static snapshot in time and do not take into account that people move in and out of poverty. Individual and household incomes are dynamic and rise and fall as people succumb to shocks – such as illness, disability or unemployment – or respond to opportunities. One reason for the extensive movement in and out of poverty – which would be even higher if more frequent surveys were undertaken – is that differences in consumption between the majority of households are not great, as discussed earlier.

Income dynamics, however, has implications for "poverty targeting," with household incomes varying significantly even over relatively short periods of time. Therefore, when developing social protection policy, it is useful to conceptualise poverty in more dynamic terms, which implies that a higher proportion of the population should be considered as living in or vulnerable to poverty than the number indicated by the poverty rate.

3.2. METHODOLOGIES FOR IDENTIFYING PEOPLE LIVING IN POVERTY

Identifying the "poor" requires much more complex methodologies than universal schemes and, therefore, to be done well, requires higher administrative capacity and resources. Poverty targeting is particularly challenging to undertake in developing countries, with few people in the formal sector. It is challenging to measure accurately the incomes of those working in the subsistence or informal economies, when income level is used as an identifier. And, as explained earlier, income dynamics makes it even more challenging.

3.2.1. Means test

In developed countries, it is common to use means testing to identify people on low incomes, since most people have to report their incomes when paying their taxes. Means testing is rarely used in developing countries, although there are exceptions. South Africa and Brazil's Bolsa Familia programme use "unverified" means tests, with people declaring their incomes, without the government taking measures to verify whether the declarations are accurate (although, in South Africa, checks are made against income tax records, which affects a small proportion of applicants). In South Africa, however, the income eligibility threshold is high and between 70% and 80% of the target populations – such as older people and children – are eligible.

3.2.2. Proxy Means test

The Proxy Means Test (PMT) methodology has become a particularly popular targeting mechanism, and it is strongly promoted by the World Bank among others. The PMT methodology uses national household surveys to identify "proxies" held by households – usually based on their demographics, human capital, type of housing, durable goods and productive assets – that have some correlation with household consumption. A set of proxies with the best correlations – and which can be easily measured and observed – are chosen and households are surveyed to assess them against these proxies. A score is generated for each household, which is regarded as an estimate of its consumption, itself a proxy for household income.

However, a significant disadvantage of the proxy means test is that it has a large in-built design error, as there is no perfect correlation between the observed proxies and the real household consumption.

As a result, even prior to households being surveyed, a high proportion of the intended beneficiaries may be excluded.

There are also other reasons for the inaccuracies in PMTs, including the fact that it does not take into account the age of assets and, often, the number of assets (such as the number of cattle). It also can have inherent biases against middle-aged and older people. Compared to younger families, older people tend to possess assets that the proxy means test correlates with wealth, even though they have depreciated in value and reflect past rather than current income (or, in the case of education, are no longer of any value in the labour market). Similarly, the proxy means test can introduce biases against particular ethnic groups or regions: for example, if livestock is regarded as an indicator of wellbeing, it will increase the likelihood of exclusion among pastoralists.

In fact, it is probably appropriate to regard the PMT as a "rationing" rather than a "targeting" mechanism. The arbitrariness of the PMT selection methodology explains why it is often referred to by community members as a lottery (Kidd and Wylde 2011).

3.2.3. Community based targeting

Community based targeting (CBT) is another popular targeting mechanism, although it is rarely used for national schemes. There are very different types of methodology that are called CBT including:

1. Wealth ranking (eg Rwanda VUP)
2. Parallel validation (eg Lesotho CGP)
3. Application of external criteria (e.g. Malawi TIP)
4. "The great and the good" (e.g. Bangladesh stipend)
5. Community members using own criteria (HSNP Kenya)

The main arguments proposed in favour of community based targeting are that: community members are more likely to understand the real situation of each member and, therefore, can identify those most in need more accurately than government officials; communities are given the ability to identify "need" according to their local understandings; and, people are less likely to lie because they may fear repercussions (Coady et al 2004). The rationale for community based targeting is based on the belief that communities are relatively cohesive and will naturally want to prioritise those most in need.

The rationale for community based targeting is based on the belief that communities are relatively cohesive and will naturally want to prioritise those most in need. Yet differential power relations and processes of social exclusion can be highly influential within community based targeting.

It is common for more powerful community members to "steer" selection decisions, while those with less voice can be side-lined.

3.2.4. Self-targeting

Another option is self-targeting, when people themselves decide whether to join a scheme. Self-targeting sometimes works in universal schemes: often the rich don't participate, because it is not worth their while. In some workfare schemes people can decide to join the scheme, but wages are kept low so that, in theory, only those who really need the cash participate. There are other means of self-targeting, such as providing inferior goods. Self-targeting sometimes works in universal schemes: often the rich don't participate, because it is not worth their while.

3.2.5. Affluence or pension testing

"Affluence testing" is likely to be easier to design than mechanisms to identify those living in poverty. South Africa does this with its unverified means test, setting the income eligibility levels at a high value, so that most people qualify.

There are other options for excluding the most affluent through relatively simple methods. One option is pension testing. In effect, this means that those already in receipt of a public pension – such as a civil service or social insurance pension – would not be able to receive a tax-financed scheme. However, if the value of tax-financed pension is similar to those of the lowest contributory schemes, pension-testing could create disincentives for people to enter contributory schemes. One means of reducing the disincentive effect is to introduce a form of tapering.

3.2.6. Quotas

Some countries use quotas for geographic area to limit access to benefits, when using poverty targeting. Examples is Malawi's SCT that provides the benefits to 10% of the population in each community. When quotas are set at a specific ratio across all communities – as in Malawi – then there is a bias against poorer communities which, in reality, are likely to have a higher proportion of people living in poverty than more affluent communities. Quotas also place a significant burden on front-line staff or community leaders, since they are often given the responsibility of selecting a lucky few from among the many who are eligible. Quotas are another example of rationing, rather than targeting, in selection processes.

3.3. OTHER CHALLENGES WITH POVERTY TARGETING

There is a range of other challenges with poverty targeting which go beyond accuracy. Nonetheless, they are important to take into account during the design of selection mechanisms.

3.3.1. Administrative costs

Selection processes to identify people living in poverty are, necessarily, much more complex than those offering universal access. They require many more steps to be taken, much more information to be captured and transferred, and many more people involved. For example, the proxy means test requires a large amount of information to be captured – which is often difficult to obtain – and large numbers of enumerators while a universal pension essentially requires only one piece of information, a person's age. Therefore, administrative costs are, necessarily, significantly higher with poverty targeting when compared to simple universal schemes. The costs of selection also vary depending on the frequency of recertification, also discussed below.

3.3.2. Perverse incentives

Social protection schemes should be designed to encourage people to engage in the labour market and invest in income-generating activities. They should not encourage people to remain in poverty. So, if the benefit is set at a rate that is similar to real wages, people may be tempted not to work: if they do take work, they will lose their benefit while only receiving a small increase in income.In contrast, if benefits are provided on a universal basis, this should create no disincentive to work, assuming the transfer is set at an appropriate level. Even if people increase their income significantly, they will never be punished by the loss of their benefit.

3.3.3. The moral costs of selection methodologies

Sen (1995) argues that poverty-based selection processes implicitly reward dishonesty and cheating. If the non-poor can successfully lie about their income – or, in the case of the proxy means test, the assets they possess or their characteristics – they are rewarded by the state with access to a social protection programme. Given the rewards for deceit, cheating is common in poverty-based selection processes. There is no reason for people to lie about their income to access a universal benefit.

There is strong evidence that selecting people for programmes on the basis of their poverty can undermine community cohesion. There are many examples of poverty-based selection causing social conflict in communities, in particular with proxy means tests. In part, this is due to the relatively arbitrary nature of the proxy means test selection methodology and its inaccuracy. Evidence does suggest that universal schemes are more popular within communities, even when specific categories of the population are chosen. The evidence available refers to old age pensions where it has been noted that schemes are successful in strengthening the social networks of older people. Furthermore, there is no evidence that other universal public services – such as health or education – cause divisions in communities.

3.3.4. Impacts on community and social cohesion

From a political economy perspective, as entitlements, universal schemes are believed to strengthen the social contract between government and citizens. In contrast, social protection programmes using poverty-based selection are more likely to be used as mechanisms of social control, a sop to reduce protests and opposition from people living on low incomes, who feel excluded from the benefits of economic growth. A further social cost of poverty-based selection is the stigmatization of potential recipients.

3.4. SIMPLE OPTIONS FOR REDUCING COVERAGE IN LIFECYCLE SCHEMES

Another simple method of limiting coverage is to focus schemes on particular geographic areas, while providing the programme to everyone in the category living in that area. When geographic "targeting" is used, programmes often prioritise the poorest regions or districts in a country. However, geographic targeting should be used as the first stage of a gradual expansion across a country.

In disability benefits, it is possible to reduce coverage by focusing on those with more severe disabilities. However, this is relatively complex to undertake and will be discussed further in the next presentation on implementation.

3.4.1. Assessing Individual Entitlements using Household Wellbeing

Simplistic assumptions can lead to individual entitlements – such as pensions and disability benefits – being assessed against the incomes of others, such as other members of their household. This can deny applicants the right to social security, which is an individual right. Household-based targeting does not take into account the intra-household distribution of wealth and income and can have implications for vulnerable individuals, in particular those unable to generate independent incomes, such as people with disabilities (including those in old age).

3.5. TAKEAWAYS

- When a comprehensive assessment is undertaken of selection processes, on objective grounds the provision of universal access to social protection schemes appears to have advantages over poverty-based selection.
- The inclusion of the "poor" is much higher, administrative costs are lower, fiduciary risk is less, perverse incentives are lower, people are not rewarded for deceiving the state, and social cohesion is more likely to be strengthened.
- One of the main arguments in favour of poverty-based selection – that higher benefits can be provided to recipients from a fixed budget – has been shown to be naïve since, as Pritchett (2005) of the World Bank has indicated – see earlier – fixed budgets within the context of national expenditure do not exist. Governments can always raise taxes, take loans or shift expenditure from one area of government to another, if they so wish.
- A further disadvantage of poverty-based selection – which is rarely considered – is that such schemes have smaller budgets than universal schemes and, as a result, necessarily generate less consumption.
- However, it is not possible for most developing countries to offer universal access to all social protection schemes. The cost would be prohibitive and it is noticeable that most countries providing universal provision do so initially for old age pensions (or for other areas of social policy, such as primary education or health). Other mechanisms for rationing access can be built in life-cycle programmes that are more costly and socially acceptable

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IMPLEMENTATION OF SELECTION PROCESSES IN SOCIAL PROTECTION SCHEMES

Often, little attention is given to this stage in the process but, in reality, many errors can occur at this point. These can be the result of weaknesses in delivery, which can introduce barriers, but they are also the result of "weaknesses" on the part of applicants, in particularly those experiencing social exclusion. The more complex the registration mechanism, the more likely that people will find it difficult to navigate the process and access the scheme. The simplicity of universal programmes is one reason for the low exclusion errors in these schemes.

4.1. EXAMPLE OF EXCLUSION DURING IMPLEMENTATION

Significant exclusion from social protection schemes in more complex schemes is more likely to happen than not. Incorporation of greater simplicity in processes is more likely to lead to implementation success.

Even social protection schemes that are regarded as having effective implementation systems and which use relatively simple selection designs can incur exclusion errors during implementation. For example in the case of South Africa's Child Support Grant, which uses an unverified means test (it is not the exclusion of all children but only those who are eligible), the largest exclusion is among the youngest and oldest children.

The main reason for exclusion among the youngest is lack of birth certificates – to be discussed later – and the challenges faced by new parents in registering children: the main reason for exclusion among older children is that they were not on the scheme when it was restricted to younger children and so have not entered it as they have grown older.

Exclusion can happen at selection and registration of beneficiaries into a scheme. Registration is the fourth stage of the selection process. It is a key component of the operational cycle of a social protection programme.

4.2. AN EXAMPLE OF THE CHALLENGES OF SOME REGISTRATION MECHANISMS

In many countries, people face significant challenges in overcoming the barriers in registration mechanisms and this justifies why this is an aspect of programme design that needs to be stressed.

Applicants have to navigate a complex administrative process, completing long application forms and obtaining documents from different offices. For many people – in particular the most vulnerable, living in the greatest poverty – this is an almost impossible task as they do not have the time available, the resources with which to "pay" officials, or the social and political connections to even successfully approach the officials for the required documents and approvals. Those facing greater limitations in their capabilities – such as those with limited education, older people or mothers caring for children – find it even more challenging, particularly when exacerbated by poverty.

Even when the brokers successfully obtain all the documentation to demonstrate that the applicant is eligible, further significant barrier could exist. Local elites and politicians often make decisions based on their own political advantage or whether the applicant has a personal connection to someone on the committee. The mechanism effectively serves as a form of rationing, with the most vulnerable the least able to compete. Underpinning much of the exclusion from social protection schemes are processes of social exclusion. Social exclusion can be understood as: the processes through which individuals or categories of the population are wholly or partially excluded from full participation in the society in which they live. It results from the combination of three dimensions:

Exclusionary forces often derive from prejudices held by more powerful members of society, as manifested in discriminatory practices, institutionalised biases against marginalised groups, blindness to the needs of vulnerable categories of the population (such as people with disabilities) and cultural and social practices that delegitimise claims. These exclusionary forces ultimately result in unequal power relations at all levels of society, influencing the framework within which national policies are made, while shaping the design of schemes and the practices of service providers at national and local levels.

Structural disadvantage can include inadequate infrastructure such as roads, weak communication systems (such as access to the internet), the absence of government and private sector services (e.g. banks), a greater likelihood of exposure to natural disasters, and lower levels of economic development. Structural disadvantages are not only physical. The absence of legislation to address discrimination – alongside effective agencies and structures to enforce legislation – can also be regarded as a structural disadvantage. Structural disadvantage can be inherent within social protection schemes themselves. Insufficient investment in management and administrative capacity and systems necessarily makes it more challenging for people to access schemes. Furthermore, the administrative capacity within social protection schemes often varies between areas and regions. For example, urban areas are likely to have services – such as registration points – that are closer to potential beneficiaries.

The third dimension of social exclusion relates to the **capabilities of individuals** to engage with public authorities and access public services. Those who experience greater limitations in capabilities will necessarily find this engagement more challenging. Limitations in capabilities can have many sources, including disability, ill health, levels of psychological wellbeing and self-confidence, exposure to domestic violence or abuse, care responsibilities for children or others, and levels of education, literacy and numeracy.

4.3. COMMUNICATIONS ABOUT REGISTRATION

A critical factor in the success of any social transfer programme is effective communications. Potential applicants need to know about the existence of a programme, eligibility criteria and how to apply.

To be effective, communications strategies require significant investment and must be tailored to the needs of potential applicants. Therefore, relying on published materials when literacy levels are low is problematic and, in multilingual contexts, communications should also be multilingual. A wide range of communications channels should also be used, in particular those that are accessible to people with more limited capabilities or who live in more remote areas.

Communications should be accessible and adapted to local conditions, such as taking into account issues of literacy, language and disability. Once people are selected on to a scheme, communications need to continue so that people need to know how to engage with the programme (e.g. to access payments, undertake complaints, etc).

Frequently, there is insufficient investment in public communications and, as a result, many people are excluded from social protection schemes. Communications are particularly important for schemes using a census registration mechanism since people need to know when they should be at home to receive the enumerators.

Communications can be an area of weakness even in social protection schemes with relatively good investment in administration. In some instances even though vast majority of people may know that social transfers exist, some do not apply because they have misunderstood the eligibility criteria.

4.4. DESCRIPTION OF THE REGISTRATION PROCESS

The registration process can be understood as the administrative implementation of selection policy. It involves collecting personal data from applicants – such as age, disability status and income/wealth – verifying the accuracy of data submitted and assessing whether it complies with the programme's eligibility criteria. The final stage of registration should involve the digitisation of an individual or household's personal data within the programme's Management Information System (MIS), assuming that the programme has an effective MIS.

The complexity of a registration process depends on a programme's selection policy, which is set out in its eligibility criteria. Eligibility criteria for cash transfer programmes tend to involve combinations of geographic, political, demographic, social and economic indicators. Relatively simple programmes such as universal child grants or pensions might only require data on age and citizenship to be collected whereas more complex selection mechanisms require additional information.

When designing a registration mechanism for a cash transfer programme, the following issues need to be considered:

- **Accessibility:** Registration mechanisms should be accessible to everyone and measures should be taken to ensure that the most vulnerable individuals and families have equal access.
- **Robustness:** Clear policies on acceptable forms of proof of eligibility for schemes should be established, such as identity cards or birth certificates. If these are not available, schemes need to develop alternative solutions.
- **Auditability:** Since registration determines who benefits from a programme, it is a key source of fiduciary risk. Registration mechanisms, therefore, need to be auditable, with clear accountability for decision-making.
- **Transparency of information:** All information held on applicants from registration should be made available to them, if requested. This introduces an important check within the registration process, since officials who know that their work can be easily accessed are less likely to take advantage of applicants by falsifying information. However, individuals should be able to access information that is held on them.

4.4.1. Types of registration process

Although there are many types of registration process, it is helpful to make a simple distinction between two basic types of registration as administrative systems for registration of beneficiaries can face several challenges in terms of ensuring access, which vary depending on the approach adopted. Two main questionnaire-based approaches exist:

- Census-survey registration ('Push') entails a labour intensive approach by which all households in an area are interviewed at selected intervals. A push – or census – mechanism involves enumerators visiting all potential applicants to determine whether they qualify. Push mechanisms are often used with PMTs.
- On-demand registration ('Pull') relies on households to go to a local welfare office to register and apply for benefits. Modern approaches to on-demand registration include the use of online applications or mobile phone apps. A pull mechanism expects applicants to visit a specific location to apply for a scheme.

Table 2: Relative advantages and disadvantages of survey, on-demand and data-sharing data collection and registration approaches

	RELATIVE ADVANTAGES	DISADVANTAGES	BEST SUITED
On-demand application approach	• Lower total costs due to self-selection of non-eligible out of registry process (interviewing fewer non-eligible households) • Dynamic, ongoing entry and easier to update (including changes linked to life-cycle events) • More democratic nationally—everyone has the right to be interviewed at any time • Permanent process helps build and maintain administrative and logistical structures	• Poor may not participate because they lack information, fear stigma and face other barriers to access (illiteracy, distance, disability, etc) • Costs can be higher if social workers must verify (via home visits) information provided • Can be a slow process, involving long queues and bureaucracy • Requires large network of staff at local level • Unlikely for people to report positive changes to household conditions	• In areas with low or moderate poverty/eligibility • In heterogeneous areas • When Registry is well known or well publicised (and outreach campaigns encourage applications in poor areas) • When people have higher education levels • Where a network of social protection offices is available at local level or municipal staff are well trained to perform the registration function (to minimise travel for applicants)

Table 2 continued

	RELATIVE ADVANTAGES	DISADVANTAGES	BEST SUITED
Census approach	• Better chance to reach the poorest and other vulnerable groups, who are less informed and more stigmatised (less likely to apply) • Lower marginal registry costs (per household interviewed) due to economies of scale with travel • If conducted often enough, there is a higher chance of capturing positive changes to household conditions (less likely to be reported) • House-check conducted during survey process (no misreporting assets, etc)	• Periodic surveys can lead to static/inflexible Registries – especially if target population is linked to life-course events (e.g. pregnancy, children 0-3, etc) • Re-registration very costly and often postponed beyond recommended 2 years • Members of eligible households may not be home or respond when the survey is conducted • Costly in areas with many non-eligible households or where households are very dispersed	• In areas with high poverty rates (more than 70 per cent) and/or high poverty density • In homogeneous areas (rural areas and urban slums) • In areas with relatively stable poverty dynamics • With new registries (programs), particularly when a large program needs to start quickly • For Registries which also want to keep a record of near-poor and non-poor households (e.g. to be targeted in case of an emergency or linked to Social Insurance schemes)
Data integration/ sharing from existing databases	• Lower burden of proof and application time for citizens • Lower data collection costs overall • Data sharing arrangements for data collection can lead to further integration down the line • Easier to ensure information is up-to-date (ongoing) and linked to life-cycle events (e.g. pregnancy, birth) • Easier to prevent fraud and potentially inclusion errors (instant verification of data)	• Requires additional and complementary data collection and registration process • Requires some form of unique identifier, most usefully a National ID number • Could exclude households who do not have access to National ID (poorest/most vulnerable) • Financial and transaction costs to setting up adequate integration • Risks to data privacy and 'surveillance state' • Quality of other data bases may not be adequate	• Where high quality administrative data already exists • Where there is a wider shift towards e-government • Where data can easily be linked using National ID or other unique identifier • Where there is sufficient capacity to manage integration • In contexts with higher levels of formality (e.g. data describes reality)

Source: Barca and Chirchir (forthcoming) adapted and integrated from Castaneda and Lindert 2005, World Bank 'How-To Note' on Enrolment, and Eurofund (2015).

4.4.2. Practice in registration

- Often push mechanisms are tendered out to the private sector or NGOs, since they require significant human resources that are not available to governments. While coverage of households by push/census approaches is generally high, there are always households that miss out, and these are often the most vulnerable. Sometimes, those living in more accessible areas are prioritised, demonstrating the challenges of structural disadvantage.
- Poverty-based selection processes also demand frequent re-selection of recipients to assess whether they still qualify for the programme on the basis of their economic status. In developing countries that use push mechanisms, this often implies re-visiting all families of the eligible category in the country on a regular basis.
- The use of local enumerators can cause additional challenges, as they may have strong incentives to falsify answers so that more people in their communities are identified as eligible. Furthermore, respondents may give false answers to survey questions, especially once they understand how the PMT functions.
- Pull registration mechanisms are common in social protection schemes and their efficacy is determined largely by their design and the level of resources invested in them, or, in other words, the extent to which structural disadvantage is minimised. Pull mechanisms also need to be designed well.
- A key factor underpinning the success of a pull mechanism is for the registration point to be as close as possible to potential applicants. Yet, often distance is a significant barrier, in particular for those on low incomes or experiencing mobility challenges.
- A further structural issue determining the efficacy of a pull mechanism is the quality of the infrastructure in place. It should be suitable for those facing greater personal constraints, as well as incorporating basic features such as disability access.

4.4.3. Disability assessments

While assessing the age of eligibility of applicants for schemes is a relatively simple process, disability benefits create greater challenges. Disability is very diverse in its characteristics and governments need to set eligibility criteria related to the level of disability. By limiting benefits to more severe disabilities, governments are able to reduce the costs of schemes. However, the design of the criteria and identification methodologies is challenging and can make registration difficult.

4.4.4. Challenges with Providing Proof of Identity

Registration and eligibility processes require documenting and authenticating a potential beneficiary's identity (Samson 2006). Yet "under-documentation is pervasive in the developing world" due to absent or patchy civil registration systems. Countries with a functional National ID system require programme recipients to verify identity with their national ID cards, though this poses risks of exclusion as the most vulnerable and disadvantaged individuals are often those without.

Social protection schemes need to be sure of the identity of beneficiaries and it is common for them to demand proof, such as a birth certificate or an identity card. Yet, this need to provide proof of identity is a common reason for exclusion from schemes, even those with relatively strong administrative systems.

Structural disadvantage and limitations in capabilities often explain people's lack of identity documentation. A number of schemes have established mechanisms to enable those without official identity documentation to access schemes, by accepting alternative identification.

However, an additional challenge with identity documents can be that they may hold inaccurate information. People can be denied old age pensions, for example, if their age on the document is incorrect.

4.4.5. Community Verification of Beneficiary Lists

Community verification is a commonly proposed means of addressing inclusion and exclusion errors, as well as the danger of households manipulating information.

This involves presenting beneficiary lists to communities so they can challenge the choice of beneficiary. Stigma is used to encourage self-targeting on the assumption that the better-off will not want to be recognised in public as poor or as not telling the truth. However, there is little evidence that community verification is effective or that community meetings for this purpose even take place.

4.5. THE IMPORTANCE OF GRIEVANCE MECHANISMS

One means of increasing access to social protection schemes is to establish grievance mechanisms that enable people to appeal their exclusion. The absence of grievance mechanisms in some schemes is understandable given the high numbers of people excluded: a grievance mechanism could easily become overwhelmed.

If grievance mechanisms are to function effectively, social protection schemes need to practise transparency of information: those excluded from schemes must be able to understand the eligibility criteria and access information on the reasons for their exclusion. Community based targeting mechanisms usually do not record the reasons for selection of beneficiaries, making it highly challenging for people to appeal.

In reality, grievance systems are only likely to be effective in schemes that are entitlements and use relatively simple eligibility criteria, such as universal old age pensions or child benefits, or criteria that are understandable, such as income-based means tests. However, even in these schemes, governments need to adequately invest in the grievance system if it is to function well, with vulnerable individuals provided with access to support from advocates when presenting their appeals.

For more details see the module on Administration

4.6. INVESTMENT IS CRITICAL IN IMPROVING REGISTRATION

Whichever process is adopted for registration, a key challenge faced by many countries in this labour intensive process (either periodic or ongoing) is lack of investment in administration including staffing. There is also a large risk – which needs explicit mitigation – of excluding the poorest and most vulnerable households programmes are aiming to serve, as these are the ones facing the greatest barriers to access (physical barriers, financial barriers, illiteracy, stigma to name a few).

To improve registration, policy makers have to either invest in increasing the coverage of schemes so that more people can access schemes and selection mechanisms can be simpler; or, they need to invest significantly in improving the efficacy of poverty targeted schemes, including for registration and communications. Of critical importance is a need to invest in professional staff and their continuing training. The registration process in many programmes fails due to policy-makers under-estimating the operational demands and, in the pursuit of reducing administrative costs, over-burdens existing central and local government staff with cash transfer programme management.

4.7. TAKEAWAYS

The key takeaways from this section are:

- Significant exclusion from SP schemes can happen during registration, especially in more complex schemes; so greater simplicity in processes is more likely to lead to success
- People experiencing greater social exclusion are more likely to be excluded from social protection schemes
- . A key challenge is lack of investment in administration including staffing: "Benefits for the poor tend to be poor benefits."
- Schemes that are rationing mechanisms are unlikely to support effective grievance mechanisms

CURRICULUM **OVERVIEW**

The TRANSFORM Learning Package
is organized in a modular structure, and reflects the key building blocks of a holistic & interdependent social protection system.

The TRANSFORM modules that are currently available are listed below.
Other modules are under development and will be added to the curriculum.

LEG	**Legal Frameworks**
S&I	**Selection & Identification**
ADM	**Administration and Delivery Systems**
COO	**Coordination**
GOV	**Governance, Institutions & Organizational Structure**
MIS	**Management Information Systems & Approaches to Data Integration**
FIN	**Financing & Financial Management**
M&E	**Monitoring & Evaluation**

All TRANSFORM materials are available at:
http://socialprotection.org/institutions/transform

WHAT IS TRANSFORM?

TRANSFORM is an innovative learning package on the administration of national social protection floors in Africa. The prime objective of TRANSFORM is to build critical thinking and capacities of policy makers and practitioners at national and decentralized levels to improve the design, effectiveness and efficiency of social protection systems. TRANSFORM aims not only at imparting state-of-the-art knowledge that is appropriate for the challenges faced by countries in the region, but also to encourage learners to take leadership on the change and transformation of nationally defined social protection systems.

WHY TRANSFORM?

Many training curricula exist in the field of social protection and thus fundamental ideas, concepts, approaches and techniques are accessible. And yet, institutions and individuals struggle with the complexity of developing a broad, encompassing social protection system.

This complexity requires a transformational approach to teaching and knowledge sharing. It is far from enough to impart knowledge, to fill heads. It requires learners to grapple with the features of complexity, to stimulate creativity, to appreciate diversity and uniqueness, to be involved as a key element of ownership –elements which are at least as important as the factual knowledge itself. This learning package aims at just that: TRANSFORM!

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Contact theTRANSFORM initiative at: transform_socialprotection@ilo.org
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AN INTER-AGENCY INITIATIVE PROMOTED IN AFRICA BY

International Labour Organization

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