

POLICY NOTE

PUBLIC OPINION ON CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS IN CHILE

A SOCIAL CONSENSUS SUPPORTS ADEQUATE TRANSFERS



UNIVERSIDAD DE
COSTA RICA



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PUBLIC OPINION ON CASH
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A SOCIAL CONSENSUS SUPPORTS ADEQUATE TRANSFERS

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MESSAGE

Poverty is a multidimensional phenomenon and decades of evidence show that cash transfer programs can provide simple and effective protection against poverty, especially extreme poverty. A nationally representative survey conducted in Chile during May and June 2022 indicates broad public support (90%) for a cash transfer program for children and adolescents. In addition, 97% support setting the value of the transfers to at least the basic food basket, a value 8.5 times higher than the amount in 2022. Opinion is divided on the eligibility criteria: half of the respondents support extending the transfers to most or all children, while the other half support focusing on those living in poverty.

1.

WHY DO CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS MATTER?

Poverty in Chile is disproportionately high among the younger population: CASEN 2022 data indicate that the monetary poverty rate for children and adolescents was over ten percent while for those aged 60 years or over it was just three percent; CEPAL data indicate a poverty rate of twenty percent among those under 18 years of age (CASEN 2023; CEPAL 2022).

Child and adolescent poverty is a violation of the rights of children and adolescents and has devastating effects on their present and future lives. Decades of studies document the impact of material deprivation early in life on the lack of opportunities later in life, along with a huge waste of human capital for society (Black et al., 2017; Berens et al., 2019; Jensen et al., 2017).

While poverty is a multidimensional challenge, evidence also shows that access to regular cash transfers can provide a simple and effective protection against poverty, especially against extreme poverty. Such transfers, by helping families meet basic needs, especially food, have been shown to improve child

health, education and development, as well as overall well-being, representing an immensely beneficial investment for them, their families and society (UNICEF, 2017; Bastagli et al., 2016; Save the Children, 2018; Cecchini, Villatoro and Mancero, 2021). Based on this evidence, there is a broad consensus among scholars, multilateral agencies, and policy officials regarding the importance of these transfers as an instrument of social protection, even if they debate the appropriate scope and adequacy of such transfers.

In this context, it is surprising how little is known about how the public perceives cash transfers, both in Chile and in Latin America in general. Does the public support cash transfers? Based on a national representative telephone survey conducted between May and June 2022, this policy brief contributes to filling this gap².

2 The survey was conducted between May 26 and June 15 by Datavoz and included nine hundred people. The appendix summarizes the sociodemographic characteristics of the nationwide sample.

2.

CURRENT GOVERNMENT POLICY

The Chilean government has had a non-contributory cash transfer program since the institution of Chile Solidario in the early 2000s. Subsequently, the program changed its name and design, and targeted low-income families with children and adolescents, and people with disabilities (Ministerio de Desarrollo Social y Familia, 2019; Ministerio del Trabajo y Previsión Social, 1981). By 2019, the unconditional transfer, called Subsidio Único Familiar (SUF), was estimated to reach approximately 31% of those under 18 years of age (Blofield, Pribble and Giambruno, 2023)³. By early 2020, the value of the transfer, 13,155 pesos, was equivalent to one-quarter (25.6%) of the per capita urban extreme poverty line⁴.

During the Covid-19 pandemic, the Chilean government made a significant effort to strengthen social protections for the population. In June 2020, the government established an emergency cash transfer program aimed at all households with informal or low incomes and few assets or savings. It did so through the Household Social Registry (Registro Social de Hogares), a system that consolidates information on all households in the first four income quintiles; that is, 80% of Chilean households. This registry serves as a gateway for accessing various government social programs.

Emergency transfers automatically reached all households already in the SUF program. The transfers achieved broad coverage over-all, and their value was equal to or above the extreme poverty line (Blofield, Pribble, and Giambruno, 2023). Subsequent studies show the effectiveness of the transfers in reducing poverty and extreme poverty (ECLAC, 2021).

At the beginning of 2021, the government reduced both coverage and adequacy of the transfers but increased them again in April until the end of that year. Blofield, Pribble and Giambruno (2023) show, in a comparison of ten countries in the region during the first year of the pandemic⁵, that the generosity of the transfers in Chile was the highest. Our survey corroborates this finding in relation to coverage.

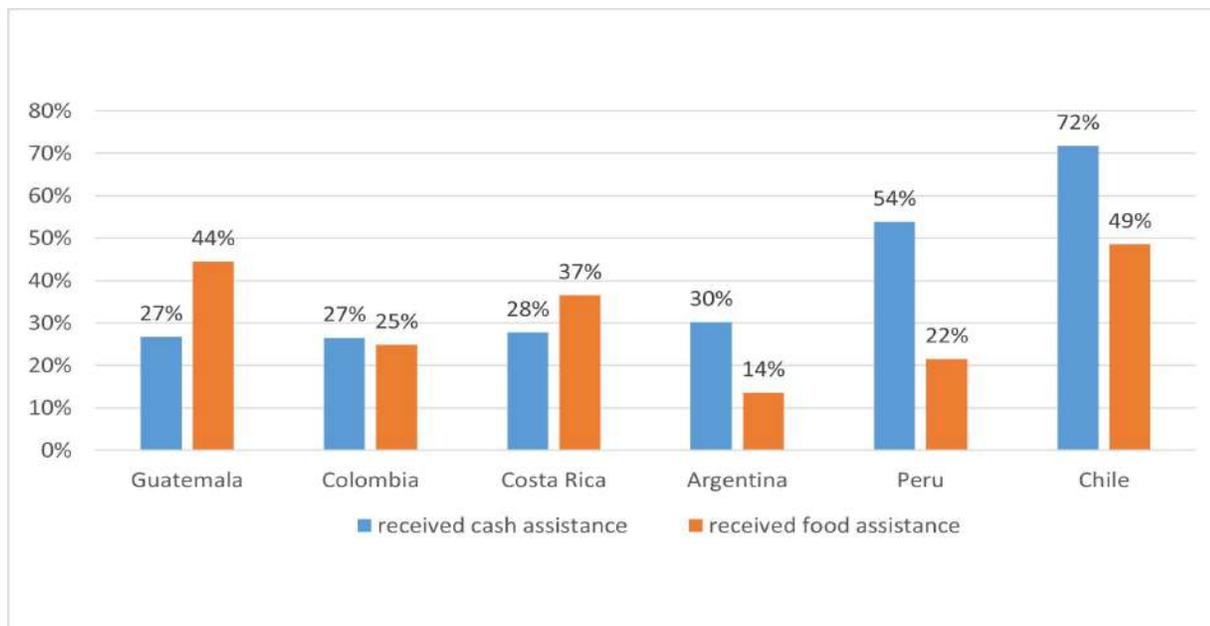
Figure 1 shows whether respondents or their households received cash or food transfers from the government during the two pandemic years (between May 2020 and May 2022 when the survey was conducted), comparing Chile with the other countries surveyed. Seventy-two percent of respondents in Chile said that they or someone in their household had received cash assistance from the government in the past two years, and 49% said that they or someone in their household had received food assistance from the government (see Figure 1). These figures are significantly higher than those of the other countries, except for food transfers in Guatemala.

3 This percentage was derived by combining the number of recipients in the ECLAC database (2023) and the population 0-17 years of age (2021) in the United Nations database (2023).

4 Calculated based on ECLAC's definition of the urban extreme poverty line in Chile (Blofield, Giambruno and Filgueira 2020, p. 89).

5 Including Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Peru and Uruguay.

Figure 1. In the last two years, did you or anyone in your household receive cash assistance/ food assistance from the government?



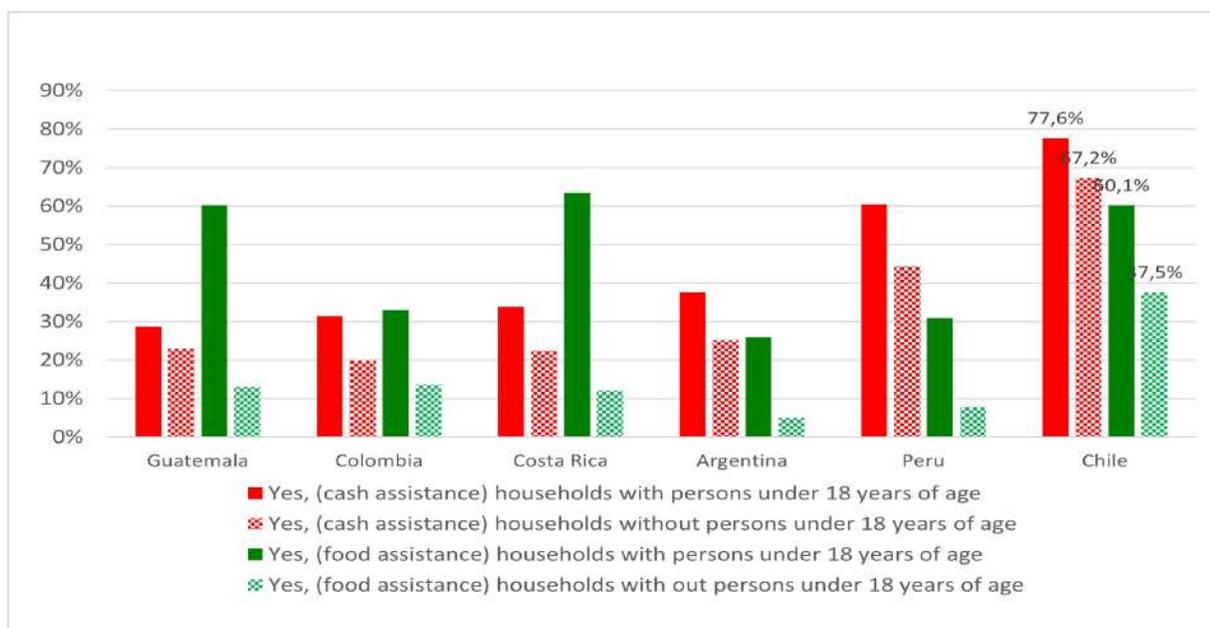
Source: Own elaboration based on data from the Covid survey, families and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala and Peru, 2022.

Figure 2 shows the extent of government cash and food assistance to households with and without children and adolescents, given the higher prevalence of poverty among the former. Figure 2 shows that both cash and food assistance reached households with children and adolescents at higher rates than households without children.

children: these households were 10.3 percentage points more likely to receive cash transfers and 22.6 percentage points more likely to receive food transfers.

Chile also stands out in this regard, as assistance reached proportionally more households with

Figure 2. In the last two years, did you or anyone in your household receive cash assistance/ food assistance from the government?



Source: Own elaboration based on data from Covid survey, families and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala and Peru, 2022.

Since the beginning of 2022, government policy has focused on job creation. At the same time, the more generous transfers to families with children ended. According to the most recent data, 31% of children and adolescents received non-contributory transfers through the existing social protection system (SUF), with values even lower than at the beginning of 2020 (ECLAC, 2019-2021; United Nations, 2023). In August 2022, the value of the SUF transfer per under-age recipient was, monthly, USD 18.63 (16 418 Chilean pesos) (Government of Chile, 2022). The per capita

extreme poverty line was, however, USD 159.29 (140,352 Chilean pesos) so the transfer was equivalent to just under 12% of this extreme poverty line, less than half the value in early 2020, before pandemic-related increases.

3.

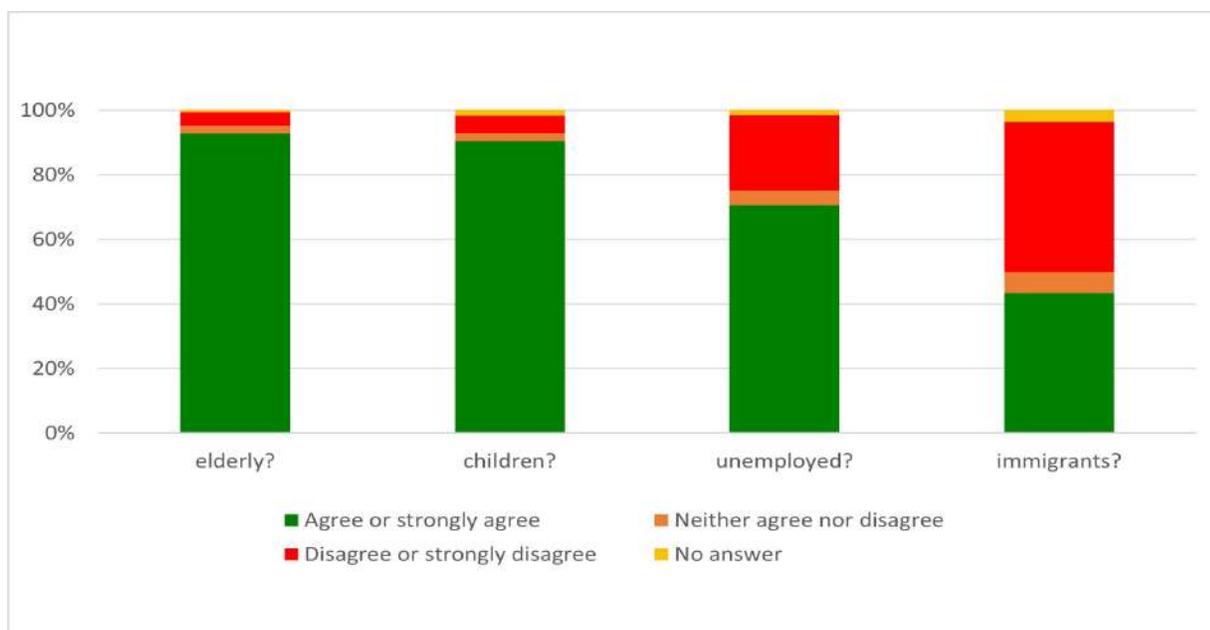
PUBLIC OPINION ON CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS

The survey asked whether cash transfers should be a right. Three quarters (72.4%) of those surveyed agreed with the statement, indicating that there is a strong base of social support for the existence of a statutory cash transfer program.

In addition, the survey contains a series of questions on attitudes towards cash transfers aimed at four different population groups: the elderly, children, the unemployed and immigrants.

Figure 3 shows overwhelming majority support for cash transfer programs aimed at the elderly (92.9%) and children (90.6%). For the unemployed, support remains high (70%), while for immigrants, support is almost equally divided between those who agree with a program (43.4%) and those who do not (46.4%).

Figure 3. Would you agree or disagree with the government having a cash transfer program for...?



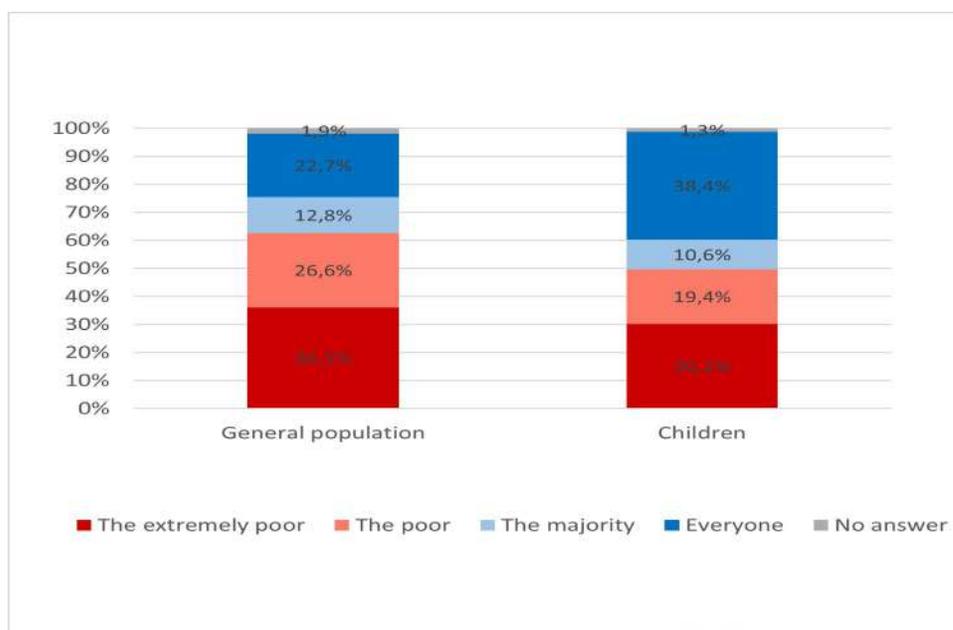
Source: Own elaboration based on data from the Covid survey, families and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala and Peru, 2022.

3.1 COVERAGE OF CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS

The survey contains additional questions to elucidate preferences on the scope and coverage that transfer programs should have, both for the general population and for children and adolescents. As shown in Figure 4, respondents support broader eligibility criteria for cash transfers for children and adolescents than for the general population. Seventy percent are in favor of granting cash transfers to at least all children in poverty. This percentage is the result of adding up the support for transfers to poor

children (19.4%), to the majority of children (10.6%) and to all children (38.4%). Only 30.2% support restricting transfers to children in extreme poverty. In addition, almost half of the respondents support extending cash transfers to at least the majority of children. Support for cash transfers to the general population is lower, but still substantial, at 62.1% for at least those in poverty (including those in poverty, the majority, and everyone) and 36.1% for those in extreme poverty.

Figure 4. When cash transfer programs exist, who should receive them?



Source: Own elaboration based on data from the Covid survey, families and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala and Peru, 2022.

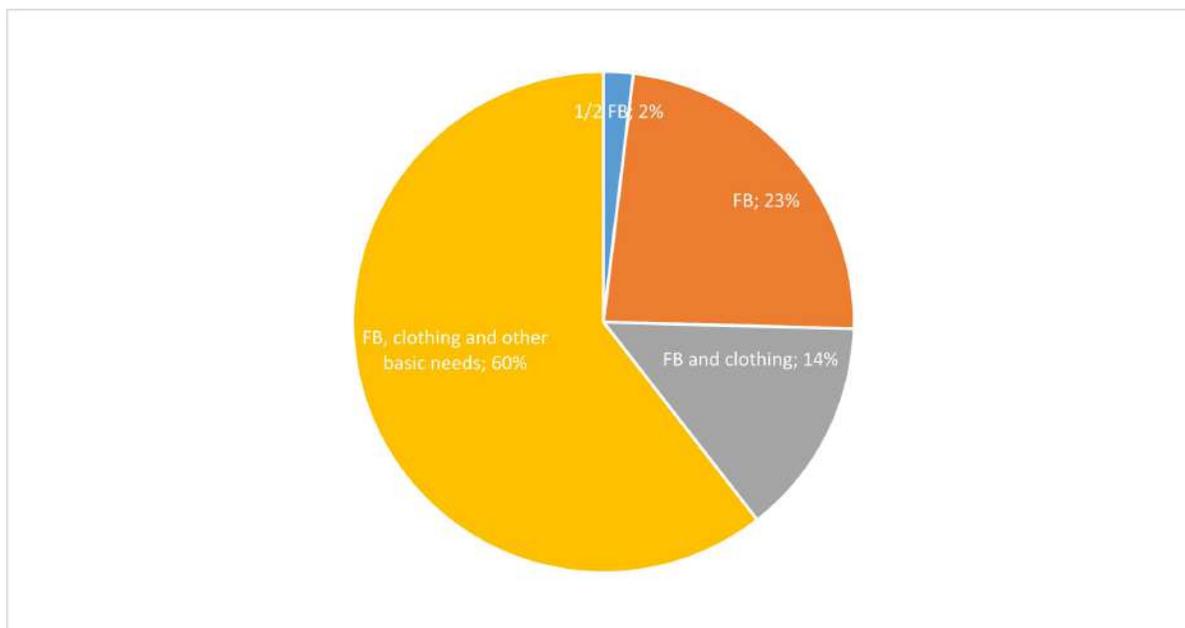
3.2

ADEQUACY OF CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS

To evaluate preferences on the optimal value or generosity of cash transfers, the survey presented respondents with four concrete options that form a scale from least to most generous transfer amounts. These options include a transfer that is equivalent to: (i) half of a basic food basket⁶, (ii) a basic food basket, (iii) a basic food basket plus the cost of clothing, and (iv) a basic food basket plus the cost of clothing and other basic necessities.

Figure 5 shows the distribution of preferences among the four categories. When adding the three that include at least one basic food basket (FB, 23%; a FB and clothing, 14%; and a FB, clothing and other basic needs, 60%), an overwhelming majority, 97%, believe that, if the government were to make these cash transfers available, they should cover at least the value of a basic food basket. Only 2% would set the value at half the value of a food basket and thus half the extreme poverty line. One percent did not respond.

Figure 5. What should cash transfers to children and adolescents cover?



Source: Own elaboration based on data from the Covid survey, families and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala and Peru, 2022.

6 The extreme poverty line is estimated on the basis of a basic food basket, so this provides a way to measure the preferences of the population in relation to the extreme poverty line.

4.

POLICY RECOMMENDATIONS

The public opinion survey conducted shows broad support for a more solid program of transfers to children and adolescents than the one that currently exists in Chile. In terms of coverage, 70% of respondents support transfers to at least all children and adolescents in poverty. The current coverage of SUF cash transfers exceeds the poverty rate, as it reaches 31% of children and adolescents, significantly higher than the poverty rate of 10 to 12 percent in the CASEN data and also higher than the 20 percent poverty rate of CEPAL. The transfers also reach low-income households close to the poverty line and, therefore, classified as vulnerable. However, almost 50% of those surveyed support the expansion of coverage to include either the majority of or all children and adolescents. This would imply at least 20% more coverage than at present (31%), to reach at least half of the population of children and adolescents. Doubling the current coverage would mean reaching 62% of this population.

In terms of the value of the transfers, public opinion overwhelmingly supports a value much higher than the current amount. Almost everyone (97%) supports setting the transfers to at least the extreme poverty line (basic food basket), which would be 8.5 times the amount in 2022. In sum, strengthening the current cash transfer program would not only be a technically sound measure, but would also enjoy broad public support. According to the estimate made by ECLAC in 2021, the fiscal cost of a universal transfer for children and adolescents that takes into account the current benefits of the Family Grant, Family Allowance and Permanent Family Contribution, would have a cost of 0.68% of projected GDP in 2025 (Vargas, Robles and

Espíndola, 2021). This benefit would be equivalent to 25% of the poverty line, which in turn is estimated to be close to the cost of the basic food basket (Vargas, Robles and Espíndola, 2021, pp. 55 and 67).

Based on this public opinion support, the government could have the political space to consider, first, expanding the program's coverage to reach at least 60% of children and adolescents, or even 80%, which would be equivalent to universalizing the access of children and adolescents currently in the Social Household Registry. Second, it could have the political space to increase the value of the transfer to cover a basic food basket per child and adolescent.

This expansion in social protection coverage would be consistent with the evidence regarding the overwhelming effectiveness of these programs in improving the well-being and human capital of children and adolescents, while also being popular in existing public opinion. Finally, the state of public opinion presented here bolsters the government proposal to eliminate child poverty.

Characteristics of the sample in Chile

Number of people interviewed between May 26th and June 15th, 2022: 900

Gender	
Woman	51%
Men	49%
Age	
18 to 24 years	12%
25 to 34 years	23%
35 to 44 years	19%
45 to 54 years	20%
55 to 64 years	16%
65 years and older	10%
Occupation	
Works	57%
Works and studies	3%
Retired	10%
Unemployed	11%
Only studies	4%
Dedicated to unpaid domestic work	13%
Does not study or engage in paid or unpaid domestic work	1%
Education	
No education or incomplete primary	10%
Complete primary or incomplete secondary	24%
Secondary school complete	36%
Incomplete or complete technical	7%
Incomplete or complete university	21%
Household composition	
Without presence of children under the age of 15 years	51%
With presence of minors under the age of 15 years	46%
Without the presence of older adults	61%
With presence of older adults	39%
Source: National telephone survey, GIGA-UCR with the support of the German Research Foundation; by Datavoz.	

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