

POLICY NOTE

PUBLIC OPINION ON CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS IN COSTA RICA

NINE OUT OF TEN PEOPLE SUPPORT GREATER ADEQUACY



UNIVERSIDAD DE
COSTA RICA



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NINE OUT OF TEN PEOPLE SUPPORT GREATER ADEQUACY

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MESSAGE

Child poverty is a multidimensional challenge and decades of evidence show that cash transfers provide simple and effective protection against poverty, especially extreme poverty. A nationally representative survey of the adult population conducted between April and May 2022 in Costa Rica indicates overwhelming public support (90%) for a cash transfer program targeting children and adolescents. In addition, 94% believe that these cash transfers should have at least the same value as the basic food basket, ie. the extreme poverty line. This would imply a value three times the current transfer for primary school students and 1.5 times the average for secondary school students. Regarding coverage, public opinion is divided between those who would restrict transfers to the population in extreme poverty and those who would support broader eligibility.

1.

WHY DO CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS MATTER?

In Costa Rica, as in the rest of Latin America, poverty is disproportionately high among children and adolescents. In 2022, more than one third (37%) of people under 18 years of age were living in poverty, while the figure among the population aged 65 and over was 27%². With respect to extreme poverty, 12% of people under 18 years of age live in this condition, twice as many as among the general population³.

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 this population, 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,

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 a beneficial investment for them, their families and society (UNICEF, 2017; Bastagli et al., 2016; Save the Children, 2018; Cecchini, Villatoro and Mancero, 2021). Therefore, 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 we know about how public opinion perceives them, both in Costa Rica and in Latin America in general. Does the population support cash transfers? Based on a nationally representative telephone survey conducted between May and June 2022, this policy note contributes to filling this gap⁴.

2 Own estimates based on data from the National Household Survey (ENAH), using the poverty and extreme poverty lines. The poverty line represents the minimum amount required for a person to satisfy food and non-food needs. These needs are contemplated in a basket of goods and services required for subsistence and whose value is updated based on the consumer price index. The values that define the poverty line vary according to individuals and households, and whether they are urban or rural. For extreme poverty, only the level of income required to meet food needs is considered (INEC, 2015).

3 Own estimates based on data from the National Household Survey (ENAH).

4 The survey was conducted (between the 23rd and 27th of May 2022) with a second round on June 20th and 21st by the Center for Research and Policy Studies of the University of Costa Rica (ciep.ucr.ac.cr) and included 1001 respondents. The appendix summarizes the sociodemographic characteristics of the nationwide sample.

2.

CURRENT GOVERNMENT POLICY

The Costa Rican government has had a conditional cash transfer program for high school students since 2006. In 2018, benefits were extended to preschool and primary school students (Avancemos primaria, renamed Crecemos, in June 2019). The program was legally enshrined in 2018⁵ and, in 2020, became one program for preschool, primary and secondary school students under a single entity and with a unified funding source⁶, with a coverage of 31.7% of under-18s at the beginning of that year (Blofield, Pribble and Giambruno, 2023).

In 2020, during the Covid-19 pandemic, Costa Rica rapidly deployed the Bono Proteger, an emergency cash transfer targeted to formal and informal working people who lost all or part of their income due to the pandemic. The program was significant and reached about 700,000 people (13% of the total population) with three transfers of USD 204 each in the case of the full transfer (125,000 colones) or USD 102 (half of the transfer; 62,500 colones) in the case of the partial transfer (MTSS, 2022)⁷. However, Crecemos recipients above a certain transfer level (at least USD 84, 50,000 Costa Rican colones) were not eligible for the emergency transfers. Additionally, the government deployed two cash transfers of USD 204 and USD 168 to a group of 30,000 households in poverty that were not included in any other transfer program (Blofield, Giambruno and Filgueira, 2020). These programs ended in 2020.

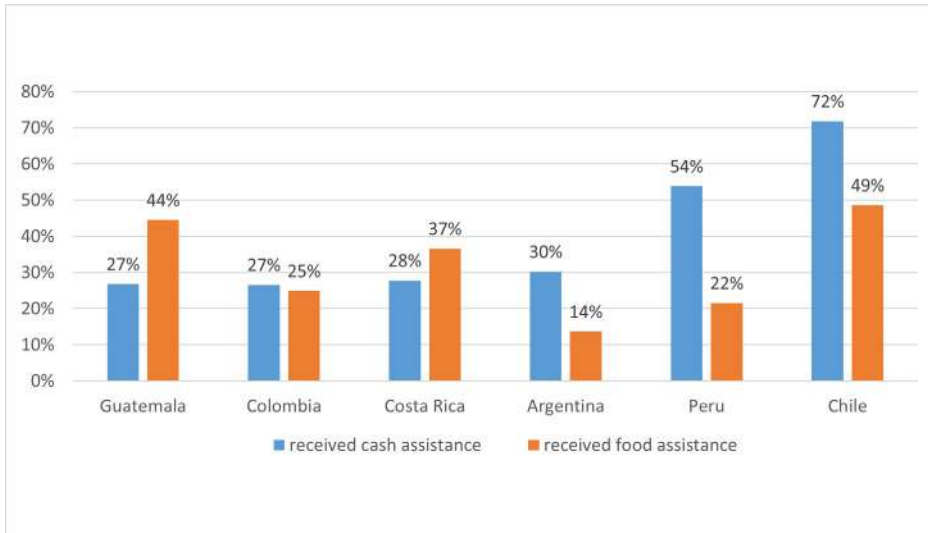
The survey corroborates other studies showing intermediate coverage of government cash transfer programs in Costa Rica compared to other countries in the region during the pandemic (Blofield, Pribble and Giambruno, 2023). Figure 1 shows that 28% of respondents said that they or someone in their household received some type of government cash assistance in the two years of the pandemic (between May 2020 and May 2022), and 37% received food assistance. In terms of food assistance, Costa Rica ranks third, after Guatemala (44%) and Chile (49%). In the case of cash transfers, the coverage reported in the survey is similar to that of Guatemala (27%), Colombia (27%) and Argentina (30%) and considerably lower than that of Peru (54%) and Chile (72%). It should be noted that the question included in the survey did not ask about the adequacy or frequency of the transfers.

5 This followed its success in reducing high school dropout rates by 13 percentage points between 2015 and 2018 (Borges, 2022; Lentini et al., 2022).

6 Just before the pandemic, the monthly value of Avancemos transfers was USD 30 per student in primary school (18,000 colones), USD 50 (30,000 colones) per student from the 7th to the 9th grade of secondary school, and USD 65 (40,000 colones) per student from the 10th to the 12th grade of secondary school (Lentini et al., 2022). Between 2006 and 2018, as the program was extended to primary school students, the real value of the transfers was reduced by half (Lentini et al., 2022).

7 The partial transfer reached working people who lost half of their hours or wages.

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

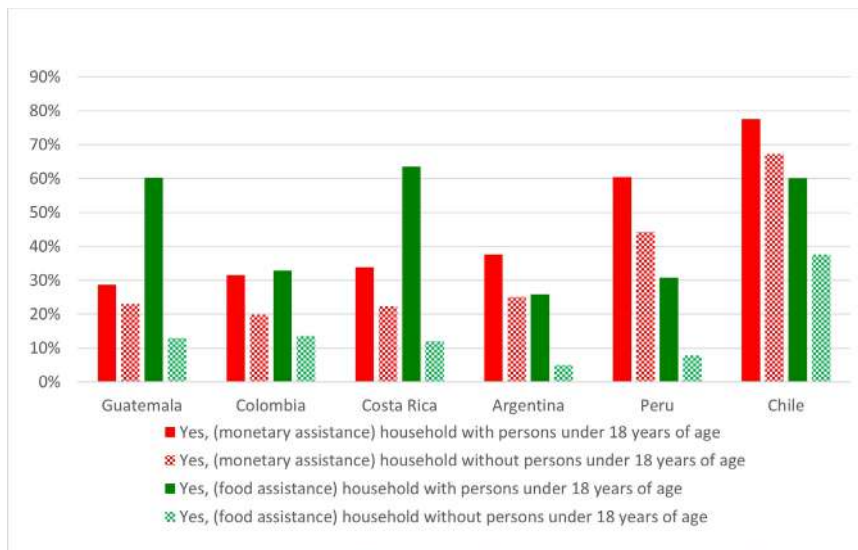


Source: Own elaboration based on data from the Covid survey, families and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala and Peru, 2022.

Figure 2 shows the scope of cash transfers and food assistance to households, depending on whether children and adolescents live in them. The graph shows that families with persons under 18 years of age in the

household were more likely to receive government assistance than households without persons under 18 years of age. This was the case for cash transfers and even more so for food transfers.

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 Covid survey data, households and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala and Peru, 2022.

In fact, in Costa Rica, living in a household with children or adolescents increases the probability of having received cash assistance from the government by 11.5 percentage points compared to households without children and adolescents. In the case of food transfers, the difference is particularly marked: 63% of households with children received food aid, compared to 12% of households without children. This reflects the broad eligibility criteria for food aid to the school-age population.

Food assistance was especially important in Costa Rica during the pandemic. In 2020, 48% of households experienced food insecurity (Chacón and Segura, 2021). In the survey that gives rise to this policy note,

38% of respondents in households without children and 42% in households with children said that they or someone in their household had eaten less due to lack of money or other resources during the past two years.

In 2022, cash transfers through the conditional cash transfer program amounted to an average of USD 48 per student, which is basically half the value of the extreme poverty line per capita (USD 98) (INEC, 2022). Coverage in Avancemos has experienced significant variations between 2020 and 2023, with a peak of 29% coverage of children and adolescents in 2021 (IMAS, 2021) and a worrisome drop to 24% in the number of transfers planned for 2023, when access for preschool students was also eliminated⁸.

8 These figures are based on administrative data from Avancemos (IMAS, 2023), ECLAC (2023) and United Nations (2023).

3.

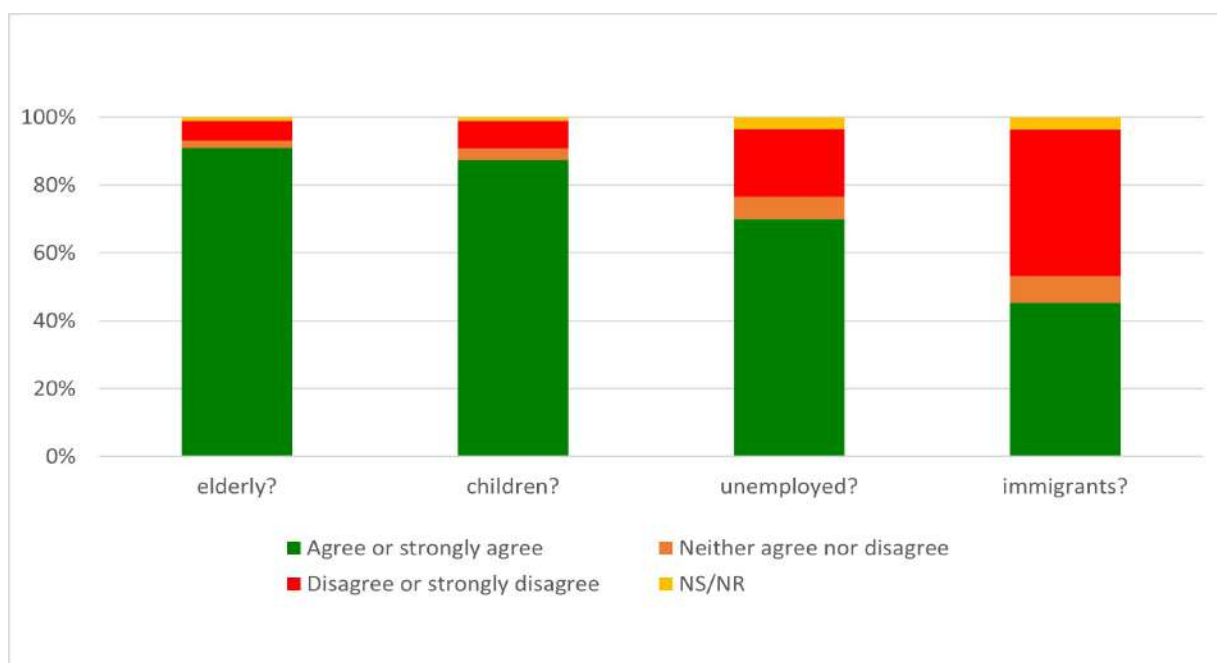
PUBLIC OPINION ON CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS

The survey asked whether cash transfers should be a right. Slightly more than half (58%) of those surveyed agreed with the statement, while 31% disagreed and 4% did not respond. With these responses, Costa Rica is the country with the second lowest support for a statutory cash transfer program and, among the countries examined, with the highest opposition.

Figure 3 shows overwhelming majority support for cash transfer programs aimed at the elderly (90%) and children (87%). A large majority (70%) also support cash transfers to the unemployed, while for immigrants, support is almost equally divided between 45% in favor and 43% against.

The survey contains questions on attitudes towards cash transfers for four different population groups: the elderly, children, the unemployed and immigrants.

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

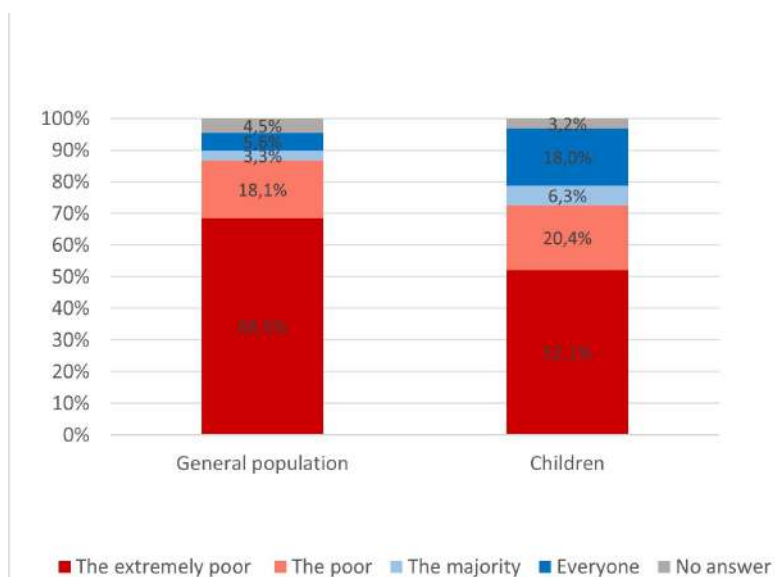


3.1 COVERAGE OF CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS

The survey contains additional questions to elucidate preferences regarding 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. For children, 52% would restrict transfers to those who are extremely

poor. In contrast, 20.4% support transfers to those in poverty, 6.3% to a majority of children and 18% to all children. Adding these last three preferences, it can be seen that slightly less than half of those surveyed (45%) would give transfers to at least all children in poverty. In the case of the general population, 68.5% would restrict transfers to the extremely poor.

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



Source: Own elaboration based on data from the Covid survey, families and social programs, Costa Rica case, 2022.

3.2

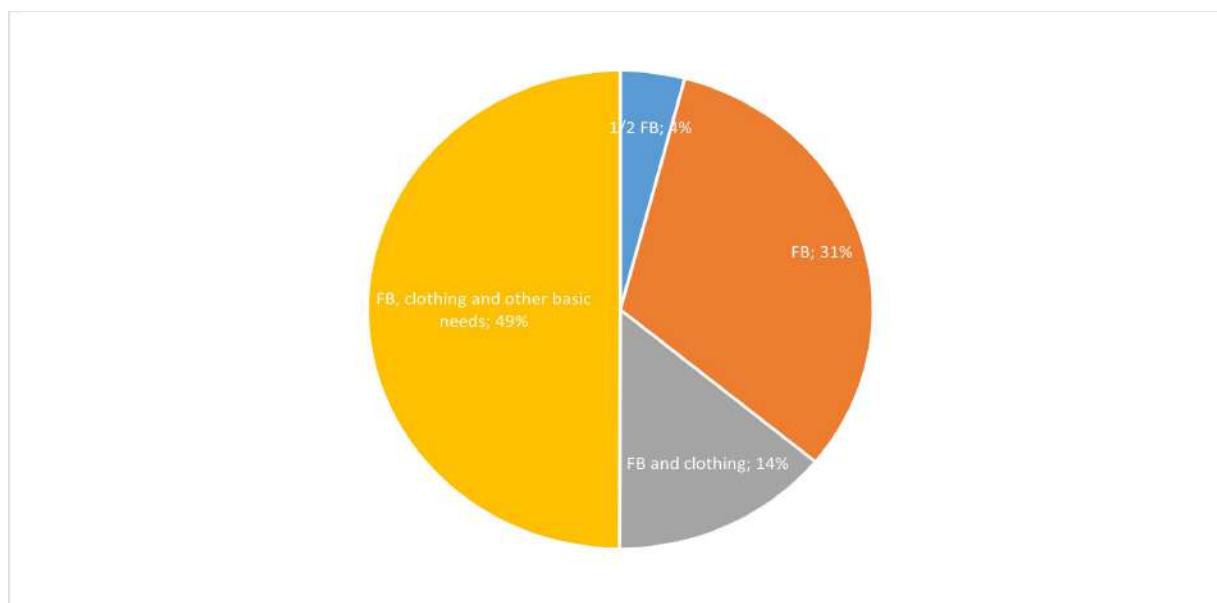
ADEQUACY OF CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS

To evaluate preferences on the optimal value or generosity of cash transfers, the survey presented people with four specific 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 basket⁹, (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.

at least one basic food basket (FB, 31%; a FB and clothing, 14%; and a FB, clothing and other basic needs, 49%), an overwhelming majority, 94%, 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 4% would set the value at half the value of a food basket and thus half the extreme poverty line. Three percent did not answer the question.

Figure 5 shows the distribution of preferences among the four categories. When adding the three that include

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, Costa Rica case, 2022.

9 The extreme poverty line is calculated 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 transfer program for children and adolescents with greater adequacy than the one that currently exists in Costa Rica. An overwhelming majority (94 %) supports a significant increase in the value of the transfers, to cover at least the basic food basket, which would be double the value of the current cash transfer program. Public opinion is more divided on the extent of coverage. A slight majority (52%) is in favor of restricting transfers to children and adolescents in extreme poverty, while 45% support broader eligibility criteria, for at least all children and adolescents in poverty.

The cost of expanding cash transfers to reach the entire population of children and adolescents in poverty with at least the value of the basic food basket would require a 2.5 times increase in spending on the Avancemos program, from 0.24% to 0.62% of GDP¹⁰. In absolute terms, this would imply an additional US\$482 million per year. The estimated effect of such a transfer program would be to reduce poverty among the population under 18 years of age by 10 % and overall household poverty by 3 % (118 thousand children and adolescents)¹¹.

Based on public opinion as reported in this survey, the government could have the political space to consider, first, increasing the value of the transfer to cover a basic food basket per child and adolescent. Second, the government could consider expanding coverage to reach children and adolescents living in poverty, based on preventive arguments, that is, to invest in social protection before children and adolescents experience severe deprivation, particularly food deprivation, and therefore address the challenge more cost effectively than having to pay for the future consequences of lack of protection. Governments could present this simple preventive argument to convince those who would currently restrict transfers to those in extreme poverty.

This expansion of the scope of social protection would also be consistent with the evidence regarding the overwhelming effectiveness of these programs in improving the well-being and human capital of children and adolescents.

10 First, households with children were identified. Second, the poverty of these households was calculated without considering the income received from Avancemos transfers. Third, all households with children and adolescents living in poverty were assigned the amount of the basic food basket depending on whether the household was urban or rural. Subsequently, the amount received from Avancemos was subtracted from the basic food basket assigned to those same households. Once the previous step had been calculated for each child, the additional amounts needed to cover the basic food basket were added up and compared with the GDP for 2022.

11 The impact on income poverty in general and for children and adolescents in particular, of providing a cash transfer equivalent to the amount of the basic food basket to each child or adolescent who does not currently receive a cash transfer, as well as a transfer equivalent to the difference between what they currently receive and the amount of the basic food basket, in the percentage of general poverty and for under 18-year olds, was estimated.

APPENDIX

Characteristics of the sample in Costa Rica

Number of people interviewed between May 6 and 31; June 20 and 21, 2022: 1001

Gender	
Woman	54%
Men	46%
Age	
18 to 24 years	14%
25 to 34 years	22%
35 to 44 years	20%
45 to 54 years	16%
55 to 64 years	17%
65 years and older	11%
Occupation	
Works	46%
Works and studies	5%
Retired	7%
Unemployed	12%
Only studies	6%
Dedicated to unpaid domestic work	21%
Does not study or engage in paid or unpaid domestic work	2%
Education	
No education or incomplete primary	11%
Completed primary or incomplete secondary	45%
Secondary school complete	19%
Incomplete or complete technical	3%
Incomplete or complete university	22%
Household composition	
Without presence of children under the age of 15 years	59%
With presence of minors under the age of 15 years years	41%
Without the presence of older adults	63%
With presence of older adults	37%
Source: National telephone survey, GIGA-UCR with the support of the German Research Foundation; by Datavoz.	

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