

# **Anti-poverty Policies and Citizenry:** *The “Chile Solidario” Experience*

Julieta Palma and Raúl Urzúa



Management  
of Social  
Transformations



# Anti-poverty Policies and Citizenry: the *Chile Solidario* Experience

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# Summary

Regular surveys carried out under Chile's system of National Surveys on Socio-economic Characterization (CASEN) show a drastic fall in the rates of poverty and indigence throughout the 1990s. However the 1998 and 2000 surveys show the numbers of indigent stabilized at around 5.7% in those years, and this led to a review of the policies and programmes aimed at rooting out extreme poverty. The participants included the President of the Republic and his advisers, ministerial experts, NGOs and consultants. The first step towards a new strategy was the *Programa Puente* ("The Bridge Programme"), which offered psychosocial support to indigent families to help them acquire the social skills and training needed to escape their condition. At the same time, a broader programme was developed which included a social protection network for these families and offered an integrated approach combining immediate assistance with longer-term skills development.

This programme, *Chile Solidario*, requires the family to sign a contract to meet 53 specified minimum conditions seen as necessary to overcome extreme poverty. In exchange, they receive from the State: psychosocial support, protection bonds, guaranteed cash subsidies, and preferential access to skill development, work and social security programmes. In its three years in operation the scheme can show substantial progress in terms of coverage, and low levels of rejection and interruption. But its formulation confirms the trend of handing over policy-making largely to those with scientific and technical training, providing very little citizen participation or consultation in either defining or seeking solutions to problems.

The programme's overall objective is to achieve the social integration of indigent families by bringing them into the public network of social services, by making them, in other words, real rather than purely formal citizens. The programme could achieve its overall aim more successfully, we suggest, if it were opened out beyond intra-family relations to encourage greater associativity and participation in the community.

# 1. Introduction

Both objectively and subjectively, poverty constitutes a multi-dimensional phenomenon that affects all aspects of the lives of those who suffer from it. Objectively, the indicators used by the Economic Commission for Latin America and the Caribbean (ECLAC) show that income poverty largely matches its other social indicators. The countries with the lowest levels of income poverty (Chile, Costa Rica, Uruguay), have better social indicators than the rest, while those with high levels of poverty and indigence also have the lowest social indicators.

When the World Bank,<sup>1</sup> for example, gave the poor a chance to express their views on what poverty meant to them, the message was that poverty was not simply the lack of specific goods but the combination of these deficiencies with the lack of power to bargain and defend oneself in the marketplace, the sense of dependence, insecurity, anxiety, impotence, inability, inferiority and ill treatment; it was injustice, exclusion, lack of opportunities, poor quality social services, chronic health problems and physical disabilities; it was the experience of psychological deprivation and constant exposure to high risk and borderline situations, such as living on the street and drug and alcohol abuse.

Although Latin American governments have made efforts to reduce poverty, 40% of the region's inhabitants are still poor. The most recent regional report<sup>2</sup> shows the trend towards shrinking poverty halted in 1999-2002, and could even have fallen back slightly in 2003. Social inequality, measured by income distribution, also rose in the last decade in most of Latin America.<sup>3</sup>

1. Narayan, D. et al, (2000) *The Voice of the Poor: Crying out for Change*, Vol. 2, World Bank, Oxford University Press.
2. Panorama Social de América Latina 2004, (2004), CEPAL, November.
3. Panorama Social de América Latina 2000-2003, page 73, table 1.6.

It would be wrong, however, to attribute the persistence of poverty in the region to a lack of efforts to overcome it. In the past three decades, Latin America has become a laboratory for economic and social policy experiments aimed at eliminating or reducing poverty. Some have taken an economic approach, aiming to increase income and consumption capacity among the poor, while others have focused on social ability, understood as “the ability to take part in community life and social activities, to feel a sense of belonging in large groups”.<sup>4</sup> For others, poverty is a form of social exclusion. Finally, in recent years poverty has been linked to vulnerability, to the inability of individual or family to take advantage of opportunities in different socio-economic areas in order to improve their welfare or at least prevent it from deteriorating.<sup>5</sup>

In practice, the countries and international organizations active in the region use an economic definition of poverty – a per capita household income below the poverty line. However, different approaches lead to policy formulations and applications that differ both in their contents and in their participants. These approaches partly reflect political ideologies, but are also influenced by theoretical conceptualizations of the challenge the policy seeks to resolve, and by the learning experience generated by applying the policies and evaluating their results.

In Latin America, Uruguay, Costa Rica and Chile stand out as the countries with the lowest percentage of poor and indigent people, according to income/poverty line indicators. The Chilean experience during the last thirty years is particularly interesting both for its success in reducing extreme poverty and for its substantial changes in the conceptualization and content of anti-poverty policies.

The most recent such policy is the system of social protection for families in extreme poverty known as *Chile Solidario* (Supportive Chile). It includes a series of actions with indigent families and individuals aimed at developing their ability to access the legally available public subsidies and services.

4. Sen, A., (1997), *Social Exclusion: A Critical Assessment of the Concept and its Relevance*, Asian Development Bank.

5. Moser, Caroline, “The asset vulnerability framework: reassessing urban poverty reduction strategies”, *World Development*, Vol. 26 n° 1, Washington D.C. World Bank; Filgueira, Carlos, (1999) *Vulnerabilidad, Activos y Recursos de los Hogares: Una Exploración de Indicadores*, Montevideo, CEPAL.

The significance of the issue and the innovative nature of the policy, along with the socio-political process involved in designing it, led the Department of Public Policy at the Institute for Public Affairs of the University of Chile to include it among the case studies to be analysed in the Ford Foundation-sponsored research programme entitled “Citizenship, Participation and Public Policies”.<sup>6</sup>

In this paper, and based on the results of that research programme, we summarize the development of Chile’s social and anti-poverty policies, then look at the way the *Chile Solidario* programme was designed, describe its components and some of its findings, and examine some consequences for intra and extra institutional relationships. In the concluding section we include some suggestions on how to improve citizen participation in the programme.

6. The research team consisted of Raúl Urzúa (Director), Antonieta Surawaski (Coordinator), Julieta Palma, Julia Cubillos and Dante Castillo (assistant researchers), Lorenzo Agar and Miguel Ángel Ruz (issue consultants). For a fuller version of the research, see <http://www.ciudadania.uchile.cl>



## 2. Social policy and the battle against poverty: the Chilean case

### 2.1

#### *Social policy before 1973*

Historians agree that the so-called “social question”, meaning the social upheavals resulting from the early stages of urbanization and industrialization and the emergence of a waged labour force, was the major social issue in the first quarter of the 20th century. Alongside the emerging working class there grew up new organizations dedicated to defending its interests. Debates between political factions over the workers’ conditions, and frequent strikes and street demonstrations were common. These early expressions of what we would today call social citizenship brought substantial progress during the first three decades of the century in approving legislation to protect workers’ rights.

From the 1930s up to the military coup of 1973, the State’s social action was guided by two types of policy. One was concerned with regulating labour relations, working conditions and wages; the second dealt with education, health, nutrition, housing and social security issues. Both types were “universalist”, seeking to improve levels of welfare by offering universal access to the social rights guaranteed by law. In practice, however, according to Fernando Filgueira, “universalism” became “stratified universalism”; social security systems were universal, but the benefits, con-

ditions for access and range of protection were highly stratified.<sup>7</sup> The same phenomenon occurred in Argentina and Uruguay.

The groups benefiting from these policies varied according to their ability to voice their demands, and the importance the government placed on social protest. From the beginning of the century until the early 1930s workers led the protests and derived most benefit from the new laws. In this period the experimental regime of parliamentary government was in crisis, and a new constitution was approved in 1925, though not brought fully into force until 1932. The conservative parties that had ruled throughout the 19th century found themselves facing new parties, and lost much of their power.

Although the first government to emerge after these changes came from the centre-right of the spectrum, the parties of the centre and the left that had taken power by the end of the decade stood for the rights of the middle classes. Public sector and, to a lesser extent, private sector employees organized and exerted corporate pressure successfully to establish new social benefits, differentiated from those of blue-collar workers, thus consolidating the “stratified universalism” referred to earlier.

In neither of these periods was poverty a driving issue in social policies or programmes. However at the end of the 1940s massive migrations from the country to the towns and particularly to the capital, Santiago, revealed high levels of poverty and social marginalization, and the lack of jobs and housing gave rise to fierce social conflicts. From the end of the 1950s and up to the 1973 military coup, urban and rural demands united, leading to the application of land reform policies. The first of these, under a conservative government, had little impact. But those executed by the centrist government of President Frei Montalva opened up deep-seated social and political conflicts that grew sharper during the government of President Salvador Allende, who sought to establish a socialist republic. Under both governments, though in different ways, poverty and social marginalization became central issues in national politics, giving rise to major conflicts, both urban and rural.

7. Filgueira, Fernando, “El nuevo modelo de prestaciones sociales en América Latina. Eficiencia, residualismo y ciudadanía estratificada”, in Roberts, Brian (editor), (1994), *Ciudadanía y Política Social*, San José de Costa Rica: FLACSO.

Though somewhat schematic, this outline of social policies prior to the military coup reveals two characteristics that must be kept in mind for the subject of this paper. First, the active role played by the citizenry, organized in trade unions, associations and social movements, in achieving benefits for their class. Second, the central role played by governments and political parties in both articulating and resolving social demands, revealing the major contribution of these institutions in designing and implementing social policies.

## 2.2

### *Anti-poverty policies under the military dictatorship (1973-1989)*

These characteristics of policy-making changed drastically with the economic model imposed by the military regime. The neo-liberal model it soon adopted required cuts in social spending, and it became essential to shift major areas of social service from the public to the private sector. The need was the more urgent because of the signs of a crisis in the welfare State noted in a number of studies.<sup>8</sup> Simultaneously, the new policy-makers began to prioritize focalised social spending, as opposed to universal programmes, to create compensatory programmes against poverty and decentralize the delivery of public social services for the extremely poor.

The military government's aim was to focus social policy on eradicating extreme poverty and assuring universal access to a minimum level of goods and services, with first priority given to maternal and child health, and the very poorest sectors of the population. There were improvements in rates of life expectancy at birth, infant mortality, literacy, and educational levels among children and young people. But the radical change in the economic model, bringing with it job insecurity, new social laws that reduced workers' rights, and wage cuts, led to a substantial increase in the numbers of the poor.

An unforeseen consequence for the Pinochet government was the increase in the number of NGOs, which in different ways came to replace

8. O'Connor, J., (1973), *The Fiscal Crisis of the State*, New York: S. Martin Press;  
Mishra, R., (1984), *The Welfare State in Crisis*, Brighton: Wheatsheaf Books.

### *Anti-poverty policies after the return to democracy (1990)*

The three successive governments of the *Concertación para la Democracia* coalition have maintained the open globalized market economy adopted by the Pinochet regime, but have added other goals that mark very substantial differences with their predecessor. In the context of this study the most relevant of these goals are: the consolidation of governability in democracy; strengthening citizenship politically, civically and socially, while also opening up to new demands from native peoples and the feminist movement; working to achieve growth with equity; political and economic decentralization; and strengthening social participation in matters of public interest.

Eliminating or at least drastically reducing poverty depends on achieving these goals, but is also a condition for reaching them – hence the importance given to anti-poverty and overall social policies by *Concertación* governments.

The democratic governments' social policies have sought two main objectives. The first applies to sectoral policies, and seeks to ensure a level of services and benefits (education, health, housing, social security) for the entire population that gives equal opportunities to all. The second is "the development of specific programmes directed to poor and vulnerable sectors to give them access to use the opportunities offered by the central ring of social policy, by the growing economy, and by the development process in general".<sup>9</sup>

In other words, elected governments from 1990 onwards have managed to maintain both the universal character of social policies and the

9. Raczynski, Dagmar, "Políticas Sociales y de Superación de la Pobreza de Chile", Centro de Política Social para América Latina. Documento Electrónico: [www.utexas.edu/colal/ll/center/claspo](http://www.utexas.edu/colal/ll/center/claspo)

focalized policies and programmes aimed at eliminating poverty and establishing equal opportunities for all. Although, as we have seen, focalization was introduced under the military regime, subsequent democratic governments have added new beneficiary groups, determined by specific situations of discrimination and social exclusion. For all these groups there are integrated multi-sectoral policies and programmes.

Implementing these measures has required an increase in fiscal and public spending, particularly in education, health and the new programmes for priority groups. New public institutions have also been created, mainly directed towards the poverty relief effort and the design and execution of social policies.<sup>10</sup>

Results from the surveys carried out by the *Encuesta de Caracterización Socioeconómica Nacional (CASEN)*,<sup>11</sup> a regular national survey on household income and spending, show that during the 1990s there was a sustained fall in the rates of poverty and particularly of extreme poverty<sup>12</sup> or indigence. The numbers of poor fell from 25.7% of the population in 1990 to 17.5% in 1996 and 14.9% in 2000, while the numbers of indigent fell from 12.9% in 1990 to 5.7% in 1996. But between 1998 and 2000 the percentage of indigent remained stable.

The information on the evolution of poverty and indigence between 1990 and 2000 sent warning signals to those executing the policies, and it became a matter of urgency not only to correct mistakes but also to review the existing assumptions and conceptual frameworks.

10. The main new institutions are: Ministry of Planning (MIDEPLAN), National Youth Institute (INJUV), National Service for Women (SERNAM), National Corporation for Native Peoples' Development (CONADI), National Fund for the Handicapped (FONADIS), National Solidarity and Social Investment Fund (FOSIS).
11. The Casen survey has been carried out periodically since 1985 by the Planning Ministry, most recently in 2003. Its sample framework is based on the most recent national population and housing census and represents the population in national private housing. For more information see: Gobierno de Chile, Ministerio de Planificación y Cooperación, Serie Casen 2003, Volumen 1: Pobreza, Distribución del Ingreso e Impacto Distributivo del Gasto Social, August 2004.
12. The poverty line is set by the minimum per capita income needed to buy a basic individual basket to cover food and non-food requirements. Indigence: the minimum per capita income to cover a basket of food needs.

# 3. Overcoming extreme poverty: the *Chile Solidario* system

## 3.1

### Constructing the system

The Executive was the first to react to the halt in poverty reduction, requesting (in May 1999 via the Ministerial Committee on Social Affairs), an investigation from the Planning Ministry, which carries out the Casen surveys, into the situation of Chilean families based on Casen 1998. The study brought out the characteristics differentiating poor and indigent families and those above the poverty line. The most disturbing element of the report was that the households classified as extremely poor not only had lower independent incomes but also received lower levels of State cash subsidies than non-indigent households. The subsidies, in other words, were misdirected. This meant an urgent re-think on the public policies for extreme poverty.

#### **A new strategy on extreme poverty**

With this information, in 2000 the Social Division of the Planning Ministry, under the incoming government of President Ricardo Lagos, took responsibility for designing an integrated strategy in favour of families in extreme poverty, led by a Task Force formed by experts from the various State organizations involved. The aim was to design an integrated and inter-sector strategy for action that would meet three requirements: to offer services rather than await the demand for them; to work in networks; and to focus on the family as the focal unit.

These requirements marked a change from previous policies. Another significant change was the opening to inputs from NGOs and local governments with their own knowledge and experience of the subject. As mentioned earlier, NGOs flourished during the military government, and although many disappeared or changed direction after the return to democracy, others continued to work in the area of poverty. And several local governments had developed innovative and successful anti-poverty programmes. The Task Force included these experiences and their directors in drawing up the Strategy for Integrated Action in support of Families in Extreme Poverty. (The Task Force director had in fact headed one of the most successful local programmes, in the municipality of La Florida, known as *Programa Acciones Integradas para Familias en Extrema Pobreza-PAI*.)

As well as learning from the mistakes of previous programmes and the knowledge and experience of local governments and NGOs, the Task Force used a theoretical framework that integrated three complementary approaches, widely recognized in academic literature on poverty. These were: social capital, social networks, and crisis intervention. The first approach helped in formulating an integrated analysis of the resources and opportunities available for individuals in processes of skills and other forms of development. The second (the concept of networks), emphasized the synergies achieved by combining different resources. The third (crisis intervention), led to short-term therapeutic actions aimed at eliminating the factors that inhibit or reduce the family's ability to function.

The collective efforts by experts from central and local governments and NGOs made it possible to deliver the Integrated Action Strategy for Families in Extreme Poverty to the President's Office within the first 100 days of the Lagos government.

### **Designing *Programa Puente* (the Bridge Programme)**

The overall aim of the strategy is to create opportunities and provide resources to allow families in extreme poverty to recover or gain access to their own capacity to resolve issues in their personal, family, community and institutional environment. The strategy was first applied in a pilot project, known as *Programa Puente* (the Bridge Programme), designed by FOSIS (the Solidarity and Social Investment Fund. FOSIS was created in 1990 to finance plans, programmes, projects and special activities for social

development, mainly to help reduce poverty). The individual responsible for developing the Puente project had headed the social division of the Planning Ministry when the overall strategy was designed, and was now director of FOSIS. *Programa Puente* was designed in 2001 to be implemented nationally between 2002 and 2005.

The National Budget Office of the Finance Ministry was critical, and blocked the initial plan to implement the programme nationwide. It finally agreed, after two refusals, to finance a one-year pilot programme in four of Chile's 13 regions, to be extended once the results had been evaluated. *Programa Puente* started in January 2002 and has continued up to 2005 as a key part of the *Chile Solidario* system.

We shall describe the characteristics of *Programa Puente* later, in the context of *Chile Solidario* as a whole. But its central assumption is that people in extreme poverty who are cut off from the existing social and aid networks can achieve an adequate quality of life by developing a series of social skills. It is essentially a programme of psychosocial support for indigent families.

### **The Finance Ministry and social protection for the indigent**

In parallel with the development of *Programa Puente*, the National Budget Office of the Finance Ministry was working to design and implement a system of social protection for the poorest. Its aim was to coordinate better the sectoral and area aid, to apply homogeneous criteria on focalization and selection of beneficiaries so as to avoid duplicating work, and in general to make the best possible use of the public resources destined for this sector.

This work was done in consultation with the World Bank. The new system included the following elements: designation of the family as the unit for action and benefits; an inter-connected system for benefits ("one window" system); a basic institutionality within which to operate; an information system with interrelated data bases to monitor the way the system functioned.

At the request of the Budget Office, the Presidential Office organized a seminar in April 2002 to discuss the proposed system. The participants included research organizations and advisers linked to the government and the opposition, ministers and government agencies involved in the issues, and the President and his advisers. In the ensuing debate there



was general consensus on the viability of a plan to eliminate extreme poverty, but substantial disagreement on the strategy to achieve it. Opinions were divided between those who favoured income supplements through a voucher system, and those who favoured skills creation programmes, such as *Programa Puente*.

### Towards a policy on extreme poverty

Despite this disagreement, the seminar revealed a basic consensus on the diagnosis and the possibility of action. This, and the existence of already-operating pilot programmes, led President Lagos to decide to design a policy, to request more information from FOSIS on *Programa Puente*, and to instruct the Budget Office to develop its proposal for a social protection system.

While the government agencies were working on the presidential instructions, an NGO, *Asesorías para el Desarrollo*, which was active and well known for its work on social policies, held a workshop to debate social protection and poverty. It was attended by experts from the Planning Ministry and the Budget Office and academics and other NGOs, and played an important role in bringing closer the opposing views. A team formed by members of the Planning Ministry, FOSIS, the Budget Office and presidential advisers were able to write up what was to be “*The Chile Solidario System*”, presented by the President in his State of the Nation address to Congress on 21 May 2002.

## 3.2

### *Main elements of the Chile Solidario system*

The *Chile Solidario* System is defined as “a system of social protection for families in extreme poverty, that combines aid and skills development in an integrated approach”.<sup>13</sup>

The system takes the family as the unit for action, and understands extreme poverty as a multidimensional problem that relates not only to lack of income but also to the scarcity of human and social capital and to

13. The description of the system is based largely on: MIDEPLAN. Sistema Chile Solidario. Gobierno de Chile, Ministerio de Planificación y Cooperación. July 2002.

the family's vulnerability to common events, such as sickness, accidents and unemployment.

The aim is to incorporate all families found to be living in extreme poverty in 2000 into the State social protection network. They are chosen on the basis of information from the *Ficha CAS-2*<sup>14</sup> and have been brought into the system gradually from 2002 onwards. Once chosen, the families are contacted and invited to take part. Those who accept sign a "family contract" to improve their living conditions. It establishes an agreement between the government, which takes responsibility for supplying them with a range of support services and resources, and the family, which agrees to work to overcome the aspects of their lives where they see themselves as most precarious and needy, using the opportunities offered by the local social network.

For the plan of action, the system considers seven dimensions or pillars of family life: identification, health, education, family dynamic, housing conditions, work and income. The seven dimensions are broken down into 53 minimum conditions for quality of life, and the family is considered to have overcome the state of extreme poverty when it can achieve all of them.

The system has four components:

- 1.** Psychosocial support (through FOSIS's *Programa Puente*): This consists of periodic personal visits by professional or technical staff to each home. The basic role of the visitor, known as "family support", is to form a link between the families and the public and private networks for social skills development. The visits last for 24 months, and act to stimulate and empower the family as a nucleus.
- 2.** Protection bonus for the family: This cash benefit is conditional on the family meeting the contract it signed, and is given to the mother in single

14. Ficha CAS-2 is a tool for classifying families who apply for social benefits, making it possible to prioritize and select beneficiaries for the various social programmes, mainly state subsidies. The Ficha CAS-2 is taken for all those living in the home inhabited by the individual seeking the subsidy. The information is valid for two years, after which it must be updated. The classification is based on a points system ranging from 350 to 750 approximately; the higher number of points corresponding to situations of greater unmet needs. The calculation takes into account 13 variables, grouped into four factors: housing, education, job and income/net worth. The score is differentiated for each of the families in a household. (Source: Web site of MIDEPLAN, the Planning Ministry.)

parent families or to the female partner of the head of the family. The amount of the bonus decreases over the 24-month participation in the programme.

**3.** Guaranteed cash subsidies: The families in the system are guaranteed the standard monetary aid to which they are entitled by their family status.

**4.** Preferential access to programmes of skills development, work assistance and social security.

The Planning Ministry is responsible for operating the *Chile Solidario* system.

The psychosocial support element of the system is supplied at municipal level through FOSIS's *Programa Puente*, which operates, with the municipality's consent, in all the districts where the families are located. FOSIS signs an agreement giving responsibility for executing the programme to the municipality, which coordinates the family action unit of professional or technical staff who provide the family support function.

Once the quota of participating families has been established for the year, the number of family support staff can be defined. Some are drawn from the local public agencies, mainly from the social or community area of the municipality (local support), and the rest assigned by FOSIS (additional support), if necessary. The latter are recruited by competitive public tender within the municipality, and hired by mutual agreement between the coordinator of the family action unit and the FOSIS representative for the programme.

The work of each family action unit is supported at local level by the local action network. This is convened by the municipality, and consists of representatives of all the public and private institutions and organizations that offer services and/or benefits to poor families. Programme coordination occurs at the local level, and the articulation of public services at provincial and regional level is subsidiary to and at the disposal of the local networks. Thus in those municipalities where any of the 53 minimum conditions cannot be met, the resources must be found at provincial and regional level.

It is worth noting that the programme was created by the Executive with the help of NGOs and did not require congressional debate since it did not involve passing a law nor any constitutional or other legislative changes. Hence, given the high priority the President had set on the issue, the *Chile Solidario* system went into operation as soon as he approved it.

But once the programme began to be implemented, and because of the interest in making its contents better known, it was sent as a bill for debate and approval to Congress, and became law on 17 May 2004.

### 3.3

## *Changes in government agencies and in public sector relations as a result of Chile Solidario*

Execution of *Chile Solidario* has meant changes for government agencies and their inter-relationships. The Planning Ministry is in charge of the programme, and answers and informs directly to the President. An executive secretary with a staff of some eight professionals manages and oversees its operation. The new task has forced the Planning Ministry to add system coordination and management to its regular work of project evaluation, and it has had to assign at least one professional in each region to coordinate and monitor the execution of the system and to maintain contact with the regional *Programa Puente* and the different public agencies responsible for offering services to the participating families.

FOSIS, on the other hand, is responsible for the execution of *Programa Puente* at the central, regional and municipal levels, directly in the first two cases. At municipal level, execution is in the hands of the family action unit already referred to, which is set up by agreement between FOSIS and the respective municipality. As in the case of the Planning Ministry, FOSIS' role as the agency in charge of the programme has forced it to redefine its priorities and adjust its internal organization to undertake the new tasks. Adjusting its role with the Planning Ministry has not happened without frictions, partly as a result of their very different corporate histories and cultures. The Planning Ministry lacked experience in implementing anti-poverty programmes, and its weakness in terms of organization and human resources put it at a disadvantage with FOSIS, which had wide experience in the field and whose members consequently took the lead in creating and implementing *Chile Solidario*.

In addition to these challenges there was also the need to set up a multisectoral network for aid and services. It forced the programme to set up agreements at national and regional level to link ministerial and agency aid programmes to its own operational structures, to be able to

adjust them to the needs of the participant families. These new agreements have meant both sides accepting new procedures, changing the criteria for defining and focalizing the beneficiaries, redistributing or increasing spending, and creating organizational and human support to supply the services.

The greatest difficulty, however, has not been in reaching framework agreements for operating norms but in the operating processes themselves. Implementing them became a critical issue at several levels. In central government, ministries and services have had to adapt or create regulations and norms and programmes to channel compliance with the minimum conditions set by the *Programa Puente* (the indicators of ability to overcome extreme poverty). At the regional level, the Planning Ministry and FOSIS have had to coordinate and monitor the setting up of norms to regulate the process and solve the practical problems that arose. At local level, the municipalities have had to set up procedures allowing the beneficiaries direct access to the services and programmes so as to meet the minimum conditions.

At local level there are differences between the “family support” workers on the municipal payroll and those who have been specifically hired for the job. The former work only a limited number of hours with the families in the programme. They are older (40 plus), and tend to have less ideological commitment and more bureaucratic attitudes towards the scheme. The second group is made up of young professional or technical staff, highly motivated by the type of work, on short-term contracts, and whose continuation in the job depends on how their work is evaluated by the programme leaders.

Finally, implementing the *Chile Solidario* system has required setting performance indicators, which in turn has demanded major efforts in IT systems to transmit, store and process the information on how the programme is working and the situation of the beneficiaries. In our interviews we have noted the major importance given to the existence and use of the programme information systems. But at local level there have been criticisms and difficulties over the way the system works and its use. The main complaint is that while the local workers provide the information, they are not allowed to manage the database of their beneficiaries but must request reports from the central office.

Overall, the process of designing and executing *Chile Solidario* has thrown up inter- and intra-sector tensions, and strains between central government (the Planning Ministry in this case), and local governments (municipalities). These have their origin partly in the cultural differences between organizations but also in power struggles among agencies and among individuals – turf fights, disputes over resources, personal leadership battles, attempts by local governments to use the programme for political ends, or, on the contrary, opposition to what some see as interference that limits the municipality's own activities. But the experience of the two previous years, and the promulgation of the *Chile Solidario* law and its associated regulations, which clarify and formalize the procedural norms, have helped smooth the management of the municipal teams, thus resolving much of the tension between the Planning Ministry and FOSIS.<sup>15</sup>

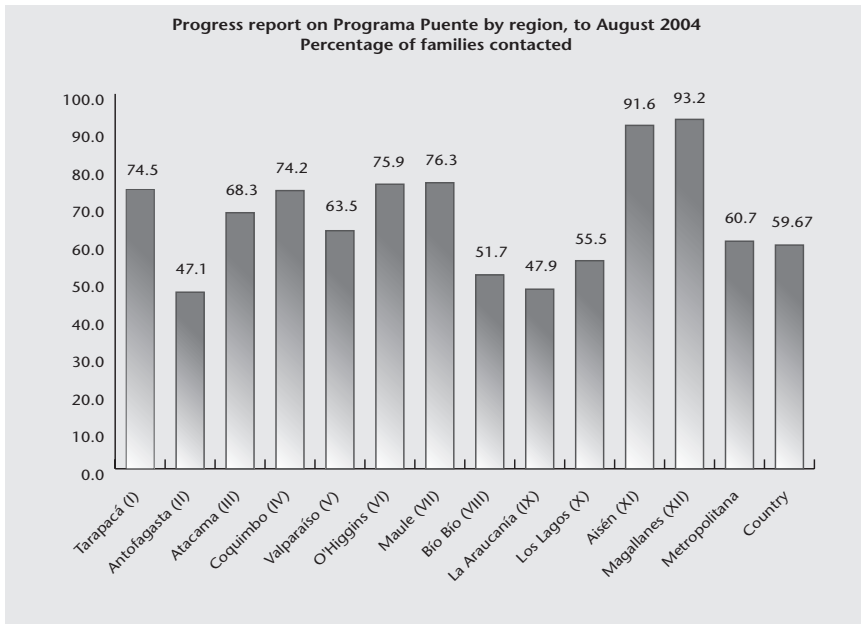
### 3.4

## *Programme results*

At the start of its fourth year in operation there is now enough information on the *Chile Solidario* system and *Programa Puente* for a progress report on their targets and objectives. Although this data does not constitute an evaluation of the final results, it does suggest some trends for the degree of success in meeting the coverage targets (percentage of families contacted, level of rejection and interruption among participant families), exit rates, and compliance percentages in each of the seven dimensions of family life.

*Chile Solidario*, as we noted, seeks to work with all the families living in extreme poverty. The national coverage target is 214,518 households to be incorporated into the system between 2002 and 2005. The information available on 31 August 2004 was that 128,007 of the total had been contacted, equivalent to 59.6%. At the same date there were 2,410 family support staff throughout the country, each with a caseload of approximately 53 families.<sup>16</sup>

15. Among the recent procedural changes is the creation of a web page for all the heads of the family action units, with full details of all the participant families. This allows the units to carry out any research they need for management purposes, without giving information about individuals. This restriction is also likely to be lifted during 2005.
16. Source: Estadísticas publicadas en la página web programa Puente, actualizadas al 31 de Agosto de 2004. [www.chilesolidario.gov.cl/publico/estadisticas.php](http://www.chilesolidario.gov.cl/publico/estadisticas.php)



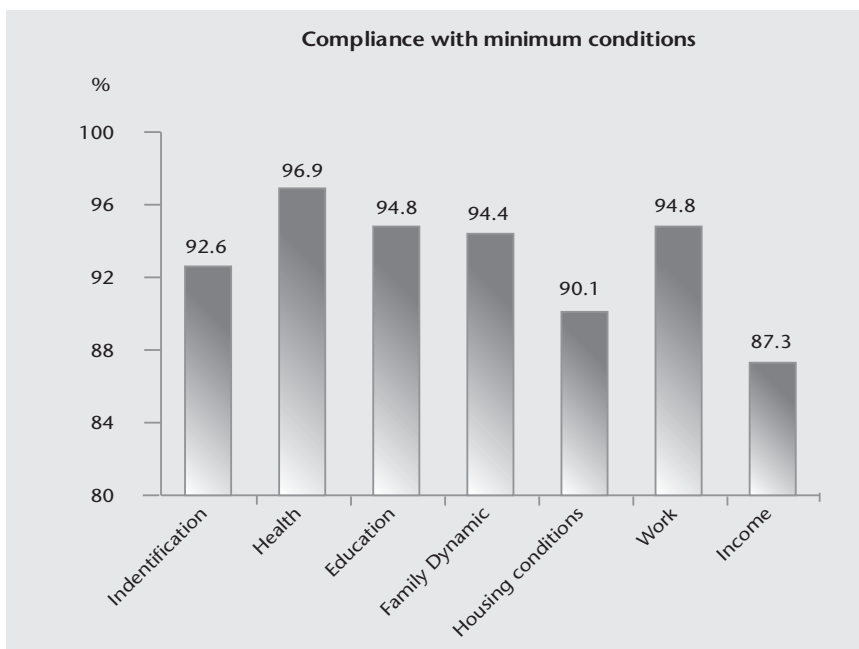
There are some differences at regional levels,<sup>17</sup> as the chart shows. Two of the 13 regions show substantial progress, with contact established with more than 90% of the families (in relation to total coverage), while others reached only around 50%.

The national non-participation level among the families contacted, i.e. those who opt out, is 5.2%, with wide variations in different regions, ranging from 2.7% to 10.9%. The interruption rate among participant families is 4.8% nationally, and, again, there are significant differences among the regions.<sup>18</sup>

Given the length of time the programme has been running, the exit rate is relatively low, at 13.5% nationally. The exit rate success within this group is 75%, with regional differences of 66.4% to 99.5%.

Finally, we note some data on the effectiveness in complying with the minimum conditions set by the programme which, once met, would show the family's move out of the state of extreme poverty.

17. No research or evaluation is as yet available to explain the uneven progress in the different regions, so we shall make only a general reference to this data.
18. Source: Cuenta 2004. Componente de Apoyo Psicosocial. Fondo Solidario de Inversión Social - FOSIS.



Compliance with the minimum conditions is generally high. The conditions under Health show the best results, followed by Education and Family dynamic. The lowest success rates occur in Housing conditions and Income. The variations among the different dimensions must be seen not simply as a sign of more or less successful action but also as an indication of the heterogeneous nature of the 53 conditions. They represent very varying levels of difficulty, from carrying out a bureaucratic task (getting an ID card), to changing personal attitudes (holding conversations within the family), and even in the family's living situation (a cleaner environment). On the other hand, the supply of public goods or services needed to meet the conditions often fails to cover the demand generated by the new programme, or simply does not exist.

In summary, and on the basis of available information, the programme has made real progress in terms of reaching the families in extreme poverty throughout Chile, and achieved low levels of rejection and interruption. There has been much less progress, however, in terms of a successful exit rate from the programme. Compliance with the minimum conditions is generally high, with slight variations responding to the differing degrees of difficulty both for the families and the State.



## 4. Conclusions and suggestions for future policies

We shall conclude this report with a review of *Chile Solidario* as it contributes to the success of the two macro-political objectives of *Concertación* governments: growth with equity, and democratic consolidation through social participation and active citizenship.

We should first recall some general aspects of the Chilean political system as they affect decision-making processes. First, except for a brief period of parliamentary government (1890–1925), political power has always been vested in the Executive and specifically in the President. Second, since the mid-1970s the techno-bureaucracy associated with the President and the ministries has played an important advisory role in decision-making processes. This is particularly true of the Finance Ministry, as the organ of the Executive with which all others must negotiate their budgets.

The current President, Ricardo Lagos, appointed two teams of experts to work directly with him; one team advises on political strategies, the other on specific public policy issues. In the case of *Chile Solidario*, both teams are involved.

The Presidential decision-making process varies according to several factors, such as the issue and the area of public policy, the interests of those involved, whether Congressional approval is required or whether the Executive can execute an initiative without consultation with the Legislature. Thus, with the permanent support of the two teams noted above, management of each specific policy may involve a combination of different actors, from the President and his personal advisers, other ad hoc teams of advisers and experts, ministers, technical staff from the ministries

involved, interest groups, social actors, and technical staff from outside consultancies, universities, or NGOs.

In the case of *Chile Solidario*, its relevance for the government and the parties of the *Concertación* led the President to intervene directly at critical moments in the design process. Alongside President Lagos and his two advisory teams, there were consultant agencies and advisers linked to the government and the opposition, ministers, government technical staff from the public services involved, foundations and NGOs.

As was made clear earlier, the initiative to create a system of social protection for families in extreme poverty came from within the government and its technical staff in reaction to the negative indicators (lack of progress in further reduction of poverty), rather than to public demand. It came as a result of the interaction among very different actors who nevertheless shared a common background in having held senior technical executive posts in public agencies or been members of consultancies, universities or NGOs. Most had experience of researching or directing social policies, and drew on their learning experiences of success and failure in other policies and their theoretical-ideological preferences in order to help design *Chile Solidario*.<sup>19</sup>

Very early in the design process for the new programme, the choice of action to achieve a more equitable society grouped their proponents in two main blocks: in one group, those who preferred an immediate direct aid approach, and in the other, those who gave more weight to longer-term skills development. But both groups shared a view of poverty as a multidimensional issue in which the lack of monetary income to cover basic needs is only one factor in defining extreme poverty. To this must be added scant human and social capital and high family vulnerability to problems of illness, accident or unemployment. The common

19. We note here the contributions on public policy from Sabatier and Jenkins-Smith (1993) *Policy Change and Learning: An Advocacy Coalition Approach*, Boulder, Co.: Westview Press; Sabatier, Paul A. (1998), "The Advocacy Coalition Framework: revisions and relevance for Europe", *Journal of European Public Policy*, March 1998; Jobert, Bruno, (2004), *Estado, Sociedad, Políticas Públicas*, Santiago de Chile: Lom-Cátedra UNESCO de Políticas Públicas (papers translated from French); Muller, Pierre (2000), "L'analyse cognitive des politiques publiques: vers un sociologue politique de l'action politique", *Revue Française de science politique*, vol. 50, n° 2; Jobert, B. and Muller, P.(1987). *L'État en Action*, Paris: PUF.

definition of poverty made it easier to include both approaches in the programme.

The skills development approach is most clearly represented in the “psychosocial support” component, in *Programa Puente*. In this case, the logic of eradicating extreme poverty rests on generating abilities in the different areas required to improve the quality of life. The same emphasis is present in the preferential access to public and private welfare networks, which seeks to direct the existing aid available for, for example, employment, physical disability, drug prevention or education, to those in extreme poverty.

The immediate aid approach, on the other hand, is present in the cash components of the system. The family protection bonus included in *Programa Puente*, and created specifically for the participant families in *Chile Solidario*, and the inclusion in *Chile Solidario* of guaranteed monetary subsidies that pre-date the programme are other examples of this approach.

As the results show, the combination of immediate aid with skills development components has meant *Chile Solidario* can show real success in terms of creating conditions that allow the participant families to overcome their situation of extreme poverty, and in this sense there has been progress in seeking growth with equity. But consolidating this progress will depend on whether the abilities acquired can alone overcome the inequalities of opportunities that continue to exist.

The origin of *Chile Solidario* confirms the trend for those with access to scientific and technical knowledge to play a highly influential role in designing policies. In Chile, as elsewhere, decisions are no longer in the hands of political parties or parliamentarians but lie with the Executive. The origins of *Chile Solidario* and other policies raise the question of whether Chile has adopted the “technocratic model” described more than 30 years ago by Habermas,<sup>20</sup> where political decisions must adapt to what is technically possible, and where scientists indicate the implications and objective requirements of the resources and techniques available, on the basis of which the best strategies and control rules will be drawn up. The role

20. Habermas, J. (1970) *Towards a Rational Society*, Boston: Beacon Press.

sought by the National Budget Office of the Finance Ministry (in this case with the support of the World Bank), in this and other instances of policy design is close to the Habermas model. But accepting this would lead to a form of government very different from the model centred in citizen participation that *Concertación* governments have sought.

One way of overcoming the conflict between scientific-technical policy-making and social and citizen participation is what Carol Weiss calls the interactive relationship model for science and politics.<sup>21</sup> This model gives a substantial role to scientific and technical information in policy-making, but scientists and techno-bureaucrats are only one group among many different actors, whose knowledge, experiences and interests must also be taken into account. This model can only operate successfully in a democratic regime where the citizens define the public agenda and can put pressure for it to become the political agenda.

This possibility will remain unrealized, however, unless the conditions exist for informed and organized participation by the public. We believe *Chile Solidario* could play a significant part in reinforcing active citizenship. Its broadest objective could in fact be defined as the social integration of the poorest, by bringing them into the public benefits network. But students of citizenship issues believe this objective could be re-designed to mean taking a step beyond a purely formal position towards the real exercise of citizenship. Furthermore, the broad objective of *Chile Solidario* coincides with the concept of social citizenship defined by T.H. Marshall as “a field that ranges from the minimum of welfare and economic security to the right to share fully in the social heritage and live in dignity according to the prevailing social standards”.<sup>22</sup>

In our view, *Chile Solidario* is helping a move from a formal to a more real, active citizenship, capable of defending its rights and complying with its corresponding duties. The most important of these duties in the programme is the “family contract”, which commits the State to deliver the

21. Weiss, C., Bucvulas, M., (1980) *Social Science Research and Decision Making*, New York: Columbia University Press; Weiss, C., (1986), “The Many Meanings of Research Utilization”, in Bulmer, M. et al, (1986) *Social Science and Social Policy*, London: Allen and Unwin, pgs. 31-40.
22. Marshall, T. H. and Bottomore, T. (1998) *Ciudadanía y Clase Social*, Madrid: Alianza Editorial.

goods and services to which the participant family is entitled, and commits the family to carrying out the tasks assigned by the family support monitor in order to meet the minimum conditions.

It must be admitted, however, that *Chile Solidario* does not include community and associative issues in its work. Its focus is on the family (in practice, mainly on women), and it does not create links with others in similar situations. Unlike other programmes directed at poor families, such as the *Fondo Solidario de la Vivienda* (Supportive Housing Fund), created during the Lagos government under the Housing Ministry and which stresses the neighbourhood and the habitat, *Chile Solidario* works with the family in isolation. A report by ECLAC experts<sup>23</sup> at the start of *Programa Puente* noted: "It would be useful to bring in a broader perspective, including the neighbourhood in some of the actions". In the light of our approach to the programme, this discreet suggestion could be broadened to look beyond intra-family relations to support associativity and participation in the community to help build a more active citizenship. We suggest this should be the next step for *Chile Solidario*.

23. CEPAL (2003), Análisis de Resultados del Programa Puente 2002, Informe Final, tomo 1, Resumen Ejecutivo, pág. IX.

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2. *From Social Exclusion to Social Cohesion: Towards a Policy Agenda*, Sophie Bessis, 1995.
3. *Cybernetics of Global Change: Human Dimensions and Managing of Complexity*, M. Mesarovic, D. McGinnis and D. West, 1996.
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5. *Démocratie et citoyenneté dans la ville du xx<sup>e</sup> siècle*, Céline Sachs-Jeantet, 1997. (French only)
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7. *Nouvelles configurations villes-campagnes*, Ricardo Abramovay and Ignacy Sachs, 1999. (French only)
8. *Fight Urban Poverty: A General Framework for Action*, Denis Merklen, 2001.
9. *Domestic Democracy and International Democracy: Deficits*, David Steele, 2002.
10. *Rural labour migration in China: challenges for policies*, Zhan Shaohua, 2005.
11. *Intercommunality: The success story of CODENOBA, Argentina*, Nicole Maurice and Clara Braun, 2005.
12. *Anti-poverty Policies and Citizenry: The “Chile Solidario” Experience*, Julieta Palma and Raúl Urzúa, 2005.
13. *Illegal Drugs and Human Rights of Peasants and Indigenous Communities: The Case of Peru*, Carolina Navarrete-Frías and Francisco E. Thoumi, 2005.



14. *Illegal Drugs and Human Rights of Peasants and Indigenous Communities: The Case of Bolivia*, Carolina Navarrete-Frías and Francisco E. Thoumi, 2005.
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# Management of Social Transformations (MOST)

## Policy is the priority

While it still promotes international, comparative and policy-relevant research on contemporary social transformations, MOST is now emphasizing the policy and social research interface as its major *raison d'être*. Tackling the sustainability of social transformations is the programme's main task, which implies action at normative, analytical and strategic/political levels. It must concentrate on research of direct use to policy makers and groups involved in advocacy.

MOST's main emphasis is thus on establishing and interconnecting international policy networks with renowned social science researchers to facilitate the use of social science research in policy. This means bringing together basic research with those entrusted with policy formulation in governments, a variety of institutions, NGOs, civil society, the private sector and in UNESCO itself.

The MOST programme measures the impact of research on policy, conducts policy-relevant case studies, provides expertise in development initiatives and shares information on how to design research-anchored policy.

## Tools for policy-making

The Policy Papers, dedicated to social transformations and based on policy-relevant research results of work carried out by MOST and by other sections of the Social and Human Sciences Sector (SHS), are intended for policy makers, advocacy groups, business and media.

SHS is seeking new ways of distributing knowledge to target groups, such as ministers of social development, ombudspersons, advocacy groups, UNESCO National Commissions and local authorities. It has prepared a new website for online knowledge management and meta-networking for decision-making and strategy. This knowledge repository will use innovative and refined search tools to facilitate access and intelligibility of complex research data for all potential users.