POLICY NOTE **PUBLIC OPINION ON CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS IN GUATEMALA** OVERWHELMING SUPPORT FOR INCREASED COVERAGE AND **ADEQUACY** UNIVERSIDAD DE COSTA RICA

#### **POLICY NOTE**

## PUBLIC OPINION ON CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS IN GUATEMALA

OVERWHELMING SUPPORT FOR INCREASED COVERAGE AND ADEQUACY

Merike Blofield, Juliana Martínez Franzoni and Luis Ángel Oviedo<sup>1</sup>

Merike Blofield, University of Hamburg (<u>merike.blofield@uni-hamburg.de</u>); Juliana Martínez Franzoni, Universidad de Costa Rica-Instituto de Investigaciones Sociales (<u>Juliana.Martinez@ucr.ac.cr</u>); Luis Ángel Oviedo, Universidad de Costa Rica (<u>Luis.Oviedo@ucr.ac.cr</u>).

303.38 P766

Public opinion on cash transfers for children and adolescents in Guatemala: Overwhelming support for increased coverage and adequacy / Merike Blofield, Juliana Martínez Franzoni and Luis Angel Oviedo; Merike Blofield, traductora.--1.rst edition.--San José, Costa Rica. UCR, IIS-Ediciones Digital file: download.--(Collection: Policy Note)

ISBN: 978-9968-861-23-6

1. Public opinion 2. Cash transfer 3. Children poverty 4. Adolescents poverty 5. Food assistance 6. Latin America 7. Guatemala I. Blofield, Merike II. Martínez Franzoni, Juliana III. Oviedo, Luis Angel.

Design and layout: Lucía González and Gabriela Fonseca A.

**Translated from spanish:** Merike Blofield.

Editing and revising: Gabriela Fonseca A., Merike Blofield and Juliana Martínez Franzoni.

This study was conducted with research funding from Deutsche Forschungsgemeinschaft (DFG), the German Foundation for Scientific Research, and the von Humboldt Foundation, allocated to Merike Blofield and Juliana Martínez Franzoni, respectively.

\*

We are grateful for the valuable contributions of Elizabeth Zechmeister for the organization of the field work. We also thank Jorge Rincón (German Institute for Global and Area Studies-GIGA), the administrative staff of GIGA and the University of Costa Rica, as well as the regional technical counterpart of UNICEF for their substantive contributions to the preparation of this Note.

#### MESSAGE

Child poverty is a multidimensional challenge and decades of evidence demostrate that cash transfer programs can provide simple and effective protection against poverty, especially extreme poverty. A nationally representative telephone survey conducted in Guatemala in May 2022 indicates very high support (88%) for a cash transfer program targeting children and adolescents. In addition, 90% are in favor of setting the value of the transfers to at least the basic food basket. Finally, a slight majority (almost 52%) supports extending the transfers to at least all children in poverty, while 46% support restricting the program to those in extreme poverty. Either way, given that the current program reaches only about 13 percent of children and adolescents in extreme poverty, there is broad support for a massive expansion in coverage.

1

# WHY DO CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS MATTER?

In Guatemala, 39% of the population is under 18 years of age, 68% of whom live in poverty and 29% in extreme poverty (World Bank, 2020; ENCOVI, 2014)<sup>2</sup>. Guatemala is considered the Latin American country most vulnerable to climate risks and is among the ten most vulnerable in the world (UNICEF, 2021). High exposure to the consequences of climate change and natural events, such as hurricanes and earthquakes, has increased food insecurity and hunger in recent years (UNICEF; World Bank, 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, particularly against extreme poverty. Such transfers, by helping families meet their 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 them, both in Guatemala and in Latin America in general. Does public opinion support cash transfers? Based on a nationally representative telephone survey conducted in June 2022, this policy brief contributes to filling this gap<sup>3</sup>.

The source is the 2014 ENCOVI survey adjusted with the population growth projection to 2022.

The survey was conducted between May 3<sup>rd</sup> and May 22<sup>nd</sup> by Asíes, Asociación de Investigación y Estudios Sociales, and included 1503 respondents aged 18 and older. The appendix summarizes the sociodemographic characteristics of the nationwide sample.

### CURRENT GOVERNMENT POLICY

The first national conditional cash transfer program aimed at children was created in 2008 under the name "Mi familia progresa" (ECLAC, 2022). It was renamed "Mi Bono Seguro" in 2012 and "Bono Social" in 2020. From higher coverage rates ten years ago (ECLAC estimates that 29% of the population was covered in 2012), coverage dropped to 5.5% in 2017 and to 4.4% of children and adolescents in poverty in 2019 and represented just 0.4% of GDP (UNICEF and World Bank, 2022; ECLAC, 2021). Each transfer was equivalent to USD 65 (500 quetzales) (ECLAC, 2023) and, on average, a family received five transfers per year (UNICEF, 2021).

During the Covid-19 pandemic, the government made a significant effort to provide cash and food assistance to vulnerable households. At the end of March 2020, Guatemala announced the creation of the Bono Familia, an emergency cash transfer targeted to the population most economically affected by the pandemic and its fallout, and whose electricity consumption in February 2020 was less than or equal to 200kWh (CIEN, 2020; Martínez Franzoni and Sánchez-Ancochea, 2022). In addition, low-income households without electricity service were included (CIEN, 2020).

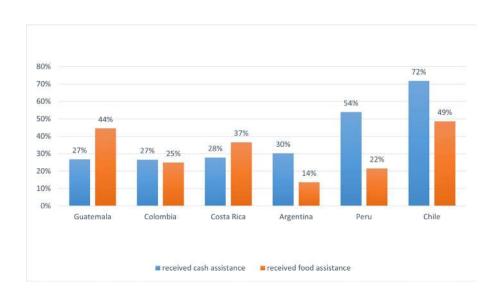
Bono Familia reached 2.7 million households (one third of all people under the poverty line) with up to three transfers per household of USD 130 each (Martínez Franzoni and Sánchez-Ancochea, 2022). This coverage represented a more than 20-fold increase compared to existing cash transfer coverage. Given the low social spending in the country before the pandemic (7.6% of GDP according to ECLAC's estimate), the rapid deployment of such a massive program was very important in cushioning the effects of the pandemic and in avoiding a more pronounced increase in poverty (UNICEF and World Bank, 2022). A recent study conducted among the recipient population at the behest of UNICEF and the World Bank reconstructs in detail the strengths and challenges

faced by recipients under this important program (CID-GALLUP, 2022a; 2022b).

The Guatemalan government also made a significant effort to provide food assistance (Martínez Franzoni and Sánchez-Ancochea, 2022). Figure 1 shows whether respondents or their households received cash or food assistance from the government during the two years of the pandemic (between May 2020 and May 2022, the date of the survey), comparing Guatemala with the other countries analyzed.

In Guatemala, 27% of respondents said that they or someone in their household had received some type of cash assistance from the government in the past two years, and 44% said they had received food assistance. In terms of food assistance, Guatemala ranks second after Chile (49%). In terms of cash transfers, the coverage recorded in the survey is 27%, the same as in Colombia (27%) and Costa Rica (28%), and close to that of Argentina (30%), a noteworthy result given the low coverage of cash transfers prior to the pandemic. It should be noted, however, that the survey did not inquire about the frequency or adequacy of the transfers.

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



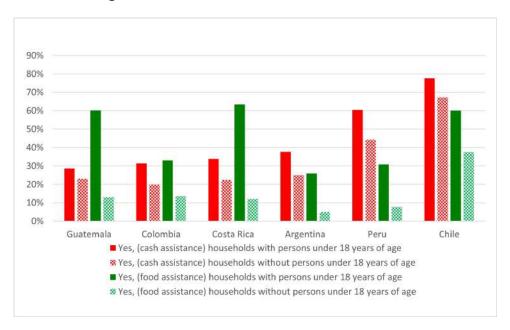
**Source:** Own elaboration based on data from the Covid survey, families and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala and Peru, 2022.

Figure 2 shows the extent of government cash and food assistance to households according to whether or not they had members under 18 years of age. The data indicate that in Guatemala, along with the rest of the countries, households with children reported a higher probability of receiving cash and food assistance than households without children. In Guatemala, living in a

household with children increased the probability of having received cash assistance from the government from 23% (without children) to almost 29% (with children). In the case of food transfers, the difference is even more marked, as 60% of households with children received food aid, compared to only 13% of households without children or adolescents<sup>4</sup>.

This reflects the continuity of food transfers through PTAs that brought food house-to-house, with an increase in coverage of 2.8% during 2020 (UNICEF, 2021).

**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 the COVID survey, families and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala and Peru, 2022.

Emergency assistance only lasted through 2020. Meanwhile, the conditional cash transfer program for children and adolescents lost ground: in 2021, the Bono Social reached less than 3% of children and adolescents in poverty (1.14 percentage points less than before the pandemic) (UNICEF, 2021)<sup>5-6</sup>.

In terms of adequacy, the Bono Social was equivalent to about half of the extreme poverty line per capita<sup>7</sup>. In August 2022, the value of the basic food basket per person was USD 95 (3539 quetzales divided by 4.77 persons per household, given that a maximum of one voucher per household was granted) (ECLAC, 2021; UNICEF, 2021; INE, 2022). Social spending

directed to children and adolescents in Guatemala is far below the needs of the population, with a percentage between 3.3 and 3.8% of GDP, far from the 7.5% of investment that UNICEF considers necessary "to achieve significant results" (UNICEF, 2021).

Based on the UNICEF and World Bank estimate of Bono Social coverage in 2018 and 2021 (126,000 and 100,000, respectively) and the projection of population and population in poverty by age group in 2021 from the National Institute of Statistics of Guatemala based on the FNAHO 2014

On a positive note, with the support of UNICEF and the World Bank, the Guatemalan government took steps to have an information system for the identification of recipients (MIDES, 2022).

In Guatemala, a consumption-based poverty line method is used. The extreme poverty line is defined as the cost of acquiring the minimum 2172 calories recommended, using the consumption basket of people observed in the survey. The poverty line includes an additional amount that corresponds to the percentage of non-food consumption of people whose food consumption is around the extreme poverty line (Ministerio de Desarrollo/OPHI, 2018).

3.

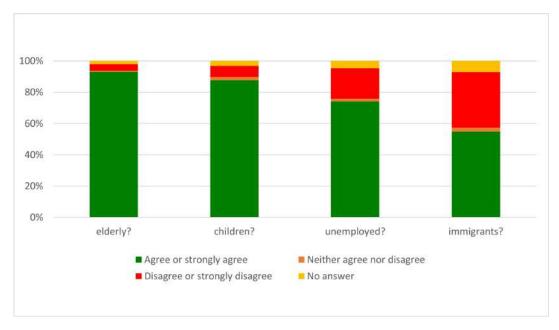
# PUBLIC OPINION ON CASH TRANSFERS FOR CHILDREN AND ADOLESCENTS

The survey asked whether cash transfers should be a right. A high 79% of those surveyed agreed with the statement, indicating that a strong majority supports the existence of a 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 that the respondents overwhelmingly support cash transfer programs for the elderly (93%) and for children (88%). A large majority also support transfers to the unemployed (74%). As for immigrants, the majority opinion remains favorable but divided: 55% are in favor of transfers to this group, while 36% are opposed (7% do not answer).

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



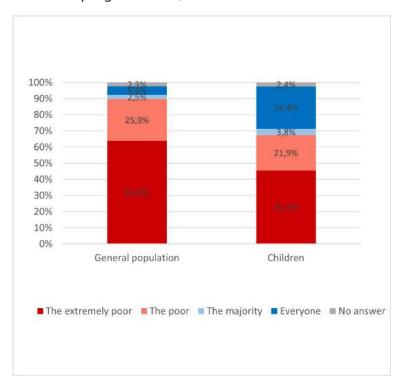
**Source:** Own elaboration based on data from the Covid survey, families and social programs in Argentina, Chile, Colombia, Costa Rica, Guatemala and Peru, 2022.

#### 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 this group than for the general population. A slight majority (almost 52%) supports the provision of cash transfers to at least all children in poverty,

while 45.5% are in favor of restricting them to those in extreme poverty. Of note is the 26% in favor of a universal transfer to children and adolescents. For the general population, almost 64% of those surveyed support restricting them to those in extreme poverty.

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



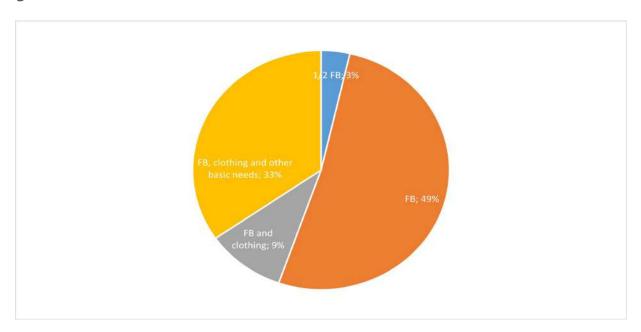
**Source:** Own elaboration based on data from the Covid survey, families and social programs, Guatemala case, 2022.

## 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 very concrete options that form a scale from less to greater adequacy in the amounts. These options include a transfer that is equivalent to: (i) half of a basic food basket<sup>8</sup>, (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, 49%; a FB and clothing, 9%; and a FB, clothing and other basic needs, 33%), an overwhelming majority (91%), believe that, if the government were to make such cash transfers available, they should cover at least the value of a basic food basket. Only three percent would set the value at half the value of a food basket and thus half the extreme poverty line. Six percent did not answer the question.

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, Guatemala case, 2022.

<sup>8</sup> The extreme poverty line is calculated based on 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 and scope than the one that currently exists in Guatemala. Four out of five people think that cash transfers should be a right, and an overwhelming majority (91%) support a value of the transfers to cover at least the basic food basket.

According to the latest available data, the current program reaches 263,403 children and adolescents (ECLAC, 2021), while 4.7 million children and adolescents live in poverty (68% of all children and adolescents) and 2 million live in extreme poverty (29% of all children and adolescents). A slight majority (52%) agrees that transfers should reach at least all children in poverty, while almost half (45.5%) would restrict them to children in extreme poverty. Either of these two scenarios would mean an expansion of between 10 and 30 times the coverage in the current program (ECLAC, 2021). Based on this public support, the government could build the political space to achieve a significant increase in the coverage and adequacy of cash transfers for children and adolescents.

If every child and adolescent living in poverty were to receive a monthly amount equivalent to a basic food basket, this would mean allocating 7.5% of GDP<sup>9</sup> to cash transfers (precisely the minimum level of social spending recommended by UNICEF for children and adolescents in Guatemala) (UNICEF, 2021). This reflects the combination

of the high population weight of children and adolescents in the Guatemalan population, combined with the very high proportion of these children and adolescents who live in poverty. Given that cash transfers to children and adolescents currently account for 0.03% of GDP, the additional amount would be 7.47% of GDP.

In 2022, both UNICEF and the World Bank argued for "the need to expand the coverage of cash transfers to protect the population in poverty and extreme poverty, particularly children and adolescents" (UNICEF and World Bank, 2022, p. 13). This would require a massive, but necessary and feasible, increase in the budget, which starts from a very low level of social spending (7.4% in 2021, the lowest in Central America and the second lowest in Latin America)<sup>10</sup>.

The national survey demonstrates that such an expansion in the scope of social protection would be supported by public opinion, as well as be consistent with the evidence regarding the overwhelming effectiveness of these programs in improving the welfare and human capital of children and adolescents.

The cost of basic food basket per person in August 2022, close to the time of the survey, was USD 95.5. At that time, there were 4,741,252 children and adolescents living in poverty. Multiplying the cost of a food basket per child in poverty by 12 months yielded the total amount of resources needed, USD 5,431.1 million. The gross domestic product in 2022 was USD 72.42 billion, so the estimated required funding is equivalent to 7.5% of GDP. Micro data could not be used because the number of children and adolescents receiving vouchers in the ENAHO is very small compared to the administrative data.

<sup>10</sup> CEPALSTATS; Economic Commission for Latin America and the Caribbean (ECLAC); United Nations.

#### Characteristics of the sample in Guatemala

Number of people interviewed between May 3rd and May 22nd, 2022: 1503

Margin of error: +/- 3%

Gender	
Woman	52%
Men	47%
Age	
18 to 24 years	24%
25 to 34 years	25%
35 to 44 years	19%
45 to 54 years	13%
55 to 64 years	9%
65 years and older	9%
Occupation	
Works	49%
Works and studies	3%
Retired	2%
Unemployed	6%
Only studies	3%
Dedicated to unpaid domestic work	35%
Does not study, or engage in paid or unpaid domestic work	2%
Education	
No education or incomplete primary	41%
Completed primary or incomplete secondary	24%
Secondary school complete	14%
Incomplete or complete technical	11%
Incomplete or complete university	7%
Household composition	
Without presence of children under the age of 15 years	38%
With presence of minors under the age of 15 years	62%
Without the presence of older adults	59%
With presence of older adults	41%
Source: National telephone survey, GIGA-UCR with the support of the German Research Foundation; by Datavoz.	

#### BIBLIOGRAPHY

Bastagli, F.; Hagen-Zanker, J.; Harman, L.; Barca, V.; Sturge, G.; Schmidt, T. y Pellerano, W. L. (2016). *Cash transfers: what does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*. Londres: Overseas Development Institute.

Berens, A. E. y Nelson, C. (2019). Neurobiology of fetal and infant development: Implications for infant mental health. En C. H. (Ed.), *Handbook of Infant Mental Health* (pp. 41-53). Nueva York: Guilford Press.

Black, M.; Walker, S.; L.C.H. Fernald, C. A.; DiGirolamo, A.; Lu, C.; McCoy, D., . . . Grantham-McGregor, S. (2017). Early childhood development coming of agescience through the life course. *The Lancet*, *389*(10064), 77-90.

Cecchini, S.; Villatoro, P. y Mancero, X. (2021). The impact of non-contributory cash transfers on poverty in Latin America. *Revista de la CEPAL, 134, 7-32*.

CEPAL. (2021a). Bono Social (ex Mi Bono Seguro) (2012-). Base de datos de programas de protección social no contributiva en América Latina y el Caribe. https://dds.cepal.org/bpsnc/programa?id=56.

CEPAL. (2021b). *Bono Social: cifras seleccionadas*. https://dds.cepal.org/bpsnc/programa?id=56.

CEPAL. (2021c). *Panorama Social de América Latina y el Caribe*. Santiago: CEPAL.

CEPAL. (2023). CEPALSTATS; Comisión Económica para América Latina y el Caribe - CEPAL; Naciones Unidas, <a href="https://statistics.cepal.org/portal/cepalstat/index.">https://statistics.cepal.org/portal/cepalstat/index.</a> <a href="https://statistics.cepal.org/portal/cepalstat/index.">httml?lang=es</a>

CIEN. (2020). *Análisis del Fondo Bono Familia*. Guatemala: CIEN.

CID-Gallup. (2022a). Encuesta sobre la experiencia del beneficiario del programa "Bono Familia". UNICEF, Banco Mundial.

CID-Gallup. (2022b). *Experiencia del beneficiario del programa "Bono Familia"*. UNICEF, Banco Mundial.

ECLAC. (2022). Base de datos de programas de protección social no contributiva en América Latina y el Caribe.

Fernald, L.; Gertler, P. J. y Neufeld, L. M. (2008). Role of cash in conditional cash transfer programmes for child health, growth, and development: an analysis of Mexico's Oportunidades. *The Lancet*, *371*(9615), 828-837.

ICEFI. (2020). Reactivar la economía protegiendo a las personas. *Documentos para el diálogo fiscal.INE* (2022). Canasta Básica Alimentaria (CBA) y Ampliada (CA) Agosto de 2022. Guatemala: Instituto Nacional de Estadística de Guatemala.

Ministerio de Desarrollo/OPHI. (2018). Índice de pobreza multidimensional Guatemala. Ministerio de Desarrollo Social y Iniciativa sobre la Pobreza y Desarrollo Humano de Oxford. <a href="https://mppn.org/wp-content/uploads/2019/10/Guatemala-Report-IPM-gt-29jul19-v1.1.pdf">https://mppn.org/wp-content/uploads/2019/10/Guatemala-Report-IPM-gt-29jul19-v1.1.pdf</a>

Jensen, S. K.; Berens, A. y Nelson, C. (2017). Effects of poverty on interacting biological systems underlying child development. *The Lancet Child & Adolescent Health*, *1*(3), 225-239.

Lentini, V.; Lentini, V.; Robalino, J.; Oviedo, L.; Paredes, S.; Venegas, A. y Barrantes, C. (2022). *SABEN*. San José.

Martínez Franzoni, J. y Sánchez-Ancochea, D. (2022). ¿Puede la COVID-19 avanzar la política social inclusiva? Las transferencias monetarias de emergencia en Centroamérica. *Documentos de Trabajo, Fundación Carolina*, p. 40.

Martínez Franzoni, J. y Sánchez-Ancochea, D. (2023). La pandemia y sus narrativas acerca de la política social en Costa Rica: Historia de una (breve) oportunidad. *Revista de la CEPAL*.

MIDES. (2022). Institucionalizan Sistema de Información del Bono Social. https://prensa.gob.gt/comunicado/institucionalizan-sistema-de-informacion-del-bono-social

Oviedo, L. Á. (2021). Estimación de reducción de pobreza por intervención de programas sociales de emergencia durante la pandemia.

Pacheco, J. F. (2022). Impacto financiero de la regla fiscal y las medidas de racionalización de gasto de inversión educativa y los programas de equidad del MEP. San José: Documento por publicar preparado para el Informe Estado de la Educación 2023, Programa Estado de la Nación del Consejo Nacional de Rectores.

Palomo, N.; Faulbaum, L. V.; Machado, A. C.; Rolon, C.; Soares, F. V.; Rubio, M., . . . Escaroz, G. (2022). *Protección social y respuesta al COVID-19 en América Latina y el Caribe: Innovaciones en los sistemas de registro y pago.* Brasilia y Ciudad de Panamá: IPC, UNICEF.

Programa Estado de la Nación. (2021). *Informe del Estado de la Nación*. San José: CONARE, Consejo Nacional de Rectores.

Save the Children. (2018). *The Role of Cash Transfers in Improving Child Outcomes*. Londres: Save the Children.

UNICEF y Save the Children. (2020). *Children in monetary poor households and COVID-19: Technical Note UNICEF and Save the Children*. <a href="https://bit.ly/3GpfiqR">https://bit.ly/3GpfiqR</a>

UNICEF y Banco Mundial. (2022). *Programa Bono Familia «Innovación y Lecciones Aprendidas para la Protección Social»*. Guatemala: UNICEF y Banco Mundial.

UNICEF. (2017). *Making Cash Transfers Work for Children and Families*. Child Poverty and Social Protection.

Nueva York: UNICEF.

UNICEF. (2020). *COVID-19 presiona particularmente a hogares con niños, revela encuesta ENCOVID19 Infancia.* <a href="https://www.unicef.org/mexico/comunicados-prensa/covid-19-presiona-particularmente-hogares-con-ni%C3%B1os-revela-encuesta-encovid19">https://www.unicef.org/mexico/comunicados-prensa/covid-19-presiona-particularmente-hogares-con-ni%C3%B1os-revela-encuesta-encovid19</a>

UNICEF. (2021). 3 de cada 5 niños y niñas que perdieron un año escolar en el mundo durante la pandemia viven en América Latina y el Caribe. https://uni.cf/3dwlmRD

UNICEF. (2021). *Draft country programme document*. E/ICEF/2021/P/L.24.

UNICEF. (2021). *Country Office Annual Report 2021: Guatemala*. Guatemala: UNICEF.

UNICEF. (2022). Country Office Annual Report 2021: Costa Rica. San José: UNICEF.

World Bank. (2020a). *Datos*. Consultado el 4 de Octubre, 2022, en Estimaciones del personal del Banco Mundial sobre la base de la distribución por edades/sexo de las Previsiones Demográficas Mundiales de la División de Población de las Naciones Unidas. <a href="https://datos.bancomundial.org/indicator/SP.POP.0014.TO.ZS">https://datos.bancomundial.org/indicator/SP.POP.0014.TO.ZS</a>

World Bank. (2020b). *Población entr 0 y 14 años de edad* (% del total), Guatemala. <a href="https://datos.bancomundial.org/indicador/SP.POP.0014.TO.ZS?name\_desc=false&locations=GT">https://datos.bancomundial.org/indicador/SP.POP.0014.TO.ZS?name\_desc=false&locations=GT</a>

