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Targeting in Colombia: Political and Conceptual Framework



- Policy framework: The National Development Plan 2010 – 2014
“Prosperity for everyone”
 - Social protection and social promotion systems
 - Channels for poverty reduction

- Sisben’s III Conceptual framework



- **Policy's framework : National Development Plan 2010 – 2014
“Prosperity for everyone”**
 - Social protection and social promotion systems
 - Channels for poverty reduction

- Conceptual framework of the targeting tool: From mean proxy tests to multidimensional life standard indicators



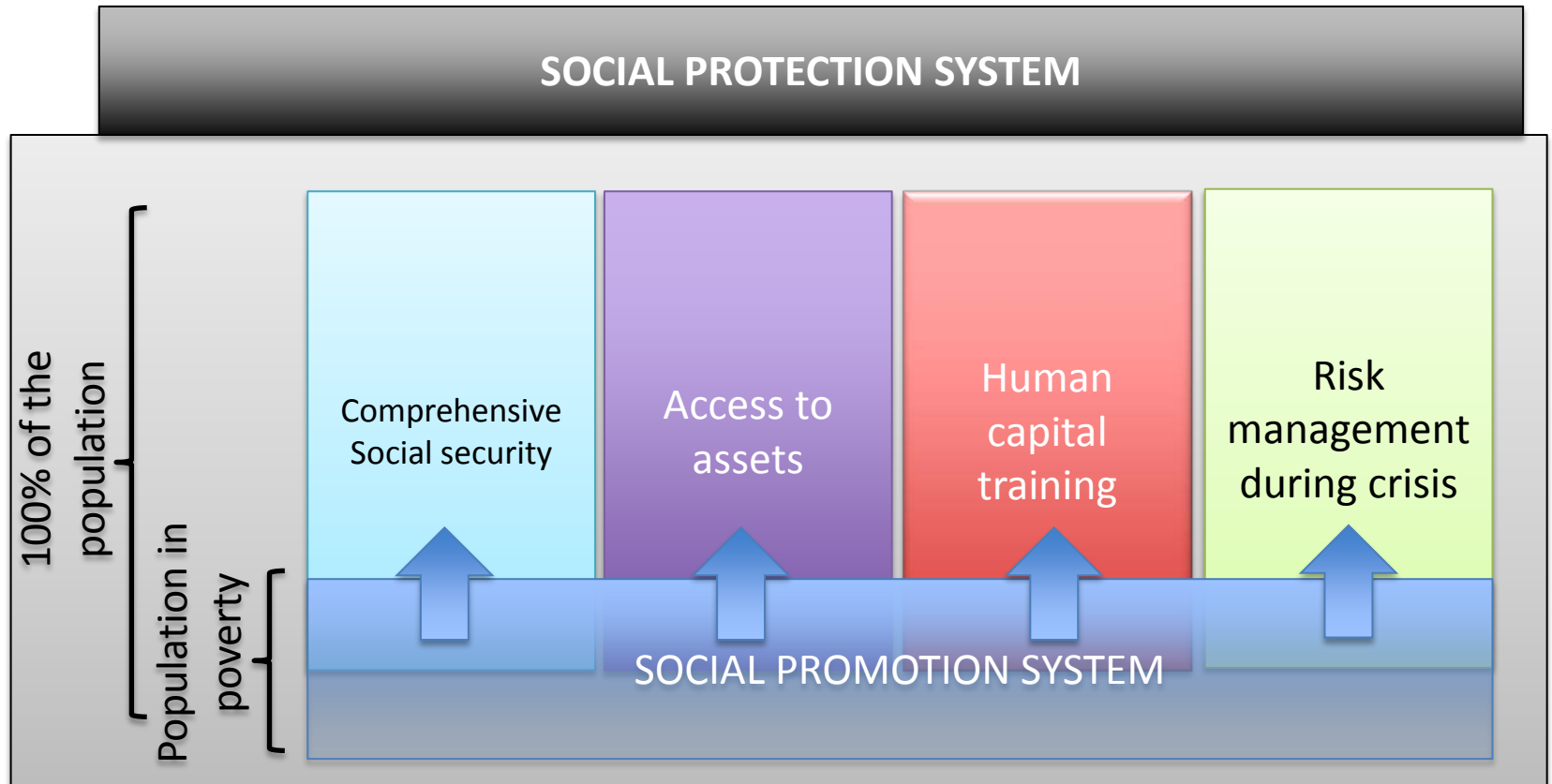
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National Development Plan: Equal opportunities for Social Prosperity

“One of the necessary conditions to reduce poverty levels and inequality is to guarantee the functioning of the Social Protection System that includes three main components: (i) comprehensive social security, health, professional risks and protection to the unemployed, (ii) social promotion, and (iii) policies and programs for human capital training. These components complement each other with conjunction mechanisms to understand vulnerable groups under crisis situations, also tools that gives the population the possibility to access physical and financial assets.”



National Development Plan: Equal opportunities for Social Prosperity

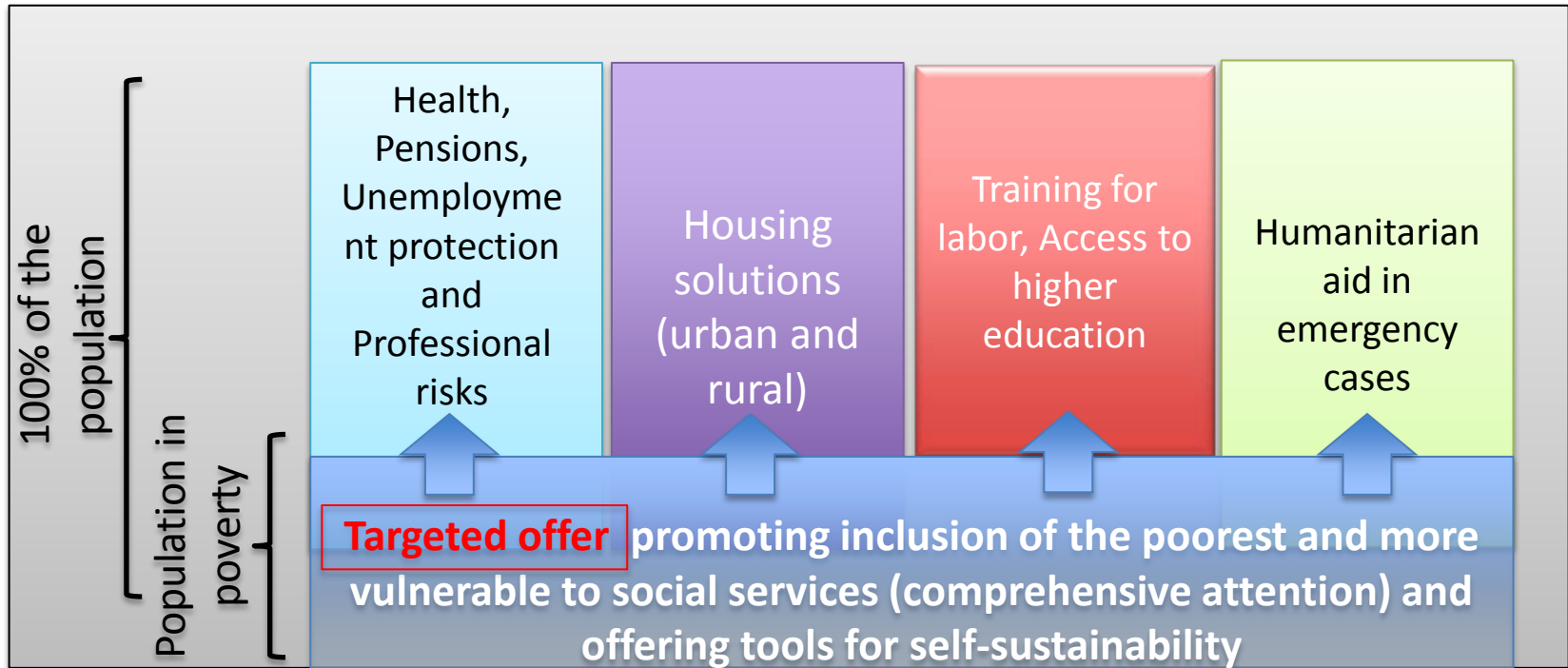


Source: PND. 2010 - 2014



Programs in the framework of the system of social protection.....

SOCIAL PROTECTION SYSTEM





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In order to reduce poverty in the context of the social protection and promotion system, and in general within the policy for development, the PND defines two channels.....



One of the three pillars of the National Development Plan (2010 – 2014) is poverty reduction

Indirect Channel

Growth

Increase income

Poverty Income– Extreme
Poverty Income- Gini

Direct Channel

Guarantee basic services
(Social Protection)

Health, education, housing, etc.



Source: Bhagwati



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The direct channel demands the implementation of **targeting processes**. It is required to identify which will be the beneficiaries from these interventions.....



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In Colombia two focus types are mainly used



Geographic Focus

For infrastructure and public utilities programs



Individual Focus

For programs that require the delivery of subsidies on demand (like health and education)

Social-economic stratification





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In Colombia two target types are mainly used



Geographic Targeting

For infrastructure and public utilities programs

Social-economic stratification



Individual Targeting

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What is the conceptual framework of targeting and Sisben III as an individual focus instrument?



Targeting and universalization are not conceived to be exclusive

- Contrary to what people think it is, targeting and universalization are not excluding. One facilitates the attainment of the other. “Universalization is not an alternate option, the way to reach it is through focusing on those who are the most deprived, with proper mechanisms that allows responding to exclusion and overcoming it.” (DNP, CONPES Social 100, pp. 2)
- CONPES Social defines targeting as “an instrument of resource allocation that intends to direct social expenditure towards the sectors of the population that needs it the most in order to maximize its social impact, (...) it is an instrument to fight against poverty and inequality.” (DNP, CONPES Social 100, pp. 2).
- Targeting can not be aimed at reducing the total amount of individuals in poverty but also to reduce the intensity of it, giving priority to those who are the furthest from the dignity threshold stated by society.



- This requires to organize the populous by poverty condition (or well being) beyond just identifying a poor group of people within the population.

- **As a result:**

The focusing process is defined in three moments (DNP, 2006, Pp. 8-14):

1. **Identification:** *“this has to do with the traits of the instrument used to select the beneficiaries”*
2. **Selection:** related to *“the selection of the cutoff criteria that defines the beginning or end of a program”*
3. **Allocation:** *“Consists on the design of the subsidy and its delivery process”*



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**How does this process work in
Colombia's targeting framework process?**



Identification

Select an instrument to mediate life conditions of the population (Sisbén, Social economic stratification, category criteria – displacement victims, indigenous population)

“The ruler is chosen to assess life conditions”



- ✓ Sisben's score goes from 0 to 100 points
- ✓ The higher the score the better life conditions are



Selection

Define the criteria to select beneficiaries: for Sisben, the highest score to enter a program

“Maximum height to enter a program”



In subsidized regime:

In large cities people with score under 54.86



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Allocation

Define the type of beneficiary (monetary or in-kind), its regularity and temporality, as also the ending criteria

Monetary



In-kind



Free access to education



- Policy's framework: The National Development Plan 2010 – 2014
“Prosperity for everyone”
 - ❖ The social promotion and social protection systems
 - ❖ Channels for poverty reduction

- **Conceptual framework of the targeting instrument: From proxy mean tests to multidimensional life standard indicators**



Sisbén III Conceptual framework

Responds to a **multidimensional concept of poverty**
(Sisbén II)

Includes elements of the populations vulnerability conditions

Sisbén III = Life Standard Index

- Directly **measures** the type of life people live (or could live)
- **It is not** a resource approximation index (proxy means test)
- **It is not** an indirect measurement of the amount of goods or income level



Other countries use the *proxy means test as the targeting instrument*:

- **Perú** (Household Targeting System - SISFOH), **Chile** (Social Protection Card), Ecuador (Social Registry Index), **Costa Rica** (Target Population System -SIPO), among others.
- Focusing on *household, utilities, education and asset holding*



Why life standard in Colombia? (1)

Theoretical considerations:

- Income (or its proxy) is an insufficient parameter to compare people (Sen).
- The transformation of resources into well being depends on the personal and contextual traits.



Why life standard in Colombia? (2)

- **The concept of life standard** allows the definition of a set of variables (goods and services) that society consider valuable and that “informs us about **attainments and capacities**” - Cortés et. al. (2000)
- Life standard does not depend on the quantity of goods or income level, but to the attainments (functioning) and capacities. What characterizes life standard are the different things that a person can be or do with the goods they possess.



Why life standard in Colombia? (3)

- Individual and contextual vulnerability have to be taken into account. The transformation of goods and resources into the ability to perform certain objectives can differ due to the personal traits or the natural and social environments.
- Differences in personal traits, differences in the achievement of certain functioning (necessities of elders and children, maternity or disability)



Why life standard in Colombia? (4)

Practical considerations:

- Colombia uses the Sisben to identify potential beneficiaries to additional programs of Monetary Transfers.
- Interest is not focused only on the identification of who requires a complement in their income.
- It is required in other areas: childhood, adolescence, older adult, household, training programs, etc.



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Thank you!



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