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The logo for the International Institute of Social Studies, featuring the word "Erasmus" in a stylized, cursive script.

**COORDINATION AND IMPLEMENTATION OF ANTI-  
POVERTY STRATEGIES**

**THE CASE OF PARAGUAY**

A Research Paper presented by:

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This document represents part of the author's study programme while at the Institute of Social Studies. The views stated therein are those of the author and not necessarily those of the Institute.

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## List of Acronyms

CCT	Conditional Cash Transfers
DIBEN	Directorate of Beneficence and Social Action
ENALP	National Strategy to Combat Poverty
EPH	National Households Survey
ICV	Quality Life Index
IGP	Geographical Priority Index
IIGC	International Institute of Governance of Catalonia
IMF	International Monetary Found
INDERT	National Institute of Rural and Land Development
INDI	National Indigenous Institute
MDG	Millennium Development Goals
MH	Ministry of Finance
MM	Ministry of Woman
NPM	New Public Management
OAS	Organization of American States
PIEPE	Structural Innovation Project of the Executive Branch
PMAF	Project for Modernization and Mechanization of Family Farming
POI	Institutional Operational Plans
PPDS	Public Policy for Social Development
PRPS	Poverty Reduction Strategies Papers
PSIA	Poverty and Social Impact Analysis
SAS	Secretariat of Social Action
SEN	National Emergency Secretariat
SENADIS	National Secretariat for the Human Rights of Persons with Disabilities
SENAVITAT	National Secretariat of Housing and Habitat
SIIS	Integrated Social Information System
SNJ	National Secretariat of the Youth
SNNA	National Secretariat for Children and Adolescents
SO	Sembrando Oportunidades
STP	Ministry of Planning
UN	United Nations
UNDP	United Nations Development Programme
UTGS	Social Cabinet Technical Unit),
WB	World Bank

## Abstract

This research paper analyzes the issue of governance in relation to Poverty Reduction Strategies. The focus is on the Paraguayan Political-Institutional framework within which poverty reduction strategies are implemented. Since the year 2003 the Paraguayan government has designed and implemented three different Poverty Reduction Strategy Papers<sup>1</sup> (ENALP 2003-2008 period. PPDS 2008-2013 and currently the “Sembrando Oportunidades” Program 2013-2018) with different rates of poverty reduction but with the same (more or less) institutional framework. The focus of the research is not on the outcomes of the Poverty Reduction Strategies, but on the results of the interaction between the coordination scheme and the institutional framework for the implementation of these strategies. This aspect of governance, has important implications for the success or failure of these anti-poverty strategies. In this study I will analyze: a) how is composed the institutional framework at the coordination and implementation level of the SO Program b) how the different government agencies interact, coordinate, and implement the programs in the anti-poverty strategy and c) examine the resource allocation among these institutions and its impacts in the implementation of the PRSP.

## Keywords

Coordination, Institutions, Governance, Fragmentation, Coherence, Integrity, Intersectoriality

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<sup>1</sup> For the purposes of this research, only the PRSPs of the governments legitimately constituted through the popular vote are considered as objective of study

# Chapter 1

## Introduction

Something that always caught my attention, since my early days as a student of Political Science, was how complex and intertwined are the social problems that we have to face as a country and as a State. Every action that is executed from a sectorial Ministry or Secretariat, if it is not accompanied by other complementary interventions (even if it is from a totally different sector), are destined to fail, regardless of whether that particular intervention was *successful* in terms of “bureaucratic execution”. If the state intervention is not delivered in an integral and coordinated way, for the final beneficiary it represents a great failure that affects him directly to his/her chances to survive. That’s why I found in Coordination of Anti-poverty strategies my area of interest and practice since I started working as a Public officer, some years ago. This study examines the issue of governance, specifically coordination and fragmentation, in relation to Poverty Reduction Strategies through the case of the Paraguayan Political-Institutional framework within which poverty reduction strategies are implemented

### Statement of the problem

The majority of the academic literature available on poverty reduction strategies is more focused on the macro view of the political economy in social policy (Bonvecchi et al. 2015), assessments on states performance (OECD 2016), challenges in coordination of social policies (Bronzo and Repetto 2015). Referring to Paraguay, there are some reviews of the state performance as a whole (IIGC 2003, Abente et al. 2007), analysis that are more concentrated in areas like poverty and economic growth (Morley and Vos 1997) privatization, democracy or institutional reforms with a more economic approach rather than a social (Richards 2007, Nickson 2007). Also, the design and outcomes of the PRSPs are constantly reviewed by international agencies like WB (2004A,2004B, 2010), IMF<sup>2</sup> or by academics like Galeano (2005), Serafini (2013), Gallardo and Raufflet (2014), among others.

Since the appearance of the PRSP strategies in the 90’s as a tool to combine efficiency and efficacy in the state action against poverty, scholars have critically reviewed this instrument from different angles: Holmes and Evans (2003) and Dijkstra (2005) had pointed that the excessive concentration in the fiscal discipline, budgetary management and the lack of ownership of the local institutions represents an obstacle to the achievement of poverty reduction objectives. Lavinás criticized the approach of the anti-poverty strategies that have suffered a major turn from the (incomplete) universal social protection schemes of the last decades, towards an excessive targeted approach that undermines *the capacity to provide decommodified goods and services and generates patterns of segregation, privatization and reinforces the social stigma of poverty* (2015:112).

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<sup>2</sup> <http://www.imf.org/external/np/prsp/prsp.aspx>

In the same line but in a broader perspective, criticism has been made against the *deflationary bias* produced by the macroeconomic policies of adjustments (Elson and Cagatay 2000) and Rocha argues that *Social and economic policies should be designed and implemented with a view to strengthening the resources of the poor, instead of taking them for granted* (2007:62) in direct allusion against the myth of survival of the poor in the context of neoliberal reforms.

From the feminist critique, Sylvia Chant discusses that *the construct of the 'feminization of poverty' has helped to give gender an increasingly prominent place within international discourses on poverty and poverty reduction* (2008:165), but instead of balancing the responsibilities in the social reproduction sphere, empower women, granting their access to education, health or justice services, the implication of the “feminization of poverty” with the targeted interventions and the co-responsibilities has just increased the burden of coping with poverty in their households adding more obligations on women shoulders rather than to alleviate their over-utilized time spend in reproductive labors. The studies mentioned above have focused mainly on the outcomes of various anti-poverty and social protection interventions.

This research paper aims to contribute to the discussions on failure or success of poverty reduction strategies by focusing on the institutional-side by analyzing the dynamics of coordination and provision in the specific sector of poverty reduction programs and the agencies involved in the delivery of goods and services among the most vulnerable population in Paraguay.

The first chapter presents an overall introduction, a quick overview of the Paraguayan socio-economic context followed by a historical recap of the anti-poverty strategies, the evolution of poverty rates and finally the research objective and research questions are explained. The second chapter is dedicated to the conceptual framework. In the third chapter is presented the methodology used for this study. Chapters fourth and five are dedicated to the Analysis and finally, in chapter six is presented the conclusion.

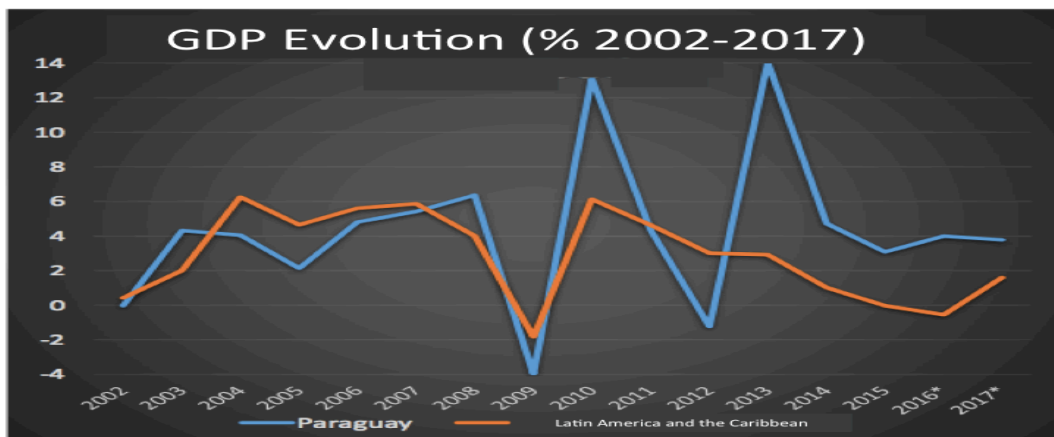


## Paraguayan socio-economic context

Paraguay located in the heart of South America, isolated by nature, is a small country with a population of less than 7 million people. It has been always characterized by an agricultural-based economy with slow rates of growth during the 20<sup>th</sup> century and a consequent high rate of poverty and inequality, making Paraguay remain among the lowest levels of human development in Latin America (UNDP 2016).

But this gloomy picture has been changed since the early years of the second millennium, boosted by the high prices of the commodities produced in Paraguay like: Soybean derivatives (grains, oil), bovine meat, corn, in the recent years' rice and electric energy from the two bi-national dams Itaipu (shared with Brazil) and Yacyretá (shared with Argentina). Paraguay is achieving a remarkable economic growth (5% in average per year, by the last decade) becoming one of the strongest macroeconomics in Latin America, as we can see on Figure 1

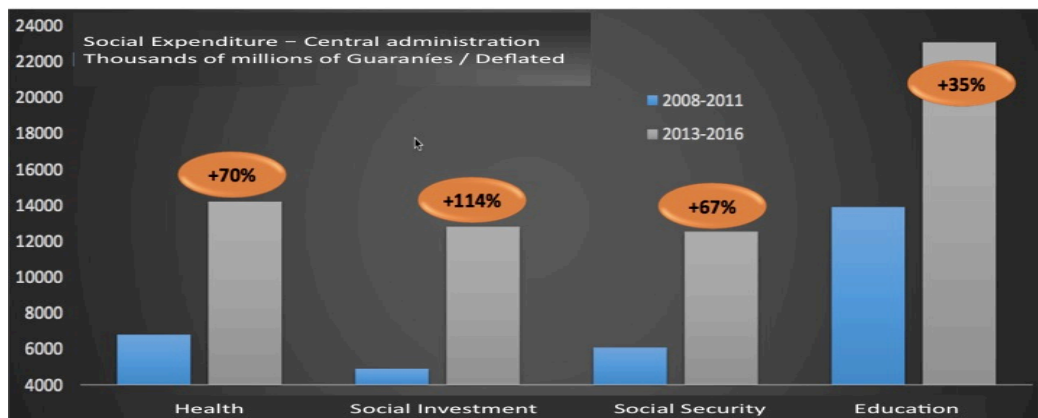
Figure 1 GDP Evolution 2002-2017



\*Estimations/Source: Ministry of Finance Paraguay – 2016

At the same time, since the year 2013 there has been a rise in the social expenditure in comparison with the years 2008 – 2011, especially in the areas of Social investment (housing, CCT, elderly pensions, attention to disabled population, among others), Health and Education as we can see in Figure 2.

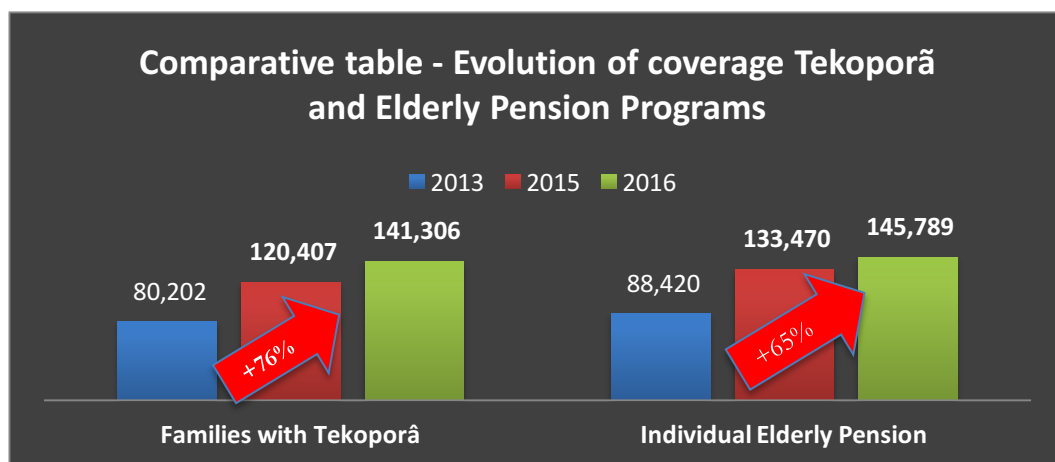
Figure 2 Evolution of Social Expenditure 2008-2016



Source: Ministry of Finance Paraguay – 2016

Accompanying these increases, Figure 3 shows the expansion in coverage of the main social protection programs Tekoporã – CCT with 76% more families and 65% more seniors receiving the Elderly pension between the years 2013 to 2016.

Figure 3 Evolution of Coverage CCT-Tekoporã & Elderly Pension Program 2013-2016



Source: Secretariat of Social Action (SAS) 2017 and Ministry of Finance (2017)

### The evolution of antipoverty strategies in Paraguay

The Paraguayan state since the year 2003, with the help and advice of important international agencies as WB and UN, has designed, coordinated and implemented three different Poverty Reduction Strategies:

The first was between 2003 – 2008 ENALP (in Spanish National Strategy to Combat Poverty) Government of Nicanor Duarte F.

This is the pioneer document that serves as a basic guideline in order to coordinate the actions of the Paraguayan State to meet the national priorities and international commitments in order to allow the optimization of resources aimed at reducing poverty and inequality, using the figure of the Social Cabinet as a space for coordination of the public interventions, coordinated by the DIPLANP (Department of the Plan for the National Strategy to Combat Poverty and Social Exclusion). It includes a focalized approach of protection and promotion of the most vulnerable population. It looks poverty as Multidimensional phenomenon referring to it as the *set of shortcomings and limitations that have a negative impact on the living conditions of individuals and social groups. This is basically in terms of deprivation of basic needs (food, health, education, drinking water, health and energy services, clothing, etc.) due to lack of income or capacity or of material and social assets* (GS 2006:11). It adopted as instruments the Geographical Priority Index (IGP) and the Quality of Life Index (ICV) applied through a “Family File”. The actions of the Paraguayan State are divided into three main axes: Social protection, Social promotion and Economic inclusion.

The second strategy was between 2010 – 2020 PPDS (Public Policy for Social Development) Government of Fernando Lugo.

This document uses as a base the concepts and instruments established in the ENALP document. The PPDS sets a dynamic and inclusive human, cultural and social development approach that commits, guides and articulates all the institutions

that make up the Social Cabinet (Coordinated by a new organization: the UTGS - Social Cabinet Technical Unit), in the quest to achieve greater efficiency, efficiency and transparency in the actions of the State for the social area. In order to integrate the various decisions and actions of the government within an overall vision and with a clear long-term perspective, it presents a general vision emphasizing the rights approach and the search for equity, through the promotion of a development model that generates social cohesion and cultural and economic inclusion, establishing the bases for a future System of Social protection called “Sasõ Pyahu”.

Within this framework, the national objectives are proposed in three axes: Quality of Life for All, Social Inclusion and Overcoming of Poverty and Inequality and Economic growth without exclusions. Likewise, the PPDS addresses gender equality as cross-cutting issues; Children and Adolescents, Youth, Seniors, Persons with Disabilities and Disaster Risk Management. As specific topics, are considered the most vulnerable groups: the indigenous communities, migrants and persons deprived of liberty.

The third and ongoing strategy is from 2013 – 2018 called the “Sembrando Oportunidades Program<sup>3</sup>”. Government of Horacio Cartes

Two particularities arise with the new approach of the SO PRSP:

- **A restricted profile of intersectorality:** Using the categories presented by Magalhães (2004), unlike its predecessors ENALP and PPDS, where the strategy was formulated with a wider degree of intersectorality, the SO Program was defined at central level by the STP (as was established by the Decree 291/2013, to be explained in more detail in the following pages) where the objectives and goals were established between sectors. The general goals are divided into consistent policies, but formulated and implemented in a sectorial and autonomous manner.
- **From a multi-dimensional to a uni-dimensional perspective of poverty:** This strategic document represents a major shift in the paradigm of the conceptualization of “poverty”, despite the fact that poverty is recognized as a multidimensional phenomenon, the emphasis is made now towards a money metric view of poverty as a lack of income.

Within this framework, SO has divided the actions of the institutions and its programs involved along two main axes: Access to Social Services (including here the targeted social assistance/protection services, but also at the same time, programs that contributes to broader universal social services like Health, Identity or Education) and Income Generation (access to technology for agricultural production, labour training services, insertion in local-international value chains, among others).

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<sup>3</sup> Sowing Opportunities

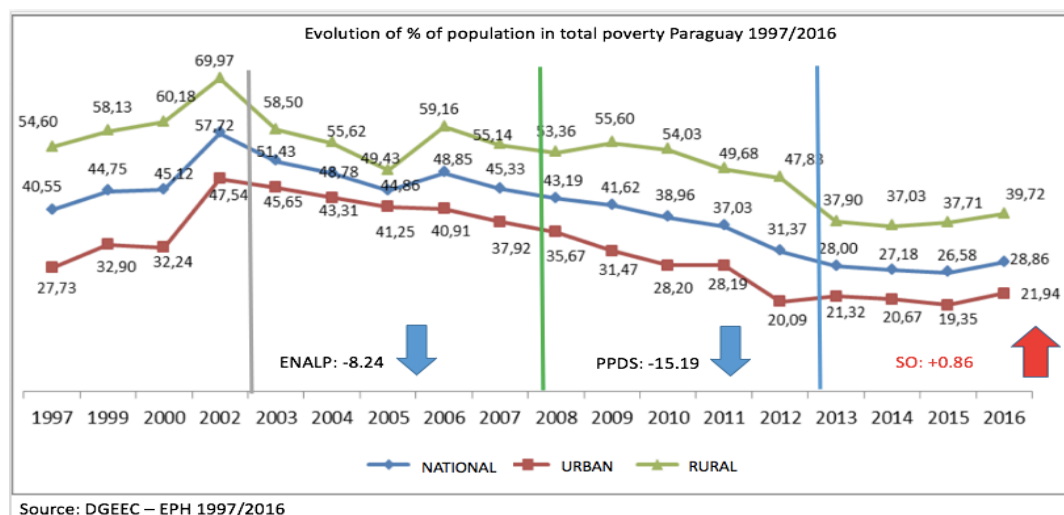
SO program is led, coordinated and implemented by the Ministry of Planning (STP), which involves 24 institutions and a total of 42 programs. The mechanism of monitoring of the actions is through a “Control Panel” which is a tool that consolidates all the information about the performance of the agencies involved in the provision of services and goods, coverage and targeting. Another innovation is the implementation of a new “Social File” as the official instrument used to classify families because of their poverty status, in order to identify those who are in extreme poverty, ensuring the coordinate inter-institutional actions to give primary answers to access to the basic services of these families and a better well-being of life, healthy and dignified.

## Evolution of the Poverty rates

In a context of economic expansion, where the Paraguayan GDP is growing in an average of 5% in the last 10 years, despite the increase in the public spending and the increased coverage of the main social assistance programs, the reality shows a different picture. The official numbers of poverty rates in Paraguay have been released on 14<sup>th</sup> of June 2017 showing the uncomfortable truth:

- 1- Poverty rates instead of decrease, have increased in 2016 for the first time in 10 years.
- 2- The SO program has shown a poor performance in comparison with the other anti-poverty strategies: ENALP (Government period 2003-2008) have diminished in 8.24% the total poverty rate and PPDS in 15.19% (2008-2012) as we can see on the chart below:

Figure 4. Evolution of poverty rates 1997-2016



Many explanations and analysis could be made to point out the reasons and causes of this discouraging scenario: the design and new scope/approach of SO program, the slowdown in the economy, the economic crisis of the region (especially our neighbours and biggest commercial partners Brazil and Argentina), the lowest prices of commodities, low social expenditures or problems related to the implementation of the anti-poverty strategy. The last possible cause is the focus selected for this research paper, in order to analyse the implementation-side of the SO Poverty Reduction program during the period of government of the president Horacio Cartes.

The focus of analysis, as has been mentioned before, will not be on the outcomes, that are visible through the indicators of poverty & inequality, the key focus will be on *the institutional framework, the programs and projects involved, the coordination scheme, the institutional responsibilities, competences and resources allocated and the dynamics within the current institutional framework which aims towards the achievement of the goals and objective proposed in the SO Program.*

## **Research Objective**

The purpose of this research is to contribute in the area of study about the coordination of the implementation of anti-poverty policies in Latin America and with a special emphasis on the Paraguayan experience. This is due to the lack of specific studies and papers about Paraguay's institutional functioning and coordination among the social sector.

## **Research Questions**

### **Primary Question:**

In what ways does the institutional framework enable the coordination required to achieve the goals and objectives proposed in the SO program?

### **Sub - Questions:**

- What is the institutional framework proposed in the SO program?
  
- What are the institutional competences and division of responsibilities of the state agencies involved in the PRSP in the areas of planning, implementation, regulation and monitoring?
  
- What is the division of resources between these institutions and how does this affect implementation?

## Chapter 2

# Conceptual Framework

I will discuss the theoretical debates on the linkage between governance, poverty reduction and institutions.

### Governance

There are numerous definitions of governance reflecting different theoretical frameworks. To identify the relevance of a specific concept of governance it has to be located within the broader paradigm shifts.

A major shift occurred from the early focus on the classic *Weberian* old hierarchical, top-down and centralized orientation of the Traditional Public Administration Model to the *New Public Management (NPM)* approach, where Governance implies that the new *role of governments is to steer rather than to row* in an environment in continuous competitive evolution where solutions can be offered not just only by the state also by the marketplace or by non-profit organizations (Osborne and Gaebler 1992). NPM seeks to solve *the ineffectiveness and uncontrollability of traditional bureaucratic governmental organizations*, using performance indicators and market mechanisms, separating policy-making from implementation seeking to improve a bureaucracy's functioning by reducing its size and by subjecting it to clear market incentives (Hood 1991).

Many criticisms arise against this approach. Milward (1996) argues against the practice of delegating government competences to the private sector or nonprofit organizations, because this results in the phenomenon of *hollow states*. The distance between government and policy action results in a direct threat against the legitimacy of governance. In the same line, Milward and Provan claims in favor of the Hierarchical Bureaucracies, because they are *considered more predictable and stable* in comparison with the more horizontal-network model that the NPM proposes where the needs of *coordinate, negotiate, monitor, enforce and hold accountable a variety of organizations with varying funding streams and levels of authority and responsibility* can result in very unstable and challenging situations (2000:367).

In a different perspective, but more in the forefront now is how Klijn and Koppenjan (2016) describe *governance* in today's context: a multi-stakeholder scenario, with diverging or even conflicting interests & perceptions, problems with a high grade of complexity that requires multi-sectorial interventions and blurry barriers between what is public realm and what is private one. They define ***governance as network governance*** in order to replace the more specialized agencies model, that represents the NPM, where Policy implementation and service delivery relies on independent agencies or market mechanisms on the basis of clear performance indicators and where the focus is in the improvement of the internal functioning and the outcomes expected. In the *network governance* approach, the focus is *on relationships with other actors and the process of handling complex problems, and processes of policy implementation and service delivery* (Ibid:8) coordination and inter-dependence are the keywords. For the Paraguayan context, with a weak and unstable government institutions, imperfect markets and low level of civil society incidence in the public realm, this concept of *network governance* seems too ambitious and/or idealistic to be applied in this research paper.

A review of other concepts of governance shows some agreement and some difference in the emphasis. Some key definitions are listed below. For Hyden et al. governance is *The formation and stewardship of the formal and informal rules that regulate the public realm...the arena in which state as well as economic and societal actors interact to make decisions* (2004:16). In a more or less same line Hewitt de Alcántara states that *is the exercise of authority within a given sphere, it has often been employed as synonym for the efficient management of a broad range of organizations* (1998:105) and Kaufmann (1991), remarks that it is the exercise of authority thorough formal and informal traditions and institutions for *the common good*. What they have in common (Hyden and Kaufmann) is that they refer to the *authority* and the use of that authority in order to *set the parameters* in which the society, as a whole, has to live and interrelate with, they differ in the recognition of the influence of the informal and formal rules/traditions, Hewitt de Alcántara made a wider interpretation of *governance* that includes private and non-profit entities, a scope that exceeds the limits of this research.

In summary, my focus in this paper is on governance in relation to the process of implementation and the actions taken by **government agencies** after a policy has been formulated and adopted by the government. For that reason, the concept of governance that I choose to apply is the one stated by Fukuyama, he states that governance is the *government's ability to make and enforce rules, and to deliver services, regardless of whether that government is democratic or not* (2013:350). I found this definition very appropriated for the focus of the research because Fukuyama establishes two main characteristics that define *governance* or lack of it: the recognition of the government authority (that is proportional to the *strength* or presence of the public agencies) and their *capability* to provide the goods/services/regulations necessities to achieve the desired economic and social conditions. Two essential characteristics that will be evaluated throughout this study are elaborated below.

### **Coordination, inter-sectionality and integrality**

The issue of coordination in a fragmented and multiagency framework is central to this study. Coordination is a key aspect in nowadays *network governance* scenario that we are facing in the public management, this is a *fundamental state function* as is stated by Repetto, he defines coordination as *a matter of management and technical construction as well as of political will. It involves sharing resources and taking part in joined-up initiatives are often subject to opposition and resistance from organizations and political actors* (2005:42). For Echebarría *interdependency* is a key factor in order to coordinate effectively *The need for coordination arises from interdependence, from the fact that two units of the same or different organizations share a working environment, act on the same external reality (a sector of the population), exchange resources (coordination with suppliers or customers) or because they share general objectives (of the organization or of the system of organizations to which they belong* (2001:10).

Following this line of arguments Engel argues in favor of the *integrality* of the interventions saying that *we have already pass halfway through the twenty-first century, the expression -the sum of programs does not make public policy- makes sense. It is for this reason that the arguments for a greater integrality of programmatic interventions, including approaches that aim to integrate through the family, the life cycle or the territory* (2005:17). In the same line, Acuña and Repetto remark that coordination is *not an end but a mean*, they advocate for a coordination that trends to be *pro-integrality*, it can be defined as *“a process that generates synergy between the actions and resources of the various stakeholders involved in a specific field of public management, while at the same time, a system of formal and informal rules, through which the participating actors find strong incentives to cooperate”* (2005:7-8).



Cunill Grau (2005) adds the necessity to integrate the approach of *inter-sectorality* defined as the integration of various sectors with a view to solving social problems. It has two variables:

- **Political:** Integration between sectors makes it possible to search for comprehensive solutions. Public policies pursuing comprehensive development strategies, such as changing the quality of life of the population, must be planned and implemented inter-sectorally.

- **Technical:** Integration between sectors allows the differences between them can be used productively to solve social problems. The idea is that inter-sectorality creates better solutions (than sectoriality) because it allows sharing the resources that are specific to each sector.

In the same line of arguments, coordination is recognized as a mechanism of public management that allows to reduce contradictions or redundancies and at the same time to develop integral policies, as is highlighted by Peters, coordination pursue to achieve the following objectives: “*a) avoid or minimize duplication and overlap of policies; b) reduce inconsistencies in policies; c) ensure policy priorities and aim at cohesion and coherence between them; d) to mitigate political and bureaucratic conflict; and e) promote a holistic perspective that goes beyond the sectorialist and narrow view of policies*” (1998:303).

In summary, Ardanaz et al. advocates in favor of coordination because if agencies do not coordinate, even the best individual policies might not deliver to their full potential. The ability to *coordinate is strongly related to the ability of actors to cooperate and to invest in their capabilities* (2010:11). Governance and Coordination (with their elements of integrality and intersectionality) require strong political and technical skills/leadership. How they are interlaced and complement will be explored in this study.

### **Welfare states and governance**

A related concept is welfare state regimes. Unpacking the classical definition of Esping-Andersen (1990) of Welfare States as the institutional arrangements, rules and understandings that guide and shape current social policy decisions, expenditure developments, problem definitions, and even the respond-and-demand structure of citizens and welfare consumers. He argues that at the most general level *there exists an institutional matrix of: market, state and family forms, which generates welfare outcomes*. Esping-Andersen also refers that is “*a historical fact that welfare-state construction has depended on political coalition-building*” (Ibid 30), specifically a national wide *cross-class coalition, cross-class solidarity*, so we can imply that *governance* is a precondition necessary to the formation and consolidation of the modern welfare states in the global north.

This definition and classification of the welfare state types have been widely criticized (Ferrera 1996, Bonoli 1997, Arts and Gelissen 2002), especially from the global south where the typology of welfare states (liberal-residual, conservative-corporatist and social democratic) does not fit with the diverse social, political and economical context. Gough and Wood (2004) have reformulated the welfare institutional matrix in a broader one by adding one more player to the triangle compound by State, Market and Family, adding *the community*. Turning the unit of analysis from the welfare states to welfare regimens, making a broader analysis, not only focused in the institutional arrangements but expanding it on to the entire set of policies and practices affecting welfare outcomes and stratification effects in diverse social and cultural contexts. Taking into account informal systems of social provisioning and different nature of political regimes.

In the Paraguayan context, since the return to democracy (after 35 years of dictatorship rule) in February of 1989, the State started a dynamic process of an incomplete structural reform, since it was focused only to include democratic institutions and new organizations within their bureaucratic structure (with the strong incentive to employ political supporters) without the intention to generate a solid and compact bureaucratic structure oriented to become a Developmental-State (Richards 2005). Hence it is useful to relate the concept of governance to the concept of welfare states to provide a broader context to understand institutional functioning.

In this new typology of analysis, it is possible to characterize the Paraguayan state as a *Privatized State* defined by Nickson and Lambert (2002) or as Wood described as an *Informal Insecurity Regime*:

- *An informal security regime reflects a set of conditions where people cannot reasonably expect to meet their security needs via accessing services from the state or via participation in open labor markets. Thus they have to rely more heavily upon community and family relationships of various kinds. In many poor societies, characterized by significant inequality, these relationships are hierarchical and asymmetrical, leaving only some space for reciprocal support for welfare within and between family groupings. And while, in these discussions, there is a legitimate concern about social exclusion, the more pervasive relationship which dominates poor people's lives is problematic inclusion in these hierarchical relationships. In other words, the provision of security informally comes at the price of adverse incorporation or clientelism (2004:33).*

This understanding provides a background within which the study will examine the institutional structure for implementing anti-poverty strategies.

Governance and Poverty Reduction are interrelated, the one is a condition for the long-run objective of poverty eradication, the only way to achieve it is through transformative policies, that requires the right policies (pro-poor investment) and strong institutions with the capacity to deliver the proper goods, services and regulations in order to protect and promote vulnerable population towards a stage of development and enjoyment of their freedoms.

## **Poverty Reduction**

In the political discourse, without exception of the ideology the slogan of “Strong fight against poverty and extreme poverty” is present in almost every political campaign. In Paraguay, this motto has been the main target for all the Presidents who were the commanders of the Executive Power since the earliest days of the democratic period in Paraguay. However, the way poverty is defined and poverty reduction conceptualised varies.

There exist many definitions of poverty and how to measure it, but the two *most popular* around the world are: the money-metric (uni-dimensional) and the multidimensional. Monetary poverty measures poverty based on income and expenditure through the “poverty line”, data is taken from periodical household’s surveys, money is applied as a proxy for wellbeing, often use income and expenditure as units of measurement (Laderchi et al. 2003:247). On the other hand, the multidimensional approach recognises that poverty is caused by a set of multiple shortcomings, including monetary as one of them. The most well known exponent of this approach is Amartya Sen and his “*capabilities approach*”: poverty has to be seen as a deprivation or failure to achieve minimum or basic capabilities (realization of human potential), focus is on potential outcomes (actual achievements, functionings) of the capabilities,

measured through individuals, the Human Poverty Index (health measured by vulnerability to early death, education -adult illiteracy rate- and income measured by % malnourished children and % people without safe water) (Ibid 253:257).

Khan (2009) states that the concept of poverty reduction is a simple but accurate arithmetical function of growth plus improvements in distribution this effect of good governance could have a significant effect on poverty reduction, so in the long- run reduction of poverty can only be assured by a sustainable growth. Growth with equity that are core responsibilities of any democratic government.

In the same line of arguments, Bangura states that "*Poverty reduction requires effective states that are both developmental and redistributive. Countries that have reduced poverty in relatively short periods of time had purposeful, growth-oriented and welfare-enhancing political systems; they also built and maintained competent bureaucracies*" (2010:6).

Poverty and Inequality are two big obstacles for Paraguay to achieve a sustainable growth and development, as we can see on the regional statistics the growth rates of GDP in Paraguay are in constant increase, despite the regional situation, but unfortunately this great economic performance has not been translated into wellbeing for all the Paraguayans with out distinction of their social position or ethnicity. We have achieved the first MDG, that was "*Halve, between 1990 and 2015, the proportion of people whose income is less than \$1.25 a day*", but with the stagnant performance in the poverty and inequality indicators in the recent years we are in danger to not succeed in the post-MDG goals to *eradicate poverty by 2030* and to waste the one-in-a-life chance that represents the demographic bonus for a young and vigorous Paraguayan society were almost 60% of the population are under 35 years old (UNDP 2016).

Good governance and poverty reduction can thus be either 'market enhancing governance' or enhancing redistribution (Khan Ibid). Either way, it requires institutional reforms. Graham and Naim (1998) conceptualize these reforms as *win-win policies* that confront the trade-offs between reducing inequality and stimulating economic growth. The core fundament of these interventions is around the idea that enhancing efficiency is what leads to equity or the other way around, more equity can increase efficiency.

### **Institutions/ organizations**

Additional Key concepts for this study are institutions and organizations. For Douglas North (1990) Institutions are *the rules of the game in a society, the humanly devised constraints that shape human interaction*, in other words, "*the framework within which human interaction takes place*. They can be formal *formal constraints - such as rules that human beings devise* and informal *informal constraints - such as conventions and codes of behavior*. They play an important role in society because they *reduce uncertainty by establishing a stable structure to human interaction*.

It is important to make a distinction between the concepts of *institutions* and *organizations*, as North called differences between "*the rules and the players*" organizations are "*groups of individuals bound by some common purpose to achieve objectives*". Both concepts are interrelated, because institutions influence the composition and scope of the organizations and in turn, *they influence how the institutional framework evolves* (Ibid 1990). Organizations can include political, economic, social bodies.

This concept developed by North, for the focus of this research that it will be on *public organizations*, it can result too narrow and rigid. As it will be explained further, there is a blurry line that differences institutions and organizations, sometimes there exists

an overlap where some institutions can perform as organizations and vice-versa, organizations that can act as institutions i.e. Central Banks.

Following this line of thought, Norman Uphoff adds another perspective to the debate between Institutions and Organizations “*Public organizations are not necessarily, automatically, or fully –institutions- even though they are commonly described as such, organizations and institutions should both be understood as matters of degree. Things can be more or less organized, just as they can be more or less institutionalized*” (1994:202-203). In this category, we find the public agencies, where at the same time are public organizations and they perform as well as institutions. Referring to the differences between public and private organizations, he argues that the public organizations have a special relationship with the people that they serve, in contrast with the clients or customers of the private organizations. They invoke **authority** from the state in order to enforce their decisions and claim **legitimacy** for what they do because their operations presumably contribute to some larger public interest. So, *Institutionalization* for Uphoff is the result of “*acquiring the legitimacy, the respect, and the durability of an institution*” (Ibid:201).

What I found useful in this definition is how Uphoff breaks the dichotomy presented by North between institutions and organizations, he introduces the idea of overlapping between these two concepts. In the following pages, it would be analyzed the challenges that face a public organization (in this case the STP) when it has to perform, in its role of coordinator of the anti-poverty program, as an institution for its public peers and the public in general.

From another perspective, Samuel Huntington defined institutions as stable, valued, recurring patterns of behavior. For Huntington **political development** *is the institutionalization of political organizations and procedures*, understanding *institutionalization* as “*a process by which organizations and procedures acquire value and stability. The level of institutionalization of any political system can be defined by the adaptability, complexity, autonomy, and coherence of its organizations and procedures*” (1965:393).

The analysis made on the four axis of the *institutionalization process* presented by Huntington is relevant for this research. In the upcoming chapters, it would be examined how the different degree of institutionalization enables or obstructs the coordination of the implementation of anti-poverty programs in a multi-agency framework.

Drawing on the different conceptualization discussed above I make a synthesis and will apply the concepts to refer to:

Institutions (formal and informal) play an important role for society, as catalyzer or restrictors of the opportunities for the citizens. Public agencies can perform at the same time as institutions or organizations, what is key for a public organization to be considered as an institution is their degree of authority and legitimacy.

The institutions are assessed according to their functions performed (making rules/laws, enforcement of rules/laws, provision of public services, provision of public goods). To analyze the institutional failures, the concepts are operationalized by using the *Taxonomy of Institutional Malfunction* according to Graham and Naim (Ibid) in order to identify the sources of sources of malfunction to apply the correct Institutional Reforms (see the table below).

In this paper, I will focus the analysis of the Chapter 4 Process Mapping - Political-Institutional Analysis using the *Taxonomy* in order to identify the bottlenecks in the implementation of the program.

**Table 1. Taxonomy of Institutional Malfunction**

Type of Malfunction	Source of Malfunction	Characteristics	Institutions Most at Risk
Resource-related	Chronic congestion (over-demand and under-funding)	Typical for new initiatives. Erodes quality, equity, tax/resource base. May limit access to those who wield sufficient influence. Private alternatives flourish.	□ ♦ ♦
	Inadequate input	Insufficiently educated workforce. Lack of thorough, competent legal and regulatory standards, outdated hardware resources.	♦
	Concentration of funding on personnel costs	Insufficient resources for resolving key organizational issues/objectives. Precludes flexibility and innovation.	♦
Politically driven	Capture by special interests	An external, related group exercises influence over directives and ideology.	□ (regulatory agencies) ♦
	Corruption	Distorts objectives of the institution. Affects all levels of functions, from personnel to executive decisionmaking.	○ □ ♦ ♦
	Politicization	Recruitment, appointments, and remunerations heavily influenced by political patronage.	○ □ ♦ ♦
Organizational	Volatility	Institutional priorities fluctuate due to shift in internalized priorities or political turnover.	○ □ ♦ ♦
	Goal ambiguity	Lack of clarity manifested in over-ambitious objectives (e.g. over-regulation), and in redundancy across and within public agencies.	□ ♦
	Monopoly/ Monopoly control	Only one body provides service and only one body supplies workers.	♦
	Degree of government involvement	A "hands-on approach" by government (especially in terms of the economy or monetary policy).	□ (Too much) ♦ (Too little)

○ Rule/lawmaking □ Enforcement ♦ Providers of public services ♦ Providers of public goods

Source: Carol Graham and Moises Naim in *Beyond Tradeoffs: Market Reforms and Equitable Growth in Latin America*, Nancy Birdsall, Carol Graham, and Richard Sabot, editors (Brookings/Inter-American Development Bank, 1998)

## Chapter 3

### Methodology

The study is based on secondary sources as well as personal experience. The analysis will be made within the larger framework of the World Bank's "*Poverty and Social Impact Analysis (PSIA)*" as a methodological tool that involves the analysis of the distributional impact of policy reforms on the well-being of different stakeholder groups, with a particular focus on the poor and vulnerable<sup>4</sup>. Poverty and social impact analysis focuses on the impact of policy change, can include macroeconomic stabilization, structural/public expenditure reforms and the poverty reduction strategies of developing countries (Robb 2003).

Understanding the impact of a policy reform requires an appreciation of the country's organizational structures and the institutional rules governing them. PSIA therefore, depends upon careful organizational and institutional analysis of the formal and informal rules, the behaviours of key stakeholders who can affect policy outcomes, and the underlying dynamics among them. This allows policymakers to determine whether and how the existing rules and informal practices will affect real costs and quality of goods and services for the poor and other stakeholders in the context of a specific policy implementation (Holland 2007).

The framework for social analysis in PSIA addresses the institutional, political, and social dimensions of policy design and implementation that will affect poverty and distributional equity. There are three levels of policy reform:

- Macro-level analysis of the country and reform context
- Meso-level processes of policy implementation, and
- Micro-level impact of policy reform.

The analysis of this research will be focused on the **meso-level processes** of policy implementation, in order to explore how, why, and under what conditions a policy intervention might work—or fail to work—through a greater understanding of the contextual factors, mechanisms and processes underlying a policy's implementation, applying the concepts elaborated in Chapter 2.

The analysis will be made using three tools of the WB PSIA:

- **Static Mapping:** Provides a snapshot of the organizational context for policy reform implementation by illustrating the resources and responsibilities of the agencies and organizations that are implementing policy change. Through analysis of existing case study material, the incentives that operate and the information available to the players can be identified.
- **Process tracing:** Is a qualitative method for tracing, or following, the cause-effect flow of resources and decision-making from a policy change through

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<sup>4</sup> <http://www.worldbank.org/en/topic/poverty/brief/poverty-and-social-impact-analysis-psia>

the implementation process as a means of testing assumptions about the expected impact of a particular policy reform. Process tracing can follow the path of services, products, money, decisions, and information, identifying actual or ideal paths, revealing problem areas of risk and potential solutions. The tool’s focus on the intervening processes between cause and effect.

- **Process Mapping:** “zooms out” from the detail of process tracing to illustrate in map form the broader network of flows of decision-making, resources, and information in policy implementation. It is a comprehensive flow diagram created by the many individual threads of process tracing. Once these flows have been mapped, the tool can be used to identify bottlenecks and constraints and to analyse opportunities for changing processes to make them more efficient and effective.

**Table 2. Coordination matrix between research questions and methodology**

<b>Main Research Question</b>		
Does the current institutional framework enable the coordination required to achieve the goals and objectives proposed in the SO program?		
<b>Sub-Questions</b>	<b>Information Set</b>	<b>Data gathering methods</b>
What is the institutional framework proposed in the SO program?	Identification of key institutions responsible for implementation of program in the plan.  Identification of key objectives of the program	<b>Static Mapping:</b>  Review of documents on: 1- National Program of Poverty Reduction “Sembrando Oportunidades Program”  2- National Plan of Development Paraguay 2030
What are the institutional competences and division of responsibilities of the state agencies involved in the PRSP in the areas of planning, implementation, regulation and monitoring?	List of main state agencies  And Responsibilities  Identification of overlaps/gaps in the programs/projects executed	<b>Process tracing:</b>  Review of the Institutional Operational Plans (POI) of the institutions involved in the provision of goods and services among the vulnerable population.
How equitable is the distribution of resources between these institutions and how does this affect implementation?	Budget allocations  Personnel  Territorial presence	<b>Process mapping:</b>  1- BOOST Database – Ministry of Finance <sup>5</sup> 2- National Budget 2017 3- Reports of the Public Servants Department.

<sup>5</sup> [http://isdatbank.info/boost\\_paraguay/](http://isdatbank.info/boost_paraguay/)

- **Risks, scope and limitations**

The research focuses on only one aspect of the reasons for the failure of anti-poverty strategies. It is based primarily on documents, secondary data and personal experience. This topic is complex and there are limited sources available, mainly because of the lack of reliability of information about multi-agency coordination and implementation of anti-poverty strategies in Paraguay. Hence the findings cannot be generalised.

- **Ethical challenges**

-Public Exposure: That represents being a public servant, that receives a scholarship from the Paraguayan government and the fact that I have to be critical about the performance of public institutions where I have been working for and with colleagues/Ministers that I know personally and interact with, it makes more complicated to construct a value judgment about their behavior and/or functioning.

The reason why to use secondary sources mainly in order to keep the highest levels of objectivity possible, because the objects of study (institutions) have the impediment to be measured their performance, level of coordination or strength in the short term, through subjective appreciations of personnel about their levels of coordination, coherence or effectiveness. Likewise, due Ethical Reasons because is important to mention that I have been involved in the past five years in one of the institutions to be analysed and I prefer to keep distance and work only with legal documents, plans, laws and bills, rather than to be in touch with former colleagues and to make value judgments about their behaviour, performance and/or functioning.



## Chapter 4

# Static Mapping and Process Tracing of SO-PRSP

In this chapter is presented the result of the two first tools of the PSIA meso-level analysis: Static Mapping and Process Tracing. Due the magnitude and relevance for the paper the Process mapping will be presented as the Chapter 4.

### 4.1 Static Mapping of the SO-PRSP

The Static Mapping is examined in two tiers. The first tier shows the institutions that are in charge of the coordination of the program and the second tier is focused on the institutions that are in charge of the implementation of the program. Although there are 24 agencies involved in this study the focus is on the 12 agencies that are in direct contact with the vulnerable population through the provision of goods and services.

#### 4.1.1 First tier: Institutional structure of the Coordination Level

The institutional structure of coordination has evolved over the years alongside the process of democratization in Paraguay as has been discussed in chapter 1. Nowadays, there are 3 units of coordination of the anti-poverty strategy:

The first unit of the institutional structure is the **Social Cabinet** created in 2003, which is an “*overarching unit with the faculty to promote and guide the coordinated management of Public Programs and Policies of the National Government in the Social Area*” (Gabinete Social N/D). Its composition and leadership have been evolving during the different governments and PRSP’s. Actually, it is composed by the ministers and presidents of the 24 institutions that are taking actions under the SO Program plus the General Directors from the two Hydroelectric dams Yacyretá and Itaipu. The Social Cabinet is composed by an Executive Team that has the responsibility to approve the annual institutional goals proposed under the SO program.

The second unit is the **Ministry of Planning (STP)**, which is actually the “Coordinator of the Executive team” of the Social Cabinet<sup>6</sup>. The presidential decree 291/2013 “... *declares as a National priority the goal of “Poverty Reduction” and designs the Ministry of Planning in charge of the elaboration and coordination of the implementation of the National Poverty Reduction Program*”. With this instrument, the STP recovers its natural role, as it was established in their foundational decree-law in 1962<sup>7</sup>.

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<sup>6</sup> Decree 751/2013 article 9 *The Executive Team of the Social Cabinet is constituted as an executive body of the Social Cabinet, with functions to execute, promote and coordinate the activities of the same.* [http://www.gabinetesocial.gov.py/archivos/documentos/FuncionesSegunDecreto751-UTGS-18072014\\_ex210c6v.pdf](http://www.gabinetesocial.gov.py/archivos/documentos/FuncionesSegunDecreto751-UTGS-18072014_ex210c6v.pdf)

<sup>7</sup>Decree-Law 312/1962  
[http://www.stp.gov.py/v1/download/legal/decreto%204070%20stp%20\(2\).pdf](http://www.stp.gov.py/v1/download/legal/decreto%204070%20stp%20(2).pdf)

At the same time the STP is involved in the implementation of the SO Strategy contributing with programs such as: Familia x Familia (micro-credit program)<sup>8</sup>, identification of families living in poverty – “Fichas Sociales” and Project for Modernization and Mechanization of Family Agriculture (PMAF)<sup>9</sup> as it will be mentioned in detail on the following pages.

The STP manages the “**Social File**” database, that is a survey among the most vulnerable population of the country<sup>10</sup> that has the ambitious goal to reach 250.000 families in poverty and extreme poverty by 2018. The instrument of monitoring is the “**Control Panel SO**” where monthly 24 public institutions have to report the delivery of services & goods, budget execution and the total amount of beneficiaries of 53 programs involved in the SO program<sup>11</sup>.

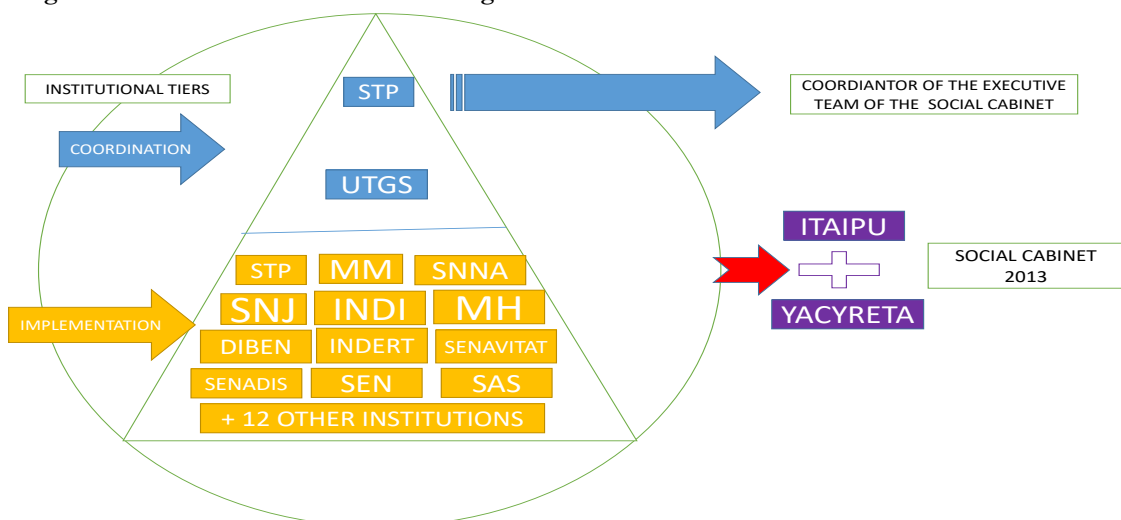
The third unit of the institutional structure is the **Technical Unit of the Social Cabinet (UTGS)** created in April 2009 as an *organism of support and accompaniment of the Social Cabinet with the mission of facilitate the processes of articulation and coordination of the implementation of social policy among the institutions of the Social Cabinet* (Gabinete Social N/D) during the PPDS - PRSP.

By the year 2013, the decree number 751 of the 20th of November, has established the new composition of the Social Cabinet and within this decree, in the article 11th mentions that “*The Technical Unit of the Social Cabinet is constituted as a technical and operative organ responsible for the direction, administration, execution, coordination and supervision of the activities of the Executive Team of the Social Cabinet*”. Although it is no longer per se in charge of coordination of the PRSP, it continues as a unit of coordination with specific roles and responsibilities as we can see below:

- The decree 4509/2015 entrust to the UTGS *to handle the design, management, and implementation* of the biggest database of social information of Paraguay which is the **SIIS (Integrated Social Information System)** where are allocated all the beneficiaries of the social programs, the goods or services that they receive, as well as their link with other possible programs. It contains information about 26 public institutions, 95 social programs and data of 1.534.448 beneficiaries (SIIS N/D)

In the figure below is presented the institutional structure of the two tiers:

**Figure 5. Institutional tiers of the SO Program**



## Ambiguity in mandates and authority

Looking at the figure and functions elaborated above it becomes clear that at this first tier level in practice there is *no clear division of responsibilities and mandates among the STP and the UTGS, what is the location of them is in the social policy architecture, and who has to report to whom*. Both have the mandate to ask and manage information, exercise functions of coordination and articulation, putting in evidence an overlapping of functions with the STP, a duplication and lack of integration between the systems of information in the social sector.

Another important aspect is that there is often what appears to be a ‘confusion’ between mandates and functions. As Repetto has been warning about the importance to look at **coordination** *as a mean for the achievement of systems that fully address the serious and multidimensional problems that affect Latin American societies*. He emphasizes the importance of moving towards areas of coordination whose *fundamental task is precisely to coordinate, avoiding the temptation to combine, within the same organism, functions of broad coordination of social policy with the implementation of concrete and limited programs, usually linked to the fight against poverty* (2009:30-31). In the Paraguayan case the STP is, at the same time, in charge of the design and coordination of the implementation of the PRSP Sembrando Oportunidades (Decree 291/13) and yet it is involved in the implementation with a micro-credits program (Familia x Familia) and the project of modernization and mechanization of the family farming (PMAF). This ambiguity about the role of coordination dilutes the focus of attention of this ministry whose main mandate is to promote and generate coordination and at the same time undermines their capacity and authority before their peers.

This issue can be illustrated with an example. In my personal experience, this situation of “coordinator and implementer” of the STP generates, within the administration feelings of distrust, confusion and threat against their institutional sovereign and autonomy. Once in a meeting, I had an uncomfortable discussion with a colleague from an important Ministry when we were dividing tasks and responsibilities she jumped at me with a raging *“I’m wondering why do not you guys do it since you are the Super Ministry of Planning now?”*

What is interesting, after that awkward moment, I had the opportunity to work for that important Ministry, be in touch with the colleague and understand why her reaction. There I realized how key is the role of the *Coordinator*, in a context of a multidisciplinary/sectorial program (like SO), what is expected from them, through the eyes of an executing agency by excellence. Especially how important is the coordinator intervention and balance in the daily power disputes between the sectorial ministers and agencies in order to influence the direction, resource allowance, scope and targets of the social policy.

### 4.1.2 Second tier: Institutional structure of the Implementation Level

Continuing with the Static Mapping, based on the analysis made in the PIEPE - Structural Innovation Project of the Executive Branch (UNDP and OAS 2010) table 3 presents a legal framework analysis of the institutional competences and responsibilities of the 12 institutions that are involved directly in the provision of goods and services among the most vulnerable population in relation to the four main processes of Public Policy Management: Planning, Implementing, Regulation and Monitoring. These processes have been divided into quadrants, within each quadrant has been located the articles related to these competencies mandated by the law/decreed of each entity analysed.

**Table 3. Analysis of the institutional competences and responsibilities**

Institutions/Stages	Planning	Regulation	Implementation	Monitoring & Evaluation
SNNA	Art. 43*	Art. 41	Art. 41	Art. 43*
SNJ	2, 3	3	2,3	3
INDI	32	32	32	32
MH	1	1	1,22	1,6,8, 17
DIBEN	3		3	
STP	2, 6	6	6**	2
INDERT	4,8,14,33	7,8	7,8,14,33	41
SENAVITAT	3,4,5,6,9	2	1,3,4,7,8,9	3
SEN	1,2,5,9,10,11		1,2,3,4,6,7,8,9,10,11	
SAS	2,4,5	8	1,3,5,7	2,3,6
SENADIS	2	3,19	2	3
MM	2,3,4,5	2,5	4,11	
<b>TOTAL Art.</b>	<b>31</b>	<b>13</b>	<b>35</b>	<b>14</b>
*Is prerogative of the National Council of the Childhood and Adolescence, where the SNNA is the leader				
**Implement international cooperation agreements				
Sources: PIEPE (UNDP and OAS 2010) and own elaboration based on:				
Law No. 904/81 of the National Indigenous Institute (INDI)				
Decree-Law No. 10/89 of the Directorate of Beneficence and Social Action (DIBEN)				
Law 34/92, of the former Secretariat for Women's actual Ministry of Women (MIN MU)				
Law 3909/10, of the National Secretariat of Housing and Habitat (SENAVITAT)				
Decree No. 9.235 / 95 of the Secretariat of Social Action (SAS)				
Law 1680/01 of the National Secretariat for Children and Adolescents (SNNA)				
Law 2615/05 of the National Emergency Secretariat (SEN).				
Law 2419/04 of the National Institute of Rural Development and Land (INDERT)				
Decree No. 9921/12 of the National Secretariat for the Human Rights of Persons with Disabilities (SENADIS).				
Decree No. 262/13 of the National Secretariat of the Youth (SNJ).				
Law 4394/11 of the Ministry of Finance (MH).				
Decree No. 4070/04 of the Ministry of Planning (STP).				

### **High level of autonomy to plan and execute**

As a first point of analysis it can be seen that most of the institutions focus their efforts or their legal responsibilities, to the functions of planning and execution while the legal provisions on regulation or control and the monitoring and evaluation are smaller (some institutions like DIBEN, SEN and MM they don't have at all any legally binding prerogative in those sections). This shows that the twelve institutions analysed enjoy a high level of autonomy with respect to the faculties of planning and implementing what they have planned.

However, as a result there are cases of legally defined overlap of mandates and functions, which may be more apparent than real since an integrative normative interpretation should allow a correct determination of the respective competence (i.e. the mandate of implementation of the STP it is only valid for implementing international cooperation agreements).

In addition, doubts or inconveniences of overlap can arise from the interpretation of the proliferation of existing laws that leads to an unnecessary accumulation of articles and subsections, due to the varied terminology used, as well as the personal protagonism of some public authorities that produces a "overwhelm" of competences and/or absorption of functions legally attributed to other authorities or public entities, as we will see below in the analysis table of the process tracing.

### **Target groups and overlapping of functions between SNNA & SNJ**

There is a lack of clarity regarding the scope of their target group. In both institutions predominate the age-based categories to determine their target groups.

This can be illustrated with what happened between the National Secretariat for Children and Adolescents (SNNA) created in 2001 and the recently created (2013) and former vice-ministry of the Youth (part of the Ministry of Education and Sciences) the National Secretariat of the Youth (SNJ). One is in charge of the policies and actions targeted to the "adolescents" and the other of the "youth", but there is a blurry line that differentiates both and can lend itself to confusion and overlapping of actions.

For the Paraguayan state, according to the Law 1680 of 2001 "Code of children and adolescence" *Adults shall mean a person who has attained eighteen years of age* (Article 2), below that age they are considered as children and adolescents. There is no direct mention about the "age of separation" between whom are considered as "children" and as "adolescents". Referring specifically to "adolescents" in the chapter II "Adolescents workers" is stated that "*the minimum legal age to work (under certain special conditions) is fourteen years old*", so we can assume that the ages from 0 to 13 for the Paraguayan state are considered "children" and from the ages 14 to 17 are considered "adolescents". In relation to the "Youth", in the SNJ website they mention that the youth population in Paraguay constitutes 28,5% of the population, using as a parameter the ages between 15 to 29.

As Huijsmans (2017) argues that these kind of boundaries are fuzzy and fluid, so this type of targeting *tends to produce a lack of nuances in policies, discourages listening to and understanding younger/ older people*, increasing the risk of exclusion or inadequacy in the State intervention.

### **Assignment of unclear and out-dated functions**

There is lack of clarity in the normative delimitation of competencies, functions and powers between state agencies or entities, and this is due in several cases not only due to terminology reasons but also to the diversity of existing norms, the aggravating circumstance that these norms use old terminologies and concepts that are not univocal, or that over time have been evolving and varying their semantic significance.

As examples we can mention the foundational decree of the SAS and its article 2 subsection d) "*The Social Action Secretariat will be in charge of identifying innovative programs and execution mechanisms for their subsequent transfer to the entities in charge.*"

However, in reality this cannot happen due to the institutional autonomy, where there does not exist any kind of transfer of responsibilities' or programs between institutions. It seems like these subsection has been copied literally from other normative decree without adapting to the Paraguayan reality.

Another curious case is that of DIBEN and its article 2 "*DIBEN's primary purpose is to help meet the human needs of both the spirit and the body, those who do not have enough means to satisfy them and help social development.*"

These kind of statements shows how out-dated an institutional normative body can be since the Paraguayan constitution of 1992 in the article 24<sup>th</sup> has established "*Religious freedom, religious freedom and ideology are recognized, with no more limitations than those established in this Constitution and in the law. No religion shall be considered as the official*". So, is not in the competence of the Paraguayan state to attend to the spiritual needs.

### **STP and the Social Cabinet (including the UTGS) who is in charge?**

Continuing with the examples of overlapping of functions, it is clear that there is one between the Social Cabinet and the STP:

- Article 1 of Decree 751/2013, which establishes "the restructuring of the Social Cabinet of the Presidency of the Republic as a body responsible for promoting, *coordinating and directing the management* (emphasis mine) of programs and public policies of the National Government in the Social Area".

- The Decree 291/2013 "*FOR WHICH THE GOVERNMENT'S NATIONAL PRIORITY IS DECLARED AS A NATIONAL PRIORITY THE " POVERTY REDUCTION " AND THE MINISTRY OF PLANNING (STP) IS INSTRUCTED TO THE DEVELOPMENT AND IMPLEMENTATION OF THE "NATIONAL POVERTY REDUCTION PROGRAM"* in the Article 3 states that "*The Ministry of Planning (STP) should be authorized to exercise coordination for the implementation of the policies, plans and programs of the " National Poverty Reduction Program"*".

All this tangle in terms of articles and items that refer to the same functions and responsibilities or that use an obscure/unclear language, give us the idea of how these institutions were created, one after the other without analysing whether there were already institutions related or that focused on the same theme.

Furthermore, to analyse the consequences of this juridical chaos, the following section of "process mapping" will show us the correlation between the normative functions and how they materialize in the implementation of the programs and projects under the SO scheme.

## 4.2 Process Tracing of the SO-PRSP

In order to follow the path of the delivery of services & goods distributed among the vulnerable population, the logic behind the distribution, targeting and the correlation between the needs and the response of the Paraguayan state, in the Table below there are listed the 12 institutions mentioned before, divided by each targeted segment of the provision.

**Table 4. Institutions and services/goods provided under SO program**

<b>Institution</b>	<b>Year of creation</b>	<b>Good/Service Provided</b>	<b>Targeted Segment</b>
National Secretariat for Children and Adolescents (SNNA)	2001	CCT – ABRAZO	Children and Youth
		Shelters for children in situation of vulnerability	
National Youth Secretariat (SNJ)	2013	Scholarships for disadvantaged youngsters	Children and Youth
		Volunteer and Civic Service Program -Arovia	
National Institute of the Indigenous (INDI)	1981	Assistance to indigenous communities	Indigenous communities
Ministry of Finance (MH)	1991*	CT - Old Age alimentary pensions	Vulnerable Population
National Department of Beneficence (DIBEN)	1989	Subsidies for Health	Vulnerable Population
Ministry of Planning (STP)	2004*	Micro-credits Program - Familia x Familia	Vulnerable Population
		Identification of families living in poverty - Ficha Social	
		Project for the Modernization and Mechanization of Family Agriculture (PMAF)	
National Institute of Rural and Land Development (INDERT)	2004	Land acquisition for agrarian reform	Vulnerable Population
National Secretariat of Housing and Habitat (SENAVITAT)	2010*	Subsidy for Housing	Vulnerable Population
Secretary of National Emergency (SEN)	2005	Assistance in emergency situations	Vulnerable Population
Secretariat for Social Assistance (SAS)	1995	Micro-credits Program – Tenondeã	Vulnerable Population
		CCT – Tekoporã	
National Secretariat for the rights of persons with disabilities (SENADIS)	2012	Rehabilitation Centers	Population with disabilities
		Assistance for persons with disabilities	

Ministry of Women (MM)**	1992/	Subsidies for productive initiatives of rural women	Women
	2012	Shelters for women in situation of vulnerability – CRM	
*For the purposes of this research, is taken as a reference the current legislation			
** Originally established as a Secretariat. Subsequently raised to the rank of Ministry			
Source: Control Panel – STP. Data from November 2016 and Institutional Annual Management Reports			

### Contending definitions of vulnerable populations

One implication of the broad normative autonomy enjoyed by the implementing entities of the SO Program is that all of them have established their own methods and criteria in order to determine the “truly deserving” subjects for their targeted provision of goods & services among “their” vulnerable population. This not only increases the costs of the provision, decreasing the proportion of a program’s budget that is directly transferred to beneficiaries. This results in the risks associated with the under-coverage or exclusion (Type I) and in reverse, the inclusion of “non-poor” beneficiaries (type II) are higher (Devereux 1999). This also affects strongly the coherence & integrity of the program and increases the risks of political influence as we can see below in the upcoming section

### Overlap of programs

As the first consequence of the normative autonomy, it can be mention that due the high specialization of some agencies and/or the creation of others with similar duties, there are multiple overlapping’s in some policy interventions, as we can see in the table below:

**Table 5. Main policies interventions under SO program**

<b>Micro-credits</b>	STP – Familia por Familia
	SAS – Tenonderâ
<b>Conditioned/Unconditioned Cash- Transfers</b>	SAS – Tekoporâ
	SNNA- ABRAZO
	MH- Elderly alimentary pension
<b>Assistance policies &amp; Subsidies</b>	INDI – Indigenous Communities
	SENADIS – Disabled people
	SENAVITAT – Housing
	SEN – Emergencies
	DIBEN – Medical Subsidies
	SNJ – Educational Subsidies
<b>Rehabilitation Centres, Shelters &amp; Refuge</b>	SNNA – Children and Youth
	MM – Women
	SENADIS– Disable people



## Imbalance in allocations of resources to regions and people

This overlapping causes inefficiency, incoordination, duplication of structures, competition for resources and lack of coverage of the SO Program. As we can see in the below, using data from the POI 2016, a comparison of the coverage of the micro-credits & (un)conditional cash transfers programs in the two less and two most impoverished departments of the country<sup>12</sup>: The percentage of coverage is very low in the two departments with the highest rate of poverty making the intervention almost insignificant for the overwhelming levels of poverty in comparison with the coverage in the “rich” departments. The impact of these state intervention is minimal.

**Table 6: Comparison of the percentage of coverage between the two more impoverished departments and two departments with the lowest rates of poverty.**

Type of intervention: Micro-credits (MC) & Un/Conditional Cash Transfers (CT)										
Department /intervention	CCT-SAS	% C	MC SAS	% C	MC STP	%C	SNNA CCT	%C	MH-CT	% C
Caazapá	6.839 families	6,70%	1500 F.	1,40%	0	0%	0	0%	6.087	5,90%
Concepción	7.514 families	6,20%	1500 F.	1,20%	0	0%	250 F.	0,20%	6.642	5,50%
Asunción	2.144 families	3,10%	0	0	0	0%	175 F.	0,25%	3.009	4,35%
Central	1.299 families	0,39%	0	0	0	0%	585 F.	0,17%	18.191	5,45%

Source: POI-2016

The next table is related to the second group of policy interventions “Assistance policies & Subsidies” and their accessibility for the targeted groups: what type of territorial presence the Paraguayan state has in order to attend the vulnerable population needs:

**Table 7. Description of the territorial presence of the main assistance policies and subsidies**

Type of intervention: Assistance policies & Subsidies	
Institution	Territorial Presence
INDI	Highly centralized, does not have offices outside the capital Asunción City. All the paperwork and assistance is done there
DIBEN	Highly centralized, does not have offices outside the capital Asunción City. All the paperwork and assistance is done there
SENADIS	Despite the fact that has 6 regional offices most of the delivery of the “technical aids <sup>13</sup> ” are done in the capital city. The disability certification is only delivered at the central offices in Fernando de la Mora – Central
SNJ	Does not have any Regional Agency, by its law of creation each Departmental Government has to create and designate a “Departmental Coordination of Youth”. This instance is in charge of the coordination of the

<sup>12</sup> Population under the poverty line: Most impoverished: Caazapá 55,78% of the population - 101.484 people and Concepción 49,97% - 119.947. Less impoverished: Asunción 13,35% - 69.041 and Central 16,45% - 332.784. National Households Survey 2016

<sup>13</sup> Prosthesis, crutches, wheelchairs and others.

	actions with the SNJ.
SENAVITAT	Have 8 regional agencies, between the 3 poorest departments only Concepción has its own Regional Agency.
Source: Institutional Web pages and annual management reports	

Table 7 shows us that the majority of the assistance policy & subsidies are highly centralized in the capital city, Asunción. The most vulnerable have to spend time and resources travelling tens or hundreds of kilometres to be attended by the State, so what really happens is what Gough and Wood describes, as a typical scenario of weak institutions and how they reinforce the pervasive and rampant clientelism. Using the “peasant analogue” to explain how vulnerable populations are “*perpetually threatened by events, requiring continuous trade-offs between present consumption (the more poor the higher the necessity) and future investment (the more poor, the less certain the conditions for any investment)*” (2004:64). So, as the imperfect markets and their family assets are unable to provide them solutions, the state is absent or hard to reach, so the vulnerable population does not have another alternative that being trapped in a short-term security provided by the middleman’s (local political leaders) at the cost of their own long-term personal development.

The last table presents another illustration showing the differential coverage of the three different programs that requires a territorial presence in order to provide the services of Primary Attention for disabled, Shelters for children without a home & Refuge for the women in situation of violence. Services that the SO program offers to the vulnerable population:

**Table 8. Territorial distribution of the Primary attention, shelters & Refugee services**

<b>Type of intervention: Primary Attention, Shelters &amp; Refuge services</b>			
<b>DEPARTMENTS</b>	<b>SNNA*</b>	<b>MM</b>	<b>SENADIS</b>
Concepción	1	0	0
Cordillera	5	0	1
Guairá	1	0	1
Caaguazú	3	0	1
Itapua	4	0	0
Misiones	1	0	0
Alto Paraná	6	1	0
Central	17	1**	0
Canindeyú	1	1	0
Asunción (Capital)	3	0	0
Boquerón	0	1	0
Amambay	0	1	0
Alto Paraguay	0	0	0

Presidente Hayes	0	0	0
Ñeembucú	0	0	1
Caazapá	0	0	0
San Pedro	0	0	1
Paraguarí	0	0	1
Total	<b>42</b>	<b>5</b>	<b>6</b>
<b>*Including private/NGO shelters that have signed agreements with the SNNA</b>			
<b>**Under construction</b>			
<b>Source: Institutional Web pages and POI 2016</b>			

As we can see there is an unequal distribution of the territorial presence of these very important services among the vulnerable population. At the same time, there is not a clear logic behind the presence or not of these services in the territory. Just looking the two poorest departments Caazapá and Concepción, just in one city of Concepción there is an “Abrazo refugee” for children in situation of vulnerability, the other two institutions do not have any kind of presence in this needed departments.

### **Analysis of the programming and budgeting process**

Finally, to understand how the actions presented in the Process Mapping section are finally implemented in the field is very important to analyse the path from the design of the institutional programming & budgeting process to the implementation per se.

For the Paraguayan state there are two main documents that guide the implementation-side of the public policies:

- **Institutional Operative Plans (POI):** It is the national planning tool that allows top management to link institutional priorities to national development goals. It consists of 7 sections: Institutional Profile, Rationale and Description of Programs /Subprograms/Projects, Programming of Products and Recipients, Public Value Chain, Disaggregation of Recipients and Indicators. The rectory is exercised by the Ministry of Planning (STP).
- **Institutional Budget:** Is a reflection of the general lines of the policy followed by each administration: it clearly shows the various allocations of resources that each dependency will receive, thus showing the importance given to them and the orientations and Goals that are drawn. The Ministry of Finance (MH) is the head of the budget process.

There are multiple stages and actors involved in the process of programming & budgeting takes part half-year before it moves onto implementation actions. Using the “Practical Guide of the Public Budget” from CADEP (2010) there are 4 stages before the implementation:

-First: The process starts with the enactment of the Budgetary Guidelines Decree around the end of the first quarter the year (April). Here the STP and MH work together to define the standards that each institution should follow and to assist them in order to prepare the POI and the Institutional Budget. Every institution exercises their autonomy to define the resource allocation and geographical prioritization of their intervention.

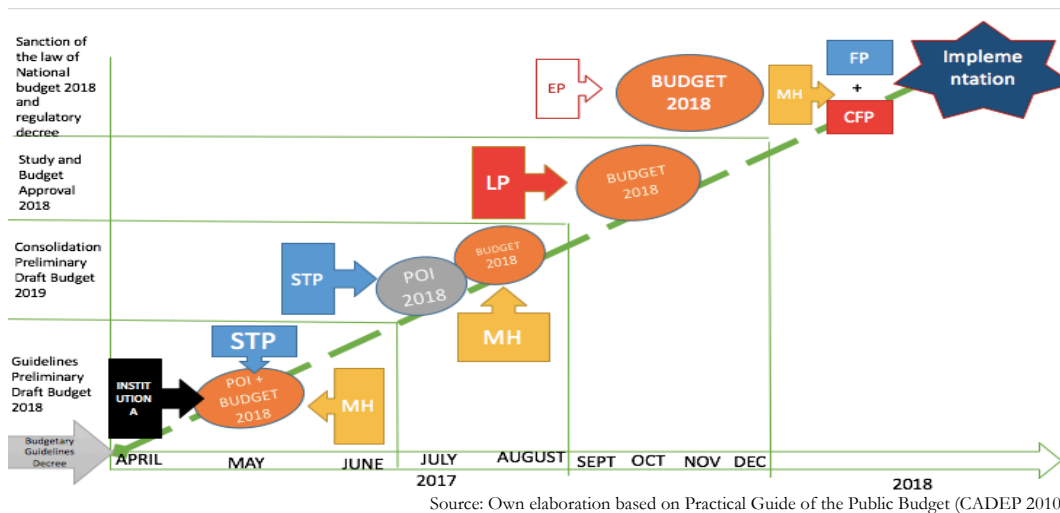
-Second: Until the end of June of each year, the institutions should send their POI and Institutional Budget to the STP and MH in order to make the consolidation and the Preliminary Draft of the National Budget for the next year. Here the POI and the Preliminary Budget take different paths: The Institutional Budget continues the process until the final approval and sanction and the POI document remains in the background because its validity depends on the sanction of the National Budget. The STP does not have the same institutional power/capacity as it has the MH in order to make adjustments/changes in what is planned in the POI. Their work on this stage is limited only to verify the alignment of what is stated in the POI with the priorities established in the budgetary guidelines.

-Third: When the MH finalize the process of consolidation (that can include budget cuts according to the availability of income for the following period), raises the budget draft to the Legislative Power. From September to December both chambers from the Legislative power (Deputies and Senators) have to discuss, adjust, modify (increase or decrease or cancel) the resource allocation. The congress has until the 20th of December of each year to send the final version to the Executive Power. The President of the Republic has as the deadline to Enact the National Budget the 31th of December.

-Fourth: At the beginning of each year, once the Law of the National Budget is enacted, the MH start the process of **Financial Programming**: Is an instrument of Financial Management (MH) through which the real possibilities of financing of the approved budget for the accomplishment of the institutional activities are estimated. The financial programming is the maximum limit for the formulation of the **Financial Plan** and it is the instrument of budget execution of the income by means of which the State Entities and Organisms plan in monthly form and for the period of one year their estimates of income for each Origin or type of income. The other instrument used is the **Cash Flow Planning** that Is the short-term funds programming instrument of the General (MH) and Institutional Treasury and will conform to the priorities set forth in the Financial Plans and subject to the availability of resources from the General and Institutional Treasury. This allocation will be the monthly limit of the institutions to contract obligations and to request resources.

The whole process is presented in the next figure below:

Figure 6. Programming & Budgeting process in Paraguay



### Inconsistency between planned allocations and final approved allocations

As a practical example of these issue we can compare and reveal some inconsistencies between the institutional goals that are planned (POI), budgeted (National Budget) and what is finally Approved/implemented (Control Panel – STP), as we can see with the goals planned for the SNNA for the program ABRAZO in the table below:

Table 9. Year 2016, Goal Planned, Budgeted and Approved.

Instrument/Program	BUDGET 2016	2016 POI	Control Panel (Implementation)
Children under ABRAZO program	12.000	12.500	27.715

Source: STP-Control Panel (November 2016), POI 2016 Presidency & MH- National Budget 2016

### Proliferation of actors that put the leadership and authority of the STP at risk

- Ministry of Finance (MH)

It has the coercive power to adjust the numbers presented, in the stage number two, with the consolidation of the whole budget, applying the discretionary criterion of “rationalization”<sup>14</sup> and the fourth, once the budget is sanctioned, with the tools of financial programming<sup>15</sup> and the monthly assignation of financial plan can adjust the cash flow of each institution according to availability and their political influence between the ministries of the cabinet. Making all the planning process doomed to fail or to be adjusted every beginning of the year according to the moody scenario.

<sup>14</sup> <http://www.abc.com.py/edicion-impresa/locales/ordenan-recortar-g-191000-millones-al-presupuesto-2017-de-salud-dicen-1496754.html>

<sup>15</sup> <http://www.lanacion.com.py/2016/02/04/plan-financiero-2016-contempla-un-recorte-de-us-111-millones/>

## - Legislative Power (LP)

Another source of instability and lack of prevision of the budgetary process (and for consequence the whole planning system in Paraguay) is the legal faculty that has the Legislative Power to cut expenses, in most of the times these cuts harm the budget of the Social programs like Tekoporâ in 2011<sup>16</sup>. And, in the same time, the Paraguayan Parliament has the legal feasibility to increase the budget allocation, according to simply political criteria or particularistic benefits of a sector, like what happen with the increment of the resources available for agrarian reform, in the budget 2012, but the real objective was to sell a family property of a senator to the Paraguayan state<sup>17</sup> something that unfortunately happened.

## - UTGS

Since their creation in 2009, there has been a sort of frictions and misunderstanding between the UTGS and the STP, reaching a high point where a bill to eliminate STP was presented<sup>18</sup>. This situation seems to be solved with the enact of the decree 291/2013 and the reorganization of the Social Cabinet. But the tensions came back to revive with the promulgation of the resolution No. 763 of the General Secretariat of the Presidency of the Republic, which states that *the Technical Unit of the Social Cabinet (UTGS) is the institution in charge of monitoring and evaluation of Emblematic / Priority Programs related to Social Policy and Poverty Reduction Program*, it is planned to be carried out, by 2018, “*a monitoring of the programmatic structure of the programs housed in the SIIS, in order to diagnose their correct alignment with the Government's priority objectives identified with the Ministry of Finance*” (UTGS 2017:22).

The institutional planning and programming were competences, until the promulgation of this resolution, an exclusive faculty of the STP and MH. The resolution No. 763 empowers the UTGS (in direct undermining of the authority of the STP) to extend their influence among the executors of the SO program, just like the MH do with the budget, now they have the capability to “correct” the alignment of their programming instruments, without any mention of the governing body par excellence of national planning (STP).

In order to acknowledge how the political influence, the institutional framework and the resource allocation affects the implementation, the next chapter will present a zoom out with an overall institutional-political analysis related to governance and the principal critical points of the Process Tracing of the SO Program.

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<sup>16</sup> <http://www.ultimahora.com/el-recorte-plan-tekopora-genera-bloqueo-rutas-n481839.html>

<sup>17</sup> <http://www.abc.com.py/edicion-impres/politica/indert-pago-g-46000-millones-por-tierras-que-estarian-vinculadas-a-oviedo-matto-555786.html>

<sup>18</sup> <http://www.abc.com.py/edicion-impres/economia/secretaria-tecnica-pasara-a-ser-una-subsecretaria-de-hacienda-734797.html>

## Chapter 5

# Overall Process Mapping: Levels of Malfunction

Using the Graham and Naim (1998) malfunction typology as a reference (Chapter 1), this chapter will present the principal sources of institutional malfunction and how that affects the implementation of the SO Program:

### 5.1 Type of Malfunction: Resources Related

For a country like Paraguay, with the lowest social expenditure in the region (ECLAC 2016) the correct allocation of the scarce resources is vital. This seems to be a big challenge as it was stated in the previous pages, with the lack of clear criteria for the allocation of resources, in both levels, between the institutions that are in charge of the provision of goods & services among the vulnerable population and within the institutions: how these scarce resources are distributed at territorial level. This results in a fragmented provision and a predictable lack of coverage that is shocking, especially in the Departments with the highest incidence of poverty where 1 of 2 inhabitants are living under the line of poverty.

Another consequence of the unequal distribution of resources is that generates a competence among the diverse institutions, leading to lack of integrity and an excessive concentration in the urban areas of the social provision, making unreachable or costly for the beneficiaries the access to the benefits. In result, we have that the presence of the Paraguayan state is weak (in many places non-existent) and/or inaccessible for everyone.

### 5.2 Type of Malfunction: Politically Driven

This model of **fragmented, discretionary and urban-concentrated provision** only favours to the local political elites, making the vulnerable population a means for the purpose of political pressure or elite capture, i.e. The Indigenous communities. Every year, around May to September, due the incapacity of the Paraguayan state (in this case the INDI) to attend to its claims at territorial level, they are carried by the local political leaders to Asunción city so they camp outdoor in subhuman conditions in front of the offices of the INDI searching for assistance<sup>19</sup>. Another consequence is the use of these state agencies (and its resources) as a political trampoline in order to later occupy positions in the parliament<sup>20</sup> or in the departmental governments<sup>21</sup>, not to mention the countless cases of embezzlement<sup>22</sup> and corruption detected<sup>23</sup>.

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<sup>19</sup> <http://www.abc.com.py/fotos/indigenas-frente-al-indi-422728.html>

<sup>20</sup> <http://www.paraguay.com/nacionales/hugo-richer-candidato-a-senador-87014>

<sup>21</sup> <http://www.monumental.com.py/ministro-de-la-juventud-sera-precandidato-de-hc-para-la-gobernacion-de-caaguazu>

<sup>22</sup> <http://www.abc.com.py/edicion-impresa/interior/polideportivo-inconcluso--de-la-dibenda-abandonado-en-juan-de-mena-378628.html>

The excessive influence of the Legislative Power in the budgeting process is another source of malfunction. Its sectorial consequences have been analysed in different angles: for the civil service (Iturburu 2014), for the fiscal equilibrium and public debt (Borda 2007) or even in the democratic governance (UNDP 2003). Although there have been some improvements like the enactment of the fiscal responsibility law in 2013, the Legislative Power continues exercising great power over the budget and by consequence, over what is finally implemented. Like what happened with the budget for school's meals and construction for the Departmental Governments in 2014<sup>24</sup> or the presidential veto of the National Budget of 2017, the first in the democratic history of Paraguay<sup>25</sup> that has affected all the sectors and making (more) untestable and unpredictable the management in the public sector of Paraguay.

### 5.3 Type of Malfunction: Systemic or Organizational

The mother of all the systemic malfunction of the implementation of the SO Program is the **excessive autonomy and the high degree of discretionally** in the decision-making process that enjoy the Paraguayan public institutions. This leads to a number of malfunctions alike: Goal/Normative ambiguity, overlapping of functions/programs, volatility of what is planned and what is finally implemented, lack of integration between the systems and registers, the multiplicity of criteria when defining the "vulnerable population" between the institutions, among others.

The root-causes can be resumed as:

#### **- Implementation is heavily dependent upon the budgetary process**

As we can see in the process of planning & budgeting there are several threats that conspire against what is initially planned and budgeted, which is why institutions prefer to focus their technical and political efforts on securing the budget. As a co-worker from a National Secretariat told me, off the record "*we will implement as much as it allows us the budget of this year*" making a trade-off very complicated between the short-term thinking of the institutional budget for the next year and the long-term goals established in the Social and Economic Policies.

In my personal experience this weakness' is materialized when you analyse the content of each POI year by year: Here you can find a lot of incongruences or inconsistencies between data, locations and/or beneficiaries, occasionally it can be seen just a copy & paste of the previous year. Sometimes it gives the feeling that the institutions complete the POI because is mandatory in order to get their preliminary budget accepted by the MH rather than to be a guiding document of their actions in the next fiscal period.

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<sup>23</sup> <http://www.ultimahora.com/presidencia-detecta-24-casos-corrupcion-administracion-publica-n626933.html>

<sup>24</sup> <http://www.ultimahora.com/maniobra-pro-aumento-gobernaciones-tiene-su-coston847811.html>

<sup>25</sup> <http://www.lanacion.com.py/2016/12/24/ejecutivo-veto-presupuesto-general-gastos-2017/>



**- Secondly, the ambiguity and undefined roles between the STP & UTGS and the double role played by the STP in the SO Program.**

In practice, both institutions coexist in the same framework, with very similar functions and responsibilities. They manage two very important (and complementary) data-bases with social information very useful for the public policies, one (Ficha Social) from the perspective of the demand-side (data from the beneficiaries) and the other one (SIIS) data from the supply-side (data from the institutional-registers). Unfortunately, there is little or null information exchange among them, so there no exists reports, data or charts that illustrate the impact of the different social programs implemented.

In addition, the STP exercises a dual function as coordinator and implementer of the SO program. So, on the one hand, its leadership is questioned by an external menace (in this case the UTGS) and on the other hand, by interfering in the implementation process it generates a distraction against its real and necessary function of coordination, this causes a deprive it of its capacity and leadership among its peers.

## Chapter 6

### Conclusion

As it has been warned by Lopez-Calva and Lugo (2015), the improvement obtained by Paraguay in the past ten years (2003-2013) on the reduction of poverty & inequality is seriously challenged by its sustainability. Poverty reduction was caused by mainly exogenous factors and the role of the redistribution effect of the Paraguayan State through the public policies was marginal. One of the greatest structural barriers towards an equitable society today is still the high and persistent level of inequality in opportunity among various groups defined according to circumstances of birth, including the geographical and language factors. Social policies are not sufficiently effective in offsetting inherited inequalities. For that reason, this study about coordination of the implementation of anti-poverty strategies acquires a particular relevance, because in the developed chapters it was explored how important is to have a clear and coherent institutional framework that enables and promotes the coordination activities in order to achieve the synergy and the cooperation necessities for the success in the fight against poverty.

In Paraguay, the evolution of the political-institutional framework in relation to the Poverty Reduction Strategies, has a remarkable lack of governance, despite the fact of the existence, since 2003, of an arena of coordination (Social Cabinet) where the different actors involved in the fight against poverty converge and an experience of almost 15 years in the design, coordination and implementation of Antipoverty strategies.

As a first reason, it can be mentioned the co-existence of two institutions (STP and UTGS) that have the normative mandate to coordinate, monitor and evaluate the process of implementation of the anti-poverty strategies. This results in a lack of authority, which undermines the capacities to coordinate and articulate in a multiple agency environment. A proof of this lack of clarity, the Paraguayan state has two unconnected data-bases of social information (SIIS and Fichas Sociales), that separately cannot be used as instruments to design and monitor the impact of social policies, like other data-based managed by a single institution like in Argentina (SINTYS – National council of Coordination of Social Policies<sup>26</sup>) Brazil (Cadastro unico de informação social – MDS<sup>27</sup>) or Uruguay (SIAS – MIDIS<sup>28</sup>). Not to mention the double role pursued by the STP as coordinator and implementation of the strategy, something widely discussed in pages above.

Secondly, in addition of the lack of authority of the coordinator, another issue that conspires against the policy coherence and integrity is the excessive autonomy and the high degree of discretionally in the allowance of resources and targeted interventions that enjoy the public institutions in Paraguay. This results in a fragmented, discretionary and urban-concentrated provision of goods and services that with a lot of difficulties can cover the targeted vulnerable sector.

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<sup>26</sup> <https://www.sintys.gob.ar>

<sup>27</sup> <https://mds.gov.br/assuntos/cadastro-unico>

<sup>28</sup> <http://sias.mides.gub.uy>

At last, but not less important, it can be observed that implementation is heavily dependent on the budgetary process, undermining directly the capacity to coordinate in advance the actions and interventions to be made, adding an extra grade of uncertainty to the accomplishment of the goals proposed in the anti-poverty strategy.

To add some hope in this discouraged scenario, in the next year there will be presidential elections in Paraguay, a great opportunity to discard what is not working and propose a change. In order to overcome this ungovernable scheme, it is proposed a wide institutional reform, that has as the main objective, according to Graham and Naim (1998), *to enhance efficiency as a mean to lead to equity* in the anti-poverty interventions.

The big change proposed is the creation of a centralized social authority, which can act as counterweight of the hegemonic influence of the MH in the planning and budgeting process, as well as exercise the rectory in matters of social policies, a **Ministry of Social Development (MDS)**, just like other countries in the Latin American, that have pass through similar process of institutional reform in the social sector in recent past: 2003 - Argentina (Ministry of Social Development), 2004 – Brazil (Ministry of Social Development and Fight Against hunger), 2005 - Uruguay (Ministry of Social Development).

With this recommendation would recover the integrality and coherence of the State intervention in order to combine in a single body the majority of the institutions that are in charge of the social protection interventions. More in detail, it consists in merging SNNA with the SNJ in one Secretariat “of Children, Adolescents and Youth”, combine DIBEN, plus the SAS and the Elderly pensions program of the MH in other Secretariat “of Social Protection”, join together MM and SENADIS in a Secretariat “of Social Inclusion”, and in the same time, add the INDI and SEN as new Secretariats of “Indigenous affairs” and “Estimation, prevention and reduction of disaster risks” respectively.

All this new institutionality has to be adscripted to the new MDS in order to generate the synergies necessary to move from a fragmented, discretionary and focalized provision towards a one more universal and just in order to gain efficiency, equity and generate impact (Franzoni and Sánchez-Ancochea 2016). With this new framework it is aimed to obtain the necessary degree of governance, that will allow the government to achieve their essential function, as Fukuyama (1998) defines, that is *to make and enforce rules, and to deliver the proper services and goods* necessary for the most vulnerable population.

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