INTRODUCTION

Safety net programs generally employ thresholds (using a set benchmark of assets, income, or a timeline) to graduate beneficiaries off program support (Browne 2013; Sabates-Wheeler and Devereux 2011). However, many participants in short-term programs fall back to pre-program vulnerability and poverty levels within a short time (Sabates-Wheeler and Devereux 2011), suggesting that threshold-based graduation is an inappropriate way to determine the capability of participants to leave the program. Thus, the concept of “sustainable graduation” has been put forward to better assess the ability of a household to withstand shocks without damaging losses (Sabates-Wheeler and Devereux 2013).

However, sustainable graduation, conceptualized as the achievement of long-term improvements in livelihoods and living conditions maintained across generations (Roelen 2015), is not applicable in chronic emergency contexts. Instead, we frame changes from emergency aid to a livelihoods program or to longer-term cash transfers or a mix of these as a transition, depending on each household’s capabilities. As safety net investments are often donor-supported for a finite period, it is envisaged that emergency cash transfers can provide a transition to a range of livelihood-support programs and that the development of the Transition Readiness Index will inform this choice, leading to greater household capabilities to withstand recurrent shocks.

KEY MESSAGES

- Moving from emergency cash transfers to livelihood support programs implies complex transitions for participants; and capturing these transitions requires comprehensive metrics.
- This brief discusses a Transition Readiness Index we are developing with the World Food Programme for its safety net program in Somalia.
- The index comprises three indicator categories – household agency, system performance, enabling conditions – to measure the likelihood of a successful transition from emergency cash transfers to livelihood programs, longer-term safety nets, or a mix.
- The index will support the targeting of accompanying measures to increase transition readiness.
Transition readiness requires attention and actions to address context constraints, such as markets and infrastructure. Emergency cash transfers can be effective in smoothing consumption and protecting existing assets, but complementary support is needed to increase incomes and assets to sustain livelihoods and build resilience against fluctuations and shocks to the point where participants are ready to transition to the livelihood-building support (Sabates-Wheeler and Devereux 2013) — the X-factor (Devereux and Ulrichs 2015) or big push to “unlock” a poverty trap (Banerjee et al. 2015). Therefore, program managers coordinate humanitarian aid with development aid to create an enabling environment that increases livelihood opportunities for beneficiaries.

In 2018, World Food Programme (WFP) Somalia and the Danish Refugee Council (DRC) introduced the Urban Safety Net in Mogadishu, offering a monthly cash transfer — equivalent to US$35 — to approximately 20,000 vulnerable households. These households include the urban poor, internally displaced people, single women, and people with disabilities.

A systematic approach to linking basic livelihood protection (consumption smoothing) and entrepreneurial risk-taking (production enhancement) in safety net programs is increasingly recognized as a key to achieving protective, preventive, promotive, and transformative objectives of social policy and to enhancing positive transitions.

However, transitioning from an emergency to a productive safety net and/or livelihoods program is complex, dynamic, and risk-prone. Urban farming, small enterprises, and employment are potential alternative livelihood options. However, these require households to have sufficient nutritional, economic, and human capability to manage livelihood changes. The concept of graduation underestimates the complexity of people’s experiences when changing livelihoods (Sabates-Wheeler and Devereux 2011). Therefore, predicting the right moment for such transitions remains an open methodological challenge. A more holistic framework is needed to prepare and monitor the transitions of cash transfer recipients. Against this background, we initiated work on the Transition Readiness Index.

Transition readiness

Although multiple conditions must be in place to enhance transition readiness, most safety net programs only consider households’ monitoring and evaluation metrics when making transition decisions. Traditionally, emergency aid programs focus only on life-saving consumption (Doocy and Tappis 2017). Diversifying livelihood options is one of the ways that humanitarian aid can support smooth consumption after emergency support ends. The important question is, how can program managers know when a participant is ready to transition from emergency support to livelihood diversification support? Monitoring and evaluation of households does not capture the larger social system of which the household is part.

The transition readiness model we propose captures the sources and magnitude of beneficiaries’ material and non-material progress from program entry to exit. Consequently, it can enable program managers to determine when to transition respondents from emergency aid to livelihood diversification programs. We build on research by Soares and Orton (2017) and critical debates surrounding the “graduation approach”. Our collaborative research effort proposes to develop a Transition Readiness Index to open pathways from traditional emergency cash transfers to diversified livelihood support in the Somalian context. The livelihood support will include capability-building instruments such as trauma counseling, vocational guidance, job placement, business incubation, and microfinance, among others. The testing and application of this index will inform the ability of households to self-select options toward transition from emergency cash transfers. Given that emergency cash transfers are provided for a limited time, options for households to diversify livelihoods is particularly relevant for conflict-prone contexts like Somalia.
Put in one sentence, \textit{transition readiness} — as measured by the index — is the ability of a household to stabilize consumption at above-poverty levels after emergency cash transfers end and to embark on and actively engage in a livelihood diversification program to sustain acceptable food consumption. It does not matter whether the change is constructively and purposefully introduced or households take transition decisions on their own, motivated by new livelihood opportunities. A safety net participant is ready to switch or leave a cash transfer program if household members have developed the necessary capabilities and skills, including access to relevant resources, to engage in a resilient livelihood activity. Material and non-material conditions support changes in livelihood strategies. Hence, transition readiness is an indication of the ability of the participant to leave the program without risk of future loss of program gains.

We distinguish three central transition domains — human agency, system performance, and enabling conditions — essential for a successful livelihood transition. Factors under each domain contribute, directly and indirectly, to the transition readiness of a household. Table 1 offers an overview of preliminary indicator domains for assessing transition readiness.

\textit{Human agency}

We define \textit{human agency} as the capacity of an individual to make choices and implement them in their respective living contexts. The aspirations of the individual (Glewwe et al. 2015), the ownership of productive assets, and the overall portfolio of livelihood strategies affect the ability of a household to undergo a livelihood transition. The more a targeted safety net program supports individuals in developing their agency, the higher the likelihood of a successful transition from emergency relief to a livelihoods program.

Key assumptions underpinning the human agency indicators are:

- Authentic aspirations and goals, including self-efficacy, as well as physical and mental health, drive transition readiness.
- Asset stabilization and accumulation are prerequisites for transitioning from emergency cash transfers to livelihood support.
- In addition to material resources (including food security), productive labor/assets, social resources, and physical and mental health are central to the transition.
- The fewer the coping/distress strategies, the higher the likelihood for successful transitions.

\textit{System performance}

Individuals and households do not operate in isolation. They are members of communities, and these memberships influence the transition readiness of people and groups. Markets and the functioning of society (e.g., to

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\begin{tabular}{|c|c|c|}
\hline
\textbf{Domains} & \textbf{Indicators} & \textbf{Relevance} \\
\hline
\textit{Human agency} & \begin{itemize}
\item Aspiration (goal orientation and trust in oneself)
\item Health (mental and physical)
\item Food security and nutrition
\item Productive assets and income
\item Livelihood strategies
\end{itemize} & Five main indicators: The greater the agency of the primary participant within the household, the more successful the transitions. \\
\hline
\textit{System performance} & \begin{itemize}
\item Household dependency ratio
\item Markets (food markets, input markets, job markets); personal security
\item Financial systems operational and accessible
\item Vulnerability framework (security, stability, risk) within the community context
\end{itemize} & Four indicators: The higher the system performance of the household, markets, financial systems, and the larger community, the more conducive the transition environment. \\
\hline
\textit{Enabling conditions} & \begin{itemize}
\item Capacity development
\item Transition support
\item Health backup
\end{itemize} & Three indicators: The better the service environment people can draw from, the better the transition performance. \\
\hline
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provide human safety and security) also mediate the transition readiness of a household. In other words, the more favorable the social dynamics within the household, community, and society, the greater the ability of a person to use available agency to make choices toward alternative livelihoods. Measuring the performance of the system from the perspective of the household, therefore, constitutes the second transition readiness domain.

Key assumptions underpinning indicators of system performance are:

- Communities are heterogeneous in resources, capabilities, and skills, and transfer payments must be developed accordingly for specific target groups.
- Social structures, household dependency ratios (workers/family size ratio), gender norms, and communal dynamics influence choices and capabilities.
- In areas facing conflict, the conflict sensitivity and awareness of households undermine transition readiness.

Enabling conditions

Enablers and specific support services helping the transition of households constitute the third central transition domain. Often there are time-bound windows of opportunity that beneficiaries can seize to embark on a new livelihood pathway. At the same time, governments and their development partners can provide support services to enhance the transition readiness of beneficiaries. For example, Mexico’s Oportunidades program combines cash transfers with nutrition, schooling, health services, training, job search support, youth inclusion, savings instruments, and micro-enterprise development, which increases the probability of households attaining and sustaining higher living standards after transitioning out of the program (Barrientos and Santibáez 2009). Indicators measure respondents’ perception and their self-ascribed ability to access services supporting the transition from cash transfers to productive safety nets or other livelihood-support arrangements.

Key assumptions underpinning the enabling conditions indicators are:

- Respondents’ self-assessment of access to support services is reliable. It is not the existence of the services but the ability to access existing services that matters to beneficiaries.
- The safety net program provides complementary support services such as asset transfers, livelihoods training, savings facilities, and coaching and mentoring services.

The index

Each transition indicator includes thresholds and weights, as do the three domains. The data for thresholds and weights come from the literature and qualitative data derived from Urban Safety Net participants in Mogadishu. We then develop a multidimensional index to predict the transition readiness of participants in the program. This index captures human agency, system performance, and access to critical services from the enabling external environment.

All three indicator domains intersect and are crucial for understanding transition readiness. Transition readiness assessments of the participant at the household level offer an aggregated view of transition readiness tested at various points of the emergency cash transfer program life-cycle. Data collection to compute a prototype index took place in December 2021. In future, data for computing the index could be routinely collected as part of the profiling and post-distribution monitoring. The Transition Readiness Index would then provide real-time analytics for the management of the Urban Safety Net and similar programs.

Essential transition metrics

The Transition Readiness Index builds on traditional monitoring and evaluation data from cash transfer programs. However, these data only partially cover transition readiness information. We therefore expanded the datasets with several essential metrics. Aspirations-based utility theories suggest that aspirations conceptualized as self-efficacy play a central role in the decision-making of the poor (Lybbert and Wydick 2018). People who believe in their aspirations, understand emotions, and are sufficiently self-reflective, self-controlled, and execute planned behavior are likely to influence transition outcomes positively. Self-efficacy may relate to managing the transition from a psychological and social point of view, daily livelihood efficacy, and capacity to engage in remunerative activities. In Somalia, managing risks and uncertainties, including unforeseeable political developments resulting in armed conflicts, is equally essential for transitions. We have also included metrics to self-assess mental health and access to capacity development and mentoring services.
Perceived versus assigned transition readiness

The transition readiness of a person in a safety net program can be assessed from the perspective of the participant, the safety net service provider, social resources the participant draws from, and key informants overseeing the more extensive political and socioeconomic system. We measure transition readiness from the perspective of the cash transfer participant in target households; but these perceptions may vary over time. It is, therefore, necessary to understand the index as part of a larger and more comprehensive readiness measurement process.

Measurement process

Ideally, those carrying out transition readiness assessments measure the ability of the participant to transition within, between, or out of a safety net program, guided by protocols. WFP and the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) are piloting these protocols. To measure the transition readiness of an individual within a household – based on data collected during the program – three assessment stages will be critical: context assessments, readiness analysis (i.e., computing the index), and taking a final readiness decision following the post-distribution monitoring every six months. Transition readiness assessments should be an inclusive and regular activity throughout the program to track changes in response to cash transfers. The drivers of transition readiness change at different rates, with structural variables responding more slowly to program interventions than the dynamic variables (see accompanying brief Theory of Change Supporting Transitions from Emergency Cash Transfers to Rebuilding Livelihoods).

1. Transition context assessments

Through the context assessment, program managers analyze changes in the social safety net context. Data derived from expert panels describe the context in which a livelihood transition occurs. Discussion topics for these panels include labor market dynamics, access to services, and the area’s general security situation. Assessments are disaggregated to account for gender, age, ethnicity, and education of beneficiaries. These context analyses help adapt indicator thresholds.

2. Individual transition readiness analysis

In this stage, the safety net program computes the transition readiness, drawing on data that safety net programs collect and process as part of the baseline and monitoring exercise for cash transfer recipients. For details on this index, see previous sections of this brief.

3. Transition readiness decisions

While the contextual analysis and the quantitative transition readiness measurement provide a good overview of transition readiness within a group of participants, the final decision depends on the personal responses of beneficiaries and expert judgments. Personal conversations with beneficiaries to validate quantitative assessments and the transition readiness index score are all considered. Only through such conversations will it be possible to integrate index-based assessments of clients’ capabilities with judgements regarding transition readiness from the perspective of the participants. Although time consuming, such conversations would contribute to the inclusiveness of programs.

Benefits

The Transition Readiness Index, once piloted and refined, will offer several contributions to the Urban Safety Net and similar programs: First, better targeting of beneficiaries. Second, optimizing preparatory capacity development of beneficiaries for diversified livelihood programs. Third, strengthening evidence-based coordination of government presence to improve the external environment for transitions. And fourth, piloting a new design element to enhance evidence-based learning and adaptive management in the Urban Safety Net and similar programs.

Conclusion

An evidence-based understanding of transition readiness would provide an additional realistic perspective on the time, age, and income cut-offs that programs now employ to graduate beneficiaries. The transition readiness approach provides a framework and indicators through which safety net implementers can monitor program changes and develop program support measures to improve transition readiness domains, predict transition outcomes, and identify appropriate moments for a transition. Moreover,
we integrate the transition readiness measurement into theories of change and impact pathways within and out of emergency responses.

As part of the first phase of the Urban Safety Net, we are finalizing the indicator framework with insights from programs in Mogadishu and Puntland. During the second Urban Safety Net phase in Mogadishu, ICRISAT, WFP, and the Benadir Regional Administration in Mogadishu will ground-truth the index, experimentally test measures that enhance transition readiness of vulnerable households, and pilot the index as a new design element for urban safety nets.

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