

Social Protection (Social Cash Transfer) in Zambia: The question of appropriateness

Introduction

This paper focuses on the appropriateness of Social Cash Transfers (SCT) in Zambia in the context of poverty reduction efforts. In this case, appropriateness is understood as the most suitable intervention based on an understanding of the context of the needs in the particular situation and an understanding of what would be the most effective method or combination of methods to achieve the goals of intervention (Noble et al. 2014). Social Protection programmes are largely seen as appropriate interventions towards poverty reduction in most parts of the world. Social cash transfers come as a component of the Social Protection

mechanism which, according to Holzmänn and Jorgensen (1999), seeks to reduce the vulnerability of low-income households with regard to consumption and access to basic services. With a focus on social cash transfers, this paper presents an analysis of the situation of social protection in Zambia by addressing the question of the contribution of social cash transfers to micro- and macro-economics, access to health care as well as child welfare. The paper also discusses the pessimism on the future of social protection as an integral mechanism for poverty reduction in Zambia.

Poverty and Social Protection in Zambia

The situation of poverty in Zambia remains a matter of concern. The country was classified as a middle income country, while at the same time it has failed to meet most targets of the Millennium Development Goals (MDGs). About 60 percent of the population have been categorised as poor, with 42% of the national population being extremely poor (Living Conditions Monitoring Survey, CSO, 2006). This situation threatens the population's prospects for a better life and has the potential to lead to an intergenerational transmission of poverty. The phenomenon of poverty is worsened by widening inequality as well as other structural factors, including but not limited to, unemployment, illiteracy, low social expenditure, corruption, and inadequate health service provision.

The long history of poverty among citizens, as well as the need to develop a coordinated approach to respond to the situation of poverty led to the development of a Social Protection Strategy built into the National Development Plan 2006 to 2010 (Ellis et al. 2009). Prior to this, the government and its partners introduced pilot social cash transfer schemes in five districts. Today, the country boasts an existing national social protection policy launched in 2014 with the vision of 'a middle income nation free from constant or periodic critical levels of poverty, deprivation and extreme vulnerability by 2030' (NSPP, 2014).



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In 2015, SASPEN and Friedrich-Ebert-Stiftung Zambia hosted a high level **international expert conference on Sustainability of Social Protection** in Johannesburg, South Africa, Oct 20-21.

All Conference Proceedings including this brief are available at: <http://www.saspens.org/home/en/conferences/sustainability-of-social-protection-international-conference-2015>

Appropriateness of SCT to Poverty Situation

Whether social cash transfers are appropriate in Zambia has been purposively answered in the context of their contribution to micro and macro economics, as well as health care service and child well-being. Appropriateness in this case is understood synonymously with effectiveness.

1. Contribution of social cash transfers on micro and macro economics

On the micro level, there have been various reports indicating that social cash transfers have positive effects. SCT have been hailed as a step in the right direction owing to their contribution to household's living conditions in the 80 implementing districts as of 2015. Recipients of the transfers engage in trade either as buyers or sellers thereby impacting on the local economy. Therefore, it is argued by social cash transfer proponents that social cash transfers stimulate the local economy.

There are indications that SCT increased household income and food security. This impact is evidence from findings of Randomised Controlled Trials (RCT) based on interviews of over 5,500 households in five districts. RCTs have shown that small-scale cash transfers to poor rural households can not only alleviate poverty but also stimulate economic and productive activity. The programme played a vital role in reducing debt and allowing households to make critical investments, making resilience a key impact. In particular during the harvest season,

with more food available, families used the cash transfers to invest in chickens, goats, mosquito nets (to protect against malaria) and farm tools. Recipient households also invested in improved housing conditions, building latrines and cement floors, which all have positive health implications (UNICEF, 2015).

However, some districts have not experienced significant micro economic improvements. This is confirmed by Tembo et al. (2014) who found that there was lack of significant wealth effects in Kazungula district as compared to Chipata district. The possible explanation was that the differences in poverty between the poor and the relatively less poor are less apparent in the rural areas. This also points to other factors that may interfere with the intervention positively or negatively in each of the districts. Even in districts where it is reported that SCT have impacts, it still remains unclear on how those positive impacts are sustained given the complexity of society and other risks and shocks that families may have to grapple with.

With regards to the impact of SCT on macro economics, it is largely unclear whether there is such an impact; or if there is, it could be insignificant. In the

context of Zambia, areas where SCT and other agricultural related programmes such as farming inputs under social protection continue recording low levels of agricultural productivity; without significant change in times when they record higher yields. Consequently, they contribute less to the GDP. There are also low level business transactions to have significant impact on macroeconomics. This is why Slater (2009) argues that there is little evidence on the impact of cash transfers on the local economy and no evidence of cash transfer-induced increases in household welfare having a significant impact on national GDP in low income countries, largely due to the small scale of most programmes. The SCT programme in Zambia continues to be provided on basis of stringent means-test criteria targeted at the poorest. Its character as a targeted benefit limits the potential to contribute to macro economy as many 'deserving poor' are excluded from receiving the benefits. The situation is worsened by low amounts received in the SCT programmes. Therefore, there is still need to move towards universal SCT benefits with a relatively increased monthly benefit to recipients.

2. Contribution of social cash transfers to access to health care services and child welfare

With a particular focus on Child grants, there is evidence from research that the Child Grant Programme, a cash transfer,

has led to improvement on child welfare in the implementing districts (Kaputa, Kalabo, Shangombo) of Zambia. Impact reports at the 36th month of implementation showed that there was improved welfare among beneficiary households. This finding was based on the use of per capita household consumption as the welfare measure (American Institutes for Research, 2014). Additionally, the SCT aided in improving food security. Districts implementing child grants have been indicated to have experienced reduced incidences of diarrhoea, coughs and fever.

However, health care facilities provide poor quality services due to inadequacies in requisites for better health service provision. They face problems of lack of electricity (only 6% had electric-

ity), less than 10 percent have clean water, lack of well-functioning laboratory, lack of full-time medical doctor, and low staffing levels (Nurses, Clinical Officers, auxiliary workers), and low drug availability (American Institutes for Research, 2014).

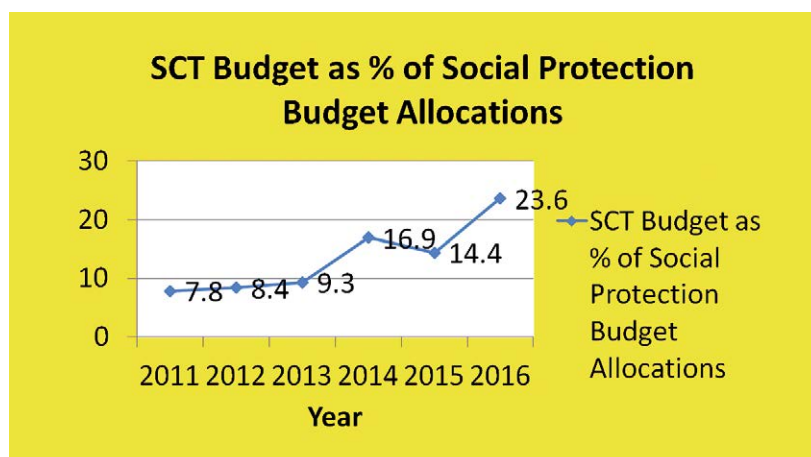
These challenges point to problems on the supply side of health care services that in part render SCT 'ineffective' in influencing access to health care services; and consequently less impact on health of children. SCT on their own do not present a magic bullet but operate within a system of interacting factors such that the problems of one subsystem, i.e. health care facilities, tend to affect the outcome effect of the interaction with another subsystem (SCT).



Table #1
Percentage share of social protection in national budget

Year	Allocation of Total budget (%)
2010	2.7
2011	2.7
2012	2.4
2013	2.8
2014	2.8
2015	2.7
2016	2.4

Graph #1
Share of SCT budget as share of total social protection budget allocation



Pessimism on the future of social protection

SCT in particular has found its identity as a potential intervention towards reducing extreme poverty. Some impact evaluations are positive about how SCTs can be a vehicle to reduce poverty and vulnerability. This identity of appropriateness is amidst struggles as the scheme, just like with social protection policy as a whole, does not have any legal framework. The country constitutionalised economic, social and cultural rights despite social protection largely falling within these rights. Therefore, Zambia is yet to see a government commitment towards social protection through an act of parliament. As it stands, pessimism on the future of SCT is justified.

In the current situation, pessimism stems from the SCT being provided as a non-statutory service, which means that the state does not feel obligated to engage in such provisions. Lack of a legislative framework on social protection as a whole does not guarantee continuity of SCT programmes and further lacunae in adherence to minimum standards. This also explains in scaling up SCTs in the initial stages as also pointed out by Schüring and Lawson-McDowall (2011) that piloting and experimentation continue (SCT are now targeted at the 'incapacitated' in some districts, at the elderly in others and at children in the most recent districts) with, however, little political commitment to take the SCT forward.

Since Schüring and Lawson-McDowall (2011) wrote on the subject, nothing much has changed to the positive. The present government led by the Patriotic Front was partly voted to take over government on the basis of pro-poor policies espoused during their campaigns. One would have expected an accelerated process towards enactment of social protection bill and substantial increase towards social protection as a whole. However, today (less than 2 months before general elections) we are still being greeted by an absence of parliamentary bill, and piecemeal funding towards social protection. The table above shows the percentage share of social protection in national budget for the period 2010-2016 (see table # 1).

Segmenting the social protection budget further, there are signs that the government is scaling up funding towards social assistance (see graph #1).

However, this is insignificant as the number of beneficiaries will be increased while the value of the transfers to be received will remain the same. For instance, it is intended that social cash transfer beneficiaries are increased from 190,000 in 2014 to 250,000 in 2016 (MoF, 2015). The increase in monetary allocations towards cash transfers cannot significantly reduce poverty given that other structural factors of the economy and social policies are not effectively being

used towards poverty reduction efforts. This heightens pessimistic views about social protection as a whole as the situation leads to other implementation challenges. The lacunae in this regard are further compounded by inefficiencies and politics of clientelism, where politicians are using the scheme for political mileage.

Conclusion

Social protection remains a vital tool towards the reduction of extreme poverty in Zambia. In the current scenario, it is wishful thinking to expect social cash transfers to be a magic bullet towards poverty reduction in the country. There is need to pay attention to increase the amount allocated to each beneficiary while at the same time address the lacunae in other social services such as education and health. There is potential that constitutionalising economic, social and cultural rights can bring this to reality.

There is also need to consider and prioritise transformative social protection approach rather than a usual focus on targeted income. Transformative social protection beyond mere rhetoric is an appropriate intervention in the prevailing situation in Zambia. This is because 'the range of interventions that can

contribute to the provision of social protection is much broader than resource transfers, though these are obviously important in cases where vulnerable groups are literally unable to survive on their own resources' (Devereux and Sabates-Wheeler, 2004: 8). A transformative approach is essentially aligned to the human rights approach and goes further to address structural factors including the socio-economic and political contexts of vulnerability. Such an approach will empower vulnerable communities towards collective action, including campaigning for the needs as a result of their experiences with the system which perpetrates inequities and exclusion. It points to the need to break structural barriers. There is also need for further research on the notion of transformative social protection in diverse settings of Zambia.

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About SASPEN

The Southern African Social Protection Experts Network, SASPEN, is a not-for-profit loose alliance of stakeholders, scholars and consultants who engage with social protection in the SADC region. It promotes the fostering, expansion and improvement of social protection in SADC countries and engages in dissemination and sensitisation by providing platforms for exchange regarding social protection programmes, frameworks, research and consultancies and by creating network structures to link participants with each other and to relevant institutions. Activities of the network may include country workshops, international conferences, seminars, publications, joint research, dissemination of information.

The network aims to provide a basis for (i) sharing of experience and information based on research and in-depth knowledge of social protection issues, (ii) constructive debate, discourse, discussion and reflection among experts and with stakeholders and role-players, and (iii) rendering a range of services to support the promotion, development and implementation of social protection in SADC countries, with reference also to strengthening social protection floor initiatives – on a commissioned, requested or self-initiated basis.

The exchange and interaction within the network is guided by the principles of independence of individual participants, collaboration in network activities, professionalism and objectivity.

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