SASPEN brief
Southern African Social Protection Experts Network 6/2016

Conditional Cash Transfers in Africa: Limitations and Potentials

Olabanji Akinola

Ph.D. Candidate in Political Science and International Development Studies, Department of Political Science, University of Guelph, Ontario, Canada
Email: Oakinola@uoguelph.ca

Introduction

Conditional Cash Transfers (CCTs) are currently amongst the most popular social protection programmes for addressing poverty, vulnerabilities, and risks of poor individuals, households and communities in developing Latin American, African, and Asian countries. CCTs are "programmes that transfer cash, generally to poor households, on the conditions that those households make pre-specified investments in the human capital of their children" (Fiszbein and Schady, 2009:1). These investments are usually health and education related and often require periodic medical check-ups and school attendance for children. Amongst other functions, CCTs can function as social assistance tools that are mainly designed to achieve short-term poverty reduction and long-term human capital development (Kakwani et al., 2006: 14). However, the increasing popularity and adoption of CCTs in Africa have remained highly understudied in comparison to CCTs in Latin America where they originated in the late 1990s and early 2000s. For this reason, this policy brief discusses some of the current limitations and potentials of CCTs as social protection programmes for reducing poverty and developing the human capital of poor individuals, households, and communities in African countries. The brief begins with an overview of CCTs in general with special reference to Africa in particular. It then examines some of the limitations and potentials of CCTs on the continent before ending with some policy recommendations by way of conclusion.

Conditional Cash Transfers: A brief Overview

As social protection programmes continue to proliferate across the world, the imperative of ensuring that poor and vulnerable individuals, households, and communities receive the necessary social assistance they need has been recognised at the local and international levels. Indeed, the inclusion of some social protection targets in the Sustainable Development Goals (SDGs) launched in 2015 by the United Nations attests to this recognition. But how to design and implement effective and sustainable social protection programmes remains a challenge for different stakeholders in social protection, not least governments and donors in developing countries. Nonetheless, amongst various social protection programmes initiated in many countries in the past two decades, CCTs have proven to be popular partly as a result of the often cited successes of pioneer CCTs like Mexico's *Progressa* (now *Oportunidades*) and Brazil's *Bolsa Escola* (now *Bolsa Familia*) CCT programmes in increasing school enrolment and poverty reduction (Adato and Hoddinott, 2010).

While the objectives of many CCTs broadly relate to poverty reduction and human capital development in poor households and communities, considerable variations exist in the design and implementation strategies of CCTs across countries. CCTs can also have specific objectives and target vulnerable groups such as Orphans and Vulnerable Children, pregnant women, the elderly, disabled or people living with HIV/AIDS. The specific objectives may be to encourage the uptake of social services amongst target

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.saspen.org/home/en/conferences/sustainability-of-social-protection-international-conference-2015**

SASPEN
Southern African Social Protection Experts Network

groups, improve literacy and nutrition intake levels for household members, promote food security, reduce maternal and child mortality and so on. In Africa, a few examples of the CCTs that have been introduced and/or scaled up in the past decade with broad and/or specific objectives while targeting specific vulnerable groups include programmes like Burkina Faso's CCT for Orphans and Vulnerable Children, Ghana's Livelihood Empowerment against Poverty (LEAP), Nigeria's In Care of the People (COPE), Tanzania's Community-Based CCT (CB-CCT), and Senegal's Conditional Cash Transfer for Orphans and Vulnerable Children.

However, although some CCTs in Africa are implemented nationally and funded mainly by governments like those in Latin America, several CCTs exist at the sub-national levels where many programmes are funded by governments in partnership with international donors like the World Bank, UNICEF, DFID and other governmental and non-governmental organisations. But unlike in Latin America where CCTs are often implemented by centralised government bureaucracies, CCTs in Africa rely more on community participation (Garcia and Moore, 2012). In other words, African CCTs are mostly implemented through community-based targeting methods and mechanisms that require community leaders and members to participate in the selection of beneficiaries as well as monitoring and evaluation of programmes. In addition, African CCTs have shorter eligibility periods of between one and three years on average for households to benefit before exiting the programmes. This is unlike what obtains in pioneer CCTs in Latin America where households are enlisted for longer periods of time. African CCTs also cover much lower numbers of eligible households in need of assistance in many communities or regions. Nonetheless, based on a general reading of existing design and implementation strategies of CCTs in Africa, some limitations and potentials are identifiable as discussed below.

Limitations of CCTs in Africa

Even though the limitations of designing and implementing CCTs in Africa are many, the following four interrelated limitations are noteworthy. First, given CCTs are mostly designed with the broad objectives of poverty reduction and human capital development, with modifications to suit specific objectives as necessary, the need for adequate technical and administrative capacity cannot be overemphasised. But these are often lacking in many countries. Indeed, while African CCTs require the involvement of community leaders and members for the successful implementation of programmes, it is arguably also a way of responding to the limitation of poor technical and administrative capacity. To be sure, many state officials charged with the responsibilities of implementing CCTs in Africa are poorly trained and often times only receive ad hoc training on CCTs through workshops organised by governments or donors. More so, considering CCTs demand important coordination and collaboration between relevant Ministries, Departments and Agencies (MDAs) for effective implementation, monitoring and evaluation, the necessary synergy is missing in many countries.

Second, the supply-side constraints of poor healthcare and education facilities constitute major limitations to what CCTs can achieve in many African countries. The poor conditions of public schools and healthcare centres in many rural communities where CCTs tend to be implemented in Africa illustrate the dire situation of education and healthcare infrastructure on the continent. The lack of adequate education and healthcare workers such as teachers, doctors and nurses makes achieving the objectives of CCTs difficult. Moreover, in places where they are available, these workers often work under very challenging circumstances due to inadequate and sometimes non-existent education and healthcare equipment and materials. It is notable that even though the facilities are grossly inadequate in many communities, CCTs are mostly implemented in places with existing facilities no matter how bad they are. Tellingly, communities that lack any existing facilities are mostly ignored or sidelined until they acquire such.

Third, the short duration and low coverage levels of African CCTs pose limitations to their success as social protection programmes. Considering these programmes tend to last for one to three years on average, their short duration makes a meaningful reduction in poverty and a sufficient accumulation of human capital almost impossible. In many African countries, the minimum years of basic education lie between 6 and 9 years, but children enrolled in CCTs only benefit for less than the required amount of years needed to complete basic education. Even though shorter duration may work in the case of using CCTs for specific objectives such as prevention of mother to child transmission of HIV/AIDS during and after pregnancy, it is very difficult to achieve the broader objectives of poverty reduction and human capital development over short periods of time. A related problem is a low level of coverage for households in CCTs. This is despite the fact that most households often meet the eligibility criteria in rural communities.

Fourth, the diffusion of CCTs from Latin America to Africa and the prominent role being played by donors in the proliferation of CCTs on the African continent raise questions about the ownership and sustainability of CCTs. Aside from the fact that CCTs are quite new on the continent, CCTs require sustained financial resources for their successful implementation. Yet, the reliance on donors for aid and the attendant volatility of the same poses ownership questions and sustainability concerns, especially in countries that rely almost entirely on aid to finance their CCTs. Moreover, without the necessary financial resources, the short and long-term prospects of CCTs in Africa are likely to end in jeopardy if and when CCTs begin to go out of fashion as popular social protection programmes.

SASPEN
Southern African Social Protection Experts Network

Potentials of CCTs in Africa

Despite the aforementioned limitations, CCTs can potentially be successful in African countries if the limitations above are adequately addressed. For this to happen, it would be necessary to explore the following potentials.

One, it is imperative for each country to decide whether CCTs are the appropriate programmes to achieve their human capital, poverty reduction and other related objectives in different contexts before embarking on their design and implementation. Along this line, countries seeking to adopt CCTs must be willing to deploy the necessary human and material resources to build the capacity of state and non-state institutions and officials. Appropriate and adequate training should be provided for officials of relevant MDAs involved in the design and implementation of CCTs. More importantly, community participation should be a right of the people in order for communities to hold state officials and institutions accountable for their actions and inactions. Community members should also receive the necessary information and adequate compensation for their work in the implementation, monitoring and evaluation of the programmes while appropriate redress and grievance mechanisms should be made available for all community members.

Two, for CCTs to achieve their objectives, it is imperative to critically address the quality of education and healthcare delivery in rural communities. Indeed, it should be made a mandatory condition for states to provide better quality education and healthcare facilities in any community where CCTs are to be implemented. This would ensure that conditions in African CCTs are not simply designed for beneficiaries and communities but also constitute a form of ensuring governments provide the social services as necessary. This might, in fact, assist in building social contracts between African states and their citizens (St. Clair, 2009). No community should also be discriminated against in the selection process due to lack of schools or healthcare centres. In communities where these are lacking, governments should ensure they provide such facilities and communities should be subsequently enrolled in programmes.

Third, it should be emphasised that with respect to the broad objectives of human capital development and poverty reduction, the short duration of many African CCTs is an aberration. If CCTs are to achieve their objectives, African countries would require longer duration periods for eligible households to participate in the programmes. At the very least, households with children of school age should be supported for the entire duration needed for children to complete their basic education and the necessary support that households require to overcome their basic needs should be provided accordingly. Here, a combination of CCTs and other appropriate social protection programmes, including unconditional cash transfers, can be used to support households in need of assistance. At the same time, in order for CCTs to stand a chance of making meaningful impacts in many rural African communities, universal coverage for every eligible household in rural communities should be ensured.

Fourth, on ownership and sustainability, governments and donors must ensure that the short, medium and long-term financial resources are adequately provided and also that individual African countries own the programmes. Although it may be necessary for countries to evolve important partnerships with donors and other stakeholders in the early stages of the programmes, mainstreaming CCTs into the social protection systems of individual countries must reflect the countries' short, medium and long-term development and social protection objectives/priorities. Along this line, ensuring that adequate financial resources are domestically available to sustain CCTs over time should be a central goal for African countries adopting CCTs.

Conclusion

Although proponents of CCTs argue that they contribute to poverty reduction and human capital development of poor individuals, households, and communities (Fiszbein and Schady 2009), critics and some observers maintain the actual impact of CCTs on human capital development and poverty reduction remain debatable (Lomeli 2009; Freeland 2007). Concerns over the capacity of low-income developing countries to effectively design and implement CCTs also continue to be expressed by different scholars and policy makers. Debates and questions equally abound on whether it is necessary to target CCTs to a limited number or provide universal coverage to the entire population (Hoddinott 2007) and whether CCTs or UCTs should be used to assist the poor (Barrientos, 2007). But despite these debates, questions and concerns, CCTs continue to proliferate across the globe, not least on the African continent where they are currently implemented with broad and specific objectives. This policy brief was an attempt to provide a generic overview of CCTs while pointing at specific limitations and potentials relevant to the African context. In the light of the above, this policy brief closes with the following recommendations.

1. African countries seeking to adopt CCTs should design, implement, and adapt such programmes with due consideration to the propriety and much needed institutional training for state and non-state officials.
2. Provision of adequate supply-side facilities such as quality schools and healthcare centres should be a condition for implementing CCTs and no community should be excluded from participation for lack of such facilities.
3. The eligibility period for participating individuals, communities and

SASPEN
Southern African Social Protection Experts Network

households in CCTs should reflect the amount of time needed to fulfil basic education and healthcare needs as appropriate. Universal coverage of all those in need within each community must also supersede limited coverage.

4. Adequate planning and institutionalisation of programmes should be done to ensure ownership and sustainability of CCT programmes, especially in countries where programmes are funded mainly by donors. But appropriate partnership agreements for overall developmental and social protection purposes should be explored as necessary.

References

Adato, Michelle and Hoddinott, John (Ed.) (2010) Conditional Cash Transfer in Latin America. International Food Policy Research Institute (IFPRI). Baltimore: The John Hopkins.

Barrientos, Armando (2007) "Understanding Conditions in Income Transfer Programmes: A Brief(est) Note." IDS Bulletin 38(3): 66-68.

Freeland, Nicholas. (2007) "Superfluous, Pernicious, Atrocious and Abominable? The Case against Conditional Cash Transfers. IDS Bulletin 38(3): 75-78.

Fiszbein, Ariel and Schady, Norbert (2009) Conditional Cash Transfers: Reducing Present and Future poverty. Washington D.C: The World Bank.

Garcia, Marito and Moore, Charity M. T. (2012). The Cash Dividend: The Rise of Cash Transfer Programs in Sub-Saharan Africa. Washington D.C.: The World Bank.

Hoddinott, John (2007) Social Protection: To Target or Not to Target. IDS Bulletin 38(3): 90-94.

Kakwani, Nanak, Soares, Fabio and Son, Hyun H. (2006) "Cash Transfers for School-Age Children in African Countries: Simulation of Impacts on Poverty and School Attendance." Development Policy Review 24(5): 553-569.

Lomeli, Enrique Valencia (2008) "Conditional Cash Transfers as Social Policy in Latin America: An Assessment of their Contributions and Limitations." Annual Review of Sociology 34: 475-499.

St. Clair, Asuncion Lera (2009) "Conditional Cash Transfers: The Need for an Integrated and Historical Perspective." Global Social Policy 9(2): 177-179.

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.

The network is not membership-based. There are two modes of possible involvement by individuals and institutions in the network, affiliation and registration. Both modes require participants to create a user account in the web-based network platform www.saspen.org/network. By so doing, participants become affiliates and are subscribed to the network's emailing list. Those who furthermore express willingness for active participation in network activities by filling out an expert profile qualify for the status of registered network participant. Registered participants make themselves visible to other registered network participants and in turn receive access to their profiles. They may thus also be visible to third party institutions in search of expertise or services.

Participation in the network is free and carries no responsibilities or financial rewards or entitlements. No contractual arrangements involving network participants (or facilitated through platforms provided by the network) will include the network but will be subject to individual parties who may link and/or engage through the network.

Affiliate yourself to the network online

www.saspen.org/network

Southern African Social Protection Experts Network – SASPEN

Lusaka, P.O. Box 30554, Zambia
info@saspen.org
www.saspen.org
ISSN 2412-6055