Political Sustainability of Cash Transfers
Findings from CSSR social protection project

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Outline

- CSSR Project
- Policy diffusion
- Variations in SP across Southern Africa
- Case studies Lesotho and Kenya
- Conclusions
CSSR Project:
Legislating and Implementing Welfare Policy Reforms (LIWPR)

- Prof. Jeremy Seekings (UCT)
- Funding:
LIWPR

- Formulation and implementation of social protection policy
- What works politically in Africa – and why?
- Roles of international organisations, political parties, electoral competition, civil society
- Scope of the project: primarily social assistance
- *How* and *why* have social assistance programmes been enacted and implemented in some settings – and why not in others?
“Getting the politics right may be as important, or even more important than getting the initial technical design of programmes right.”

The path of ‘policy diffusion’

• Replication/adaptation from one country to another
• British colonies: interest in social assistance
• Diffusion: also shaped by flow of ideas
  ➔ models not always imposed, but embraced/adapted
  ➔ significance of underlying normative worldview of local elites
• Southern African middle-income countries: South African model
• ‘Middle’ African, low-income countries: donor-driven
Variations in Social Protection

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<thead>
<tr>
<th></th>
<th>“Conservative”</th>
<th>“Social Democratic”</th>
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<td></td>
<td>(state should intervene very little, CT only for small group of ‘deserving’ poor, more focus on workfare)</td>
<td>(CT for a wider range of poor people, more generous benefits)</td>
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<td><strong>Minimalist</strong></td>
<td>Zambia under MMD</td>
<td>Zambia under PF</td>
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<td>(coverage of few poor people)</td>
<td>Lesotho, Kenya?</td>
<td></td>
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<td><strong>Comprehensive</strong></td>
<td>Botswana under BDP</td>
<td>South Africa under ANC</td>
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<td>(coverage of most poor people)</td>
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*Basic Income Grant*
Lesotho

- Candidate for narrative of ‘policy diffusion’
  - focus similar to SA (elderly and children)
- 2004 Old Age Pension (OAP): presidential initiative, ‘homegrown’
- No evidence of direct ‘diffusion’ effect
- OAP was a once-off reform and had been on the table since 1993
- Part of an egalitarian, redistributive philosophy of the government
  - pension as a ‘right’
“...a pension is something that one qualifies for on the basis of age. Anybody can get a grant. Also, a pension is something one deserves. We are not doing them a favour.”

Pakalitha Mosisili, Prime Minister Lesotho (Interview 2014)
- Domestic response to socio-economic change (AIDS epidemic) & political competition
- PM Mosisili: driver and champion of OAP
- OAP still known as ‘a Mosisili’
- Supportive & capable Minister of Finance, Thahane
- OAP: election issue in 2007 > positive politicisation
- Unwillingness to involve international donors
- IMF: expressed caution
“We were very clear that this was an initiative that we were coming up with as government, to have a positive impact on the lives of vulnerable people. We will start this on our own, with limited resources. ... We will not make it a foreign aid-driven initiative.”

Pakalitha Mosisili, Prime Minister Lesotho (Interview 2014)
Lesotho Child Grant (2009)

- *Soft power* by donors ➔ Lesotho more ‘receptive’ than Zambia?
- Started as pilot, funding by EU, support by UNICEF, now mostly government-funded
- Child Grant NOT associated with Mosisili!
- Mosisili’s personal views may have shaped social policies, implementation of OAP and agreement to partner with EU & UNICEF.
- Success of OAP may have paved the way for other cash transfers such as Child Grant
Kenya

- OVC Cash Transfer (2004): first of its kind in SSA
- AIDS epidemic as ‘motivation’ for cash transfer for OVC
- UNICEF initiative, first funded by SIDA & DfID
- Today: GoK is the largest contributor
- Ministry of Finance convinced by evidence & study tours
- Political champion: Vice-President Awori
- Programme initially kept out of public & political spotlight
- Recent interference by MPs – DfID realises significance of political economy
- Kenyan MPs: supportive of cash transfers
Kenya's Older Persons Cash Transfer (2006)

• Homegrown, no involvement of international actors
• Demonstration of willingness & ability to initiate a cash transfer programme
• 2012: OPCT covered only 2.5% of elderly
• Increased publicity, political interest
• Elderly considered important group of voters
Conclusions

• Similarities Lesotho & Kenya: focus on children & elderly, UNICEF involvement - yet different approaches
• Donors prefer poverty-targeting ➔ but there may be political implications!
• Individuals can ‘make’ or ‘break’
• Political incentives, electoral competition
• Values & ideas matter – persuasion by CS, power of research/study tours; reservations about assistance to ‘undeserving’
• Political elites: ambivalence about ‘too much to too many’
• Roots of different ‘worldviews’ in Africa?
Thank you