Social Protection (Social Cash Transfer) in Zambia: The search for relevance or identity

Background

The situation of poverty in Zambia remains a matter of concern, especially that the country was classified as a middle income country, and at the same time has failed to meet most targets for the Millennium Development Goals (MDGs). 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 Social Protection Strategy built in 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.

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

The relevance aspect

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 50 implementing districts as at 2014.

There are indications that SCT increased household income and food security. This impact is evidence from findings of 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 district 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 point to other factors that may interfere with the intervention positively or negatively in each of the districts.

It still remains a challenge to establish the impact of SCT on macro economics. One reason is that some areas where SCT is implemented, there is still low levels of agricultural productivity despite implementation of food security packs, and therefore less contribution to the GDP. There are also low level business transactions to have significant impact on macroeconomics. This 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.

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

With particular focus on Child grants, there is evidence from research that SCT (CGP) has led to improvement on child welfare in the implementing districts (Kaputa, Kalabo, Shangombo). Impact reports at the 36 month of implementation show that there was improved welfare among beneficiary households. This finding was based on the use of per capita household consumption as our welfare measure (AIR, 2015). Additionally, 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 electricity), 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), low drug availability (AIR, 2015).

These challenges point to problems on the supply side of health care services that in part render SCT being ‘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 button 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).

The identity aspect

3. Pessimism on the future of social protection

SCT in particular has found its identity as one measure that can help to reduce extreme poverty. However, its identity does not have a statutory support. Therefore, there is some level of pessimism with regards to the future of SCT in Zambia.

One source of pessimism stems from SCT being provided as non-statutory services. The state is not obligated to provide SCT on legal ground. It is argued that the state does not have sufficient funds for SCT. Budgetary allocations to social protection remains low (only less than half of social protection is allocated to SCT).

This situation raises questions on sustainability of SCT.

In some instances, politicians try to gain political mileage out of the same and some recipients may have a feeling that politicians are doing them a favour.

Way forward

Social protection remains a vital tool towards reduction of extreme poverty in Zambia. Through this mechanism there is need to include social protection within the constitution in order to strengthen its provision on basis of statutory arrangements.

There is also need to consider a transformative social protection approach rather than a usual focus on target income. 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). This will empower vulnerable communities towards collective action including campaigning for the needs as a result of their experiences with the system which perpetuates inequities and exclusion. There is also need for further research on the notion of transformative social protection in diverse settings of Zambia.

References

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Table 1: Budgetary allocations to social protection

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<thead>
<tr>
<th>Year</th>
<th>Allocation of Total budget (%)</th>
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<tbody>
<tr>
<td>2010</td>
<td>2.7</td>
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<tr>
<td>2011</td>
<td>2.7</td>
</tr>
<tr>
<td>2012</td>
<td>2.6</td>
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<td>2013</td>
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<td>2015</td>
<td>2.7</td>
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<tr>
<td>2016</td>
<td>2.4</td>
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