

About briefs

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Abstract

This brief presents a summary of the key discussions following a regional workshop on the role of cash transfers in tackling chronic poverty and hunger in southern Africa. It also highlights some of the issues on which there was a broad sense of agreement namely that cash transfers have a positive potential to reduce vulnerability in southern Africa, that donor and NGO efforts need to build support to implement these programmes and that adequate evidence already exists to support key advocacy messages. The brief also offers some suggestions on the steps that can be taken to carry the discussion forward, both by workshop participants and by RHVP. The workshop was co-hosted by the Southern African Regional Poverty Network (SARPN), Oxfam GB and the Regional Hunger and Vulnerability Programme (RHVP) and was held in Johannesburg on the 9th and 10th October 2006.

Regional workshop on cash transfers in southern Africa

A regional workshop on the role of cash transfers in tackling chronic poverty and hunger was held in Johannesburg on the 9th and 10th of October 2006. The workshop was co-hosted by the Southern African Regional Poverty Network (SARPN), Oxfam GB and the Regional Hunger and Vulnerability Programme (RHVP). The workshop is one of a series planned by RHVP for 2006 and 2007 to highlight aspects of social protection and to promote greater political commitment in southern Africa for the adoption of comprehensive social protection. The series will culminate in a regional conference on the role of social protection, and social welfare transfers in particular, in combating chronic poverty and hunger in southern Africa.

The primary target audience of the workshop were policy makers and practitioners from southern Africa. The workshop brought together more than 110 delegates from governments, international and local non-government organisations (NGOs) and other civil society organisations. Participants examined evidence from existing experiences of implementing cash transfer programmes, and synthesising lessons and identifying opportunities for broadening access to cash transfers in more comprehensive social protection programmes. Discussion in the workshop focused on cash transfers as a mechanism for realising social protection, considering causes of vulnerability, cost effectiveness of interventions, targeting and exclusion issues, co-ordination and coverage, asset protection and building, market effects, and the institutional and policy contexts of interventions. Case study evidence was presented from within southern Africa and from further afield, including Brazil.

Dr Stephen Devereux provided an insightful overview of the appropriateness of cash transfer programmes as a response to vulnerability to hunger. In his presentation he identified four key types of vulnerability to food entitlements: failures in production, labour markets, commodity markets and informal transfers. In each of these cases, social protection, and cash transfers in particular, can be an effective response if appropriately designed.

The Bolsa Familia (family grant) in Brazil received much attention from participants. The grant was launched in 2003, unifying a set of existing grants, including a school grant, a food grant and food card and a cooking gas grant. From an initial beneficiary base of 3.6 million in 2003, the grant was extended to reach 11.1 million people (27.9% of the population) in 2006. The total cost was just 0.3% of GDP.

Other presentations included experiences from Zambia, Malawi and Zimbabwe from organisations that included Oxfam, Action Aid, CARE, World Food Programme and others. All presentations are available at <http://www.wahenga.net/news/workshop.php> and <http://www.sarpn.org.za>.

The second day of the workshop looked at information needs for cash transfer programming as well as new and innovative ways for the delivery of cash.

The workshop reached a broad consensus on the following main issues:

Cash transfers have positive potential as a tool to reduce vulnerability in southern Africa:

There was general consensus on the positive potential of cash transfers in the region. The case studies revealed that most transfers (50-70%) were spent on food, with some non-food essential spending (eg health). Cash transfers had a positive impact on dietary diversity and on asset protection. There was no clear consensus on the market effects of cash transfers since many of the projects had not been implemented at scale; on the social effects including gender impacts; and the impact on informal transfers. Various other issues relating to scaling up also need further investigation, including modalities, politics, affordability and sustainability.

Social protection is a right of citizens and an obligation of governments:

Fundamentally, governments are accountable for addressing hunger and vulnerability through long-term commitments in their own countries. Social protection (and in many cases cash transfers to the poor and incapacitated will be part of this) should be empowering and not stigmatising and therefore beneficiaries need to be consulted on what forms of transfers are appropriate to their needs including the needs of HIV and AIDS affected households. Nevertheless, a rights-based approach can raise unrealistic expectations which governments may find hard to meet. In this context, donors – who have long advocated social protection as a means of addressing chronic poverty in Africa - need to fulfil their commitments under the Livingstone Declaration to provide sustained and predictable resources to complement governments' own on-budget initiatives. While donors ultimately cannot guarantee that social protection policies are implemented, they can, and should, be a strong force in enabling and facilitating this goal.

Working with governments, not parallel to them:

The only way to ensure that cash transfers are provided on a predictable and sustainable basis is to establish on-budget resources for government-run programmes. Donor and NGO efforts need to build in support to government capacity to implement these programmes from the start. 'Replication' sometimes may be more appropriate than 'scaling-up', but whatever means are used to extend coverage of, and access to, cash transfers in particular and social protection in general must be incorporated within government owned and on-budget programmes.

Evidence should be improved to support advocacy:

Participants recognised that an obstacle to the adoption of broad-based cash transfers and other social protection

measures in southern Africa is a lack of political will. Evidence needs to be packaged correctly to support advocacy for the use of cash transfers, and the quality of the analytical depth of the evidence needs to be improved for use in informing and influencing policies.

Delivery is still a challenge:

Delivering cash transfers in an efficient and cost effective manner still represents a major challenge and a significant obstacle to the widespread adoption of comprehensive programmes. New smart card-based technologies have been shown (in South Africa, for example) to be both cost effective and efficient as well as improving the detection of fraud. However, their use requires initial investments, not only in hardware but also in beneficiary registration and education. Smart card technologies need to be tried and tested in less sophisticated market environments and the issue of universal versus targeted coverage needs further consideration, from the perspective of affordability and impact.

There is already enough evidence to move ahead with key advocacy messages:

There is already an extensive body of experience from the implementation of cash transfer programmes throughout the world. While certain countries (Brazil is a specific example that was presented) have adopted expansive cash-based social transfer programmes, the experience in southern Africa tends to be divided between well-funded but small-scale pilots implemented by NGOs (an example being the Kalomo Cash Transfer Scheme in Zambia) and large-scale, resource-constrained programmes implemented by governments (an example being Lesotho's Old Age Pension Scheme). While much of this experience remains unconsolidated, it clearly provides a consensus of evidence to support simple key advocacy messages on the effectiveness, efficiency, affordability and popularity of cash transfers.

Moving forward through broad-based coalitions at international and national levels:

Despite the evidence-based conviction of many stakeholders, ensuring the adoption of broad-based cash transfers in southern Africa and beyond presents a major challenge to the anti-poverty community. Members of this community can achieve far more by working together than by working individually. A growing consensus on key messages provides an opportunity to forge a wider alliance on the promotion of social protection, including cash transfers as an important component, for a wider range of vulnerable groups (the poor and young, the poor and elderly, the poor and sick, etc). Coalitions also need to be promoted at national level to facilitate debate, build awareness and help in setting national agendas. In southern Africa, RHVP has the capacity to co-ordinate such an initiative provided there is an expressed commitment. Nationally-based coalitions will need to include a range of stakeholders

including government officials, parliamentarians, traditional authorities, local government, non-government organisations, other civil society organisations and the private sector.

Beyond these key messages, the workshop discussed a range of related issues and came to agreement on the following:

1. Existing evidence needs to be consolidated and future evidence-building work needs to be co-ordinated with a focus on knowledge gaps. The establishment of a sole repository for all information on all social protection-based research appears too ambitious, but a forum through which researchers could register their interests and activities may be realistic. Future research needs to be simple and pragmatic with a clear and meaningful focus.
2. While the social protection debate includes arguments for a more responsible approach to food aid, food aid is recognised as one of a range of potential social (welfare) transfers which could be used on its own or in combination with other transfers such as cash and possibly linked to anti-retroviral (ARV) treatment. In a rights-based approach, the key principles to apply in deciding between different types of transfers are beneficiary preference and feasibility. Often the two principles will coincide.
3. Scaling up may not be the only means by which a broad-based social protection programme can be achieved. Small-scale pilot schemes could be replicated (and modified to meet local circumstances) and successful existing schemes can be integrated into a network of support to the vulnerable. Whatever the approach, it must be shown to be sustainable in terms of resources and thus meet the key criteria of effectiveness, efficiency, affordability and popularity.
4. Since the potential for corruption is a major obstacle to successful cash transfers, innovative delivery mechanisms need to be identified in conjunction with private sector partners. UEPS have developed a smartcard that overcomes the need for expensive delivery infrastructure and leakages of payments to the wrong beneficiaries: they fingerprint recipients and then deliver offline, and can then provide the donor with a guarantee that the correct disbursement was made to the right beneficiary. Visa is also working to improve the infrastructure in rural areas by using retail points as mini-ATMs, and paying them for offering banking services. This acts to reduce the delivery costs of cash transfers and improve efficiency. Developing local infrastructure has also facilitated the use of a voucher scheme in Zimbabwe (ActionAid), where retail outlets accept vouchers instead of cash.
5. Good social protection requires good information. But good information, like good social protection, needs

to be affordable and sustainable. While vulnerability and assessment systems strive to improve the quality of their products, more attention needs to be given towards issues of affordability, accountability and sustainability. These are issues that RHVP is addressing.

Next steps

What steps do we need to take to carry the discussions of the workshop forward?

From workshop participants:

1. Get your institution to endorse this statement.
2. Lend your support to a series of simple message advocacy sheets which RHVP will draft and seek your input on. Get your organisation to endorse these advocacy sheets.
3. Lobby donors who supported the Livingstone Declaration to commit predictable long-term resources to government budgets for well-planned and feasible cash transfer and other social protection measures. The Livingstone Declaration may not be a panacea but it is at least an entry point for meaningful dialogue with governments.
4. Work with RHVP at a national level in the six southern African countries to establish broad-based coalitions.
5. For those of you attending, use the opportunity of the forthcoming 'Beyond Aid – A Universal Child Poverty Agenda' conference to make a broad-based international coalition for the promotion of social protection in Africa a reality.

From RHVP:

1. Draft a series of evidence-based advocacy briefs on social protection.
2. Facilitate the integration of South African experience with the development of comprehensive social protection programmes into the regional evidence-building agenda.
3. Build awareness of the Livingstone Declaration in the region and engage with governments to assess their degree of commitment to the Call for Action.
4. Work with other actors to develop national social protection alliances in southern Africa and identify cross stakeholder national 'delegations' to follow and promote the social protection debate.
5. Support international initiatives to promote social protection and, in particular, social transfers in southern Africa.

Resources

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