

## Social Protection, Cash Transfers and Long-Term Poverty Reduction: Transfer Project Workshop Brief 2019

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### BACKGROUND AND OBJECTIVES OF THE WORKSHOP

Celebrating ten years of building evidence for action on cash transfers in Africa, UNICEF, the Food and Agriculture Organization of the United Nations (FAO) and the University of North Carolina at Chapel Hill (UNC) organized the seventh regional **Transfer Project** workshop on “**Social Protection, Cash Transfers and Long-Term Poverty Reduction**”<sup>\*</sup> in Arusha, Tanzania from 2 to 4 April 2019. Over 130 social protection **experts and stakeholders** from 20 African countries attended, including government officials, UNICEF and FAO staff, academics, NGOs and other development partners.

**The Transfer Project** is a multi-country research and learning initiative that provides rigorous evidence on the impact and effectiveness of large-scale national cash transfer programmes.

The workshop aimed to address growing questions around the long-term contribution of cash transfers to eradicating poverty and their role within broader, nationally-owned social protection systems and other sectoral policies to achieve the Sustainable Development Goals (SDGs). It also provided the space for decision makers in the region to explore the concept of ‘**graduation**’<sup>1</sup> and linkages to other key services for sustainable poverty reduction. The role of the political economy<sup>2</sup> in social protection was also discussed, as well as integrating cash transfers with other government policies to optimize their social and economic impacts to address structural poverty and vulnerability.

**Graduation:** Reaching a state in which one has exited/escaped (extreme) poverty, based on a given poverty metric and, therefore, can be considered ready to ‘graduate’ from the interventions dedicated to enable this transition.

Participants presented the latest evidence on cash transfers, previewed evaluations that are already underway in several African countries, and underscored the importance of ongoing, permanent research agendas to inform policies, programme design, and implementation to enhance protection and livelihoods.

*The workshop **concept note, full agenda** and all **presentations** can be found on the [Transfer Project Workshop Webpage](#).*

*The **key takeaways** of the presentations are summarized in [this blog](#).*

### DISCUSSION SUMMARY

#### ‘Graduation’ and the role of cash over the long-term

From workshop discussions it was clear that ‘graduation’ is a major concern for policymakers. Yet, there can be confusion around the concept as there are different interpretations of what it can mean: graduation can be from a programme, from a system, or from poverty. Presenters stressed the importance of having clarity on these differences.

1 “The so-called ‘Graduation Approach’ thus may be defined as (i) reaching a state in which one has exited/escaped (extreme) poverty, based on a given poverty metric and, therefore, can be considered ready to ‘graduate’ from the interventions dedicated to enable this transition; or (ii) the act of going through a set of phased-in and overlapping interventions meant to improve the well-being of their participants”. Source: The International Policy Centre for Inclusive Growth, [Debating Graduation](#), *Policy in Focus*, vol. 14, no. 2, 2017.

2 What drives political commitment to social protection in Africa: See [Sam Hickey’s presentation](#) on the research question “Under what political conditions do developmental forms of state capacity and elite commitment emerge and become sustained?”

Given the multiple and compounding characteristics of the poor, different types of social protection may be needed, in the form of assistance and/or insurance. Thus, even if some may be able to meet criteria to leave a specific programme, this does not mean that they (i) may not revert and (ii) do not need to be linked to another programme or systems.

Moreover, in some contexts, some populations will not be able to graduate and will need to receive support throughout their lifetimes.

Ensuring sustainable graduation requires multisectoral strategies. This means promoting the comprehensive integration of those participating in social protection programmes to be part of broader sector programmes and policies – education, health, agriculture, rural development and others.

### Lessons from Zambia

Evidence from the Zambia Child Grant Programme (CGP) showed that three years after beneficiaries were removed from the programme due to a change in the targeting criteria, their consumption had slowly converged to that of the control group, although other indicators such as assets and livestock remained higher. Researchers identified a small group of households (10 per cent) whose consumption remained significantly higher than that of the control group even after leaving the CGP. These ‘high-flyers’ lived in villages with more complementary services such as agricultural extension and input support, had engaged in livelihood diversification through livestock, non-farm enterprise and agriculture, and appeared to be more forward-looking at the start of the CGP in terms of their behavioural characteristics.

The results of this research indicate that while some households can achieve permanent increases in consumption through an unconditional cash transfer, this is a small group with unique preferences. The pathway to sustained consumption appears to come through income diversification and the availability of complementary services that support productive activity. Identifying ‘high-flyers’ and studying their behaviours can help policymakers identify the supporting conditions that can help households use the cash transfer to realize permanent increases in consumption.

## Influencing the political economy around social protection

The Transfer Project has long recognized that an enabling environment is needed for stakeholders to invest in social transfers, both for long-term gains and for the recognition of international commitments to social protection floors. Influencing the political economy and creating an enabling environment requires continuous feedback of new and existing evidence, combatting prevalent myths about misuse and unintended effects of cash transfers,<sup>3</sup> and contributing to policy dialogues.

At the workshop, presenters and participants discussed how social protection programming can be expanded or institutionalized to contribute to long-term results. As presented in “[The Politics of Social Protection in Africa](#)”, there may be multiple paths to institutionalizing social protection programmes; however, there have historically been two main pathways: 1) through dominant political events, for example, crises; 2) competitive means, for example, donors in coalition with local bureaucrats as first movers, then elections kicking in to give momentum. Regardless of the pathway to institutionalization, evidence may be used to show the potential of these programmes to contribute to broader political aims. For example, the overarching key message that social protection can lead to poverty reduction can help move the discussion from evidence to ideology.

In a ‘talk show’ session, government representatives shared their experiences on how social protection programmes have maintained support throughout changes in political administration.

### Zambia:

- [Pro-poor policies](#) were favoured by the incoming government. This was reflected in the party manifesto, which was used in budget preparation.
- A social protection bill will be enacted this year to harmonize social protection and provide the legal basis for social assistance programmes and the creation of coordinating institutions.

<sup>3</sup> Handa S, Daidone S, et al. on behalf of the Transfer Project, [Myth-busting? Confronting Six Common Perceptions about Unconditional Cash Transfers as a Poverty Reduction Strategy in Africa](#), *World Bank Research Observer*, vol. 33, no. 2, 2018, pp. 259–298.

## Kenya:

- [Social protection in Kenya has expanded significantly](#) since 2003; existence of a legal framework as social protection is now enshrined in Kenya's constitution (since 2010), as well as a social protection policy, with one of the three pillars focused on social assistance.
- The State Department for Social Protection established within which there are two units with the mandate to ensure delivery on cash transfers: Social Protection Secretariat and Social Assistance Unit.
- System strengthening through the development of a single registry reassures the government that programmes are linked to reliable data.
- Solid payment systems have enabled beneficiaries to own bank accounts with no (or minimal) withdrawal and ledger fees.

## Ethiopia:

- [The Government's commitment](#) to maintaining the existing economic growth rate and transitioning programmes into systems led to the sustainability of one of the largest social protection programmes in Africa, the Productive Safety Net Programme (PSNP), which started in 2005.

### Kenya:

#### How evidence contributed to gaining political support

- Impact evaluations provided positive results in terms of health improvement of direct beneficiaries (and members of households); nutrition and dietary diversity; quality of life impacting on longevity; and the local economy, especially during payment days, due to multiplier effects.
- Sector reviews presented tremendous changes in the social protection sector and were presented to the National Treasury.
- Beneficiary Satisfaction Survey showed beneficiaries' perceptions of the programme (largely positive).
- Study tours to other countries (South Africa, Ethiopia and Brazil) to learn, get evidence on and benchmark what these countries are implementing. For example, a universal programme for senior citizens from Brazil has been replicated in Kenya.

## Evidence informing the design and implementation of cash transfer programming

**Cash Plus:** Providing a cash payment in combination with complementary support; linking the social protection intervention to inputs and/or services in other sectors such as health, education and agriculture.

There is an increasing desire to design complex cash transfer-based interventions with multiple 'plus' components in order to optimize the role of cash and achieve sustained poverty reduction. Positive results of these schemes were presented during the workshop, showing the added impacts. However, **cash plus programming** requires high-quality systematic and strategic linkages to promote long-term positive impacts. In other words, cash plus is essential but needs to be seen as one element and component in the context of the progressive integration of the poor into broader development processes.

Presenters emphasized the importance of framing evaluation questions around the pathways (the 'how' and 'why') to understand how to achieve optimal results in the long-term. Additionally, it is important to pilot new designs before scale up to understand capacity and scalability constraints at the outset.

## What the latest evidence tells us about the impacts of cash

**Economic and productive activities:** Even among the poorest, national cash transfer programmes have demonstrated that they can have significant positive impacts on the income-generating activities of beneficiary households. Cash can contribute to improving livelihoods by **reducing overall household deprivation (Rwanda)**, enhancing risk management capacity, and relaxing liquidity constraints. Evidence shows that when cash is combined with other services through cash plus programming, impacts include an **increase in youth participation in economic activities (Tanzania)** and **improvements in dietary diversity (Lesotho)**. Furthermore, at the community level, cash transfers can generate multiplier effects and have positive impacts beyond those participating in the programme. To **enhance productive inclusion**, more evidence will be needed on how to promote the gradual integration of households into broader rural and economic development processes.

For more on this topic, visit the [Transfer Project Resilience and Productive Impacts Thematic Page](#).

**Gender:** Presenters demonstrated that poverty is gendered – women face higher rates of poverty and structural constraints such as land and access to services, leading to inequalities in well-being outcomes. Therefore, poverty cannot be sustainably reduced without addressing gender inequities. More data is needed to understand social protection coverage by sex; and more research is needed to unpack various design components that may [move programmes towards gender-transformative approaches](#), such as utilizing mobile payments or linking cash to health insurance.

The [Ghana LEAP 1000 programme](#) had broad impacts on gender-related outcomes beyond main programme impacts, such as: happiness, savings and social support, and reduction in intimate partner violence (IPV). However, recipient and family structure can influence the strength of these impacts.

The [Programme de Filets Sociaux Au Mali \(Jigisemejiri\)](#) led to reductions in IPV via improvements in men's emotional well-being, yet did not have broader gender-equality or empowerment impacts.

*For more on this topic, see the [FAO Technical Guides 1, 2 and 3 on Gender-sensitive Social Protection Programming](#) and visit the [Transfer Project Gender Thematic Page](#).*

**Children:** The positive impacts of cash transfers on investment in household enterprises have been extensively documented as part of Transfer Project research. Beneficiary households may, for instance, invest part of the transfers in livestock and landholdings. As most beneficiary households are labour constrained (have few adults who are fit to work), one concern may be that such investment can induce children to participate more heavily in economic activities. New research on [Malawi, Tanzania and Zambia](#) confirms this possibility. In all three countries, children in beneficiary households increased their participation in work for the household enterprise as a result of cash transfer programmes. Their work may entail hazards and excessive working hours. At the same time, in all three countries other indicators of child well-being, such as school participation, improved. It is therefore not possible to draw firm conclusions on the implications of these programmes for child well-being. Researchers suggested that (i) careful attention to programme design and implementation is needed to avoid raising the potential of increasing child labour and other forms of violence, (ii) effective messaging to beneficiaries is also necessary to make them aware of the programme objectives, and (iii) efficient monitoring is essential to avoid any unintended impacts of the cash transfer on children.

*For more on this topic, see the presentations on case studies from [Uganda](#) and [Ethiopia](#). Also visit the [Transfer Project Education and Child Labour Thematic Page](#) and this [additional resource](#) from [UNICEF](#).*

**Health, nutrition and well-being:** Cash plus approaches that link cash to health services may have higher potential to effectively achieve long-term impacts on health and well-being than programmes that offer cash alone. While high intensity interventions seem to bring positive results, their scalability depends on the existing institutional structures and their capacity to deliver complimentary services related to health and nutrition outcomes. Given the complexity of child health outcomes (e.g. malnutrition), cross-sectorial coordination is vital at different stages of the programme, not only between government and donors but also with grass-roots organizations. The political economy plays a role and linkages with the Ministry of Health require attention due to their sectorial influence.

*For more on this topic, see the presentations on case studies from [Kenya](#), [Ethiopia](#) and [Ghana](#). Also visit the [Transfer Project Health, Nutrition and Well-Being Thematic Page](#) and [additional resources](#) from [FAO](#) and [UNICEF](#).*

## KEY TAKEAWAYS AND CONCLUSIONS

**Cash transfers play an important and growing role in addressing multiple vulnerabilities for the world's poorest.** Observed at this workshop and beyond, there is huge demand for governments to scale-up these programmes and identify more innovative means of delivery. While cash transfers are not a silver bullet to ending poverty, providing them alongside complementary interventions through cash plus programming may increase their effectiveness. This will require sustainable investments in quality infrastructure and supporting services.

To inform policies and programmes, continued **evidence generation is needed.** As governments undergo transitions, there are opportunities to influence incoming leaders: new policymakers come with different ideas and political priorities leading to expansion and contraction of social protection systems. **Researchers should take the political economy into consideration during evidence generation and throughout the evaluation process.**

**Researchers should strive to position evidence on cash transfers within larger social protection systems.** By contextualizing cash transfers within the aims of the programme, interventions can be designed to address risks and vulnerability throughout the life cycle (lifelong social protection) and for all citizens (including those above the poverty line).

**Poverty reduction is not a short-term endeavour; it requires constant technical support and political commitment.** Cash transfer (and cash plus) programming plays an important role, but it is critical to consider how to most effectively integrate participants into broader social protection systems and sectoral policies.

## MOVING AHEAD: ONGOING CONTRIBUTION OF THE TRANSFER PROJECT

*“When a true collaboration between researchers (both national and international) is formed with Government and other stakeholders, evidence can be used – and can make a big difference – in the sustainability and scale-up of social protection. However, this is not automatic. The Transfer Project is doing this in a way that others have rarely achieved.”*

*– Anonymous workshop evaluation feedback*

The Transfer Project will continue to address the main policy concerns linked to cash transfers and social protection in Africa. The project has made critical innovations in terms of how research is conducted (i.e. responding to policy concerns; involving policymakers from the inception phase of evaluation; ownership of process and results); and in relation to the type of questions that can be explored when looking at cash transfers, such as: productive and economic impacts, adolescent well-being and gender-based violence, among others.

Moving into its second decade, the Transfer Project will continue to make the case for social protection to address pressing issues across Africa, including: economic inclusion, youth employment and the demographic dividend, the recurrence of shocks and

crises, and the impact on rural livelihoods. Researchers will explore these issues while simultaneously diving deeper into key ‘traditional’ design questions linked to targeting, transfer size, and most effective systems linkages and plus components.

### Transfer Project Media Day Event\*\*

The media play an influential role in policymaking, as well as in translating evidence to speak to a wider audience. That is why, this year, the Transfer Project held its first ever Media Day preceding the workshop, which brought together 16 editors and journalists from prominent media houses across nine countries in Africa.

This one-day crash course in social protection and cash transfers equipped the media with the latest thinking, evidence and arguments on the case for scaling up social protection instruments. The event also provided an opportunity to discuss the important role the media plays in shaping development policies, as well as identifying what is required from researchers to better cover social protection findings.

Through this diverse community of practitioners, the Transfer Project has been able to demonstrate the value and impact of cash transfer programmes, as well as their potential to make a significant difference in broader policy discussions. Knowledge exchanges, such as this workshop, make a very strong case for the critical importance of cash (and social protection overall) in social and economic policy.

For more information, visit the [Transfer Project Workshop Webpage](#) and read this [UNICEF Innocenti News Story](#) covering the events.

Learn more about the work of the Transfer Project: Follow the Transfer Project on [Twitter @TransferProject](#) Subscribe to the [Transfer Project Newsletter](#).

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\*\* The Transfer Project Media Day Event was supported by the Hewlett Foundation in collaboration with UNICEF’s East and Southern Africa Regional Office.