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Social Transfers: A safe passage out of poverty?

By **NEBERT MULENGA**

AS the economic crunch continues to batter nations and throw millions of people into deeper poverty, the concept of social transfers is increasingly becoming a popular mode of ensuring social protection.

“All the growth-centred policies that our governments employ only provide opportunities for households with capacity. What about the incapacitated ultra poor? Social cash transfers are a means to fill up this gap,” observes University of Zambia researcher in the Department of Agricultural Economics and Extension Education, Gelson Tembo.

Social transfers refer to a form of social assistance provided by public or civic organisations for people living in poverty or at risk of falling into poverty.

This particular poverty-reduction instrument takes many forms: it can come in the form of money, agricultural inputs such as fertiliser and seeds, assets like livestock, or even a combination of two or more.

But the underlying factor is that all social transfers are targeted at the vulnerable either as a reaction to a crisis, or as a predictable continuous exercise to allow recipients to prepare for, and protect themselves against unforeseeable calamities.

Zambia’s experience with social transfers dates back to 2003 when the first project was piloted in Kalomo district of Southern Province. The number of benefiting districts has since grown to five – with the additions being Monze and Kazungula in Southern Province, and Chipata and Katete in Eastern Province.

Whereas the Monze, Kazungula and Kalomo projects are ordinary social cash transfers, Chipata is an urban-based project with a unique component of providing allowances for school going children of beneficiary households, and the Katete project only targets the old-aged citizens, above 60 years.

President Rupiah Banda earlier this year disclosed that the Government was considering expanding the social cash transfer programme under the ministry of Community Development and Social Services to enable more vulnerable citizens meet their basic needs.

About 64 per cent of Zambians are poor, according to the Central Statistical Office, and most of them live in rural areas on less than a US1 per day, while about 10 per cent of the country’s households are considered to be incapacitated or ultra-poor.

At national level, the dependence ratio – the number of people supported by one income generating person – is estimated to be as high as 300 per cent in some districts.

“The thinking is beginning to change among the donor communities; more co-operating partners are now beginning to push for cash transfers rather than aid in Africa to help the underprivileged,” says Alfred Kapalayi, a spokesperson of the British High Commission in Zambia.

“About 2 million Pounds have been provided by the UK government and so far, about 11,000 households have benefited under the pilot cash transfer programme in various parts of the country.”

Analysts say social cash transfer programmes are providing compelling evidence of impact on achieving some of the United Nations (UN) Millennium Development Goals (MDGs), such as those related to food security, education and health.

The MDGs are a set of goals that were agreed upon by world leaders at a United Nations Summit in 2000 to better the quality of life by the year 2015. Chief among them, is to reduce poverty by half, achieve universal primary education for all children of school going age, and slash the under-five mortality rate by two thirds come the year 2015.

“There’s a lot of wastage of resources. Our governments spend a lot of money on unnecessary issues like wars and military while the poor people continue to suffer in poverty,” says Michael Schmidt, a media consultant with the Regional Hunger and Vulnerability Programme that champions issues of food security in Southern Africa.

“With just a little bit of assistance, the poor people can better their lives. The social cash transfer programmes can change a lot of things for our poor people and put them on the path to recovery.”

In areas where social cash transfers have been introduced, a notable improvement in the people’s social status has been observed. In Mexico, for example, the international media says 70 per cent of households participating in the Progresa programme have shown improved nutritional status, and its impact on stunted growth in children has also been impressive, with the growth rate among children aged 12-36 months increasing by one centimetre a child a year.

And much closer to home, social cash transfers have been introduced and scaled up in Malawi, Mozambique and Swaziland, where thousands of poor people are reportedly inching their way out of poverty.

“The biggest problem is that social transfers have been grossly misunderstood in Zambia to be a form of encouraging laziness. It should not be so! The totally-incapacitated households need assistance to survive, and that’s what we are trying to do,” comments Robby Mwiinga, project manager for the social protection programme at Care Zambia, one of the key partners in the county’s pilot social transfer projects.

“This is a concept that should be embraced and fully supported by the government and all stakeholders. With a predictable income, we have noticed that people are able to plan their lives unlike in the past. We are not giving them that much but just that same little means something to them.”

Beneficiaries of the cash transfers get between K50,000 and K60,000 per month, while the Chipata project also gives an additional K10,000 and K20,000 to households with school going children per month for primary and secondary school children, respectively.

Alfred Banda, a grandson of one beneficiary from Katete district, says the programme has assisted his family to improve their living standards. “Now, things are much easier. My grandfather gets K120,000 after two months (K60,000 per month). We buy food and we also save something every month,” Banda says.

“My appeal to the government is that they should not to stop this programme; they should even extend it to all parts of the country. It is benefiting a lot of us the poor people.

Indeed, extending the project to cover other parts of the country, especially the rural areas, where most poor people continue to struggle in poverty, could help ensure better social protection even under the current economic crunch.

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