



Social Transfers in Africa: Where are we, and how did we get here?



4 Main Strands

- Informal insurance



- Safety nets



- Poverty targeted transfers



- Categorical ('universal') transfers





Informal Insurance



'Traditional risk management'; comprises:

- a) Social norms & traditions – reciprocity
- b) Individual or family asset building

Long term direction of change:

- a) Erosion due to greater inequality & individuality, whole communities under pressure, kinship more important than 'neighbourliness'
- b) More difficult to rebuild from shocks (many reasons)



Safety Nets



- Term came into widespread use late 1980s
- Referred at first to transient assistance to people adversely affected by structural adjustment
- Main form: food-for-work in PWPs
- World Bank adheres to a 'safety net' philosophy
- Key principle: absolutely not laying the foundation for more permanent, institutionalised, social security



Poverty Targeted Transfers



- Also known as 'social cash transfers'
- Seek to select the 'most in need' in society for regular cash transfers
- Proxy means-tested targeting (community)
- Tested by pilot projects
- Governments reluctant to scale up
- OVC cash transfers as a more limited variant



Categorical Transfers



- Also known as 'universal provision'
- Unconditional (except for simple criterion)
- Provided to defined social categories: older people (above a certain age) and children (below a certain age)
- Social pensions in South Africa, Lesotho, Swaziland, Namibia, Botswana and Mauritius
- Legislated rights & fully institutionalised

Summary Key Strands

- 1) Diminishing capacity of informal insurance
- 2) Safety nets: transient, no entitlement
- 3) Poverty targeted transfers: focus on chronic extreme poverty; externally driven
 - But, difficulty moving beyond pilots
- 4) Categorical transfers: social pensions and child grants; legislated rights

Achievements

- chronic rather than transient extreme poverty
- shift emergency response to routine transfers
- shift food to cash transfers
- local food when food unavoidable
- large-scale programmes in specific countries
- pensions and child grants, some countries
- OVC frameworks and programmes
- pilots and lessons from them
- innovative and secure means of delivering cash

Avoidable Traps (International Actors)

- donors pressing own agendas
- failure to consider politics of proposals
- conflicting messages, different donors
- confusing use of term 'social protection'
- failure to support categorical provision
- addiction to small pilots
- bypassing existing structures
- poverty focus to exclusion vulnerability drivers
- failure to underpin civil society engagement

Political Considerations

- SP understandably deeply political
- Governments do things that give them more popularity or political leverage
- Pensions politically popular:
 - most HHs have one or more pension age members;
 - all citizens understand this as a right if they reach the threshold age
- Poverty targeted transfers provide less political traction
- Prone to popular prejudices about the laziness and dependency of recipients