



LEARNING GROUP 1: STRENGTHENING FAMILIES

CHILD, YOUTH, FAMILY AND
 SOCIAL DEVELOPMENT

INSIDE THIS ISSUE:

<i>Introduction and methods</i>	1
<i>Key findings</i>	2
<i>Key findings</i>	3
<i>Recommendations</i>	4

“...social protection can enable people to move structurally out of poverty by building assets, and altering social relations”

WHAT IS THE POTENTIAL OF CASH TRANSFERS TO STRENGTHENING FAMILIES AFFECTED BY HIV AND AIDS? A REVIEW OF THE EVIDENCE ON IMPACTS AND KEY POLICY DEBATES

*BY MICHELLE ADATO & LUCY BASSET
 FOOD CONSUMPTION AND NUTRITION DIVISION,
 INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE,
 WASHINGTON, DC*

INTRODUCTION

Social security programmes originally only practiced in developed countries such as US and Sweden have become part of new policy formulations in Sub-Saharan Africa. They serve as an integrated approach to tackling both poverty and the burden of disease. Social protection in the form of cash transfers-which provide support for food purchases, transportation, education, health care, and other expenses acts as a safety net for both the poor and those suffering from HIV/AIDS. Social security provides a safety net by reducing risk and vulnerability for children and for the disabled and others who cannot participate in the social and economic structures of their society. Several countries like Kenya, South Africa and Cambodia already have cash transfer programmes. However questions have been raised with respect to their sustainability in the context of both poverty and HIV/AIDS.

In developed countries cash transfers have been designed in contexts where HIV/AIDS and poverty were not dominating factors. The context in developing countries is however different with the added challenge of adults and children whose livelihoods are threatened by HIV/AIDS and the two-directional relationship of HIV/AIDS with food insecurity and malnutrition (Gillespie and Kadiyala, 2005). This paper examines how social protection can be used to protect children and their families, how to use it to secure basic subsistence and reduce poverty and strengthen the human capital of children. The paper also examines different designs and experiences of social security programmes and also tackles the issue of targeting and conditionality of cash transfers.

METHODS

A review of different types of cash transfer programmes in different contexts. A total of 20 cash transfer programmes, 10 unconditional from Southern Africa and 10 conditional from Latin America, the Caribbean and Asia. Poverty impact results from 6 existing cash transfer programmes are also analysed. A database of 65 variables pertaining to the paper was created by country of origin. The following crosscutting themes were compared across all programmes; (1) targeting, (2) conditionality, (3) impacts on poverty, (4) impacts on education, (5) impacts on health and (6) impacts on nutrition. Finally complementary approaches and recommendations were suggested.

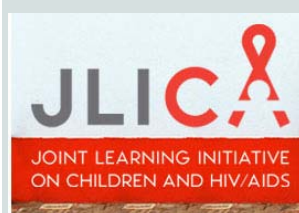
Email JLICAFamilies@bsrc.ac.za

Telephone : +27 31 242 5544

Fax : +27 31 242 5555

“The ideal combination might be food transfer for patient, and cash transfer for family....”

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KEY FINDINGS

Targeting

Using 19 DHS surveys from 10 countries between 1992 and 2000 Case, Paxson and Ableidinger (2003) find that paternal, maternal and double orphans have significantly lower enrolment rates in some of the surveys, even within a household with both orphans and non-orphans the enrolment of non-orphans was still lower. Enrolment was affected by the closeness of biological ties with the household head. Data from Uganda indicate that differences between orphans and non-orphans in terms of grade level were reversed due to the introduction of universal primary education. Another study conducted in Kenya compared targeted programme where people on ARVs received food rations with those on ARV but without any food aid. Those with food aid had improved health but at the same time suffered from stigma because the aid package was targeted on HIV positive individuals.

A study of the cash transfer programmes in Zambia found that targeting poverty stricken homes, female headed and child headed households and households with orphans resulted in the inclusion of up to 75% of AIDS-affected households. A cash transfer programme called SCTS in Zambia employs a four faceted strategy in order to eliminate exclusion errors. A list of eligible households is drawn based on the following criteria; (1) extremely needy, (2) Incapacitated, (3) no valuable assets, (4) no regular and substantial source of finance. Kenya's Cash Transfer Scheme for Orphans and Vulnerable Children follows a similar kind of targeting.

Means tested and categorical targeting is mainly used in South Africa, Lesotho and Zimbabwe. Examples are Child Support Grant (CSG), Foster Care Grant (FCG) and Old Age Pension (OAP) in South Africa. Although the OAP is targeted, in the Black population it's almost universal. Studies conducted in Namibia, Lesotho and South Africa indicate that the old age pension is beneficial to the entire household and is also used for education and caring for the orphans (Croome, 2006). Poor households, are the least likely to access the CSG due to a lack of information and resources (Rosa, Leatt, & Hall, 2005; Goudge et al. 2007).

Conditionality

Evidence exist in support of both conditional cash transfers (CCTs) and unconditional transfers (UCTs). CCTs in Tanzania and South Africa that condition on STI testing are being planned. Another programme (WCD Ministry) in India conditions on delaying marriage till 18. Analysis of the Brazil's CCT, Bolsa Escola that conditions on school enrolment revealed that school enrolment increased to 60% among 10-15 year olds who were previously not in school and a similar UCT programme had no effect on school enrolment. The conditionality of proof of immunization was drop out of the CSG (South Africa) as the majority of the applicants did not have access to any and it resulted in large exclusion errors. When conditions are attached ,they should be within reach of the recipients.

Impacts

Figure 1 overleaf demonstrates the use of cash transfers for food, education, health and for savings and investment. The majority of the respondents in South

Schubert et al. (2007) concludes that cash transfer programmes can be most effective in reaching AIDS-affected households if they focus on households that are poor and labour-constrained, and use targeting criteria with exclusion errors under 20%. More on factors leading to exclusion with targeted cash transfer refer to Case, Hosegood & Lund (2005).

KEY FINDINGS

Studies from South Africa indicate that if a recipient of the OAP is female this has a positive impact on the nutrition status of young children and other family members.

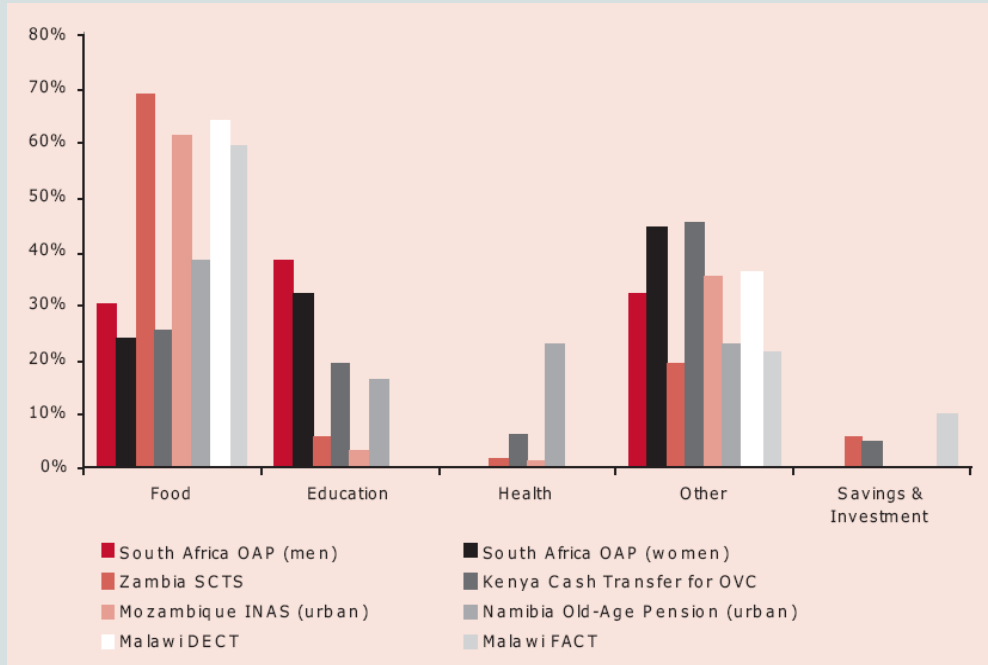


Figure 1. Use of Cash transfer by program

Mchinji cash transfer program in Zambia served as a protective factor against leaving school. Similar findings were reported in Ethiopia’s Productive Safety Net Programme (PSNP), households on the program had enrolled more children than those not on the program. Similar CCT programmes in Ecuador (Bono de Desarrollo Humano (BDH)) and Argentina (PROGRESA) revealed that grant enrolment increases educational enrolment. But simulations for Nigeria indicate that if 30% of the poverty line is transferred to all school-age children, the impact on school enrolment will be negative (Kakwani, Soares, & Son, 2005).

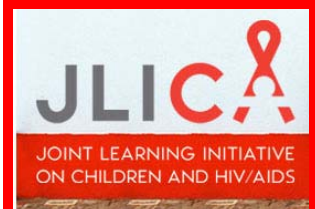
Studies from South Africa, Lesotho, Zambia, Ethiopia and Kenya indicate that part of the cash transfers is spent on health. CCT’s such as the PROGRESA in Mexico required beneficiaries to attend public clinics. Evaluation of the Dowa Emergency Cash Transfer (DECT) in Malawi indicate that the transfers contribute to better access to health care. Health related messages were delivered with the package encouraging recipients to use it for feeding family, investing in farming and also messages on HIV/AIDS prevention. Similar findings were reported from CSG in South Africa. Cash transfer programs accelerated access to health care and about 100% of CSG recipients and 82% of pension and disability grant recipients received fee exemptions from health services.

Impacts of unconditional cash transfer programmes on poverty

Studies mainly from South Africa indicate that the OAP helped bring the poverty line down to 35% (40% without OAP) and reduces the severity of poverty by 75%. The CSG in South Africa reduced the incidence of poverty among HIV-affected households and also reduced the severity of poverty by 20%. Similar results were obtained with the Foster Care Grant. The GAPVU in Mozambique was responsible for a 44% reduction in the severity of poverty. Simulations of the impact of a universal child grant, old age pension and targeted transfers for vulnerable children in Tanzania and Senegal indicate that they will reduce the poverty head count.

“...is there is an urgent need to provide for basic subsistence ...if so then unconditional cash transfers...is the most appropriate response”

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“Social protection must become part of an integrated response to HIV/AIDS.”

RECOMMENDATIONS

The key findings indicate that cash transfers, whether conditional or unconditional, have an impact on health, education, poverty and nutrition of children and their households. The following recommendations were made based on the key findings;

- Targeting on poverty, incapacity or dependency ratios alone will invite errors. Instead these criteria must be applied together.
- The right balance must be found between using an equitable, uniform process of applying criteria and a qualitative assessment that catches errors of application.
- Need for layers of review that provide checks and balances.
- Need to give transfers to women.
- Programme application methods with strong outreach efforts to be used when targeting the poor in urban areas so as to reduce exclusion errors.
- Ways of reaching marginalized poor people, such as migrants and people facing discrimination of any kind, should be designed.
- In order to facilitate the uptake of cash transfers, undocumented children and mother must be identified, as they are the one’s most likely to need cash transfers, and assisted with obtaining the required documentation.
- Information and awareness campaigns to be disseminated together with cash transfers
- Cash transfers should be linked to Psychosocial support for those children who live in hardships due to HIV/AIDS and poverty.
- Cash transfer services should include social protection services such as child protection services provided to abused, neglected, or exploited children, including early detection and response, policy enforcement and case management.
- Need to tie cash transfer to Micro Finance Services to be made available to individuals who are HIV positive but still economically active.
- Need to Link cash transfers to Public Works programs

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