

Interim findings

Social and health policies for inclusive growth (SHPIG)

This comparative research project on 'Breaking the vicious circle between poverty and ill-Health: Are cash transfers and social health protection policies in Ghana and Kenya mutually complementing?', studies the inter-linkages between health exemption policies and social cash transfers with regard to their impact on inclusive growth in Kenya and Ghana, as well as across these countries. The following are the interim findings and policy messages.

Interim findings:

- Cash transfers are mostly spent on food, health and school fees for children indicating the potential of cash transfers for reducing the transmission of intergenerational poverty. This finding is supported by the spending pattern of recipient households, which prioritize school expenses. This spending pattern is underpinned by a discourse of 'delayed' reciprocity and high hopes for a better future for their children. A higher level of education will allow children to create a better life and enable them to support their (foster) parents in their old age. However, severe poverty, the multiple other vulnerabilities and shocks that recipients are exposed to, the relatively small transfer amount, irregularities in payment and the short time for which most households have been receiving the transfer leave questions about these long term benefits. The quantitative analysis is expected to shed more light on this.
- With regard to the productive dimension, the use of cash transfers to investment in productive assets and labour seems to be minor. Where the general poverty situation is less severe, households appear to be in a better position to use cash transfers productively. Such households appear to have more resources available (additional labour, land, tools and livestock), as well as social (borrowing) relationships that enable them to make productive use of cash transfers.
- Social cash transfers are an imperfect substitute for health exemption policies. However, as health exemption policies are not adequately implemented (people are ill informed, there is a lack of drugs and medical supplies, and health facilities are understaffed, etc.), cash transfers are used to pay for health care services, thereby reducing the potential impact of the transfers on other areas.
- With regard to the political economy, the implementation of pro-poor policies seems to follow a highly-local pattern defined by local and regional power relations and institutional 'histories' (including gaps in human resources, knowledge and capacity), rather than the operational guidelines set out in programme manuals.
- Formal programme structures are interwoven with informal institutional and political structures in many areas in terms of targeting, programme registration and grievance mechanisms, often with a negative impact on programme access. However, it appears that with increased duration of the programme in an area, these relationships and their influence on programme outcomes are starting to disentangle and diminish, as programmes are becoming more 'institutionalized'.

Policy messages:

- **Consider the local political economy in programme implementation:** The local political setting is very important for the pro-poor implementation of cash transfers. A stronger focus on the local level when setting up implementation structures, including local street-level bureaucrats and informal institutions, appears to be important in order to increase access to cash transfers by the poorest.

- **Poor households need additional support in order to escape poverty and embark on an inclusive growth path:** In their current form, cash transfer programmes in Ghana and Kenya do not allow recipients to live up to all the expectations in the 'cash transfer discourse'. This concerns in particular the sustainability of poverty reduction and the productive dimension. Additional programmes or redistributive mechanisms built into the economy that reflect the specific needs and capabilities of the different target groups are needed in order to support recipients to achieve these goals.
- **Improve the implementation of health exemption policies:** In order to reap the synergies of social and health policies in terms of positive impacts on living conditions, the implementation of health policies must be improved. This would also contribute to the increased impact of cash transfers on poverty reduction, as money that is currently used to pay for health expenses could be used otherwise, including on education and productive investment.
- **Better education on health exemption policies:** National-level policy conception and exemption rules need to be better understood at the county and community levels. More education of implementers and practitioners at multiple levels is needed to inform target groups of the treatments and medicines covered by national health policy.

Contact:

Dr Nicky Pouw, research project leader, N.R.M.Pouw@uva.nl