

Social protection for inclusive growth

POLICY PUBLICATION

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This paper summarizes the synthesis study on ‘Social protection for inclusive development’ conducted by the INCLUDE Secretariat. The synthesis study was based on the NWO-WOTRO programme ‘Research for Inclusive Development in Sub-Saharan Africa’ (RIDSSA) and presents the key findings of the seven research projects in this programme: [Social Protection in Uganda](#), [Maternity Fee Waiver in Kenya](#), [Social Protection through Maternal Health Programmes](#), [Social and Health Policies for Inclusive Growth](#), [Weather Insurance for Ethiopian Farmers](#), [Post Trauma Services for Women’s Empowerment](#) and [Social Protection in the Afar Region](#). The full synthesis study can be found through [this link](#).

Social protection can contribute to achieving inclusive economic growth and development in Sub-Saharan Africa in many ways, but national governments are sometimes reluctant to invest in comprehensive social protection systems. Evidence-based knowledge about the anticipated effects of these interventions on inclusive development is necessary to generate political and financial commitment to the provision of social protection. Social protection is not only a powerful tool to alleviate poverty, but is also widely recognized as an important policy instrument to address economic, social and political exclusion and vulnerability. It can be a key ingredient for improving ‘future prospects’ of the poor, outlined as [a key objective](#) of the Netherlands Ministry of Foreign Affairs. Hence, the question is not if social protection can contribute to inclusive growth, but which programmes have the most potential for inclusive growth and the highest return on investment (i.e. cost effectiveness), as well as how to optimize the implementation and coordination of programmes.

In 2010, 47 African states signed the Yaoundé Tripartite Declaration on the effective and rapid implementation of a social protection floor for all Africans. Social protection as a human right is further acknowledged in documents such as the African Union’s Agenda 2063 and its Addis Ababa Declaration on social protection for inclusive development. On average, Sub-Saharan African countries spend 1.5% of their gross domestic product on social safety nets. However, in terms of absolute spending, there are large differences between countries. In Sub-Saharan Africa, approximately 18% of social protection budgets go to social pensions, 18% to conditional cash

transfers, 15% to unconditional cash transfers, 13% to fee waivers (excluding health fee waivers) and slightly smaller amounts to in-kind transfers, public works, school feeding and other social safety nets.

Contributing to long-term inclusive growth

The RIDSSA research adds to a compelling evidence base that social protection can contribute to various intermediate factors of inclusive growth, such as food security, asset accumulation and employment. The research projects on [‘Maternity Fee Waiver in Kenya’](#) and [‘Social Protection through Maternal Health Care Programmes’](#) have investigated the impact of the introduction of free health services under the national programme, Free Maternal Services-Free Primary Care (FMS-FPC) in Kenya. Both groups found positive impacts of the programmes on the quality of maternal and child health: the number of ante- and postnatal visits and skilled deliveries increased, while health care expenses and incidental out-of-pocket payments for healthcare decreased.

The investigation of other national programmes also show positive results. The project [‘Social and Health Policies for Inclusive Growth’](#) investigated the Livelihood Empowerment Against Poverty (LEAP) programme and the National Health Insurance Scheme (NHIS) in Ghana. Although results are mixed for the two programmes, both have contributed to food security, employment, (child) health, land tenure and income. The project [‘Social Protection in Uganda’](#), which investigated the Senior Citizens Grant (SCG) and Vulnerable Families Support Grant (VFSG) under the national Social Assistance Grants for Empowerment (SAGE) programme, also found positive impacts of the SCG on food security, psychological wellbeing, education, employment and income.

These studies show that the important question for research is not *if*, but under what conditions, social protection can contribute to inclusive growth. A more challenging second question, and distinctive feature of the RIDSSA project on social protection, is if the costs of social protection are justified by the benefits (i.e. if programmes are cost-effective). The general conclusion is that social protection programmes can be cost-effective, depending on various factors internal and external to the programme. These factors have been identified and provide the basis for the policy messages later in this paper.

1. Taking a long-term perspective

Most of the evaluations of social protection programmes measure the impact in the short-term, with long-term evaluations being more scarce. The few studies available on the long-term impact of social protection give mixed results: some studies see the benefits increasing over time, while others see the direct impact of interventions dissipating. In theory, many scholars argue that benefits can increase when taking a long-term perspective, as

some impacts (such as the returns to health and education) take time to materialize. The project '[Social Protection in Uganda](#)' performed a simulation of the returns on investment of the SCG and VFSG, showing increasing returns over time. In fact, when the impact on the poorest households is given additional value (i.e. using 'welfare weights'), the rate of return of the SCG becomes positive after 10 years.

2. Adapting to local contexts

Evidently, what works in a certain context does not necessarily work in another context. A key challenge, therefore, is to identify what interventions work in particular contexts. The research project on '[Weather Insurance for Ethiopian Farmers](#)' provides insight into the context-specific functioning of weather index insurance (WII), an insurance to protect farmers against inadequate rainfall. This protection can overcome the risk-averseness of farmers in climate-affected areas, and could potentially induce investments in productivity. The project investigated the introduction of WII for farmers in Tigray, Ethiopia who participated in the national Productive Safety Net Programme (PSNP). They found that the addition of WII had a small and insignificant impact on additional investments, such as agricultural inputs, labour or land. This contrasts with other research on the introduction of WII (such as in Ghana), where it has proven to be a promising intervention. A contextual explanation is provided by the researchers: the farmers who participated in Ethiopia are very poor and are, thus, more heavily constrained by lack of credit than the presence of risks. This can also explain why the willingness to pay for the (initially subsidized) insurance is low among this group of farmers. The project found that providing vouchers for agricultural inputs had a larger impact on productive investments than WII, which confirms the idea that interventions alleviating credit constraints are more effective than those alleviating risk constraints in this context in Ethiopia.

Another study on the PSNP in Ethiopia, performed by the research group '[Social Protection in the Afar Region](#)', shows the importance of adapting national programmes to local contexts. While most evaluations of the PSNP showed positive results on intermediate factors of inclusive growth, the pastoralists studied in the Afar region of Ethiopia saw no improvements in terms of productive assets, savings or income. The researchers explain these results by concluding that the PSNP was implemented as a standardized intervention and not tailored to the Afar community's livelihood systems, culture and priorities. This includes alignment with the adaptation strategies of the Afar to multifaceted shocks, such as adaptation to their seasonal agriculture strategies.

3. The quality of other social policies

Various RIDSSA research projects outlined the quality of other social policies as a factor determining the impact of social protection interventions. The project '[Social Protection Through Maternal Health Programmes](#)' compared the cost effectiveness of the FMS-FPC with the provision of maternal healthcare vouchers under the Reproductive Health Output-Based Aid (OBA) programme in Kenya. The fact that vouchers appeared to be more cost-effective is influenced by the poor quality of public health services. These health services often appeared not to be fully 'free', as women still incurred some expenses at facilities, making poor mothers sell assets (livestock or land), borrow or seek assistance from relatives. This hinders the FMS more than the OBA, because OBA mothers can choose to give birth in public or private facilities. The question remains if vouchers are more cost-effective than free maternal care in settings where the quality of health services is higher.

Although both the projects on '[Maternity Fee Waiver in Kenya](#)' and '[Social Protection through Maternal Health Programmes](#)' found positive impacts of free maternal health, increased access to health facilities was seen prior to the introduction of the FMS. This indicates that the impact of social protection interventions can be influenced by broader socio-economic trends and social policies implemented in the area. Likewise, the project on '[Social Protection in Uganda](#)' argues that their finding of no effect of increased household income on the probability of school enrolment and school continuation is influenced by the national education policy in Uganda, where primary education has been universally free since 1997.

The project '[Social Protection in Uganda](#)' also concluded that geographical location determines the impact of cash transfers under the SCG. These transfers have positive spill-over effects in urban areas with good infrastructure. Such spill-over effects are largely absent in remote areas where roads are of poor quality, mobile phone networks are absent and markets are not accessible. The spill-over effect of social protection, thus, largely depends on the quality of the existing infrastructure.

4. Integrated programmes

The effect of social protection within a vacuum is likely to be marginal. The transformative potential of social protection largely depends on its alignment with other factors and policies, such as basic services, the functioning of markets and employment opportunities. Several scholars have argued that programmes combining interventions (such as cash transfers with asset transfers) can be more cost-effective than single interventions. Such programmes can lead to efficiency gains and alleviate multiple constraints on households at the same time,

An investigation into this potential requires an assessment of the interaction effect between programmes. These interaction effects can take various shapes: programmes can complement each other, substitute each other, or interfere and hinder each other. The project '[Social and Health Policies for Inclusive Growth](#)' investigated the interaction between LEAP and NHIS in Ghana. Although the project found positive interactions between the two programmes, it appears that the programmes substitute each other rather than being complementary. Participants who received the cash transfer in LEAP and were also waived from health costs through the NHIS may be able to spend more on goods and services, which were unavailable to them through either programme alone. As a result, there is no evidence for the hypothesis that investing in the two interventions simultaneously yields better benefits than investing in them separately. A similar conclusion is drawn by the project '[Post Trauma Services for Women's Empowerment](#)': while the impact of jointly investing in cash transfers and post-trauma support for women in Northern Uganda is higher than the impact of each of the interventions alone, there is no clear evidence that the two have larger effects when implemented together than the sum of the separate interventions.

5. Quality of implementation and coordination

A [third question](#) under the RIDSSA programme is how the implementation and coordination of social protection programmes can be improved to optimize their cost effectiveness. The project '[Social and Health Policies for Inclusive Growth](#)' shows, for instance, that the poor implementation (including irregular and delayed payment of transfers, and lack of accessible, quality information) has not only hindered the impact of LEAP and NHIS separately, but also the complementarity between them. The answer to the question if social protection programmes can complement each other (see the previous section), thus, largely depends on the quality of their implementation.

If not properly aligned, social protection programmes can also hinder each other. The project '[Maternity Fee Waiver in Kenya](#)' concluded that the introduction of FMS-FPC may have decreased (re-)enrolment in the health insurance of the Tanykina Community in Nandi County, Kenya. It appears that free health services substituted for the contributory health insurance. The introduction of a nationally free programme can, thus, be at the expense of participation in contributory programmes. Hence, there is room for improvement in the alignment of programmes at various levels.

Several factors have been identified that contribute to effective coordination and implementation. The project '[Social Protection in the Afar region](#)' shows the importance of adapting programmes to the specific needs of local

contexts. Flexibility in the implementation of programmes is, therefore, required. This includes cooperation with local communities and bureaucrats. Such cooperation not only helps to better align programmes to specific needs, but also increases commitment and promotes social cohesion and inclusion. This project also found that the lack of timely and regular payments limited the impact of the PSNP in the Afar, which confirms the conclusion of other research that there are various geographical factors that hinder effective implementation in lowland areas.

Moreover, the fragmentation between various levels of government and the lack of cooperation between them hinders effective coordination. The project '[Social and Health Policies for Inclusive Growth](#)' outlines how, in Kenya, the different roles and capacities of formal institutions at different levels (i.e. national, county and local) hinder timely implementation and increase transaction costs. A conclusion drawn by the [African Policy Dialogue facilitated by INCLUDE in Kenya](#) is that there is no overarching legislation for the coordination of social protection schemes. As a result, actors tend to operate in isolation.

6. Targeting of vulnerable groups

All research projects concluded that positive results for a research population do not necessarily mean that vulnerable groups, such as the extreme poor or marginalized women, benefit. Often, these groups are not covered by programmes. The projects on '[Maternity Fee Waiver in Kenya](#)' and '[Social Protection through Maternal Health Programmes](#)' conclude, for instance, that improvements in access to health facilities are larger for higher income groups than the poorest groups. They found that many poor women still lack access to facilities. While all groups showed an absolute increase in the use of skilled deliveries, a mother's education remains an important factor in skilled delivery, nutritional status and reduced exposure to illnesses for the child.

Various factors to do with implementation and coordination contribute to the exclusion of some groups. The project '[Social and Health Policies for Inclusive Growth](#)' found low coverage among extremely poor households due to high transaction costs, such as distance to facilities. The project '[Social Protection through Maternal Health Programmes](#)' concluded that a lack of commitment and synergy between key stakeholders and institutional challenges in the targeting of maternal health programmes mean that the voucher scheme does not reach the very poor. Several complementary policies are suggested to improve maternal health programmes in Kenya: maternity vouchers with cost exemptions for the very poor to improve the maternity voucher scheme and human resource development for health workers and information dissemination to mothers, particularly those from the poorest quintile, to improve access to, and the quality of, services.

However, there is some concern about the targeting of vulnerable groups: '[Social and Health Policies for Inclusive Growth](#)' concluded that targeting mechanisms are often expensive and depend on the capacity of local governments and political will of local bureaucrats. Moreover, targeted programmes can also erode cohesion in local communities if they are not supported by excluded members.

In the broader literature, there is a large debate on the question if targeted or universal programmes have a greater impact on the poorest households. Given that vulnerable groups often face multiple constraints, such as credit constraints and lack of access to education, health services, information and markets, integrated programmes (see 4. Integrated programmes) can help to overcome these constraints simultaneously. Recently, graduation programmes (combining interventions targeting poor households to lift them out of poverty) have received much attention in research on social protection. Evaluations of these programmes have found positive impacts and that these programmes are cost-effective. Yet, the question if these programmes are more (cost)effective than universal programmes is difficult to answer based on the few comparative studies done.

Key messages

The various RIDSSA research projects on social protection have shown that the interventions studied can contribute to inclusive growth. Policymakers are, therefore, encouraged to invest in social protection interventions as a way of contributing to the objective of inclusive growth, by taking the following messages into account:

- In choosing between programmes and interventions to support, the full picture of their (potential) impacts must be considered. This includes looking at indirect effects, spill-over effects beyond the area of intervention, and the long-term impact of programmes.
- By acknowledging that context matters in the effectiveness of social protection, the design of interventions should be adapted to the specific context.
- The (cost)effectiveness of social protection can be optimized by investments in other social policies or integration with other social protection interventions. A thorough assessment of what additional interventions can optimize programme effectiveness is required.
- Various improvements in coordination and implementation can increase the cost effectiveness of existing programmes.
- What works for general populations, does not necessarily work for vulnerable groups, such as the extreme poor. Adopting an 'inclusiveness lens', specifically focusing on the needs of these groups and what works for them under which conditions, can help to reduce inequality.