HOW ZAMBIA'S SOCIAL PROTECTION SERVICES AND PROGRAMMES HELPED MITIGATE INEQUALITY AND REDUCE POVERTY.

EXPERTS GROUP MEETING ON ADDRESSING INEQUALITIES AND CHALLENGES TO SOCIAL INCLUSION THROUGH FISCAL, WAGE AND SOCIAL PROTECTION

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Introduction

Zambia has an estimated population of 16 Million with 51 percent females and 49 percent males. The economy is driven by intensive sectors of mining, construction and transport. Copper is the major export and the leading forex earner. The dependence on copper exports makes the county vulnerable to the international market volatilities. Zambia suffers from a myriad of challenges on a number of fronts such as economic, political and social. On top of the pile is poverty, which seems to have been pervasive and intractable for a long period now. Therefore, achieving poverty reduction and an all inclusive and sustained economic growth remain the main goal of the government. Poverty in whatever form is undesirable and this can be seen from the Fifth National Development Plan (MoFNP, 2006:01) which states that “the challenge of reducing poverty is perceived by the government not as an option but as imperative for under such high poverty conditions, the social and political stability that is so pivotal for the revival of the country’s growth and prosperity become vulnerable to real and potential tensions”.

Alongside poverty is the high levels of inequality, which need to be tackled. High inequalities do not create conditions for long term and inclusive national development. Inequalities manifest in the form of children begging on the streets when a stone throw away some other children are playing computer games. Inequality is when a one child from a slum is withdrawn from school on account of not having a school uniform whilst another child of the same age attends an international private school. The brunt of inequality rears its head when one woman gives birth in the bush on her way to a rural health center located 20 km away and the other woman flies to a developed country just to go and give a normal birth.

Zambia has identified social protection as being central to social policy. The Social Cash Transfer (SCT) has emerged as one instrument holding potential to help fight poverty and the scheme has mutated into a national flagship programme. This paper focusses on the role that the Social Cash Transfer (SCT) has played in mitigating inequalities and poverty. The discussion is informed largely by the evaluation results of the Child Grant Programme, which is part of the SCT. The SCT was found to have a mediation effect on poverty reduction, economic inequality and knowledge inequality.

Poverty and Inequalities

Sustained economic growth on its own seems not enough to put a serious dent on poverty. As table 1 shows, Zambia has witnessed very impressive economic growth rates over the years which unfortunately seem not to have helped the poverty reducing cause as the high economic growth rates have not been commensurate with poverty reduction.

Table 1: Selected GDP Growth Rates for Zambia

Year	2008	2010	2011	2012	2015	2016	2017
Percentage	6	7.6	6.8	7.3	2.9	3.4	3.9

Source: Worldbank Reports

At national level, the incidence of poverty is at 54.4 percent and rural poverty is at 76.6 percent, which is three times higher than in urban areas, at 23.4 percent (CSO, 2015). Therefore, poverty has predominantly a rural face. High inequalities condemn the rural folks to negative human capital outcomes which in turn impair their capacity and potential to contribute to national development.

When the poverty levels are analysed over the last 3 decades, it is clear that the poverty levels have not significantly reduced over the last 24 years (see table 2). The under investment in social protection over the years has meant that the people living in the lower echelons have not benefited and thus social protection becomes an imperative.

Table 2: National Poverty Levels.

Year	1991	1993	1996	1998	2002	2006	2010	2015
Percentage	70	74	69	73	67	62.8	60	54.4

Source: Central Statistical Office (2010, 2015)

Research by Oxfam (2016) suggests that inequality is the missing link explaining how the same rate of growth can lead to different rates of poverty reduction. Inequality is multidimensional and can be analysed from seven dimensions of economic, social, environmental, political, knowledge, cultural and spatial. These dimensions intersect in a multiplicity of ways with multidirectional linkages. Inequalities can broadly be grouped into vertical inequality and horizontal inequalities. Horizontal inequalities are inequalities among groups with a common identity such as tribe and religious faith.
It is an imperative to reduce inequalities because;

1. A more equal society is rooted in human rights and justice;
2. It is an economic imperative as inequalities mediate economic growth;
3. Environment sustainability will be a mirage if there is unequal access to the natural resources. Some of the deadly wars have been precipitated by unequal access to resources such as land, fresh water and minerals.
4. Reduced inequalities can reduce conflicts. An imbalance can be a recipe for social upheaval and wars. Inequality can no longer be treated as an afterthought!"

The most common measure of inequality Gini Coefficient is based on income. Income is an important determinant in gauging inequality because income is able to determine the bundle of goods a household can command. Globally it has been documented that income inequality is on an upward trajectory with no signs of abating. According to Oxfam (2016) the richest 9 percent of the global population control about 50 percent of the global wealth whilst the bottom 10 percent have to scrounge for about 2 to 7 percent of global income. These disparities call for a sobering of the minds and serious reflection at all levels because this imbalance is not sustainable for social economic world order. The world should lock hands in concerted multi sectoral efforts at all levels i.e. community, district, state, national and global levels. The various platforms must be used to champion the mooting of new actions and policies that seek to address inequalities.. Reassuringly, inequality is now a global goal in its own right as contained in the Sustainable Development Goals number 10 and will help build the required momentum in addressing the inequalities.

According to Kanbur (2016) failure for growth to have a meaningful impact can be explained by two channels (1) when growth is accompanied by high inequality, the impact of growth on poverty reduction will be reduced. (2) The responsiveness of poverty reduction to growth can be overstated when intra household inequalities are ignored. It is well documented that in households, resources may not always be distributed equally and ultimately weaken the poverty reducing effect.

In Zambia over the last 20 years inequality as measured by the Gini coefficient has remained high. According to the CS0 (2015) Zambia's Gini coefficient now stands at 0.69, up from 0.60 in 2010; higher than that of Africa (0.43;) and comparable to some of the continent's most unequal countries like South Africa, Namibia and Botswana. In urban areas, the Gini Coefficient was at 0.61 while in rural areas it was 0.60 (CSO, 2015:91). The top 10 percent in Zambia control 57 percent of the income whilst the bottom 50 percent command a paltry 7.2 percent. The income disparity is a reflection of the country's failure to share the national cake fairly and therefore reducing inequalities is important to improve the welfare of the people.

Whilst the Gini coefficient provides a snap shot of the income inequalities, what is more important is to realise that the inequalities of opportunity in domains such as health and education determine if the children from such households will be able to break the glass ceiling and leave the poverty trap. According to the CSO (2015), in Zambia school attendance rates by primary age group in the rural areas was 79 percent whilst that of urban areas was 90 percent. This is a huge knowledge inequality and will help to perpetuate the inequalities between urban and rural areas.

Policy Makers have a range of instruments at their disposal that they can deploy to address rising inequality and poverty. Social protection is one such sector that holds immense potential to reduce poverty and inequalities.

Evolution of Social Protection - Social Cash Transfer

At the dawn of independence, Zambia inherited a myriad of social protection schemes whose design was rooted in emergency response model. Some of these first generation schemes are the Public Welfare Assistance Scheme (PWAS), and food relief. The second-generation major schemes include the Food Security Pack (FSP) and micro loans to women and Persons with Disabilities. The third generation schemes are the Social Cash Transfer introduced in 2003 and the Home Grown School Feeding Programme. During the early evolution of the first and second generation schemes, the term social protection was unheard of and these schemes were implemented in an adhoc manner without coherence and a clear theory of change. To address this gap, a draft National Social Protection Strategy (NSPS was developed in 2005 which defined social protection and positioned it in the national development architecture. This gave impetus to the discourse on Social Protection and the Social Cash Transfer featured prominently in the draft NSPS.

During the initials stages, the Social Cash Transfer Scheme was an alien concept which was greeted with immense sceptism within the Government structures and the fact that the concept was being introduced by Germany Technical Coperation (GIZ) considered an outsider hardened the minds. In order to strike a middle ground between the sceptics and GIZ, the Ministry of Community Development and Social Services allowed the concept to be implemented in Kalomo with full GIZ financial support on the understanding that a firm decision on the feasibility and desirability of the scheme could only be made after piloting. In the same year of 2003 the scheme was introduced in Kalomo and officially launched in 2004. Based on the promising monitoring results from the Kalomo, the Department of International Development (DFID) took over funding and made forays to Kazungula (2005), Katete (2006), Chipata (2006) and Monze (2007), In 2010, the scheme scaled to Kalabo, Shango'mbo and Kaputa and the motivating factor in choosing these districts was to address the poor child outcomes hence the piloting of the child grant model. This scheme was based on categorical targeting of any household that had a child below the age of 5 years old. The scheme was in 2010 reaching a total of 24,500 households and by 2014, it was reaching a total of 50 districts with 145,000 households. By 2016 the scheme was reaching 78 districts and in 2018 covered all the districts in the country reaching 536,204 households representing a national coverage of 17 percent.

The year 2014, witnessed the launch of the National Social Protection Policy whose policy objective is "to contribute to the well-being of all Zambians by ensuring that vulnerable people have sufficient income security to meet basic needs and protection from worst impacts of risks and shocks." MCDSS (2014:11). One of the defining principles in the policy is universality, which means that all residents in Zambia should have access to a social protection instrument. The universality principle would help address the observation from the ILO (2017), of inadequate coverage that only 17.8 percent people in Africa have access to one or more social protection benefits compared to 84.1 percent in Europe.

In the short term, SCTs are able to alleviate the hardships for instance by allowing a household to buy the much needed food and in the long term the investment in education of children would lead to the reduction of poverty. Some of the specific objectives of the Social Cash Transfers are;

1. Supplement and not replace household income;
2. Increase the number of children enrolled and attending primary school education;
3. Increase the number of households having a second meal per day.
4. Increase asset ownership amongst households as this would help income generation.

The unit of selection and identification of beneficiaries in the SCT is the household based on the assumption that giving a transfer to a household will benefit the entire household and at the same time promote intra household cohesiveness. For a household to qualify for the SCT benefit, they need to fulfil the following criteria:

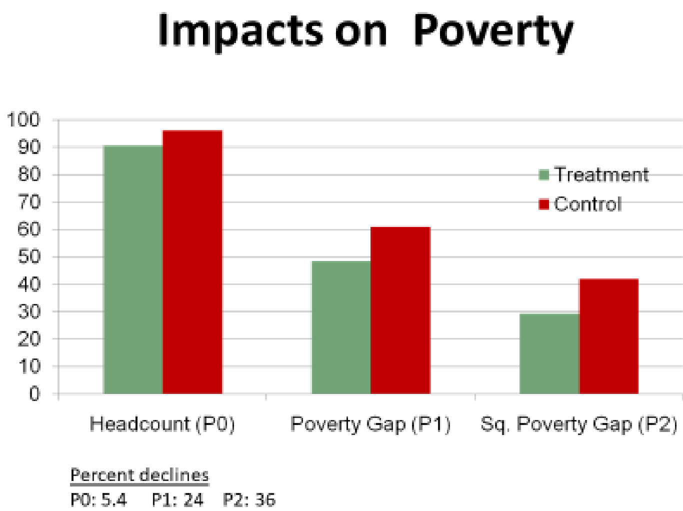
1. Households with a member who is 65 years and older;

2. Household with a member who is severely disabled and has been medically certified;
3. A household headed by a child;
4. A female headed household with at least 3 or more children and
5. A household with a member who is chronically ill and is on palliative care

Impact of Social Cash Transfers.
Around the world there is an increasing wealth of knowledge that show positive impacts of social protection policy instruments in the domains of nutrition, health, education, clothing and self-esteem. South Africa's longstanding experience with social grants offers compelling evidence. The combination of social grants (including the old age pension, child support grant and disability grant) has a modest but significant impact on inequality. According to Roelen (2016), Samson and colleagues found that social grants reduced the national Gini coefficient from 0.63 to 0.60 in 2000. The SCT is able to impact on poverty, economic inequality, and knowledge inequality. In the Zambian case, no robust evaluations of the various social protection programmes exist except for the Social Cash Transfer.

In order to ensure that the Social Cash Transfer narrative gained a foothold, the Ministry made efforts to build an evidence base that would support the feasibility and efficacy of the scheme hence the Kalomo SCT was subjected to a number of evaluations using independent Consultants such as the American Institutes for Research (AIR) and the Palm Associates. The SCT evaluations did find a number of positive outcome trajectories in a number of domains. For instance, the incidence of illness decreased from 43 percent at baseline to 35 perecent during evaluation (MCDSS, 2007:43). School enrolment had increased by 3 percentage points. In terms of food and nutrition, satiation levels improved such that the number of households still feeling hungry after a meal decreased from 57 percent down to 35 percent and the number of households who had either enough or just enough went up from 42 percent to 65 percent MCDSS, 2007:44). Unfortunately these findings were not convincing enough to various stakeholders especially the Ministry of Finance because the research design was weak in terms of attribution (before-after design).

To address the weak evaluation design of the Kalomo Social Cash Transfer Scheme, a robust evaluation was designed at the start of the Child Grant Scheme in Kalabo, Shang'mbo and Kaputa. A longitudinal randomized controlled trial evaluation with four monitoring rounds was done in the three districts of the Child Grant Programme (CGP) Transfer Scheme.



The main evaluation results show that there was a significant reduction in poverty head count of 5.4 percentage points with the largest impacts were at poverty gap at 24 percent and poverty gap squared at 36 percent as can be seen from the graph (AIR, 2014). At the time of the evaluation, the SCT was only reaching 24500 households nationwide.

The impact of social cash transfers on poverty reduction is undeniable. This paper posits that the impact of the SCT in the study area was huge (P0 5.4, P1 24, P2 36) and at the time (2013) the national reach was only 61,000 households. Generally, poverty and inequality remain high despite the documented impacts of the cash transfer program. Whilst the percentage of people who were lifted out of poverty may appear modest in scale, more people who fall below the poverty line were lifted closer to the poverty line as reflected by the poverty gap. Given that the SCT has reached 536,204 households, this entails that all things remaining equal potentially 28,955 households 147,670 individuals have/will moved out poverty and 128,688 households moved closer to the poverty line. The SCT is imbued with the power to break the intergeneration transfer of poverty.

Assets are fundamental to sustaining livelihoods of the beneficiaries and therefore ownership and control of assets is key. In terms of productive impacts, the evaluation results found that there was a marked increase of 21 percent in the number of livestock owned by the beneficiaries. Equally, the transfers catalyzed the beneficiaries to cultivate more land resulting in an 18 percent increase (AIR, 2013) The transfers did not only benefit the beneficiaries but also the wider community through the pathway of multiplier effect. Using the Lewie methodology, it was found that the transfers created multipliers of 1.79 (FAO 2016) which is a very high rate of return. These multiplier effects are derived mainly through increased productive activities such as livestock rearing, and off farm enterprises. Though these outcomes barely registered at the national level due to the small SCT caseload, these results undeniably show that the SCT made significant contribution to the reduction of economic inequalities.

Education is essential for poverty reduction, economic growth, health and general welfare improvement. Achieving equality in education can help quicken achievement of Sustainable Development Goals (SDG). Knowledge Inequality is an important factor in determining access to life's opportunities such as jobs. We do not find any impacts at 48 month for children in age groups 4-7, 8-10 and 15-17 on school enrolment and attendance. However, for children 11-14 years old, the CGP increased school enrolment by 5.6 percentage points at 48-months (AIR, 2016) This shows that the knowledge inequalities were reduced since the children in these beneficiaries households had their chances of leading more productive lives enhanced.

Health outcomes are a big poverty determinant and good health is key to economic productivity. The results (AIR,2016) show that there were large impacts of the CGP on infant and young child feeding (IYCF)—an increase of 13 percentage points (to 35 percent). This impact could be due to an increase in the mothers' time available to feed children or mothers eating more. In terms of food security, the results show that at least 75 percent of the additional expenditure among these households was channeled towards food purchases and this resulted in 8 percentage points in the number of households having two or more meals per day. When subjected to the Food and Nutrition Technical Assistance Project (FANTA) measurement, the number of severely food insecure households reduced by 18 percentage points. The CGP increased children's material well-being by 34 percentage points (AIR, 2014). The material wellbeing indicator is a measure of children's possessions in terms of shoes, blanket and second pair of clothes. The material well-being scale is a recommended indicator to measure care and support for orphaned and vulnerable children.

Gaps and Constraints

Although the Government has been implementing various social protection instruments, few of the vulnerable and poor people were able to get out of the poverty trap. According to the MNDP (2017) a gap and coherence analysis survey of non-contributory transfer programmes identified a number of key challenges the major ones being that (1)the programmes were fragmented and reached only a small fraction of the poor and vulnerable; (2) vulnerable and poor children in particular were not sufficiently covered by existing social protection programmes and (3) the benefit levels were not adequate, accounting for too small a fraction of recipients' consumption. Inadequate research in the area of social protection impacts has resulted in the dirth of information. Given that the 2010-2013 SCT evaluation is becoming old second generation evaluations are needed. One of the major binding constraints of inequalities is the infrastructure deficit experienced especially in rural areas. Other binding constraints to reducing inequalities are limited access to services, such as water and sanitation, electricity, security, housing and finance. MNDP (2017).

Conclusion

This paper has shown that SCT was able to impact positively of poverty reduction, economic inequality and knowledge inequality. The largest impact of the SCT on poverty was on the households living below the poverty line. At the time of the evaluation in 2010-2013, only 61,000 households were recipients of the cash transfer (this has now increased to 536,204) and thus the impact could not register at the national level.

Recommendations

1. There must be earnest efforts to move towards implementing the universal approach by covering the missing middle and in particular those in the working age group. This will contribute to significant reduction in the Gino Coefficient at the national level;
2. The transfer values need to be revised upwards in order to increase and smoothen consumption to a level that will make impacts on welfare;
3. Conduct robust studies to determine impact of various social protection schemes on inequalities and poverty reduction. To date only the SCT has had reliable studies conducted to determine the effect on poverty. In particular, it would be helpful to know the rate of return for the various social protection instruments.
4. The Ministry in charge should move with zest to implement the integrated Social Protection Framework, as this will optimize the benefits of social protection through improved coherence and multiple benefits to one beneficiary. This will help address the SCT low transfer value.

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