Beneficiaries Experiences with Social Protection Programmes for Poverty Reduction in Ghana

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Abstract

Social protection programmes are increasingly becoming the conduit for minimizing poverty and social exclusion across the world. Social protection schemes have been found to be efficient in minimizing vulnerability of poor families, hunger and extreme poverty in Sub-Saharan African countries. Nonetheless, about 437 million people in Sub-Saharan African countries live in extreme poverty. Ghana, like other SSA countries, has implemented several social protection programmes to reduce poverty. However, a quarter of the 30 million population live in abject poverty. This brief explores the role of social protection programmes, specifically the Livelihood Empowerment Against Poverty Programme (LEAP), in poverty reduction from the perspective of beneficiaries. The findings of the paper suggest that the programme must be reviewed to leverage local market opportunities and incentives, available for beneficiaries. This would ensure predictability of income and sustainability of the impact of the programme.

1.0 Introduction

Ghana has implemented several social protection strategies to support poor and marginalized families. The neutralizing effect of the Economic Recovery Programme in 1983 resulted in the implementation of the Programme of Action for Mitigating Cost of Adjustment (PAMSCAD), to provide assistance for families whose standard of living were adversely affected. The programme achieved mixed results. The farmers who benefited from the programme suffered debt challenges and poor project planning. The PAMSCAD programme was succeeded by the Poverty Alleviation Fund (PAF), with the aim of driving small, micro and medium scale businesses for beneficiaries. The PAF was a fund created out of the District Assemblies Common Fund to support micro and small businesses in the districts. Abdulai, Shafiuwu and Mohammed (2014) in evaluating the effects of the PAF found that 50 percent of the beneficiaries diverted the funds into other personal activities. Thus, the intended objectives were missed by some considerable margins.
To consolidate the gains of social safety nets and ensure consistency in the implementation of programmes, the National Social Protection Strategy was developed in 2007 to guide programmes. The Livelihood Empowerment Against Poverty was developed in 2008 as the cash transfer programme to address the poverty challenges and minimize social exclusion. The LEAP programme started in 2008 with 1,654 beneficiary households and currently serves approximately 213,000 beneficiary households. This indicates commitment to minimizing poverty. However, a quarter of Ghana's population live in abject poverty (Ghana Living Standard Survey, 2018). Furthermore, consumption poverty has not improved since 1992 as it dropped by 0.8 percent from 1992 to 2006 (Ghana Living Standard Survey, 2018).

As successive governments have been committed to safety nets as the means to bridge the poverty gap, it is imperative to understand the process through which the programmes influence living standards. The study was conducted in three high poverty incident districts in Ghana based on the 2015 Ghana Poverty Mapping Report, namely, Sissala West District, Kintampo South District and Shai Osudoku District. The brief presents a tersely cogent assessment of the impact of the LEAP programme from the experiences of beneficiaries.

2.0 Key Findings

2.1 Beneficiaries experiences before the LEAP programme

Prior to enrolment on the LEAP programme, the beneficiaries engaged in subsistence farming, small-scale agriculture and petty trading. Rising cost of agricultural inputs, land tenure systems, high cost of living and lack of access to capital were some of the variables driving the poor living standards. Again, child poverty was evident in the districts. Children in poor households are vulnerable to rape, defilement, child labour, poor health and early marriages. The poor diet resulted in frequent sicknesses on the children especially the children below five years. Child poverty can be devastating because it affects the child's learning abilities, self-esteem and access to opportunities.

There was high incidence of aged neglect which manifest through high age dependency ratio, low income and lack of employment opportunities. The aged category lacked support and care from their immediate families. Although it is a social norm for children to take care of the aged in Ghana, Nukunya (2003) in studying family systems argues that children from poor homes are unable to support aged parents because they have low incomes. Poverty among the aged can also be attributed to the voluntary nature of pension plans in Ghana. The pension programmes are mostly compulsory for corporate organizations and civil servants while pension programmes are liberalized for self-employed and other employment categories.

Exclusion of persons living with extreme disabilities was pervasive in the districts. Most persons with disability lacked access to basic care. Beneficiaries with disability face challenges in accessing social facilities because the facilities such as hospitals are not disability friendly. The lives of beneficiaries living with extreme disability was that of hunger, abuse and low self-esteem.

The experiences of the beneficiaries were unsurprising because the poverty incidence, poverty depth and inequality has been higher in Sissala West District, Kintampo South District and Shai Osudoku District. In 2015, Shai Osudoku recorded poverty incidence of 55.1 percent, 23.2 percent
Beneficiaries experiences with Livelihood Empowerment Against Poverty Programme in Ghana of poverty depth and an inequality distribution of 40.1 percent (Ghana Statistical Service, 2015). Poverty incidence, poverty depth and inequality were 78.3 percent, 35.8 percent and 30-34.9 percent respectively in Kintampo South (Ghana Statistical Service, 2015). The poverty incidence, poverty depth and inequality distribution were not different in Sissala West as it recorded 81.2 percent, 44.8 percent and 43.3 percent respectively (Ghana Statistical Service, 2015).

Despite these poverty characteristics, some beneficiaries of the LEAP cash transfer scheme have defied all the odds and leveraged on the local market opportunities to smoothen their consumption and generate sustainable livelihoods.

2.2 Utilization of the LEAP Cash

The cash is primarily used to support consumption – food, education and access to healthcare. Beneficiaries of the programme have identified that the reliability and predictability of household income will depend on secondary utilization. Portions of the cash is invested in farming, petty trading and retail business. Some beneficiaries are engaged in ginger farming, animal rearing, and petty trading (groceries, local beer, cigarrete and other products). The pattern of investment by beneficiaries is influenced by the demand dynamics in the localized market.

The sustenance of the beneficiary’s livelihoods are significantly influenced by the returns from the secondary utilization.

Beneficiaries engaged in groundnut, ginger and cashew farming earn an average of GH¢1,500.00 (US$ 300.00) annually while the annual cash transfer for a four or more beneficiary household was at most GH¢ 636.00 (US$ 114.80). Animal rearing also proved to be lucrative for the beneficiaries because they earn an average of GH¢ 250.00 (US$ 45.13) per goat sold.

While beneficiaries with some appreciable levels of productive capacity are more likely to secure their income, leveraging local market solutions. The aged and persons living with extreme disabilities were on the consumption side of utilizing the LEAP grant. Thus, it is clearer that beneficiaries on the productive side of spending the cash grant are more likely to have secured livelihoods than the beneficiaries on the consumption side.

The policy implication is that government has an opportunity to minimize spending on the LEAP programme by exiting the beneficiaries on the productive side of utilizing the grant with a support programme that gives them a leverage in the local market. This will create a fiscal space for the government to invest in education, improve healthcare in rural areas, support women in micro and small businesses in rural centres and other priority areas, all things being equal.

2.3 Impact of the LEAP programme on extreme poverty reduction and vulnerability

The evidence of the LEAP cash transfer programme improving household consumption, household income, and access to education, healthcare and social inclusion is significant. There is evidence to suggest a significant improvement in feeding and accommodation of beneficiaries. Some beneficiaries have leveraged on the cash to construct new accommodation. Also, beneficiaries have used the cash to support farming activities, leading to easy access to food for the family.

The programme has impacted school enrolment in the communities. The LEAP programme is integrated with the Free Compulsory Universal Basic Education that allows children from beneficiary household ‘free access to education at the basic level’. In addition, the programme is
integrated with the National Health Insurance Scheme to give beneficiaries to healthcare. Prior to the LEAP programme in Abetasu in the Kintampo South District, school enrolment has increased from a little below thirty (30) to one hundred and twenty (120) after three years implementing the LEAP programme (taking problems of attribution for granted). However, the effectiveness of the integration remains a challenge. Beneficiaries continue to pay for educational materials, drugs and other medical services. These also justify the relevance of the secondary income sustaining the beneficiaries' ability to access important social services.

The LEAP programme has reduced the level of vulnerability of beneficiary families. Hitherto the LEAP programme, young girls were vulnerable to early marriage. Additionally, most of the young boys dropped out of school and engaged in treacherous labour activities. The LEAP programme has equipped parents with the capacity to put their children through school, provide food and decent accommodation for their children. Moreover, female headed households have been empowered to participate in their local economy and minimized gender inequality and stereotypes. However, the aged and persons living with disability face potential risk of social exclusion because they lack the needed care.

3.0 The Exit Strategy

Social protection programmes are designed to elevate the living standards of poor people and improve their ability to participate in the market economy. It is important to note however that, no country can continue to recruit people into poverty programmes in perpetuity without a sound mechanism, that respect their dignity, rights to self-provide their needs and crucially provide incentives that supports their desires to pursue their ends in happiness. Thus exit strategies from such programmes are necessary to protect the beneficiaries over the long term and also ensure the prudent and targeted use of limited public resources. Exit strategies have been found to be successful when they allow people to participate in their local economy and generate a sustainable source of income for beneficiaries\(^1\). Exiting social protection programme can be voluntary when socio-economic conditions have been improved. The study found that majority of the beneficiaries do not have adequate understanding of the exit plan. However, some beneficiaries will be willing to exit the programme with support to expand their businesses and an improved local business environment.

4.0 Challenges

Beneficiaries under the LEAP programme face some challenges when accessing the programme. The challenges over time have become costs, affecting the value of the cash to beneficiaries. Some beneficiaries travel long distances to receive the cash grant. The cost of transportation is paid by beneficiaries out of the cash and thus affecting the net cash available for beneficiaries. In the Sissala West District for instance, beneficiaries in Wiro travel about 15km-20km to Fielmuo to

receive their cash grant. Thus, the cash of each beneficiaries is reduced by GH¢5.00 (approx. US$1.00) as a result of cost of travel.

Time loss to payment periods tend to affect beneficiaries’ productive activities. In Sissala West District, the beneficiaries at Zini lose about 8 hours during payment. In beneficiaries’ own words “we cannot do anything when it is time for payment”. They attribute the time loss to delays from the financial institutions.

There are several managerial challenges affecting the effective implementation of the programme – a characteristic of most centrally planned and implemented programmes. One major challenge of the programme is the lack of effective monitoring and evaluation. This has affected the government’s (Ministry of Gender, Children and Social Protection) ability to undertake effective case management. The lack of effective monitoring can also be attributed to understaffing of the social welfare units. Sissala West had only two officers serving 54 communities with 11,872 beneficiaries, one officer in Kintampo south serving more than 58 communities with approximately 3,500 beneficiaries. The case was a little different in Shai Osudoku where there were six officers. The team’s engagement with the Ministry revealed that they have no system to undertake a nationwide monitoring of the programme.

Furthermore, the implementing agencies lacked effective mechanisms of targeting extremely poor households. There is no data on poor people in the country and thus the selection is subject manipulation.

Although the National Household Registry has been established and implemented, significant challenges remain with the speed, effectiveness and integration with institutions such as the Ghana Statistical service.

5.0 Conclusion

To this end, it is clearer that the most effective way of minimizing poverty, vulnerability and social exclusion requires strategies that go beyond just cash handout. The evidence from this work suggests that sound and stable local business environments have the capacity to drive innovation even among extremely poor people and areas characterized by high poverty and inequality. Thus, the LEAP programme can only achieve its objective of minimizing extreme poverty if it provides an opportunity for beneficiaries to identify opportunities in their local market, leverage these opportunities and create sustainable sources of income. Therefore, social protection programmes even though are important, can minimize poverty when linked with a suitable business environment for beneficiaries.
6.0 Recommendations

1. The LEAP programme should be effectively integrated with other social services to improve the quality of access for beneficiaries.
2. The programme must adopt strategies that support beneficiaries to identify localized market opportunities. In this way, the exit programme can be effectively executed.
3. The implementing agencies need to adopt a multi-stakeholder engagement to ensure effective communication and execution of the exit plan.

Video Link