



DFID Department for International Development

Key points

- Social protection is seen as a central pillar of growth in Zambia's National Development Plan, but its implementation remains a challenge
- Enabling households to 'graduate' from social protection support means building their assets and increasing their resilience to shocks and stresses
- Existing strategies are hampered by lack of knowledge on the numbers and needs of poor households

Overseas Development Institute

ODI is the UK's leading independent think tank on international development and humanitarian issues.

ODI Project Briefings provide a focused and specialised summary of a project, a country study or regional analysis.

This and other ODI Project Briefings are available from www.odi.org.uk

Social protection for low capacity households in Zambia

Rebecca Holmes and Rachel Slater

In 2005, the government of Zambia developed a Social Protection Strategy to guide and coordinate social protection interventions targeted at the poor. This was built on Zambia's Fifth National Development Plan (FNDP), which outlines the government's vision for poverty reduction and growth for 2006–2010. The FNDP sets out two key objectives for social protection: ensuring that the livelihoods of poor households are secure enough to meet basic needs; and protecting poor households from the worst impacts of risks and shocks. The plan makes it clear that social protection is not only about relief, but also about encouraging growth by enhancing household engagement in the productive economy.

The FNDP recognises that, while some households require long-term welfare support, others have the productive capacity to graduate out of such support and into independent, sustainable livelihoods. The Ministry of Community Development and Social Services (MCDSS), which coordinates the implementation of the Social Protection Strategy, has identified two types of target households: incapacitated households and low capacity households (Box 1).

While most government programmes and expenditure are targeted at households with some capacity to build sustainable livelihoods, policy coordination and programme coherence are limited. Fiscal constraints mean that long-term support is not affordable for all low-capacity households and there is, therefore, significant policy pressure to ensure that they 'graduate' from short-term social protection.

Reducing risk and vulnerability in rural Zambia

Prospects for graduation depend not only on the form and volume of social protection, but also on the conditions in which the poor live. Around two-thirds of Zambia's population live in poverty, poverty rates are much higher in

rural than in urban areas, and the urban/rural poverty gap is growing. Most rural households depend on subsistence agriculture, with limited access to resources and capacities, such as education, skills and contacts, that would enhance productivity. Poor households are more likely to be vulnerable to shocks and stresses – such as HIV and AIDS, droughts and floods, changes in agricultural policies and volatility in prices – that can damage the welfare and productivity of vulnerable households. This vulnerability can make poor households highly averse to taking risks. They may, for example, be reluctant to invest in additional land, alternative crops or new technologies. As long as they avoid such risks and do not invest in production, their position will remain precarious. They will be caught in a negative cycle, selling off productive assets or taking children out of school in response to severe seasonal food insecurity, thereby undermining their own ability to cope with future shocks and stresses.

Graduation is about breaking out of this negative cycle and can be defined as the movement of households from a state of high vulnerability to shocks and stresses (and usually high levels of poverty) to one of increased resilience to such shocks and stresses, increased investment in productive assets and subsequent improved livelihood security.

Social protection contributes to graduation in three main ways: protection, prevention and promotion.

Social protection programmes that enable or smooth consumption – for example by providing cash and in-kind transfers to meet basic needs – protect households from hunger and further impoverishment.

Transfers or social insurance can prevent negative coping strategies such as the distress sales of productive assets (ie. draught oxen, bicycles, farm equipment or land) to meet immediate needs – a process that undermines

Box 1: Characteristics of target groups

Incapacitated households

These are households that either have no adults fit to work, or have such a high dependency ratio that maintaining the household is virtually impossible. Such households often have many elderly members and children, and are often affected by HIV and AIDS. Their capacity will only improve when the children grow up to become economically active. In the meantime, they have little prospect of meeting their own needs.

Low-capacity households

Some households in rural areas have very marginal livelihoods that are highly exposed to risk — particularly environmental risks that affect agricultural production. At the same time, they have limited capacity to deal with shocks, and tend to avoid risks, engaging in low-input, low-output agriculture. These households may have only a few economically active adults and the skills and capabilities needed to identify and participate in alternative economic opportunities may be limited.

SOURCE: ADAPTED FROM MCDSS 2005

long-term prospects. Prevention measures can, therefore, make poor households more resilient in the face of shocks and stresses.

Promotion measures, such as predictable transfers or programmes linked to training can facilitate investments by vulnerable households in productive assets or skills development, enabling them to increase their incomes.

Progress in one or more of these three areas means that households are better placed to take advantage of more remunerative income earning opportunities. They may also become more resilient in the face of shocks and less reliant on external support.

Protection, prevention and promotion in Zambia

An understanding of how to support graduation by: protecting household consumption; preventing the worst impacts of shocks and stresses; and promoting investments, helps us identify ways to support low-capacity households in Zambia.

At first sight, Zambia seems to have a wide range of social protection interventions targeted at low-capacity households. They include social assistance (protection) and social insurance programmes (prevention), and programmes to improve economic productivity (promotion). But on closer inspection the situation is less promising. Actual coverage of support to low-capacity households is very low and in some Government programmes is actually declining. There are many programmes but they are small and reach few people, and coverage is usually patchy and transitory. Many programmes cover a combination of protection, prevention and promotion but not in an especially coherent or logical way.

Public works and inputs transfers are the main instruments for the protection of consumption among low-capacity households. In principle, at

least, both types of programmes also support promotion.

In the case of public works the objectives are usually two-fold: to provide seasonal safety nets to address cyclical poverty and vulnerability at times of need by offering employment; and to create community assets that are beneficial for productive activities. PUSH, for example, is a peri-urban self-help programme to develop urban infrastructure and mitigate the negative effects of economic reform. In principle, linking income and consumption support to the development of infrastructure combines protection and promotion. In practice, however, the programme prioritises food transfers to areas affected by natural disasters where vulnerability is acute and infrastructure development has remained a secondary objective (MCDSS 2007).

There are many smaller, shorter-term public works programmes implemented by NGOs. One recent example is CARE's agricultural inputs-for-assets (AICA) programme. In most of these cases, the primary objective is protection rather than promotion and most programmes are short-term and part of a humanitarian response (e.g. through WFP food-for-work programmes).

The Targeted Food Security Pack (TFSP) is the main source of inputs transfers in Zambia, helping low-capacity households become self sustaining through improved productivity and household food security. While the programme transfers productive assets (seeds and fertiliser), it faces severe budgetary constraints and promotes livelihoods only to a limited extent.

Prevention is covered by social insurance initiatives, such as micro-insurance, health insurance and other contributory schemes but these are very localised and have small memberships. Formal sector workers are protected by well-resourced pension, sickness and disability benefits, but most low-capacity households, particularly those in rural areas, work outside the formal sector. Innovations in insurance in other countries – for example weather-based risk insurance – have not yet been seriously taken up in Zambia.

We have already argued that the main opportunities for promoting livelihoods are meant to be found in public works (through the creation of productive assets) and in input transfer programmes (which enable investment and increases in productivity) but these do not materialise in practice. There are a number of small scale micro-finance schemes functioning across the country, including Pride Zambia and the National Trust for the Disabled. However, these programmes suffer from limited effectiveness and the exclusion of many incapacitated and low capacity households. Beyond these programmes, and some resettlement schemes, there is very little, if any, explicit social protection programming that promotes household livelihoods by enabling investment in productive activities.

Recent social protection inventories by the

Regional Hunger and Vulnerability Programme (RHVP 2007a) and MCDSS (2007) confirm a limited number of social protection programmes for prevention and promotion in Zambia. Other reports show that these programmes, focusing in principle on both protection and promotion, rarely achieve the promotion objectives in practice (RHVP 2007b, MCDSS 2007). The implication of an emphasis on protection at the expense of prevention and promotion is that households move out of poverty only very slowly because they do not invest in activities that have greater returns. They remain highly susceptible to risk, often sliding back down into poverty and reverting to negative coping strategies.

To achieve a balance between protection, prevention and promotion, more and consistent resources are needed for current programmes to ensure that implementation challenges do not prevent the achievement of objectives, or the development of new linkages between protection, prevention and promotion.

Our review of current instruments for tackling poverty and vulnerability in low-capacity households shows that the current approach at existing resource levels is unlikely to lead to graduation because coverage is so incomplete and inconsistent. The proposed framework of protection, prevention and promotion provides a starting point for more complete and coherent strategies for low-capacity households that integrate different aspects of social protection as they are needed.

Further progress will also require: improved understanding of low capacity households; improved implementation of existing programmes; and better coordination between different implementers and programmes.

Improved understanding of low capacity households

At present there is confusion over how many households should be categorised in the target group. This makes it difficult, if not impossible, to cost and target interventions. Furthermore, there is significant diversity among low capacity households, suggesting that more than a single instrument is needed.

Estimates from different policy and programme documents on the actual number of low capacity households in Zambia vary between 190,000 (MCDSS 2005) and 1,305,783 (Rural Net Associates 2005). The lower figure is based on the view that low-capacity households constitute 10-20% of total households in Zambia and has been calculated on the basis of affordability and the availability of Government resources, as much as need. The latter figure is based on an estimation of the potential beneficiaries in need of the Targeted Food Security Pack.

A figure of 200,000 low capacity households has been proposed by the MCDSS for planning social protection interventions for this group. Add the sup-

port to around 200,000 incapacitated households and the total corresponds to the MCDSS target of achieving social protection coverage for the poorest 20% of the population (MCDSS 2005). In programming terms, therefore, social protection for low-capacity households currently focuses on the second bottom decile of the poverty profile. However, evidence suggests that there may be many more low capacity households than are currently accounted for given the high levels of poverty in rural areas. Data from the International Fund for Agricultural Development suggest that 5.2 million people lived in rural poverty in 2003. Without good estimates, broken down to reflect inter-district differences, effective programming, planning and targeting are difficult, if not impossible. There is an urgent need for more up to date and reliable statistics based on household survey data to target these households appropriately.

A second reason for improved household survey data is the significant variation between low-capacity households' structure and size, main sources of livelihoods and productivity capacity. This raises difficult questions about whether a single programme or a package of different programmes would be most appropriate to help such households manage risk. For example, the evidence suggests that agricultural inputs and business development programmes are often officially intended to support households in the lower deciles. In practice, however, these programmes are more suitable for slightly richer households with greater existing capacity to make the most of the support and move into sustainable farming as a business. Obtaining more detailed information about household capacity and needs is critical if programming is to ensure that the most appropriate social protection instrument is being used to meet household needs.

Improved implementation of existing programmes

Zambia's major programme to address vulnerability in low-capacity households, the Targeted Food Security Pack (TFSP), aims to distribute free inputs (e.g. seeds and fertiliser), and provide training and agricultural advice to poor small farmers. The ultimate goal is to enable farmers to move, within two years, from the pack to the Ministry of Agriculture and Cooperative's (MACO) Fertiliser Support Programme, which provides fertiliser at 60% subsidy to farmers. Farmers are then expected to graduate to a self-sustainable agricultural livelihood.

Low-capacity households face challenges to increasing production because inputs are too expensive, but they also face other vulnerabilities and risks such as increased climatic variation, changes in household demography due to illness, deaths and migration, and the disintegration of traditional social capital networks. While the TFSP is not designed or expected to address all of these

challenges, it is supposed to form a large component of a coordinated response to them. In principle it seeks to enable both protection and promotion. In practice, however, it protects a relatively small number of households and does not support investments in productivity-enhancing agriculture.

In the last few years the TFSP has experienced acute budget cuts and problems with the release of resources, causing severe delays in delivery of inputs to beneficiaries. In 2004, the TFSP accounted for 12% of the main expenditures budget of MACO, while the Fertiliser Support Programme accounted for 37%. By 2006 the TFSP was not included as a single item, as it was not considered large enough and was subsumed under 'other expenditures'. Since 2000-2001 there has been a total gap of 69.6% between the amount agreed for the TFSP and the amount actually allocated to the programme (RHVP 2007b).

The consequences of these budgetary allocations are two-fold. First, the benefits of the packs are diluted across beneficiaries and although beneficiaries are supposed to receive inputs for two years, in practice they only receive them for one season (MCDSS 2005). In 2005-2006, just 19,500 households received benefits, way below the target of 200,000 a year (RHVP 2007b). Second, while in principle the TFSP also attempts to diversify farmers' crops away from a dependence on maize, the elements of the programme that seek to support non-maize crops and improve technology are, in general, scrapped each year as maize inputs 'swallow' the available resources (MCDSS 2005).

Better coordination

An effective protection, prevention and promotion framework would ensure that the responsibility for implementing social protection programmes

is distributed across both social and economic policy spheres. In the case of Zambia, the TFSP is administered under the Ministry of Community Development and Social Services, but is coordinated jointly with the Ministries of Agriculture and Cooperatives (MACO) and Finance and National Planning (MoFNP). A coordinated and consistent social protection policy needs to be implemented by a variety of institutions to meet the twin objectives of protecting and maintaining poor people's consumption and promoting growth and agricultural livelihoods.

Conclusion

The framework proposed here – protection, prevention, promotion – provides a tool for understanding how social protection contributes to the graduation of low-capacity households from high vulnerability to shocks and stresses and high levels of poverty to increased resilience, increased investment in productive assets and subsequent improved livelihood security.

Applying the framework suggests that there are a number of existing programmes that meet protection, prevention and promotion objectives but these are small, ad hoc, transitory and their focus is overwhelmingly (whether in principle or in practice) on protection at the expense of prevention and promotion.

A better balance between protection, prevention and promotion will enable graduation. To move forward with this agenda, we need to urgently determine the numbers and needs of low-capacity households. Not only will this enable more appropriate programming to meet their needs, it will also enable the Government and its development partners to more clearly calculate the resources required for these households to graduate.



Overseas Development
Institute

111 Westminster Bridge
Road, London SE1 7JD

Tel +44 (0)20 7922 0300

Fax +44 (0)20 7922 0399

Email
publications@odi.org.uk

Readers are encouraged to quote or reproduce material from ODI Project Briefings for their own publications, but as copyright holder, ODI requests due acknowledgement and a copy of the publication.

© Overseas Development
Institute 2008
ISSN 1756-7602

References and project information

References

- Government of the Republic of Zambia (2006) Fifth National Development Plan, Lusaka.
- Ministry of Community Development and Social Services Planning Department (2005) Draft Social Protection Strategy. Social Protection Sector Advisory Group, Government of Zambia, Zambia
- Ministry of Community Development and Social Services (2007) Evaluation Study on Appropriate Models of Livelihood Strategies for Social Protection in Zambia. Draft Report, Government of the Republic of Zambia, Lusaka.
- Rural Net Associates (2005) An Assessment Study in the Framework of the Development of a Social Protection Strategy: Case Studies Final Draft
- RHVP (2007a) Zambia: summary data on social protection schemes. Regional Hunger and Vulnerability Programme, South Africa
- RHVP (2007b) Food Security Pack, Zambia. REBA case

study, Number 10. Regional Hunger and Vulnerability Programme, South Africa

Project information

This Project Briefing is an output from a three-year research programme (2006-2009) by the Overseas Development Institute (ODI) on 'Linking agricultural growth and social protection'. This programme is a collaboration between ODI and the Renewable Natural Resources and Agriculture Team at the UK Department for International Development (DFID)

Rebecca Holmes (r.holmes@odi.org.uk) and Rachel Slater (r.slater@odi.org.uk) are researchers in the Rural Policy and Governance Group (RPGG) at ODI.

For resources on Social Protection, visit:
www.odi.org.uk/socialprotection

For resources on Rural Policy and Governance, visit:
www.odi.org.uk/rpgg/index.html