



Transforming Cash Transfers:

Beneficiary and community perspectives on
the Basic Social Subsidy Programme
in Mozambique

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Executive summary

1. Study context and methodology

The increasing recognition that social protection programmes in developing countries can play an important role in inclusive and transformative development is welcomed by analysts as a step towards supporting extremely poor households in these countries. In Mozambique, the national cash transfer programme, the Basic Social Subsidy Programme (Programa de Subsídio Social Básico or PSSB), began in 1992 and is delivered by the National Institute for Social Action (INAS). It targets labour constrained, extremely poor households with elderly, disabled or chronically sick members. The minimum transfer value is 130 MTn (\$4.8) per household per month, with increments of 50 MTn (\$1.8) per month for dependents, up to a maximum of 380 Mtn (\$14) per household per month. Beneficiaries are paid in cash, and the recipient is generally the head of the household. The narrowly targeted transfer, aiming to reach 10% of the absolutely poor households in the country, currently reaches nearly 300,000 extremely poor households. The programme has clear political commitment to sustainability, using state funds.

The PSSB is not an isolated intervention; rather, it is part of a broader social protection platform that includes support to households that temporarily find themselves unable to overcome a specific shock or event, along with social assistance delivered through the health and education sectors. The social protection system in Mozambique is in the process of being reformed and modernised, which should result in a more transparent and accountable system. One of the key reforms involves the development of a management information system (MIS) that will provide an integrated technical platform for the management of the social assistance programmes.

The key research objectives of this study are to:

- explore the views, experiences and perceptions of cash transfer programme beneficiaries and other community members (non-beneficiaries) in order to ensure that they are better reflected in policy and programming
- gather perceptions and experiences from programme implementers
- provide examples of best practice on how to involve beneficiaries and communities in participatory monitoring and evaluation (M&E) of cash transfer programmes
- build the capacity of national researchers in qualitative and participatory data collection and analysis.

The research report presents background information on cash transfers in Mozambique in order to frame the detailed qualitative and participative study conducted in two districts in the southern province of Gaza, Chokwe and Chibuto. The research focuses on both elderly people and people living with disabilities who receive the cash transfer. Currently, of the 286,176 people with disabilities living in poverty in Mozambique, less than 14,000 are receiving the government cash transfer. The inclusion of people living with disability in the study was deliberate and in response to requests from stakeholders to have more evidence about any specific access barriers and the impact of PSSB on the lives of people living with disability.

The fieldwork for the research was preceded by a demand generation consultation (DGC) exercise that provided valuable insights into stakeholders' concerns in terms of the delivery and impact of the PSSB on beneficiaries' lives, particularly on households headed by people with disabilities. All of the fieldwork tools were pre-tested in the peri-urban area of Bairro Areoport, Maputo city.

In the past, livelihood strategies in the study area in the districts of Chokwe and Chibuto in Southern Mozambique were closely linked to patterns of migratory labour and reliant on remittances to supplement agricultural income. With the decrease in formal mining contracts with South Africa, remittances are no longer a prominent feature of people's income, and livelihoods in the two areas are now largely based on subsistence agriculture. The ability to farm and buy agricultural inputs distinguishes the better-off and poorest households, and in both communities the respondents were emphatic about how easy it is to fall into absolute poverty when not able to cultivate anymore. All respondents in the survey considered social factors to be extremely important in defining both poverty and vulnerability, and these were linked to social support and household composition. It is clear that losing one's family is linked to social standing, which in turn is linked to vulnerability in the eyes of the community. People living with disability participating in the study stated that one of the most onerous aspects of disability for people of all ages was their dependency on others, given that farming was often the only livelihood alternative and they were not able to carry out these activities.

A major negative catalyst in the area is HIV (25% prevalence in the study areas) with multiple impacts, ranging from the ill-health of the individual, to stress on the household and changes in household demographics, where elderly people are left to care for grandchildren. One issue raised in both communities was the reversal of the sense that one's children represent future security, i.e. would provide for their parents in their old age. With the social disruption caused by HIV and changes in migration patterns, children have now become another 'risk factor'. Adult children either return home sick and need to be cared for, or have died and leave orphaned grandchildren with their parents. This situation substantially increases the strain on both the carrying capacity of the community and the extremely limited outreach services provided by the National Health System or the Social Welfare Services.

2. Study findings

There was unanimous agreement among all stakeholders interviewed during the research process that the value of the transfer from the PSSB was too low to be considered a transformative measure and is rather perceived as a minimum welfare payment to reduce the possibility of vulnerable households becoming destitute. However, beneficiaries of the PSSB clearly stated that the cash transfer was an important factor in increasing social integration; providing a degree of independence, an ability to contribute to meeting their own basic needs and reduce dependence on family members and neighbours. Due to the predictability of the transfer¹ households were often able to leverage small amounts of credit within the community. Beneficiary households used the cash to buy basic necessities including food and water, and to contribute to the cost of medicines when they were sick. In a few cases the cash was put to productive use, such as hiring labour for the farm or buying small items for re-sale. Elderly and disabled beneficiaries with dependent children also used the money to buy school material.

One of the main negative factors cited by beneficiaries of the cash transfer was the reliance of the beneficiary households (and potential beneficiary households) on local leaders and the figure of the *Permanente* (a member of the local community who acts as a liaison agent between the INAS and the beneficiary and beneficiary community). This is a complex relationship. People recognized the importance of having local people involved in the programme identification and information dissemination process due to their local knowledge and commitment to the community and a number of respondents also recognized the importance of the *Permanente* as liaison agents with INAS. However, respondents were clear that a considerable amount of power was vested in these community actors and that this sometimes gave rise to abuse of the system, for example, restricting access of eligible households to the transfer, promoting access to the transfer of non-eligible households or controlling information flows between INAS and the beneficiary household. This coupled with the lack of clear information about the nature of the programme (eligibility criteria, benefit allowances, rights and responsibilities) left beneficiaries feeling powerless within the system. The research clearly identified how little information was available about the PSSB at all levels of the system, leading to a lack of transparency, and ultimately a lack of accountability to beneficiaries.

The research also found that the demand for accountability of INAS, from beneficiaries, was low; beneficiaries generally have few expectations of the government institutions or other agencies that provide assistance and consider the transfer to be a gift rather than an entitlement. The lack of a sense of entitlement (particularly seen with people living with disability) led to reluctance to complain or present grievances, thereby further reducing the accountability of the system to the beneficiary households.

There was a clear indication in the research that people with disabilities are under-represented in the PSSB, and more importantly do not feel that they have a right to complain about any aspects of it. A lack of understanding (on the part of the implementing agency and staff) about the needs of the programme's target groups has led to people feeling that the cash transfer was solely a pension provided to older people, who are unable to work and chronically poor.

¹ Although the beneficiary households stated that the transfers were predictable they were often paid late, accumulating a number of monthly benefits into one payment. This did not affect their ability to raise small amounts of credit as there was a guarantee that the payment would eventually be made.

The research revealed that there is a lack of monitoring information available about the PSSB and respondents in the study were keen to improve both the quantity and quality of information available to manage the programme. Calls were made by key informants to institute independent community based monitoring to supplement the formal monitoring systems established by INAS.

INAS is charged by the Government of Mozambique to provide social assistance to the most vulnerable households in society. The research drew attention to the fact that there is little coordination or collaboration between the various government, non-government and community actors catering for the various needs of these extremely vulnerable households. In order to ensure improved case management of beneficiary households there is an urgent need for a wider range of coordinated action and mechanisms to provide support beyond the cash transfer.

3. Key Recommendations

INAS is under-going an intensive reform process based on the new policy instruments approved by the GoM in 2009/10. There are a number of issues that INAS national and sub-national level officials highlighted as being critical to a successful reform process of the PSSB and which are relevant to the findings of the beneficiary research study.

INAS recognises that the fiscal space for the programmes is still relatively small, therefore, it is key that all stakeholders continue to focus on the maintenance of political commitment and the development of a sustainable fiscal response

One of the key elements in the reform process is the introduction of a management information system (MIS) to improve the responsiveness and efficiency of the basic social security system. The roll out of the MIS is dependent on investment by the government and key cooperation partners over the next five years

INAS faces a shortage of human resources to deliver high-quality programmes to beneficiaries and is currently reviewing current capacity and proposing a new organisational structure that will meet the needs of the expanded and reformed programme. The financial commitment of the GoM and Cooperation Partners to a comprehensive capacity building programme is critical to the development of reformed social security programmes.

Outsourcing payment to private sector providers is one of the main pillars of change currently proposed by INAS. The aim is to guarantee a regular, accountable (i.e. beneficiaries will be informed of their payment rights and will be provided with proof of payment) and predictable service to beneficiaries, while at the same time freeing up INAS staff to carry out essential case management activities.

Both Government and non-state actors recognise that there is a lack of structured and institutionalised coordination and collaboration between entities working in the social sector. Mechanisms need to be drawn up at national and local level bringing the entities together to share information and establish simple working guidelines for collaboration. At the local level, each district should establish locally-specific mechanisms based on guiding principles of openness, collaboration and transparency of action.

Support for the development of a comprehensive social protection platform. Coordinated and harmonised support to the sector is required by the cooperation partners to ensure that efforts are aimed at building systems rather than creating unsustainable ad hoc programmes to satisfy short-term goals of individual donor strategies.

The following specific recommendations focus on aspects of the implementation of the PSSB and the reform process that intersect with the opinions voiced by beneficiaries in the study.

The revision of the value of the transfer is a key issue for INAS and other stakeholders. Beneficiaries have limited ability to influence the value of the transfer or voice their concerns about the system. The eligible households require champions to take important issues to decision makers. Recommended measures to find champions and increase the lobbying power of eligible households.

- i) Improve the visibility and emphasise the political importance of the INAS programmes, including the PSSB, at Provincial and District level through capacity building and information dissemination to the Governors and District Administrators offices
- ii) Re-focus the tasks of the *permanentes* to emphasise their role as positive champions of eligible households.
- iii) Provide clear and easy to understand information about the rights and responsibilities of citizens in relation to the social assistance programmes, including PSSB, to a wide variety of community actors..
- iv) Engage the media at national, provincial and local level in the social protection debate, using the voices of the beneficiaries to illustrate both positive and negative aspects of the PSSB.

Greater access to information about the PSSB and future directions of the social assistance programmes is needed in order to increase transparency, accountability and confidence in the system. Recommended measures:

- i) Develop a comprehensive communication and education strategy to reach all stakeholders.
- ii) Capacity-building and refresher-training of all actors involved in programme implementation, plus local leaders, community committees for social assistance and civil society organizations.

Targeting of poor households with members living with disabilities and unable to work should be part of the expansion of the PSSB. Recommended measures:

- i) Produce clear and well-disseminated information for applicants living with disabilities and include in the communication and education strategy (mentioned above).
- ii) Develop capacity building programmes for social service providers on INAS programming for people living with disability
- iii) Active targeting of households with members living with disabilities by health staff, *permanentes* and community structures for eligibility assessment.

Transparency leading to greater accountability is needed in order to create a sense of entitlement. Recommended Measures:

- i) Support and build on the initiatives for the introduction of beneficiary-led monitoring processes led by the Civil Society Social Protection Platform
- ii) Local dissemination of the performance of the social protection programmes
- iii) Introduce capacity-building programmes for community-based structures (for example, community committees for social assistance).

Developing an effective grievance system will increase interaction between beneficiaries and INAS. In order to make a grievance system operational, a considerable amount of grassroots work is needed to ensure that the system functions. Recommended measures:

- i) Guarantee that the formal grievance mechanism, developed as part of the INAS reform process, is widely debated and discussed in a variety of national, provincial and district level fora.
- ii) Ensure that resources are made available to the Civil Society Platform for Social Protection to disseminate the grievance procedures at local level with NGOs, CBOs and social protection community communities.
- iii) Guarantee intense monitoring of the initial roll out period of the grievance mechanism to trouble shoot problems, disseminate and use results for learning lessons in order to improve the system.