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Social and Health Policies for Inclusive Growth (SHPIG) in Kenya and Ghana

Preliminary policy messages

This comparative research studies the interlinkages between health exemption policies and social cash transfers with regard to their impact on inclusive growth in Kenya and Ghana, as well as across countries. A mixed-methods approach was used combining econometric cost-effectiveness analysis with qualitative impact and political economy analysis.

Social protection policy formulation and decision-making stage

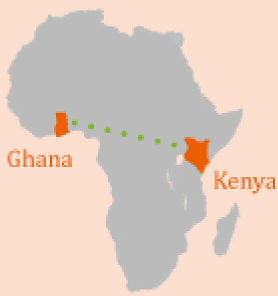
In order to understand the overall dynamics of policy change and social protection, as well as the mutual influence of different policies on each other, it is important to separately analyse the reform trajectories of each policy instrument and their explanatory factors. In Ghana, social health protection and social cash transfer reform policies appear to follow a paradigmatic change pattern, in which abrupt changes/reforms break with past policy practices and approaches. In Kenya, change in social policy follows an incremental slow-moving pattern, in which efforts to reform social health protection and social cash transfers are met with resistance and appear to be caught up in a continuous policy negotiation process, while the implementation of existing programmes and policies continues. In Kenya, political elites and established stakeholders, such as workers' unions and employers' organizations, appear to play a strong role in impeding the extension of social protection policies more widely to the poor majority. Another impediment to a coordinated social policy framework is the lack of inter-sectorial cooperation paired with strong 'silo thinking'.

The local political economy of cash transfers and social health protection

The local political economy of cash transfers and social health protection (i.e. the implementation architecture across regions and the perception of the roles and responsibilities of implementing institutions) plays an important role in how policies are implemented. In many places, formal and informal institutions converge, leading to a re-interpretation of implementation guidelines and rules. The longer a cash transfer programme is in place, the better it appears to work, the more transparent it is, and the more institutional trust and legitimacy it creates (institutional learning). Generally, it appears that social policies, being

About SHPIG

Social and Health Policies for Inclusive Growth (SHPIG) 'Breaking the Vicious Circle of Poverty and Ill-Health. Are Cash Transfers and Social Health Protection Policies in Ghana and Kenya Complementary?' is a research project aiming to develop new strategic knowledge on the effectiveness of cash transfer programmes and social health protection policies in Ghana and Kenya.



policies that reach the individual household level, may positively influence the creation of a notion of 'citizenship', although trust in the government depends on the sustainability of the intervention.

Pro-poor policies, implementation-related issues

The Community Impact Assessment (CIA) of the Cash Transfer to Orphans and Vulnerable Children (CT-OVC) programme found that social protection policies deliver only partially on inclusive growth. In Kenya, the CT-OVC appears to have a positive impact on human capital in terms of improved food intake (both quality and quantity), as well as health and education expenditure. In Kenya, the majority of beneficiaries who participated in the interviews and focus group discussions reported a positive impact on food intake (both in terms of quality and quantity), as well as on health and education expenditure. The Ghanaian cross-cutting programme, compared to a targeted programme for just one group in Kenya (which exists next to four other programmes that are currently being harmonized), has broader coverage and seems to generate short-term productivity effects for the poor, particularly with respect to human capital accumulation. Making payments more regular, substantive and accessible could contribute to increasing the long-term impact of cash transfer programmes on productivity and inclusive growth.

Interaction between pro-poor policies

Opportunity costs for rural beneficiaries, in the form of transportation, travel time, and long waiting hours, should be reduced by establishing more collection points and introducing mobile collection and mobile banking. As health exemptions in Kenya and Ghana are not adequately implemented, cash transfers are used to pay for health care services, thereby reducing the potential impact of the transfers on other areas. People are not well informed and sensitized, drugs, medical supplies and diagnostic equipment are often lacking, and health facilities are understaffed (implicit rationing). Ghana is currently piloting a single-targeting scheme that is supposed to be valid for all social policy interventions. Hopefully this new mechanism will address the issues related to the identification of deserving and non-deserving poor in Ghana's Livelihood Empowerment Against Poverty (LEAP) programme.

Pro-poor policies, design-related issues

In Ghana, LEAP beneficiaries should be differentiated from non-beneficiaries on the National Health Insurance Scheme (NHIS), so that health services (e.g. lab tests/medicines) can be offered at reduced rates to LEAP beneficiaries. Re-registration comes with opportunity costs for the poor (i.e. travel time and costs to reach the re-registration point, as well as informal requests for money to re-register in the programme), which they cannot afford.

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