



## Should cash transfers and social health protection go hand in hand?

Country focus: Ghana by Lizzie Dipple

***Preliminary findings from the SHPIG project's impact evaluation in Ghana show different and substituting effects from two types of social protection, but no reinforcing complementarities.***

### Two social protection policies: cash transfers and health insurance

Cash transfers are now a popular form of pro-poor social protection in many middle- and low-income countries. In 2012, a World Bank study found that 35 out of 47 countries in Sub-Saharan Africa either already had or were considering implementing cash transfer programmes. These have been shown to have positive impacts on nutrition, health and education – particularly when conditions are attached to receiving payment. Integrated or coordinated social protection programmes are under discussion by policymakers but the inter-linkages between cash transfers and social health protection, such as national health insurance, are not well studied.

### Ghana's LEAP and NHIS programmes

In Ghana, the Livelihood Empowerment Against Poverty Programme (LEAP) – a cash transfer for the vulnerable poor – was first introduced in 2008 and now covers 213,000 households or 34% of the extremely poor population.<sup>1</sup> The National Health Insurance Scheme (NHIS) was put in place in 2003. LEAP beneficiaries have free access to health care provided they register with the NHIS. Evidence suggests that many are not enrolled. We exploited this partial implementation to separately identify the effects of LEAP cash transfers, NHIS enrollment and the two together.

### How was the empirical research carried out?

We used existing data from the original LEAP evaluation. These consist of baseline (2010) and follow-up (2012) surveys undertaken for a sample of households about to become LEAP beneficiaries and a comparison sample of non-LEAP households chosen to be similar in characteristics using a matching technique.

### Preliminary findings: nutrition and health

Per capita food consumption increased on average by nearly 20% for those receiving cash transfers. Below the Ghanaian national poverty line, the cash transfer effect reduced but there was a positive impact from NHIS. Below the extreme poverty line, cash transfers had no significant impact on nutrition but NHIS enrolment meant a 20% increase. The LEAP payments

<sup>1</sup> Government of Ghana, 2017, Gender Ministry makes 47th payment under LEAP. Press Release. Available online: <http://www.ghana.gov.gh/index.php/media-center/news/3557-gender-ministry-makes-47th-payment-under-leap>

### 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.



were initially sporadic and small. Households explained that they could not plan their consumption relying on these payments, which is likely why we do not see a cash transfer effect for the poorest households.

Children in cash transfer households improved their weight for age (underweight) and weight for height (wasting) scores. NHIS coverage also positively impacted on weight for height and height for age (stunting). However, extreme poor children saw impacts only on weight for age. Cash transfers (not NHIS) improved people's subjective health rating. This coincides with the community impact assessment findings of improved subjective and relational wellbeing within the household and community.

### Are cash transfers and health protection complementary?

The combined impact of the two social protection policies was not greater than the sum of the individual impacts (except children's weight for age). Therefore we do not see reinforcing complementarities. However, both policies had positive impacts, differing according to the poverty level of the household. For example, in the poorest population we saw a substitution effect of NHIS coverage instead of cash transfer impact on nutrition.

### Productive vs protective effects

Inclusive growth is a recent research focus. There is some evidence of longer-term social protection impacts on productivity, directly and via social determinants of health, as well as the strong impact on immediate poverty relief. Despite the short two-year window, our results show some positive effects on land ownership for the poor and extreme poor.

### Policy implications

- Both cash transfers and social health protection are important. Although we did not find complementarities, we did show that these met overlapping needs for poor households.
- Making payments regularly and reliably matters. If programmes improve their implementation and deliver on what they promise there is more scope for potential complementary effects.
- In the absence of regular cash payments, health protection may 'substitute' to positively impact nutrition for the poorest instead.
- Households can use social protection for investment in productive assets towards economic growth. Two years is too short a time period to see much of this, though.



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