Social Protection in Urban Contexts: The Case of Ghana

Tayllor Spadafora and Jose Cuesta
UNICEF Ghana Country Office and Office of Research Innocenti
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USP an emerging issue

• A dedicated SDG, 11: “make cities and human settlements inclusive, safe, resilient and sustainable”

• SDG11 influences SDG3 (health); SDG8 (sustainable growth); SDG10 (inequality); and SDG16 (inclusive societies)

• New Urban Agenda (UN Habitat III, Quito 2016): right to adequate housing, accessible urban mobility for all, and sustainable consumption.

• Explicit focus to slums, urban migrants and refugees
Experience so far on USP

• Most SP programs originate in rural areas

• Moving to urban SP has recently implied:
  – Replicating or adjusting rural social protection: e.g. Mexico
  – A new program exclusive to urban areas: e.g. China
  – Simultaneous urban and rural programs: e.g. South Africa

• Cannot advice for a USP “best practice” but just “exporting” RSP far from a solution
  – Urban and rural poverty are different
  – Specific challenges for USP
Urban and rural poverty are different

The Global Poor:
- 80% live in rural areas
- 2/3 live off agriculture
- Half of them are children

Urban Poverty
- More volatility of incomes
- Higher living costs,
- Reliance on monetized economy
- Insecurity of employment
- More mobile populations
- High density, more diverse groups
- Weaker social networks
The future of urban poverty

• Concentration of extreme poverty in a few countries (fragile, conflict, disasters)

• Urbanization will create more urban poor

• Ending poverty will increasingly demand bridging urban and rural inequalities

• The poor will continue to be young
Specific USP challenges

• Current lower SP coverage of the poorest in rural areas [lower urban coverage among the bottom 20 ~ 7 pp on average]

• Social insurance linked to formal work does not offer a solution to highly informal urban settings [urban informality as high as 50%-80%]

• Deliberate exclusion to urban social services so to discourage migration (e.g. Brazil’s favelas, China’s hukou, Jordan’s UN humanitarian transfers)
Specific USP challenges

Standard **PMT targeting** more challenging in urban SP

– **Proxies**: Housing material does not relate to land ownership; rural improved WASH subpar for urban areas

– **Weights**: Different weights needed for same proxies (remittances, crowding, ownership)

– **Sampling**: Urban marginalized populations particularly **hard to reach** (become invisible)

– **Community involvement**: Community based targeting in urban areas less effective
Specific USP challenges

Provision

– cash vs in kind in highly monetized societies, with higher cost of living and higher price volatility
– Public works programs in urban areas may be less attractive (low paid manual labor competes with more earning opportunities)

Size of transfer and disincentives (but unlikely at low levels of benefits)

Payment levels: a unique transfer for U/R; differentiated levels; or same level with additional entitlements (housing subsidies, or free utilities)
Specific USP challenges

• Very practical **operational** issues:
  – migrants (limited knowledge of languages, rights to services, inability to bring entitlements to them);
  – concentration of poor in parts of the cities or slums;
  – transient populations (with implications for registration, payment, monitoring)
  – Portability of SP even in universal provision
A Quick Review: Ghana LEAP

• Flagship cash transfer programme of the Ghana Social Protection Policy
• A rural programme, targeting poor households who also include at least one eligible member
• Currently reaching approximately 213,000 families (up from 73,000 in 2014)
  – 3.2% of households are in urban areas (6,800)
  – 41% of individuals in households are children
• Demonstrated impacts in several dimensions
  – Education, local economy, livelihoods, happiness
  – Excellent targeting performance!
Expansion: where the rubber meets the urban road

• LEAP expansion in 2016
  – First time to purposively target urban communities
  – Using same modality as rural targeting
    • Community based mobilization
    • Demand driven registration (MTU)
    • Computer-Assisted Personal Interviewing (CAPI)
    • Application of PMT (same threshold)

• Resulted in very low qualification rates (sometimes <1%) in communities that were identified as very poor
Are households in town just richer?

- Families were **not aware** of registration exercise
- **Access** to registration limited
  - Took place during daytime hours
  - 1-2 locations per community
- **PMT not sensitive** to urban poverty
  - Especially hh size
- Other issues?
  - Perceived benefit doesn’t outweigh the time cost?
  - Households too mobile?
  - What about those without homes?
  - Urban poor dispersed throughout the city?
• Four key areas to review:
  1. Outreach and communication
  2. Registration processes
  3. Urban indicators of poverty (PMT)
  4. Adapting the benefit package
What’s Next?

• Will need more information for ULEAP design
  – Urban poverty indicators, poverty mapping in major urban areas, residency status, urban household structure
• Advocate for review of benefit structure (for all of LEAP, now inclusive of urban)
• Identify (and implement) key linkages with social services and productive inclusion
• Go beyond LEAP to identify other social protection adaptations to urban population
• Evaluate the impact of LEAP on urban populations
Thank You