

Can 'Just Giving Money to the Poor' Reduce Poverty?

Written by Cecil Sagoe

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CECIL SAGOE, SEP 10 2012

Introduction

Recently in literature surrounding poverty reduction and social protection there has been a broad consensus that cash transfer programmes have been successful in achieving poverty reduction (Hanlon et. Al 2010). Such a consensus cites programmes such as the Brazilian Bosa Familia (see Hanlon et. Al 2010: 5) or the South African Old Age Pension Programme (see Case and Deaton 1998) to support their claim. This has led to the view that it is better to just give money to the poor as it allows them to find their own effective route out of poverty and hence achieve poverty reduction (Hanlon et. Al 2010). However this perspective has been criticised as it has been argued that social protection programmes, which just give money to the poor, are based on a limited residual notion of poverty as purely a lack of money (Patel and Hochfeld 2011). This is problematic due to the multi-dimensional nature of poverty and the multiple causes of it.

As a result of this criticism this essay will critically explore whether just giving money to the poor as a social protection programme can reduce poverty. The essay will acknowledge that it is important to view poverty as receiving an income which is below what is considered acceptable in a particular society (Barrientos 2011a). However, crucially, it will also view poverty as the social risks faced by vulnerable people, 'such as discrimination, unequal distribution of resources and power in households and limited citizenship' (Holmes and Jones 2010a, 1). Consequently, this essay will adopt the Devereux and Sabates-Wheeler (2004) transformative approach to social protection interventions. This approach argues that social protection includes all 'initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the marginalised' (Devereux and Sabates-Wheeler 2004: 9). Resulting from these understandings of poverty and social protection this essay will argue that giving money to the poor is necessary but not sufficient to ensure poverty reduction as understood by this transformative approach.

This argument will be made by examining how the South African Child Support programme and the Peruvian Juntos programme affect the poverty faced by women in both contexts. Due to the focus on the poverty faced by women, this essay will have a gender focus within the discussion around poverty reduction. The current focus on gender seems to conflate social protection with poverty reduction, with the reduction of social risks and vulnerabilities, providing an income safety net, and then improving gender equity, a legitimate concern (Patel and Hochfeld 2011). Additionally, this essay will focus on the aforementioned social protection programmes, as they effectively demonstrate that whilst giving money to the poor addresses the residual money aspect of poverty, more is needed to address the relational aspects such as the limited social status faced by marginalised women.

The Relationship Between Social Protection and Poverty Reduction

Prior to discussing the South African Child Support Grant and the Peruvian Juntos it is necessary to be aware that the design of social protection programmes is crucially dependent on the understanding of poverty that is adopted. Devereux and Sabates-Wheeler (2004) usefully categorise social protection programmes into those that are protective, preventive, promotive, and transformative. They argue that protective, preventive and promotive programmes address the more residual causes of poverty whereas transformative programmes address the more relational social causes of poverty (Devereux and Sabates-Wheeler 2004). The approach to poverty taken affects

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one's underlying assumptions about its nature and causes, which then determines the social protection programmes which are designed to achieve poverty reduction. Consequently, if poverty were viewed purely as a lack of money then 'just giving money to the poor' would be both necessary and sufficient to achieve poverty reduction.

However, as stated in the introduction, this essay views there to be multiple dimensions to poverty consisting of both economic and social causes. This essay views transformative social protection programmes rather than those which 'just give money to the poor' as those that can successfully reduce the multiple dimensions of poverty. Transformative social protection programmes recognise and seek to modify the social relationships and behaviour that places people in poverty in addition to giving money to the poor (Devereux and Sabates-Wheeler 2004). By approaching poverty in this way, social protection programmes can target the socially marginalised and economically vulnerable in addition to the chronically poor. These are all important groups that face poverty. Social protection programmes therefore need to have an adequate understanding of the beliefs and values moulding the web of social relationships in a particular context (Copestake 2008 cited in MacAuslan and Riemenschneider (2011)). They can then more effectively address the multiple causes of poverty.

Having identified this link between understandings of poverty and the design of social protection programmes, this essay will now examine whether 'just giving money to the poor' can achieve poverty reduction. Firstly, a brief overview of the South African Child Support Grant will be provided, before engaging with the programme's underlying assumptions about poverty. It will be argued that whilst the programme does result in poverty reduction in some residual aspects of poverty it doesn't adequately reduce the more relational aspects of poverty[1], as the programme entails 'just giving money to the poor.' Secondly, this essay will discuss the Juntos programme in Peru. The argument will be made that the Juntos programme is more capable and has been more successful than the South African Child Support Grant in reducing both residual and relational aspects of poverty. This is because of its explicit recognition that social protection programmes should be about more than 'just giving money to the poor.'

The South African Child Support Grant

The South African Child Support Grant is an example of a cash transfer social protection programme that was until very recently unconditional.[2] It was introduced in 1998 and was intended to cover the poorest thirty percent of children in South Africa (Agüero et. Al 2007). The grant offered is R240 a month and is received by families where the primary caregiver has a monthly income below R800 in formal dwellings in urban areas and below R1100 in informal dwellings and rural areas (Hanlon et. Al 2010). When introduced the grant was only available to families with children under the age of seven, subject to an income means test. However, this age limit has increased and the grant is now available to families who have children under the age of sixteen meaning that around ten million children in South Africa are in receipt of the grant (Hochfeld and Plagerson 2011).

Given that the grant is offered to families where the primary care giver has an income level deemed unacceptable in their particular context it can be argued that this programme views poverty as primarily a lack of money (Patel & Hochfeld 2011). Consequently the programme seems to be informed by the perspective that 'just give money to the poor' will automatically lead to poverty reduction. This perspective is also supported by some who not only view poverty as a lack of money but also as an inability to satisfy basic needs. Hochfeld & Plagerson (2011) have noted that the Child Support Grant has been successful in helping families to clothe and feed themselves. Additionally, Agüero et. Al (2007) have shown that the Child Support Grant has improved child nutrition, based on increases in the average child height-for-age in South Africa. Such findings support the argument that 'just giving money to the poor' will address many aspects of poverty. This is based on the reasoning that the poor themselves will make prudent use of the grants (Hanlon 2004) to find effective routes out of poverty (Hanlon et. Al 2010).

In addition to addressing the basic needs aspects of poverty it has been argued that the Child Support Grant also addresses more relational aspects of poverty. Vincent and Cull (2009: 4) claim that 'cash transfers promote self esteem, social status and empowerment.' In the South African context, this perspective has been supported to an extent by Patel and Hochfeld's (2011) study in Doornkop, Soweto. They found that women who receive the Child Support Grant on behalf of their family were the key decision makers in how the grant was spent. Additionally, they found that eighty-two percent of the female recipients interviewed said that the Child Support Grant made their lives

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better. This evidence appears to contest the essay's claim that 'just giving money to the poor' does not in itself adequately reduce the relational aspects of poverty.

However, has the Child Support Grant really empowered women or enhanced their social status by challenging the patriarchal view that their primary societal roles are those of being the primary care givers to children and being confined to domestic work? Patel and Hochfeld's (2011) study also demonstrates that social protection programmes such as the Child Support Grant do not on their own transform social relations. Their results also reinforce the common assumptions that women are solely responsible for domestic work and for the financial support and care of children. For example, less than one third of women with partners in their study said that their partners help with household tasks (Patel and Hochfeld 2011). By failing to reform this patriarchal perspective and not facilitating the normalisation of the idea that child and home care is the equal responsibility of men and women, the Child Support Grant fails to adequately transform gender relations. Consequently, it does not enhance the social status and rights of women beyond the domestic sphere. This means that this relational aspect of poverty is not reduced as the programme does not recognise that social relations, which informs certain beliefs and values translating into discriminatory practices, cause this poverty.

Another reason why the Child Support Grant does not result in multi-dimensional poverty reduction is because of its problematic assumption that anyone earning above the income threshold for the grant is not or will not be in poverty. However, this essay recognises that poverty goes beyond income levels, viewing a high vulnerability and risk of being poor in the future as an essential aspect of poverty which social protection programmes need to address. There is therefore a need to also provide support to families who may be likely to fall into monetary poverty to help ensure long-term poverty reduction (Barrientos 2011b). The above analysis has shown that whilst giving money to the poor is necessary to ensure short-term poverty reduction this approach does not ensure long-term poverty reduction. It does not necessarily reduce the risk of 'being negatively affected by shocks or stresses' (Valente 2010: 1) that may place individuals or families in poverty.

From this analysis it can be argued that the Child Support Grant, which is based on an understanding of poverty that finds its solution in 'just giving money to the poor', is not in itself sufficient to reduce both residual and relational aspects of poverty. Whilst it is useful for ensuring short term monetary poverty reduction, the programme needs to have a broader understanding of the causes of poverty and/or work with other social protection programmes that have differing perspectives on the causes of poverty. For example, it may have been beneficial for the Child Support Grant to have worked in collaboration with other programmes that understand that women and men experience poverty differently and attempt to achieve greater gender equality (Patel and Hochfeld 2011). Such a collaboration may have helped the South African Child Support Grant to enhance the social status and rights of women, thus increasing their power in relation to men, which would help to reduce this relational aspect of poverty. The potential benefit of collaboration between social protection programmes which have different understandings poverty causes will be expanded upon below with reference to the Peruvian Juntos programme.

The Peruvian Juntos

The Juntos programme is an example of a social protection programme that does more than 'just give money to the poor.' Whilst it is a cash transfer programme there are conditions attached to it, designed to particularly benefit women. The programme was launched in April 2005 (Valente 2010) to primarily overcome the poverty faced by the Peruvian population who are socially excluded (Gobierno de Chile 2010). It offers 100 soles a month (Valente 2010) to families with children under the age of fourteen, with the cash transfer being received by mothers (Jones et. Al 2008). In August 2009 the programme reached 431,874 households in fourteen regions (Valente 2011). To receive the cash transfer mothers must ensure that their children access public education and health services (Jones et. Al 2008). Additionally, mothers must make themselves available for other broader social programmes, linked to Juntos, which are focused on female empowerment (Holmes et. Al 2011). Another crucial aspect of the programme is that it is open to public scrutiny (Valente 2010).

Given these aspects of the Juntos programme it is clear that whilst it sees giving money to the poor as important to poverty reduction there are other crucial dimensions of poverty it seeks to reduce. It recognises that poverty is also

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about a lack of access to essential services, demonstrated by the condition that children must attend public education and health services. Additionally, it recognises that gender inequality is also a cause of poverty (Holmes et. Al 2011). Through the conditions attached to it, such as the application for and completion of civic documentation as a condition to enter the programme (Holmes et. Al 2011), Juntos aims to enhance women's social status. It does this by seeking to change 'existing unequal power imbalances and division of labour within the household' (Holmes and Jones 2010b: 24) and in society. Additionally, by being open to public scrutiny the programme recognises the role of the poor in defining poverty, which allows for a more inclusive explanation of its nature and causes.

This broader understanding of the nature and causes of poverty allows Juntos to be more capable than the South African Child Support Grant in providing a transformative social protection that more effectively addresses the multiple dimensions of poverty. Focusing now on gender inequality and female empowerment, Juntos works to provide social services and skills to women to change their patriarchal societal role, unlike the Child Support Grant, which just provides women with money for their families. For example, a male interviewed in Valente's (2010: 34) study of Juntos said 'before, women were not aware of their rights, even men weren't, which is why there was violence... now it has diminished, we talk more.' Although this is just a single example it demonstrates that attitudes towards women, which increases the risk of violence against them, are improving, allowing for a reduction of the poverty faced by women resulting from patriarchal values. This challenges the assumption that 'just giving money' to women alone will transform unequal gender relations (Holmes and Jones 2010b).

Another reason why the Juntos programme is more capable than the Child Support Grant in ensuring multi-dimensional poverty reduction is through its 'linkages to complementary programmes and services' (Holmes and Jones 2010b: 24). Such linkages allow Juntos to take on a broader understanding of poverty than the Child Support Grant. Thus it is more capable of delivering a transformative social protection programme, in line with the Devereux and Sabates-Wheeler (2004) framework, which addresses residual and relational causes of poverty. For example, Juntos is linked with PRONAMA which targets the illiterate population (where the ratio is three women to one man). Beneficiaries attend weekly training sessions and previously illiterate women have highlighted that they have learned to sign and can now recognise their civic identification number and name on the Juntos register (Valente 2010). It is argued that illiterate women have valued this link, as they feel less excluded (Valente 2010) because it helps to reduce the poverty they face (in terms of a lack of education) resulting from patriarchal practises that prevent female inclusion in education.

Despite these successes of the Juntos programme in ensuring multi-dimensional poverty reduction it must be noted that there are still limitations to the programme that hinder its successes in increasing the rate of poverty reduction. One criticism is that it has exacerbated women's time poverty by overloading them with a wealth of commitments in order to meet the conditions to receive the cash transfer (Valente 2010). For example, a single mother noted that 'there are many difficulties here: communal work, meetings, anything, we have to go or otherwise pay a fine of 20 or 15 soles' (Valente 2010: 33). However, this is something that can be addressed by Juntos given that it is open to public scrutiny and given that it is willing to link with other social protection programmes. For example, Juntos could link with a programme which tried to subtly change men's attitudes towards child and home care so that these men realise that they are equally responsible for providing child and home care (Holmes and Jones 2010b). Such a linkage may help to reduce women's time poverty and hence free up their time for empowering social sessions, which may lead to long term poverty reduction.

Conclusion

Through adopting Devereux and Sabates-Wheeler's (2004) framework for social protection this essay has argued that there are multiple dimensions to poverty consisting of both residual and relational factors. In this essay the residual factors focused on have been a lack of income and a lack of access to basic services. The relational factors have been the social risks and vulnerabilities faced by women resulting from gender inequity in the household and in wider society. To make this argument the essay has referred to the South African Child Support Grant programme and the Peruvian Juntos programme. It has been demonstrated that the Child Support Grant programme is based on a limited notion of poverty as purely a lack of money (Patel and Hochfeld 2011). Analysis of the Juntos programme has shown that it views poverty to be about the social risks faced by excluded groups and individuals as well as a

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lack of money. Therefore it has been argued that the Juntos programme is more capable than the Child Support Grant programme in reducing the poverty caused by gender inequality and in reducing monetary poverty.

Consequently this essay concludes that whilst 'giving money to the poor' is necessary to alleviate certain aspects of poverty, this social protection method in itself is not sufficient to reduce the multiple aspects of poverty identified in this essay. This is because this method is based on an understanding of poverty as purely a lack of money, (Patel and Hochfeld 2011) thus ignoring the relational causes and aspects of poverty. Therefore this essay suggests that in order to adequately address the multiple aspects of poverty social protection programmes should learn lessons from the Juntos programme's approach to poverty reduction. It has shown that it is important to create linkages between different social protection programmes, each concerned with different aspects of poverty, in order to address the multiple aspects of poverty resulting from the different causes in a specific context. This allows for a fuller understanding of the nature and causes of poverty, which can assist in achieving a more successful poverty reduction.

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[1] The relational focus in this essay is on gender relations.

[2] There has been the recent introduction of the condition of school attendance for children who are in receipt of the grant (Patel & Hochfeld 2011).

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