



ESSAYS ON EVALUATION OF SOCIAL PROTECTION PROGRAMMES IN ETHIOPIA

Abstract

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Fuelled by large scale investments in infrastructure, construction, and the forging of tighter links between agriculture and manufacturing, Ethiopia has recorded economic growth of about 10 percent per annum in the last ten years. Strong economic growth combined with relatively prudent economic management and greater ability at managing weather-related shocks have contributed to changing the image of a country known for “famines” to an example of a “developmental state”. Throughout this period, the government has continued to develop and implement policies and strategies to enhance social protection. These interventions include, but are not limited to, a Disaster Risk Management strategy, Social Insurance (Pension) Program, Food Security Programs, particularly the extension of the Productive Safety Net Program (PSNP), a National Nutrition Program, Health Insurance schemes, in particular, a Community Based Health Insurance (CBHI) scheme for rural areas.

Despite strong economic growth and a wide range of social protection schemes, rural households remain vulnerable to shocks both at the individual and the aggregate level. Recognizing the interplay between different shocks whereby exposure to, for example, health shocks increases vulnerability to weather and climate related shocks, a recent trend in the country’s social protection landscape has been to “bundle” or develop greater interlinkages between various schemes and to go beyond the “protection” motive of such schemes and to sustainably enhance household resilience to shocks. Emblematic of these motives are the country’s flagship programs - the Productive Safety Net Program (PSNP) launched in 2005, and the pilot Community Based Health Insurance (CBHI) launched in 2011. The PSNP provides payments to food insecure households in exchange for labor which is used to build soil- and water-conserving rural infrastructure assets while the CBHI attempts to enhance access to health care and provide financial protection against health shocks.

Set against this background, and motivated by the “bundling” and “beyond social protection” rhetoric, this thesis, examines (i) the interactions between the Productive Safety Net Program (PSNP) and the Community Based Health Insurance (CBHI) scheme and (ii) whether these programs are able to deliver quality rural infrastructure assets. The first two essays deal with the “bundling” theme while essays 3 and 4 focus on going “beyond social protection”.

The first essay examines whether the PSNP may be used to leverage uptake of the voluntary CBHI scheme and also reduce dropout? The essay is based on three rounds of household level panel data, one round of health facility survey and several rounds of qualitative information. The analysis shows that indeed, participating in the PSNP increases the probability of CBHI uptake by 24 percentage points and enhances scheme retention by 10 percentage points. The bulk of the effect may be attributed to pressure applied by government officials on PSNP beneficiaries. While the merits of using such an approach to enhance “voluntary” uptake are debatable, the findings do support the idea that membership in existing

social protection programs may be used to address key challenges faced by developing countries in implementing voluntary health insurance schemes.

Flowing from the first essay and based on the same empirical base, the second essay investigates whether participation in both the PSNP and the CBHI enhances social protection. The key findings are that individuals who participate in both programmes, as opposed to neither, are 5 percentage points more likely to use outpatient care and 21 percentage points more likely to participate in off-farm work. Participation in both programs is associated with a 4 per cent increase in livestock and a 28 per cent decline in debt. In short, bundling of interventions enhances protection against multiple risks and linking social protection schemes yields more than the sum of their individual effects.

The third essay focuses on whether the CBHI scheme translates into higher health care quality. The essay draws on two rounds of a health facility survey and three rounds of household survey data. The analysis shows that CBHI affiliated facilities experience a 111 percent increase in the annual volume of out-patient visits and annual revenues from patient cards and drug sales increase by 184 and 76 percent, respectively. As part of a virtuous circle, the increased revenues are used to purchase drugs and medical equipment and translate into a decline in drug shortages and increases in patient satisfaction. Patient satisfaction amongst those who sought outpatient health care from CBHI-contracted health centres is 11 percentage points higher as compared to those who received the service from non-contracted health centres. Furthermore, despite the increase in patient volume there is no discernible increase in waiting time to see medical professionals.

Building and maintaining durable infrastructure assets built through social protection programs is a costly issue faced by developing countries. Motivated by this issue, and paralleling the third essay, the fourth essay deals with the quality of public infrastructure built through the PSNP. Specifically, it examines the extent of community participation in 12 decisions regarding the PSNP and subsequently the effect of participation on the quality of infrastructure constructed through the PSNP. The essay is based on a cross-section survey of 249 soil and water conservation projects and includes technical assessments of the structure carried out by engineers as well as qualitative information gathered through interviews and discussions. The essay reveals high but variable rates of participation across communities and clearly shows that projects in which beneficiaries play a larger role in project monitoring and evaluation are substantially less likely to be damaged.

Overall, this thesis shows that at the very least, in Ethiopia, “bundling” of social protection schemes and community participation are scheme design factors that are worth considering. However, there is no reason to expect that such design elements or related variants cannot also be used in other developing countries.