

Duped into a Neoliberal Fix for Social Policy



Modupeola Fadugba (Nigeria), *How to do a Platform Lift*, 2016.

Greetings from the desk of the Tricontinental Pan Africa,

Despite vigorous promotion and implementation for the last thirty years, the extent to which cash transfers can eliminate poverty and vulnerability in Africa is questionable. My chapter in *Can Africans Do Economics?* takes a critical look at social policy in great depth. For this newsletter, I will outline some of the ulterior motives that belie the praise of cash transfers in Africa. Deepening poverty and its persistence, and increased destitution remain disturbing aspects of social life on the continent. International, and national organisations acting as purveyors of the former, continue to hail cash transfers while decimating social policy regimes and reducing social provisioning to a single social assistance instrument.

Hailed for its versatility in addressing various social ills, a means to extend social provisioning, and provide a safety net for the poor, proponents cast cash transfers as a left socialist agenda. However, this is a smokescreen to dupe African governments into adopting neoliberal agendas and market-oriented modes of social welfare.

In the 21st century, the cash transfer agenda has been eased in by soft strategies such as knowledge production from impact evaluations and studies, but also structural mechanisms tied to aid and debt to force unwilling governments to adopt the schemes. Yet the idea of cash transfers is not new, studies including *Welfare for Markets: a Global History of Basic Income* trace it to the 18th century. Later, one of its proponents was liberal thinker Friedrich Hayek who in his 1944 book *Road to Serfdom* extolled the superiority of cash transfers over other government provisions. Today, this call has been picked up by the consortium of international organisations, including the World Bank and UN agencies, who shape policy, and direct implementation of social protection measures.



Jo Ractliffe (South Africa), *Along the Road from Keimoes into Riemvasmaak*, 2012.

Proponents of cash transfers exalt the freedom of choice that they supposedly accord to recipients. To make the idea palatable to civil society organisations and social movements, the promise of choice is laced with innuendos of social justice. It is claimed that individuals are free to choose how to meet their needs away from bureaucracies and rigid paternalistic tendencies of the state. The goal, it seems, is to let the state wither away

until it is merely a minimalist ‘night watchman’ shadow of its former self. Moreover, social provisioning through cash transfers reduces citizens’ contact with the African state which is often simplistically described as ‘overextended, parasitical, predatory, lame, leviathan, patrimonial, kleptocratic’. This demonisation of the African state justifies neoliberalism and an orientation towards markets, which allows private businesses to function. The same adjectives used to describe African states can equally be levelled at corporations and capitalist marketplaces. But where are the poor in all this? Robbed of a comprehensive social support system, at the mercy of profiteers, and still disadvantaged.

Who is eligible for cash assistance programmes is rooted in the outdated dichotomy of the deserving poor and the undeserving poor, where ruthless decisions are made about who is worthy of social assistance. This distinction which rations government support is based on one’s behavioural ability to demonstrate poverty. The responsibility of poverty is laid on individuals rather than upon underlying structural forces that foster inequality. Targeting mechanisms through categorical or proxy-means tests, select a handful of individuals but leave behind millions in need. Not only do the targeting mechanisms employed atomise individuals, the outsourced implementation to private companies’ fintech systems sets up recipients of cash benefits for surveillance.



Emmanuel Taku (Ghana), *Teal Sister's Keeper*, 2021.

Based on their market orientation, the individualistic nature of the anti-poverty social assistance programmes that are taking over Africa eschew community and societal dynamics. They are often inimical to solidaristic

and collective actions necessary to democratise solid public policies. To do this, designers of cash transfer policies and programmes intentionally shift social provisioning to technocratic practices away from political processes. Anchoring social provisioning in democratic demands would make politicians and states prioritise universal policies capable of uplifting the wellbeing of citizens with transformative outcomes.

Wedded to minimalism, the amount of cash benefit (approximately \$16 in Kenya and \$7 a month in Zambia) to recipients is often fixed lower than the minimum expenditure basket – the cost of food needed to sustain a household. This insufficient standard is drawn from the concept of ‘a minimum standard of living’ as advocated by the neoliberal thinker Milton Friedman. In practice, it means that cash transfers are ineffective at giving poor people what is required for survival.



Troy Makaza (Zimbabwe), *This Is My Son With Whom I am Greatly Pleased, Part 2*, 2024.

African countries require appropriate social policy interventions to address nation-building. Robust state services that can tackle the challenges facing us: well-resourced healthcare systems that can lower Africa’s maternal mortality rate, the **highest** in the world; better educational institutions that can enroll the 60% of 15 and 17 year olds **not** in school; decent affordable housing in our cities that are exploding in size at an average **rate** of 6% per year. To enhance human welfare in Africa, national imperatives need to place value on collectives, pooling of resources and social provision of public goods, such as education and health, to all in

need irrespective of income, occupation or social position. As demonstrated in countries that have reduced poverty and raised the wellbeing of their citizenry, vital needs can be met only through collective action instead of individualising minimalist welfare provisions. As Jimi Adesina **invoked** the Yoruba aphorism, ‘Don’t Call Dog Monkey Dog for Me’, meaning ‘don’t sell me a dud’, I believe African governments must not rescind from broad state-led investment provision, a true left idea.

Warmly,

Marion



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