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# Social Protection in Africa: A Review of Potential Contribution and Impact on Poverty Reduction

# Social Protection in Africa: A Review of Potential Contribution and Impact on Poverty Reduction

**Authors**[1]**:**

**Babatunde Omilola**
Economic Advisor, United Nations Development Programme, South Africa

**Sheshangai Kaniki**
Senior Researcher, Africa Platform for Social Protection

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## 1. Introduction and Background

The scope of social protection is wide in many African countries, encompassing a range of social protection interventions and social safety nets. In general, social protection interventions usually include measures to provide adequate housing and nutrition, ensure access to education and health and promote social inclusion and political stability.

In most African countries, social protection schemes are implemented by the governments, with assistance from development partners and larger international NGOs. Social protection measures in these countries include direct welfare programmes (conditional and unconditional cash transfers, school feeding programmes, food aid), productivity enhancing programmes (work programmes, subsidies), market intervention (price control) and policy changes. In some countries, social protection systems are already elaborate and comprehensive, and include instruments such as cash transfers and grants (targeting all vulnerable groups), public works programmes, subsidized micro finance and financial services, fee waivers, subsidies and allowances.

Most of the activities of the governments in Africa and their development partners on social protection at the country level focus on the formulation, adoption and implementation of social protection frameworks especially for women, youths and vulnerable groups. Some national governments in Africa and the international community working on the continent are placing a growing emphasis on social protection as a means of alleviating poverty and achieving the Millennium Development Goals (MDGs). It is becoming more evident that social protection does not only tackle income poverty, it also provides effective support for broader developmental objectives. For instance, social protection is used to improve access to education and health, areas that are critically important for socio-economic development.

This paper focuses on the potential contribution of social protection in addressing various dimensions of social and gender-based exclusion, inequalities and vulnerabilities over the long term. The paper monitors the contributions of social protection to macroeconomic and social resilience in the face of multiple types of vulnerabilities and crises in selected African countries. Following this introduction, section 2 provides an overview of social protection frameworks and programmes in selected African countries. Section 3 explores potential impacts of social protection on poverty, inequality, vulnerability and exclusion in Africa. Section 4 reviews the impact of social protection on macroeconomic and social resilience in Africa. Section 5 examines gender and HIV/AIDS sensitive social protection in Africa. Section 6 highlights issues and trends facing African government and development partners regarding social protection. Section 7 provides information on how to strengthen consultative platforms for national dialogue on social protection in Africa. Section 8 identifies requirements and partnerships to move social protection strategies into action. Section 9 highlights innovative institutions and financing mechanisms to sustain country level social protection programmes. Section 10 explores successes of social protection in Africa. Section 11 concludes with policy recommendations on sustainability of social protection schemes in Africa.

## 2. Overview of social protection frameworks and programmes

This section provides an overview of social protection frameworks and programmes in the following African countries (Ethiopia, Kenya, Lesotho, Mozambique, Rwanda and Namibia). The countries have been selected based on their stages of development of social protection initiatives.

### 2.1 Ethiopia

In the Ethiopian context, social protection has to play a significant role in addressing the challenge of food security. In 2004, the Government of Ethiopia introduced its National Food Security Programme (NFSP). The NFSP includes the flagship social transfer programme, the Productive Safety Net Programme (PSNP).[2]

A strategic objective of the PSNP was to stop Ethiopia's long standing dependence on food aid by replacing food with cash transfers and by providing long-term support including complementary 'livelihood packages' to enable 'graduation' from social assistance to self-

[2] Gavrilovic and Jones (2012).

reliance.[3] Since 2005, the PSNP has provided cash and food transfers to approximately 8.3 million people, making it the largest social protection programme in Africa outside of South Africa. The PSNP has two components: public works for adults with labour capacity and direct transfers for adults and dependents unable to undertake the physical labour required for the public works projects due to illness, disability and age (children and older people).

The PSNP cash transfer component has faced some notable challenges. Cash transfers may have contributed to food price inflation in the early years of the programme, they were unable to alleviate seasonality in food prices and they did not adjust to food price inflation during the global food price crisis of 2007/08. As a result, beneficiaries shifted their preference from cash back to food.

Ethiopia has a range of other social protection interventions.[4] These include school feeding support to 605,538 students in 1,187 schools in six regions selected on the basis of low enrolment. Fee waivers are provided to enable the most vulnerable to access health services related to outpatient therapeutic feeding of severely malnourished children, communicable diseases, immunisation and maternal healthcare. Social insurance – social health insurance and pensions – is available to the formal sector. However, coverage is very low at only 1% of the population.

## 2.2 Kenya

### Legal and policy framework[5]

Social protection is underpinned by the Kenyan constitution. Specifically, Article 43 guarantees all Kenyans their economic, social and cultural rights, including rights to health, education, food, and decent livelihoods. The right to social security is explicitly stated, binding the State to "provide appropriate social security to persons who are unable to support themselves and their dependents."

[3] Devereux (2012).
[4] See Gavrilovic and Jones (2012) for a summary.
[5] The Legal and Policy Framework is provided in Ministry of Gender, Children and Social Development (2011).

Following a broad consultative process, the Kenya National Social Protection Policy was finalised in 2011.[6] It states that the main goal of social protection is "to ensure that all Kenyans live in dignity and exploit their human capabilities for their own social and economic development." In order to achieve this goal, the Policy asserts that focus will be given to the following broad policy objectives:

- Protecting individuals and households from the impact of adverse shocks to their consumption that is capable of pushing them into poverty or into deeper poverty.

- Supporting individuals and households to manage these shocks in ways that do not trap them in poverty by reducing their exclusion and strengthening their ability to graduate from social assistance and to become financially self-sufficient.

- Cushioning workers and their dependents from the consequences of income-threatening risks such as sickness, poor health, and injuries at work as well as from the threat of poverty in their post-employment life.

- Promoting key investments in human capital and physical assets by poor and non-poor households and individuals that will ensure their resilience in the medium term and that will break the intergenerational cycle of poverty.

- Promoting synergies and integration among social protection providers as well as positive interactions among stakeholders for the optimal functioning of the Policy.

Social protection is consistent with the broad national socio-economic objectives as articulated in Kenya Vision 2030, which aims to provide a "high quality of life for all citizens by the year 2030." It is based on three pillars – economic, social and political – and provides the Government of Kenya with motivation to increase expenditure on social protection in order to reduce poverty, increase equity and promote equal access to sustainable livelihoods.

The Social Protection Policy explains that the Government of Kenya acknowledges that social protection will attain different outcomes depending on the extent to which beneficiaries are able

[6] Ministry of Gender, Children and Social Development (2011).

to build on the support they receive. Four approaches will be pursued in the delivery of social protection, namely provision, prevention, promotion and transformation.

Under the provision approach, focus will be placed on social assistance including cash transfers, food aid, affordable health charges and child protection services. Prevention efforts will concentrate on improving social security and health insurance schemes through pension, unemployment, healthcare, sickness and maternity benefits. Livelihood and productivity enhancement will be the focus of promotion activities such as conditional cash transfers, public works programmes, food for work, and school feeding programmes. Transformation will be pursued through policy formulation and the enactment of laws and regulations. Areas to be covered include statutory minimum wages, anti-discrimination legislation and policies on fee-free education.

**Programmes**

Social protection programmes in Kenya can be divided into three categories. These are: social assistance, social security, and health insurance. A summary of the current social assistance programmes is given in Table 1. It shows that cash transfer programmes are becoming a more integral part of Kenya's social protection system.

**Table 1: Social assistance programmes in Kenya**

| Category | Example of Programmes | Type and Number of Beneficiaries | Main Characteristics |
|---|---|---|---|
| Cash Transfers | Orphans and Vulnerable Children Cash Transfers CT-OVC, Older Persons Cash Transfers (OPCT), Hunger Safety Net Programme (HSNP), Urban Food Subsidy | CT-OVC-412,470 children | Some of these programmes are pilots aimed at drawing lessons for scale-up. |
| Food distribution | School Feeding, Expanded school feeding General emergency relief | Regular school feeding – 803,669 children Expanded school feeding – 346,000 children General food relief – | Relief has characterized government interventions during drought and famine, mainly in ASAL areas. School feeding programmes are intended to |

| | | | |
|---|---|---|---|
| | | 2,180,058 people | keep children in school during food shortages. |
| Public Works | *Kazi Kwa Vijana* (KKV) | KKV – 297,861 young people | This programme was established in 2008 to absorb young people into the job market but management and logistical shortcomings have been noted. |
| Grants | *Njaa Marufuku*, People with Severe disabilities, Safe motherhood Health Vouchers | *Njaa Marufuku* – 12,180 groups people with severe disabilities – 4,200 Health Vouchers for safe motherhood – 59,982 women | The *Njaa Marufuku* grants are one-off payments. Home-grown school feeding funds are transferred to schools to enable them to generate income for their members. |

**Source: Ministry of Gender, Children and Social Development (2011)**

A summary of the social security programmes is given in Table 2. These programmes have registered some success in extending coverage to the formal sector. One of the key challenges identified in the National Social Protection Policy is the need to extend coverage to the approximately 8 million informal sector workers. A recent voluntary savings initiative - the Mbao pension plan - introduced by the Retirement Benefits Authority (RBA) and sponsored by the Informal Sector Association, has achieved some success in increasing the participation of informal sector workers in saving for retirement.

**Table 2: Social security programmes in Kenya**

| Characteristics | National Social Security Fund (NSSF) | Public Service Pension Scheme | Occupational Schemes | Individual Schemes |
|---|---|---|---|---|
| Criteria for membership | Employees in both formal and informal sectors | Permanent and pensionable civil servants, provided | Employer based | Open to all on a voluntary basis |
| Number of Members or schemes | 4.6 million members but only 1.2 million are active | 425,000 civil servants and 200,000 pensioners | 1300 schemes with 300,000 members | 16 schemes |
| Benefits | Age/retirement , survivors’, invalidity, withdrawal and emigration | Retirement, disability, and survivors (in particular widows) and | Different levels depending on the schemes | Variable benefits according to the schemes |

| | | | | |
|---|---|---|---|---|
| | | orphans | | |

**Source: Ministry of Gender, Children and Social Development (2011)**

The main healthcare scheme in Kenya is the National Hospital Insurance Fund (NHIF). After many years of providing only in-patient hospital cover for both formal and informal sector workers, it introduced outpatient coverage in 2009. Several private health insurers provide for higher-income earners and micro-health insurance schemes also cover certain households. The NHIF covers salaried workers on a compulsory basis (about 2 million contributory members with about 10 million dependents). Informal sector workers and those who are sponsored by individuals or institutions can join on a voluntary basis, and 700,000 such workers are covered so far. Private health schemes have a total membership of around 500,000 in Kenya.

The National Social Protection Policy states that the government will also be planning longer-term programmes in accordance with the UN/ILO Social Protection Floor (SPF) Initiative. The SPF concept was introduced by the United Nations System Chief Executives Board for Coordination (CEB) in 2009 as a response to the recent global economic and financial crisis.[7] It promotes national strategies aimed at providing access to basic services and ensuring income security.

In June 2012, the International Labour Conference (ILC) adopted a new international labour standard, the Recommendation concerning national floors of social protection (referred to as Social Protection Floors Recommendation, 2012 (No. 202).[8] According to the ILO, the recommendation was adopted almost unanimously by Government, employer and worker delegates from its 185 member States. The recommendation states that national social protection floors should comprise at least the following social security guarantees, as defined at the national level:

- Access to essential health care, including maternity care.
- Basic income security for children, providing access to nutrition, education, care and any other necessary goods and services.

[7] ILO and WHO (2009).
[8] ILO (2012).

- Basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability.
- Basic income security for older persons.

**Funding**

The Government of Kenya acknowledges that the level of funding it allocates towards social protection is low.[9] Excluding public health expenditure, social protection funding is estimated at 2% of GDP. Health expenditure is approximately 5% of the national budget, well below the 15% target contained in the Abuja Declaration of 2001. The Government aims to increase public expenditure on social protection, encourage greater private sector funding, and improve the coordination between Government funding and funding from development partners.

Expenditure on social protection has already started to increase. From 2005 to 2010, social protection rose from Ksh 33.4 billion to 57.1 billion, which was equivalent to 2.28% of Gross Domestic Product (GDP) in 2010.[10] This growth in social protection spending was a result of increases across the contributory programmes, the civil service pension, and safety nets. Between 2005 and 2010, spending on contributory programmes increased by approximately 53% as benefits paid rose to match growing membership. The NHIF has experienced higher benefits paid and greater operational costs which amounted to 0.48% of GDP by 2010.

More notably, expenditure on the civil service pension dominates social protection spending in Kenya. It increased by 70% between 2005 and 2010, averaged 48.4% of total social protection expenditure during this period, and by 2010 was equivalent to 1% of GDP. Largely in response to the 2008 drought, spending on safety nets doubled, rising from Ksh 11.9 billion in 2005 to Ksh 20.5 billion in 2010, which was equivalent to 0.80% of GDP.

## 2.3 Lesotho[11]

### Legal and policy framework

[9] Ministry of Gender, Children, and Social Development (2011).
[10] Ministry of State for Planning, National Development and Vision 2030 (2012).
[11] This section on Lesotho draws substantially from Devereux (2006).

In Lesotho, a number of social protection related policies and programmes address specific aspects of poverty. Three strands that provide social protection are the Food Security Policy, social welfare programmes, and disaster management interventions.

In 2005, the Ministry of Agriculture and Food Security adopted the Food Security Policy which includes many social protection principles and programmes including public transfers and social safety nets, promotion of food production, mainstreaming HIV/AIDS, managing food aid and food stocks, and employment promotion. Notably, the Food Security Policy divides the population into four categories, each with different social protection needs:

- The extremely poor, who will need safety nets and social protection measures.
- The chronically vulnerable, who will need transfers on a temporary basis.
- Those who are vulnerable to transitory food insecurity, who will need immediate food or cash based relief measures.
- Those not usually vulnerable to food insecurity, who will need support to enable them to become more productive and competitive.

**Programmes**

The Department of Social Welfare (DSW) provides social assistance to targeted vulnerable groups. The DSW's Public Assistance Programme provides cash transfers to the following vulnerable groups: older people, war veterans, orphans, people with disabilities, and the chronically ill. A non-contributory universal old age pension was introduced in 2004, which delivers monthly cash grants to citizens over 70 years old. The government's decision to introduce the old age pension was partly in response to declining migrant labour remittances – an important source of support for older persons – from Basotho working in South Africa. It was also in recognition of the increasing role older people play as primary caregivers of orphans and vulnerable children (OVC). The pension is financed entirely from the national budget, a commendable achievement, for a poor country like Lesotho. It costs about 1.4% of Gross Domestic Product (GDP).[12] The DSW also provides a monthly disability allowance.

In 2009 a child grant programme was launched to provide unconditional transfers to households with OVC.[13] The programme is being implemented with the financial support from the European Commission. The support is channeled through UNICEF to strengthen the Government's broader OVC programme, which focuses on improved access to education, HIV prevention programmes, health and psychosocial support, and nutrition. By 2012, the programme was benefiting about 10,000 households in five districts of Lesotho.[14]

Given that Lesotho is chronically food aid dependent, social protection measures to improve food security have been implemented. There are regular food transfers to school children (daily meals have been provided to all children attending school for over 20 years), pregnant and lactating mothers, the terminally ill (monthly rations to people in home-based care), and the chronically and transitorily food insecure.

## 2.4 Mozambique[15]

### Legal and policy framework

Mozambique adopted the Social Protection Law (4/2007) in 2007. In 2009, the Regulation for Basic Social Security was adopted, and the National Strategy for Basic Social Security was approved in 2010. Therefore, Mozambique has made significant progress in establishing a legal and policy framework for the implementation of social protection programmes. This framework is a step in the right direction towards establishing a social protection floor.

The Social Protection Law organises the social protection system at three levels, namely, basic social security, obligatory social security and complementary social security. The Social Protection Law also establishes the basis for tax and insurance as the two main funding sources.

[12] Nino-Zarazua et al (2010).
[13] Barbadoro (2009).
[14] Singizi (2012).
[15] The analysis of social protection in Mozambique draws heavily from Mausse and Cunha (2011).

Basic social security – This aims to deal with situations of need and encourage the social integration of the most vulnerable groups. It is distributive in nature based on the idea of national solidarity and funded mainly by the State budget.

Obligatory social security – This refers to contributory mechanisms that cover wage workers in the private and public sectors. The National Institute for Social Security (INSS) is responsible for the private sector while the Ministry of Finance caters for civil servants. The benefits available are old age pensions, sickness and maternity benefits, hospitalisation, death grants, and allowances for funeral expenses.

Complementary social security – This incorporates private mechanisms that complement the obligatory component provided by the INSS. It falls under the responsibility of the National Insurance Authority.

**Programmes**

The Regulation for Basic Social Security divides basic social security into four areas of intervention:

Direct social action – This consists of social transfers used to address the needs of the most vulnerable (older people, people with disabilities, the chronically ill, and households with orphans and vulnerable children) and to tackle situations of transitory vulnerability. This component is managed by the Ministry of Women and Social Action.

Health social action - This component assures universal access to primary health care by the most vulnerable. It is managed by the Ministry of Health.

Education social action – Managed by the Ministry of Education, this element promotes the participation of the most vulnerable in the education system.

Productive social action – It targets female heads of households, people with disabilities, and other people living in absolute poverty. A multi-sectoral approach is adopted in managing this area.

Following the approval of the Regulation for Basic Social Security, it was recognised that there is a need to unify the efforts of different players in the area of basic social security. The National Strategy for Basic Social Security aims to promote an integrated approach in this area and to provide a mechanism for reinforcing the linkages between basic social security and the socio-economic development efforts of the country. The principles underpinning the strategy are as follows: universality, progressivity, equity, inclusion, multisectorality, efficiency, solidarity, subsidiarity, participation and accountability.

The objectives of the National Strategy for Basic Social Security for the period 2010-2014 are to:

- Extend coverage and the impact of interventions.
- Increase the efficiency of the system.
- Assure the coordination of different programmes and services

The National Strategy takes the Regulation a step further by determining the actual areas of intervention. Thus, the area of direct social action is divided into three components: regular unconditional cash transfers, transfers in cash or in kind for a fixed period, and social services.

**Funding**

Funding limitations are a challenge for the successful implementation of the Strategy. The creation of a social action fund is envisaged. In the short term, this will include the use of donor funds. In the long term, greater emphasis on domestic resources will be pursued, which will require mechanisms to increase fiscal space. For example, taxation raised from mineral resources could be used as part of the funding pool for social protection.

## 2.5 Namibia

Namibia's social protection system can be divided into three main components. These are: a system of social grants funded through taxes, a State run contributory component, and a privately managed pension system for the formally employed in the private sector. The Government of

Namibia provides several social grants. A universal old age pension (OAP) is provided to all Namibian citizens and permanent residents over the age of 60. The Government of Namibia also provides a Disability Pension (DP) to citizens and permanent residents with the same value as the OAP to persons 16 years and above who have been diagnosed by a State doctor as being temporarily or permanently disabled. Upon registration of the OAP or the DP, participants take out mandatory funeral cover.[16] In addition, the Government provides a child maintenance grant and a foster parent grant. The child maintenance grant covers a maximum of 3 children per family, and the foster parent grant increases to reach a maximum amount for households with seven children.[17]

The contributory component run by the State has two components. These are the benefits provided by the Social Security Commission (SSC) and the Government Institutions Pension Fund (GIPF). In turn, the SSC runs two funds – the Employees Compensation Fund (ECF) and the Maternity leave, Sick leave and Death Benefit Fund (MSD Fund). The ECF provides for medical expenses, temporary and permanent disability, funeral expenses and compensation for survivors in the event of death. The MSD Fund provides maternity and sick leave benefits, as well as death, disability and retirement benefits. The GIPF caters for the employees of the Namibian Government and their dependents, as well as to the employees of other public sector institutions established by Acts of Parliament. It provides old age, disability and death benefits.

The risk of old age poverty has been identified as a significant challenge for a number of reasons.[18] First, the privately managed component is characterised by early withdrawals when individuals change jobs. This reduces the savings accumulated for retirement. Second, the OAP is low relative to incomes in the public sector and formal private sector. Third, there is no appropriate mechanism for those in informal employment - who constitute 47% of total employment - to save for retirement.[19] The Government of Namibia, through the Social Security Commission, is in the process of introducing a National Pension Fund to address these challenges.

[16] Levine et al (2009).
[17] Economic Policy Research Institute (2011).
[18] Zeeb (2012).
[19] Calculated from Budlender (2011).

## 2.6 Rwanda

**Legal and policy framework**[20]

Following a referendum, a new Constitution was adopted by Rwanda in 2003. Article 14 states that "The State shall, within the limits of its capacity, take special measures for the welfare of survivors of genocide who were rendered destitute by genocide committed in Rwanda from October 1st, 1990 to December 31st, 1994, the disabled, the indigent and the elderly as well as other vulnerable groups." Focus is also given to children through Article 28, which stipulates that "Every child is entitled to special measures of protection by his or her family, society and the State that are necessary, depending on the status of the child, under national and international law."

The Ministry of Local Government developed a Social Protection Policy in 2005. This was achieved through a participatory analysis in defining poverty, which made it possible to categorise degrees of vulnerability. The main groups mentioned in the Policy are: genocide survivors, orphans, minors in difficult situations, widows, people living with HIV and AIDS, youth from destitute families, demobilised soldiers, disabled people, repatriates, refugees, the elderly, victims of catastrophes, and underdeveloped and marginalised victims of socio-cultural history.

The Rwandan Economic Development and Poverty Reduction Strategy (EDPRS) articulates the country's objectives, priority areas and major policies for the period 2008-2012. The Strategy provides a medium term framework for the attainment of the country's long term developmental aspirations put forward in Rwanda Vision 2020. It contains two priorities for the social protection sector. The first priority is the integration and coordination of fragmented services provided by the various social protection actors. The second priority is to ensure that social protection programmes are effective in reducing the percentage of people living in extreme poverty.

In order to achieve the social protection objectives contained in the EDPRS, it was necessary to develop a national strategy. In 2011, the Ministry of Local Government, released the National

[20] This Legal and Policy Framework is contained in Ministry of Local Government (2011).

Social Protection Strategy, which defines social protection in terms of two dimensions. First, as a Social Protection Sector, which refers to the system of regular and predictable cash transfers to those living in poverty and those vulnerable to falling into poverty. Second, as a means of ensuring access by poor households to other public services such as health and education.

Furthermore, the Strategy has two guiding strategic elements over the ten year period from 2011: a social protection floor for the most vulnerable households and individuals comprising cash transfers and access to essential services; and increased participation of the informal sector in the contributory social security system.

**Programmes[21]**

The main existing social protection programmes in Rwanda can be summarised as follows:

Access to health care – According to law, all Rwandans must be covered by health insurance. The health insurance schemes can be divided broadly into two categories as those covering the formal sector and those covering the informal sector. Formal sector coverage falls under three main groups: civil servants covered by the Rwanda Health Insurance Scheme; members of the armed forces covered by Military Medical Insurance; and other workers of the formal sector covered by private insurance. The informal sector is catered for by community-based health insurance (CBHI) schemes. In 2004, the Government adopted a national policy for the development of CBHI schemes, and the following year, CBHI schemes were extended to all 30 districts. As of 2010, the CBHI schemes covered 91% of the population.

Access to education – There are a number of interventions in the education sector. The most important programme in this sector is the provision of free basic education to all for the first nine years through a capitation grant to government and subsidised schools. Furthermore, historically marginalised students study for free at the secondary school level and genocide survivors are able to access essential educational services through the Genocide Survivor Assistance Fund (FARG) Programme. In addition, the Government and development partners provide feeding in 300 schools that were identified before and after the 2009 Comprehensive Food Security Vulnerability Analysis and Nutrition Survey.

[21] Ruberangeyo et al (2011).

Access to housing – The Government provides shelter to those in extreme poverty and the most vulnerable including returnees, genocide survivors and disabled ex-combatants. Beneficiaries are targeted through a community based participatory approach called *Ubudebe*. Between 2008 and June 2009 10, 858 houses were constructed for the various vulnerable groups.

Social transfers - The Vision 2020 Umurenge Programme (VUP) is a flagship programme of the 2008 – 2012 EDPRS. VUP focuses on two main themes, namely protection and production. Protection refers to preventing households from falling below survival levels and building a buffer to manage future shocks. Production is concerned with encouraging risk taking, creating employment opportunities, using credit and building community assets. The Programme has three components – public works, direct support and financial support. The public works component provides work on community infrastructure projects. The direct support element provides cash transfers to extremely poor households and whose members are unable to work because of age, disability or illness. Financial support supplements the other two components. Loans are extended to individuals, groups and cooperatives selected on the basis of their business proposals.

**Funding**

Expenditure in the core social protection sector has increased significantly since the introduction of the VUP Flagship programme.[22] Funding to the Social Protection Sector (which excludes health and education) in 2011 was approximately 1.6% of GDP.[23] Furthermore, over the period 2004 to 2009/2010, expenditure on broad based social protection – including health and education – increased in real terms by 142%. Government spending increased by 250% while funding from development partners decreased by 17%. However, the Government of Rwanda admits that funding of non-contributory cash based social protection is still low by international standards.

[22] Ministry of Local Government (2011).
[23] Author's calculation based on Ministry of Local Government (2011) and World Bank World Development Indicators.

### 3. Potential impacts of social protection on poverty, inequality, vulnerability and exclusion

Poverty, inequality, vulnerability and exclusion are significant challenges facing a large proportion of the African population. It is increasingly recognised that social protection has substantial potential to address these issues. A recent definition that attempts to incorporate these various challenges was proposed by the 2010 European Report on 'Social Protection for Inclusive Development':

*"A specific set of actions to address the vulnerability of people's life through social insurance, offering protection against risk and adversity throughout life; through social assistance, offering payments and in kind transfers to support and enable the poor; and through inclusion efforts that enhance the capability of the marginalised to access social insurance and assistance."*[24]

Table 3 shows that overall, the six countries examined above rank poorly on the Human Development Index (HDI). All countries have a significant percentage of their population living below their national poverty line, and an even higher percentage living in multidimensional poverty.[25] The highest rates of poverty are found in Ethiopia, Mozambique and Rwanda. A further 9.5% and 14.9% of the population in Mozambique and Rwanda respectively are vulnerable to poverty. The countries with lower levels of poverty – Kenya, Lesotho and Namibia – have a significant proportion of their populations living in vulnerability to poverty.

**Table 3: Poverty and vulnerability indicators**

| | Human Development Index rank (out of 187 countries) | Population below national poverty line (%) | Population in multidimensional poverty (%) | Population in severe poverty (%) | Population vulnerable to poverty (%) |
|---|---|---|---|---|---|
| Ethiopia | 174 | 38.9 | 88.6 | 72.3 | 6.1 |
| Kenya | 143 | 45.9 | 47.8 | 19.8 | 27.4 |
| Lesotho | 160 | 56.6 | 35.3 | 11.1 | 26.7 |

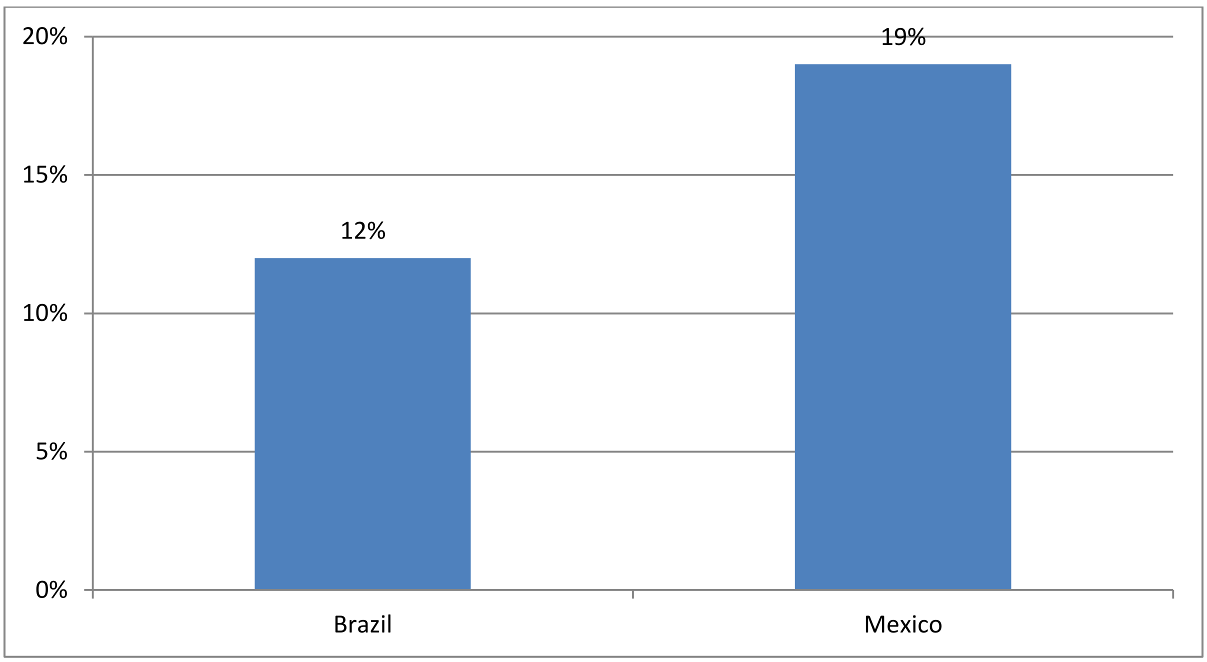
[24] European Communities (2010), page 1.
[25] The Multidimensional Poverty Index identifies multiple deprivations at the individual level in education, health and standard of living.

| | | | | | |
|---|---|---|---|---|---|
| Mozambique | 184 | 54.7 | 79.3 | 60.7 | 9.5 |
| Namibia | 120 | 38.0 | 39.6 | 14.7 | 23.6 |
| Rwanda | 166 | 58.5 | 80.2 | 50.6 | 14.9 |

**Source: United Nations Development Programme (2011a)**

Empirical evidence indicates that social protection programmes – cash transfers in particular - contribute towards poverty reduction in Latin America.[26]In Brazil, the poverty gap for recipients of Bolsa Familia, a conditional cash transfer (CCT) targeted at extremely poor households and poor parents with children living at home, declined between 2001 and 2005. Likewise, the Oportunidades programme in Mexico, a CCT to 5 million households, led to a reduction in the poverty gap in rural areas between 1996 and 2006. Figure 1 shows percentage reductions in the poverty as a result of these Latin American cash transfer programmes.

**Figure 1: Reduction in poverty gap in Brazil and Mexico (%)**




Source: Dercon (2011).

Note: The reduction in Brazil is at the national level for the period 2001-2005, while in Mexico it is for rural areas for the period 2001-2006.

Positive impacts of cash transfers on poverty are also reported from African countries. The old age pension in South Africa reduces the country's overall poverty gap by 21% and by 54% for

[26] See Dercon (2011).

households with older people.[27] Simulation results for African countries show that a social pension would reduce the poverty rate for older people by 13% to 19%.

Table 4 shows how cash transfer programme in Namibia affects different poverty measures at a lower bound and upper bound poverty line. The impact is greater at the lower bound poverty line. For instance, at the lower and upper bound poverty line, cash transfers in Namibia reduce the incidence of poverty by 22% and 10% respectively. Among the various cash transfers in Namibia, the old age pension has the most significant impact on poverty.[28]

**Table 4: Effect of cash transfers on poverty measures in Namibia (%)**

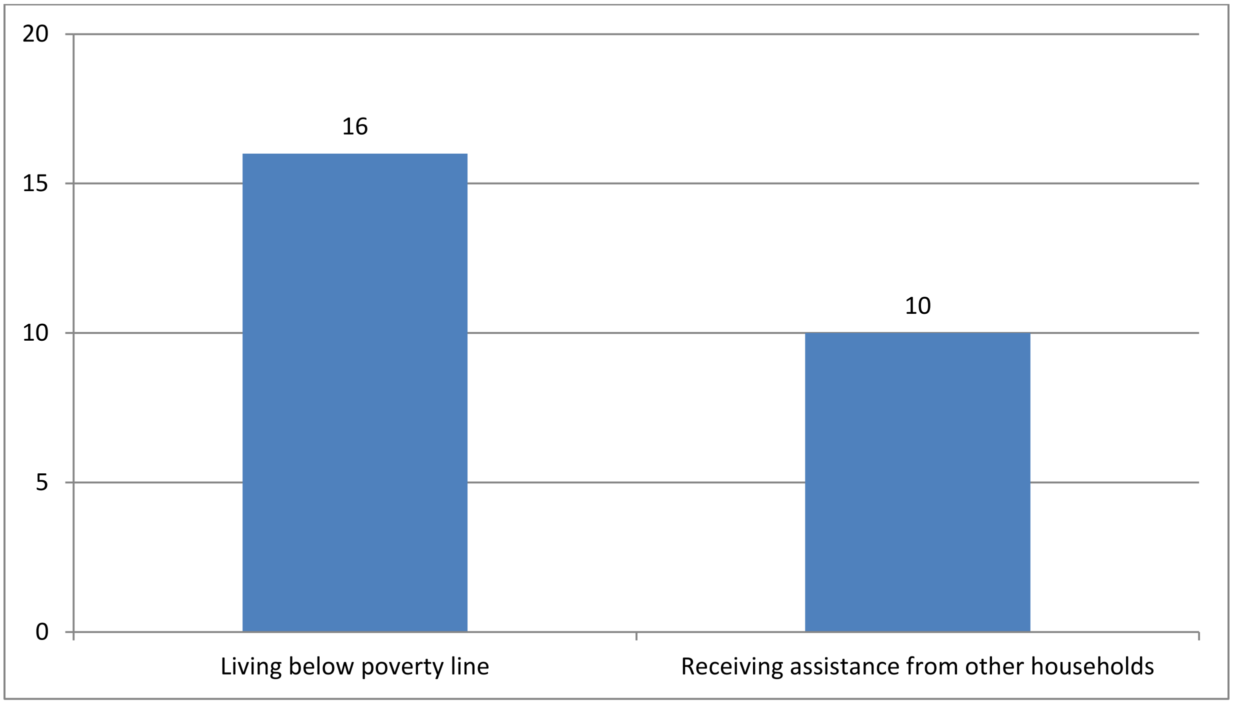
| | Lower bound poverty line | Upper bound poverty line |
|---|---|---|
| Poverty incidence | -22.0% | -10.0% |
| Poverty gap | 35.2% | -23.2% |
| Poverty severity | -44.7% | -33.0% |

Source: Levine et al (2009)

A detailed evaluation of the cash transfer programme for orphans and vulnerable children (CT-OVC) in Kenya found significant impacts on poverty.[29] Figure 2 shows that between 2007 and 2009, the proportion of households living below US$1 per day declined by 16 percentage points. The overall programme impact was registered at 13 percentage points. It also shows that there was a 10% decline in the proportion of households receiving assistance from other households, community members of organisations.

[27] Samson and Kaniki (2008).
[28] Levine et al (2009).
[29] Ward et al (2010).

**Figure 2: Decline in Kenyan households living below poverty line and in proportion receiving assistance from other households (percentage points)**




**Source: Ward et al (2010).**

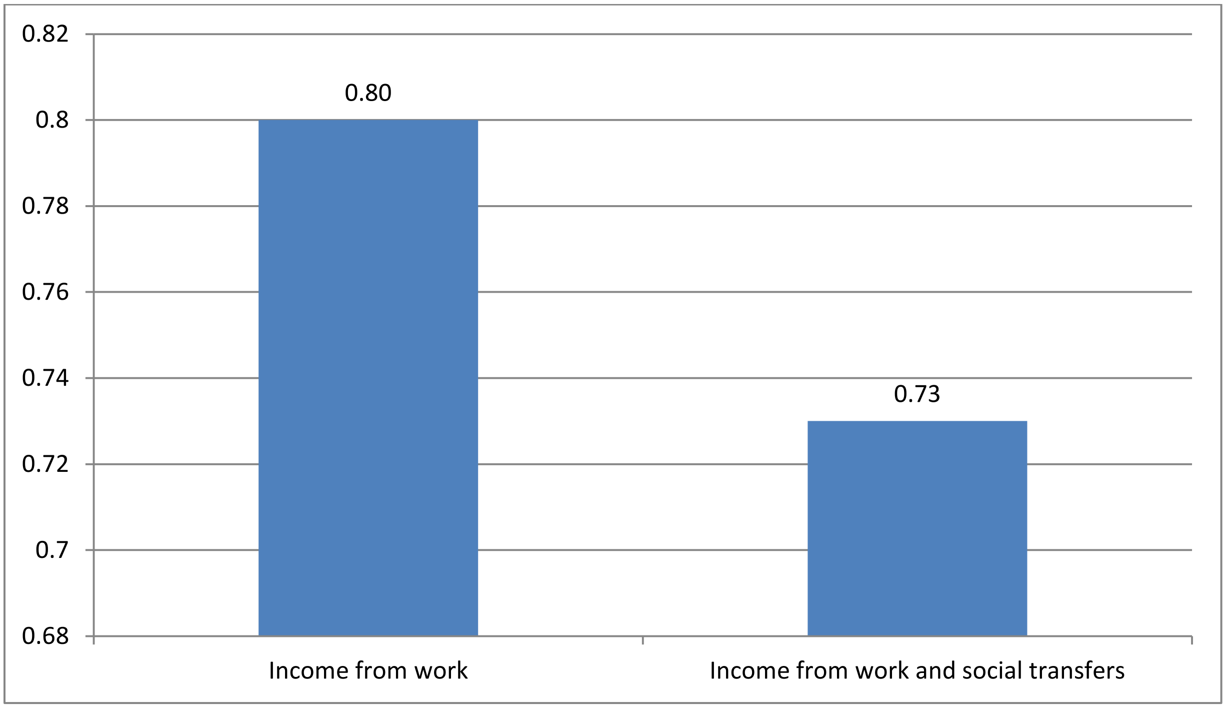
Intuitively, social protection is expected to play an important role in narrowing the level of income inequality in society. This is done by transferring resources from higher income households to lower income households through the tax system. This view is supported by empirical evidence which shows that the Gini coefficient in Brazil declined by 5.2 points between the early 1990s and 2008.[30] Research suggests that 30% of the reduction in inequality between 2001 and 2004 has been attributed exclusively to government transfers (e.g. pensions), and approximately 12-14% to Bolsa Família. This CCT programme has also been found to be responsible for 21% of the total fall in the Gini coefficient between 1995 and 2004.[31]

Social transfers in Namibia play a role in reducing inequality, although this impact is less significant than in reducing poverty.[32] In South Africa, social transfers have also contributed to lower inequality. Based on the Income and Expenditure of Households 2005/2006 Survey,

[30] Holmes et al (2011).
[31] Soares et al (2007).
[32] Levine et al (2009).

Figure 3 shows that the Gini coefficient is 7 percentage points lower as a result of the social transfer programme.

**Figure 3: Gini coefficient in South Africa with and without social transfers**




**Source: Statistics South Africa (2008), Income and Expenditure of Households 2005/2006 Survey**

For Malawi, a useful framework for vulnerability is to approach it as comprising two main components: exposure to hazard (a shock or process) and resilience, or the ability to manage the hazard.[33] Indications are that the other countries in this study adopt this broad understanding of vulnerability, though it is not explicitly described in the policy documents of all countries.[34] Within such a framework, it is possible to identify groups of people that are most vulnerable. For example, in Rwanda, members of the population classified as widows, landless, sick, the elderly and child-related households are considered to be the most vulnerable.[35]

[33] Devereux et al (2006).

[34] The Kenya Social Protection Strategy states that "vulnerability has two sides: an external side of risks, shocks, and stresses to which an individual or household is subject, and an internal side , which is defencelessness, meaning a lack of means to cope with shocks without sustaining damaging losses." (Ministry of Gender, Children and Social Development, 2011, page 38).

[35] Ministry of Local Government (2011).

During a period of crisis people can respond by engaging in coping strategies such as selling assets, rationing food consumption, withdrawing children from school, and so on. The result of pursuing such coping strategies is that the household's ability to generate future livelihoods is undermined, because its livelihood resources have been reduced or depleted. Social protection makes it possible for households not to adopt coping strategies that will leave them worse off than prior to the shock. For example, a cash transfer can enable households to purchase food and children to continue attending school.

Social exclusion describes a process by which certain groups are systematically disadvantaged because they are discriminated against on the basis of their ethnicity, race, religion, sexual orientation, caste, descent, gender, age, disability, HIV status, migrant status or where they live. Discrimination occurs in public institutions, such as the legal system or education and health services, as well as social institutions like the household.[36] There are several ways in which social protection can be used to address exclusion such as enacting transformative legislation to remove discrimination against marginalised groups of society and extending education to excluded groups through free education.

## 4. Impact of social protection on macroeconomic and social resilience

Economic resilience is in essence the capacity to cope with shocks that would reduce the standard of living such as sickness, death, disability, and unfavourable climatic conditions. Social protection can contribute to macroeconomic resilience if it is used to counter falling incomes during periods in which the economy is performing poorly.

Maintaining the demand for goods and services during periods of economic stress is critical in mitigating potential negative effects. For example, cash transfers to the poor ensure that their expenditure continues to support not only the local economies in which they operate, but the broader economy as a whole. In addition, unemployment benefits can reduce the extent to which the consumption of the formal labour force declines in the event of job losses. The highly globalised environment places significant pressure on developing countries, particularly during

[36] DFID (2005).

periods of crisis and low economic growth, as has been in case in recent years. Such periods tend to produce winners and losers, and social protection can support those who lose out.[37]

The resilience of the poor is undermined by the fact that their incomes tend to fluctuate, in many instances as a result of climatic changes. Social protection can be used to increase resilience in such circumstances. For example, a study on the Malawi cash transfer programme found that transfers strengthened local markets by providing a regular source of customers and cash, even during the rainy season.[38]

Some researchers argue that social protection is likely to have a limited direct effect on economic growth.[39] However, there is a view among development practitioners that social protection can enhance economic growth indirectly by alleviating inequality.[40] High inequality can be socially destabilising, which is detrimental to growth. Social protection reduces inequality, which promotes social stability, which in turn provides a conducive environment for investment activities that will enhance economic growth.

## 5. Gender and HIV/AIDS sensitive social protection

Gender and HIV/AIDS are highly correlated with poverty, vulnerability and exclusion in Africa. For instance, women have weakly defined property rights to major productive assets such as land and cattle, while girls provide labour to various tasks thus foregoing education.[41] Likewise, HIV/AIDS also has a strong relationship with poverty in Africa.[42] Therefore, it is essential that social protection policies and programmes are designed and implemented in a way that is gender sensitive and HIV/AIDS sensitive.

Empirical evidence shows that women and girls tend to account for a disproportionate share of the poor in Africa. For example, South African household surveys show that households headed by women are more likely to be poor[43]. A household headed by a female has a 48% probability

[37] DFID (2006).
[38] Miller (2011).
[39] See Dercon (2011) for example.
[40] Holmes et al (2011).
[41] McFerson (2010).
[42] Whiteside (2002).
[43] Woolard (2002).

of being poor compared to a 28% probability for a household headed by a male. Four reasons are given for this: (1) female-headed households are more likely to be in rural areas were poverty is concentrated, (2) female-headed households tend to have fewer adults of working age, (3) female unemployment rates are higher and (4) there is a gap between male and female wages.

Efforts are being made by some African countries to ensure that social protection programmes are gender sensitive. In Ethiopia, provision is made for childcare at PSNP work sites. This provision allows for one person to be appointed to mind children, allowing the others to work in the PSNP. The person assigned to childcare is paid the same rate as other participants.[44] In Rwanda, steps have been taken to improve the gender sensitivity of the VUP programme.[45] It is acknowledged that more needs to be done in this regard and measures to be pursued include: each programme will be required to set out how it will support the goal of gender equity and monitoring data will be disaggregated by gender.

Discrimination on the basis of gender has been identified as a barrier to accessing social protection services in Kenya. [46] Gender mainstreaming – assessing the implications for both males and females of any plan of action – is a guiding principle of the Kenya National Social Protection Policy. The selection of social assistance instruments will be determined by several factors, including the extent to which they promote gender equality.

Social protection is already playing an important role in mitigating the impact of HIV/AIDS in Africa. In Malawi, recipients of cash transfers paid to girls between the aged to 13 to 22 were found to spend more time in school and to have a 60% lower HIV/AIDS prevalence rate than those in control groups.[47] Young people in Kenya, particularly young men, participating in the CT-OVC programme were found to have postponed their sexual debut.[48]In Lesotho, which has the third highest HIV/AIDS prevalence rate in the world,[49] more than a quarter of the recipients

[44] Lieuw-Kie-Song (2011).
[45] Ministry of Local Government (2011).
[46] Ministry of Gender, Children and Social Development (2011).
[47] Olzer (2010).
[48] Handa (2012).
[49] UNAIDS (2012).

of the Old Age Pension take care of orphans.[50] Moreover, the introduction of a Child Grants programme will provide additional support to households in Lesotho with OVCs.[51]

Despite the positive impact that social protection is having on HIV/AIDS in Africa, there is room to make it more HIV/AIDS sensitive. For example, in Kenya, there is little evidence to suggest that the CT-OVC programme is providing complementary services for those affected by HIV/AIDS.[52] At the same time, the Rwandan Social Protection Strategy makes no mention of HIV/AIDS. Given that the CBHI schemes cover 91% of the population, they can play an important role in increasing the level of HIV/AIDS sensitive social protection in Rwanda.

It is also important to recognise the unique interaction between HIV/AIDS and gender as they work to reinforce the cycle of poverty and exclusion. Evidence from Asia indicates that HIV contributes to significant gender differences in asset accumulation.[53] Across the region, girls in HIV affected households were the least likely to be attending school. Furthermore, in India, 79% of widows living with HIV were denied a share in their deceased husband's property and assets. It is critical that social protection policies and programmes are designed in way that addresses the negative reinforcement that gender and HIV/AIDS have on each other.

## 6. Issues and trends facing governments and development partners

A review of social protection policies, programmes and reports from the selected African countries revealed that there are a number of issues and trends facing Governments and Development Partners.

### 6.1 Issues

- Inadequate coverage – There is a need to increase coverage of vulnerable groups including older people, children, people with disabilities and workers in the informal sector.

[50] Tanga (2008).
[51] Barbadoro (2009).
[52] Ward et al (2010).
[53] United Nations Development Programme (2011b).

- Inadequate funding for social protection – Although growing political support for social protection has stimulated an increase in funding in some countries, resources from national budgets remain insufficient to adequately tackle poverty and vulnerability.

- Weak coordination of social protection initiatives – There is a need for closer alignment of policies related to social protection, and programmes provided by different actors, in order to achieve greater effectiveness and efficiency.

- Administrative inefficiencies – More rapid delivery of benefits, lower exclusion errors, and lower costs are required to improve the administration of social protection.

- Making social protection more gender sensitive – Finding ways to increase access to social protection by women and girls, who often constitute a disproportionate share of the poor, is essential.

## 6.2 Trends

- Increased political commitment to social protection – This is demonstrated by the strengthening of policy and legal frameworks, and increased funding from national budgets in some countries.

- Development of national social protection policies and strategies – This is meant to entrench social protection in the development process, improve coordination and delivery, identify beneficiaries and appropriate instruments, and outline sustainable funding modalities.

- Increasing recognition of the social protection floor concept as a useful long term goal for programme design – This encourages a focused approach on what basic level of social protection can be provided based on international best practice and country specific conditions.

- Increased use of cash transfers – Older people, children, people with disabilities, and the productive poor are increasingly being provided with cash transfers.

- Attempts to provide social protection to the informal sector – Efforts are underway to increase the participation of the informal sector in contributory arrangements.

- Monitoring and evaluation – Increasing emphasis is being placed on systems to monitor the delivery of social protection and studies to evaluate their impact.

**7. Strengthening consultative platforms for national dialogue on social protection**

Given that social protection is multi-dimensional, it requires the involvement of various State and Non-State Actors. Therefore, an ongoing consultative process that effectively incorporates all stakeholders is essential if national aspirations are to be achieved. A platform for national dialogue can be instrumental for facilitating the required consultations.

There is already some experience with social protection platforms in a number of countries. For example, through the Africa Platform for Social Protection (APSP), civil society organisations are being assisted to develop platforms that will promote the engagement of civil society in social protection related issues at the national level. At the same time, the development of key social protection documents, such as the National Social Protection Policy in Kenya and the National Strategy for Basic Social Security in Mozambique, involved a high level of national consultation.

Governments play the leading role in social protection, and are showing some encouraging signs of increasing commitment to do so. The success of national platforms will be determined to a large degree by the extent to which Government Ministries manage to achieve meaningful dialogue on social protection among themselves, and agree on a set agenda to pursue with other stakeholders.

The private sector plays an important role by paying taxes that are channeled towards financing social protection. However, they play a very limited role in the consultative processes involved in designing and implementing social protection programmes. As a primary beneficiary of an educated, healthy workforce with protection against shocks, the private sector has much to gain from a comprehensive social protection system. It is important that the private sector is a more active participant in consultative platforms.

It is also important to incorporate the input of labour in the development of social protection policies and programmes. While facing different degrees of vulnerability, both formal and informal workers play a critical role in the economy. The participation of the two groups in the consultative process is essential in improving current arrangements and developing new ones in order to address existing weaknesses.

The following measures are recommended to strengthen the consultative platforms for national dialogue on social protection:

- Create a national social protection platform that includes government, labour, the private sector and civil society.

- Establish a mechanism for the national platform to have regular meetings on pertinent social protection issues.

- Increase the level of alignment within government on social protection policy and programmes.
- Identify private sector representatives that can contribute to the consultative platforms.

- Empower labour, the private sector and civil society to hold robust internal and external consultations that will contribute to the effectiveness of the national platform.

## 8. Requirements and partnerships to move strategies into action

As shown in section 2, several African countries are making progress in formulating national social protection strategies. This means that the policy environment is becoming more conducive towards using social protection as a means of addressing poverty. However, there are a number of requirements and partnerships that are essential in order to move these strategies into action that will lead to meaningful outcomes.

## 8.1 Requirements

Political will – A high level of political will is required to ensure that strategies result in tangible action that will reduce poverty, vulnerability, inequality and exclusion. Political will is essential in providing leadership, mobilising stakeholder support, and directing limited resources towards social protection.

Support of all stakeholders – The various stakeholders, including civil society organisations, community leadership structures, development partners, the private must all be supportive of government led social protection initiatives.

Sufficient financing – In the absence of sufficient financing to extend social protection coverage with benefits that will adequately meet programme objectives, social protection strategies will not meet their full potential. More will be said about financing in the next section.

Technical capacity – A number of technical competencies such as the ability to target beneficiaries, provide benefits in a timely manner, and undertake programme monitoring and evaluation are essential.

Roll-out plan – A well thought out roll out plan is required. This could include a pilot to provide valuable lessons prior to scaling up at the national level.

## 8.2 Partnerships

Governments require partnerships with several institutions to translate strategies into actions. These are with:

Community leadership structures – to identify and enroll programme beneficiaries. Community leaders have a good understanding of the people within their communities that require social protection.

Civil society organisations – these organisations play a role in advocating for funds from the national budget to be channeled towards social protection, implementing social protection pogrammes, monitoring programme implementation, and making recommendations on how to extend coverage.

National registration offices – having good information about beneficiaries is essential for effective implementation of social protection programmes. National registration offices are concerned with acquiring and verifying beneficiary information such as names, addresses, age, and gender.

Development partners – these agencies are important as a source of funding and technical support. These funds will supplement resources that have been allocated through the national budget.

Media – the media can contribute towards raising awareness about social protection. The media can play an integral role in ensuring that appreciation of social protection is wide spread, increasing and accurate.

Private sector – organisations in the private sector can provide funding for social protection. They can also provide payment mechanisms such as pay points and mobile phones technology.

In addition, it is also critical that there are strong partnerships within government and among the donor community.[54] Better aid coordination is essential to reduce fragmentation of social protection programmes and the government's ability to deliver. Furthermore, given the cross-sectoral nature of social protection, effective government led social protection requires good coordination among government ministries.

## 9. Innovative institutions and financing mechanisms to sustain country level programmes

In order for social protection to a have a greater impact and sustainability at the country level, it is important that innovative institutions and financing are increasingly introduced.

[54] The World Bank (2012).

## 9.1 Institutions

Ombudsman – a sustainable social protection system requires governance mechanisms that will support beneficiaries to receive their entitlements. An Ombudsman would be tasked with handling complaints from beneficiaries. Such an institution would promote a culture of transparency and could encourage more efficient processes.

Inter-governmental stakeholder technical forum – the role of this forum is to coordinate the partnerships within government ministries. This is essential in ensuring that there is no duplication of efforts and that a holistic approach is taken in providing social protection. The [55]Social Protection and Livelihoods Technical Committee in Ghana is an example of such a forum.

Inter-stakeholder forum – the various stakeholders (which includes government, beneficiaries, CSOs, donors and the private sector) can create a forum that enables them to discuss social protection issues. This forum can be used to share information about policies and programmes, as well as ideas on how to improve the delivery of social protection.

## 9.2 Mechanisms

Increase national budgetary allocation to social protection - African countries that have managed to sustain cash transfer programmes in the medium to long run for example, Mauritius and South Africa are those that have relied on domestic resources.[56] Tax revenue has been the main source of funding in these countries. It is, therefore, a welcome development that some of the countries included in this report are moving towards a greater role for government in financing social protection (see section 2). However, as Table 5 shows, social security expenditure in Sub-Saharan Africa lags behind other developing regions. Larger allocations from the national budget will be the most effective way of increasing the financial sustainability of country level programmes.

[55] The World Bank (2012).
[56] Kaniki (2008).

**Table 5: Public social security expenditure excluding health expenditure (% of GDP)**

| | |
|---|---|
| North Africa | 11.02 |
| Latin America & Caribbean | 7.63 |
| Middle East | 7.09 |
| Asia and the Pacific | 3.65 |
| Sub-Saharan Africa | 2.81 |

**Source: The World Bank (2012).**

Reduce administrative costs – additional funding for social protection can be made available by reducing the administrative costs of existing programmes. One way of doing this is to improve targeting, which in turn will reduce expenditure on individuals that should not receive benefits. Secondly, employing more cost effective delivery mechanisms can also contribute towards lower administrative costs. For example, pay points could be replaced with transfers made through mobile phones.

Private sector corporate social responsibility – compared to developed countries corporate social responsibility (CSR) is a relatively new concept in African countries. For example, CSR is considered to be in its infancy in Kenya and Zambia.[57] The private sector could channel part of its CSR spending directly towards government led social protection programmes, instead of initiating its own. A possible approach is to incorporate CSR into the national policies and strategies that identify cash transfers as an instrument. A common fund could be established for the private sector to contribute towards social protection programmes. Governments may decide to set mandatory contributions for the common fund.

Reform civil service pensions – Several African countries have unfunded pensions for civil servants. For example, civil servants in Kenya and Uganda belong to unfunded pension schemes, which means that their pension benefits are financed through the national budget.[58] Governments need to be careful not to allow their liability to become unsustainable. In Uganda, the Ministry of Finance states that one of the key reform objectives for the Ugandan pension system is to control the growth of public sector pension commitments and ensure that the government is able to fund arrears.[59] Governments should consider reforming civil service pensions from unfunded to

[57] Kivuitu (2005).
[58] Kaniki (2010a).
[59] Ministry of Finance (2007).

contributory schemes. Funds that are no longer used to pay civil service pensions can be directed towards more pro-poor social protection initiatives.

## 10. Success of social protection in Africa[60]

Social protection programmes in Africa vary significantly in their level of development. For instance, while the old age grant (OAG) reaches 2.7 million people in South Africa, the older persons cash transfer (OPCT) in Kenya only has 33,000 beneficiaries (see Table 6 below). Programmes also differ with regards to benefit levels. While the OAG in South Africa was US$168.6 per month in 2011, the OPCT in Kenya was US$17.8. Notably, the value of the benefit is the same when expressed in terms of GDP per capita.

**Table 6: Older persons grants in Kenya and South Africa, 2011**

| | Beneficiaries | Beneficiaries (% of older persons) | Value (US$ per month) | Value (% of GDP per capita) |
|---|---|---|---|---|
| Kenya | 33, 000 | 2.5 | 17.8 | 2.1 |
| South Africa | 2, 724, 000 | 70 | 168.6 | 2.1 |

**Sources: National Budget Review (2012), Mathiu and Mathiu (2012), International Monetary Fund (2013).**
**Note: Older persons refers to persons 60 years and older.**

These differences are partly because of the different level of development between countries, which in turn affects their ability to finance social protection. There are other issues contributing to these differences. Historical factors, such as the Apartheid era in South Africa, have also contributed towards the pursuit of well-developed social protection systems as a means of reducing poverty and inequality associated with past injustices.

Despite the wide variation in social protection programmes in Africa, there is a growing body of evidence demonstrating that these programmes are successful in reducing poverty, improving nutrition, school attendance and access to health services. In South Africa, cash transfers have reduced the poverty gap by 48% while in Mauritius, households with both children and older people have had their poverty rates reduced from 30% to 6% as a result of the old age grant.

Cash transfers have had a positive impact on food consumption. As a result of the old age grant in Lesotho, the number of older people reporting that they never go hungry increased from 19%

[60] The summary in this section draws heavily from Ministry of Local Government (2011).

to 48%. Similarly, 93% of beneficiaries of the Mchinji pilot cash transfer programme in Malawi report that their food consumption improved over a six month period compared to only 10% in a control group.[61] This transfer is targeted at the poorest 10% of households and has a maximum value of US$12.85 per month.[62] In Zambia, a 12% increase in households consuming proteins and a 35% increase in daily oil consumption was reported in the Kalomo cash transfer programme. 75% of beneficiaries of the Ethiopia PSNP programme consumed a higher quantity and quality of food.

Improvements in nutrition have been registered by South African households receiving cash transfers. Children who live with recipients of the old age pension are reported to be up to 3.5 centimetres taller than children who do not. This shows that grandparents use their pension to care for children. Similar though slightly lower, impacts on nutrition have resulted from the child support grant.

Cash transfer programmes in Africa have positively impacted school enrolment and attendance. For example, the Kalomo pilot programme in Zambia – which mainly benefits households headed by older people – has led to a 16% increase in attendance. Recipients of the old age grant in Lesotho spend a substantial proportion of their grant on uniforms, books and stationary for their grandchildren. In Malawi's Mchinji programme, 150% more children in beneficiary households were newly enrolled in school, compared to children in a control group.

Recipients of cash transfer programmes also spend their money on accessing health services. In Malawi, 81% of beneficiary households have reported better health status as a result of the Mchinji programme, compared to only 14% in a control group. Likewise in Zambia, the incidence of illness among beneficiaries of the Kalomo cash transfer programme reduced from 43% to 35%. In Namibia, 15% of the cash from the old age grant is spent on health care, including for children.

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[61] Although this programme started in the Mchinji district it was extended to other districts. By 2009, 7 of the country's 28 districts were receiving the grant.
[62] Miller (2011).

There is some evidence to suggest that social protection in Africa is gender sensitive. In South Africa, women account for a larger share of social grant beneficiaries compared to men.[63] There is a fairly even distribution of social grants between boys and girls. The social grant programme is able to effectively reach women and girls through categorical targeting and means testing because of their disproportionate representation among the poor.

However, women in South Africa have significantly less coverage than men with respect to social insurance arrangements, namely, unemployment insurance, contributory pensions, and medical aid. This is largely because of the lower participation rate of women in formal employment relative to men. Given that employer-employee arrangements are to a large extent meant to maximise productivity and profitability, it is not surprising that gender equality is not adequately reflected by social insurance coverage.

The evidence on social protection is concentrated among Southern African countries where cash transfer programmes are more developed compared to other parts of the continent. One of the trends identified in section 6 is the increased use of cash transfers in countries outside of Southern Africa. As this trend continues, there is potential for similar positive findings. However, it is critical to learn from existing programmes with regards to targeting, benefit size, and other design features. These lessons will increase the likelihood that other countries adopting similar programmes will also experience meaningful development impacts. As African countries continue to expand and introduce social protection programmes, it is worth noting the following characteristics of existing social protection programmes:

- Cash transfers are proving to be a highly effective social protection instrument and should be an integral part of a national social protection programme.
- Depending on the national context it may be appropriate to use categorical targeting (e.g. the elderly) or to target households.
- Every country must carefully decide what it can afford in order to meet its objectives. Even small transfers can have a meaningful impact on the lives of the poor.

[63] Kaniki (2010b).

- Pilot programmes are a good way to start, allowing key lessons to be learnt and evidence to be gathered before scaling up at the national level.
- A good monitoring and evaluation framework is essential for generating evidence which will support the continuation and expansion of social protection programmes.

There was once a high level of skepticism among African policymakers and politicians about social protection, and cash transfers in particular. Notably, the growing body of evidence showing the success of social protection in meeting a broad range of developmental goals is starting to change this. This can be seen by the stronger policy frameworks and the larger financial allocations associated with social protection.

## 11. Conclusion: Ensuring sustainability of social protection schemes in Africa

As with any government led socio-economic intervention, sustainability is a critical issue that needs to the carefully integrated into any social protection programme. If this is not done, there is a high risk that these programmes will become unpopular with certain stakeholders or that they will be stopped before accomplishing their objectives. A discussion of innovative institutions and financing mechanisms was given in section 9. Building on the discussion in that section, there are 4 key areas of sustainability – political, fiscal, technical and policy – that need to be considered.

Political sustainability – Politics is a key determinant of the ways in which social protection is evolving in Africa.[64] In order to ensure political sustainability, it is important to increase awareness among politicians of the evidence based on social protection. Specifically, it is necessary to show how social protection has been able to reduce poverty, vulnerability inequality, and exclusion, and to promote economic resilience and social stability. For most governments, these are among the key areas in which they have made political commitments and promises.

Furthermore, the affordability of social protection relative to other social expenditures should be demonstrated. It is also instructive to make clear the synergies with other national expenditures.

[64] Hickey (2007).

For example, cash transfers complement education expenditure because well fed children are more able to benefit from school than hungry children. In addition, it is important that the citizenry understand their social protection entitlements, and that they are able to hold politicians accountable to meeting these entitlements through democratic mechanisms.

Fiscal sustainability – It was shown earlier that governments are playing an increasingly important role in funding social protection in Africa. Therefore, finding ways to improve fiscal sustainability is essential. One way of doing this is to increase Gross Domestic Product (GDP), which will stimulate job creation, reduce poverty and provide the need for social protection. Higher GDP can be achieved through policies to increase the national savings rate, the rate of public and private investment, the quality of human capital, and the ease of doing business. This will also increase funds available for social protection. Thus, good economic policies are foundational in ensuring the fiscal sustainability of social protection.

Another way of promoting fiscal sustainability is to introduce more stringent requirements on curbing wasteful expenditure in national budgets. This can be done through measures such as linking the disbursement of funds to ministries to quantified delivery targets. The savings generated from such measures can be redirected to social protection programmes.

Third, it is necessary to carefully consider current areas of social protection spending that can be redirected. As mentioned earlier, reforming civil service pension schemes to be funded schemes is one key area. For example, in South Africa, over 1 million government employees belong to the funded Government Employees Pension Fund (GEPF).[65] This reduces the fiscal commitment to social protection, making it more sustainable. Fourth, governments can identify areas of reprioritisation in the national budget to increase funding for social protection. Finally, reducing corruption which (a) reduces the funds available for social protection and (b) makes social protection programmes less efficient and effective, is of primary importance.

Technical sustainability – In the absence of adequate technical competencies to design and implement programmes that will appropriately respond to national realities, and monitor and evaluate these programmes, it will be difficult for African governments to sustain social

[65] Kaniki and Ntuli (2011).

protection. While some progress has been made in building up local capacity, there is still a dearth of local expertise.

More needs to be done to provide training that draws on international best practice but is grounded in African conditions for those interested in and already working in the area of social protection. More undergraduate, graduate and short courses at different levels can be introduced. A larger share of the education and/or social protection national budget can be allocated towards this. It is also important to have stronger mechanisms to transfer skills from international experts to nationals.

Policy sustainability – In the context of this paper, social protection policies are more likely to be sustainable if they continue to have political support, the availability of long-term funding and the technical capacity to implement them. Policy sustainability will be threatened if any of these conditions come under strain. Therefore, a first step towards policy sustainability is to continuously work towards increasing the presence of these conditions. Given that a policy is meant to be a government's best attempt at addressing a national challenge, sustainability will also depends on empirical evidence demonstrating the benefits of social protection. This evidence needs to be made available not only to politicians but also to tax payers, community leaders, development partners, the private sector and beneficiaries themselves. Building broad based support for social protection using existing evidence is essential in strengthening its policy sustainability.

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