

Social Protection and Achieving the Millennium Development Goals (MDGs) in Africa

Research Workshop

14-16 July 2010

Nairobi, Kenya

Concept Note/Aide memoire

Background

The three crises of the recent past – food price, fuel, and financial and economic – have underscored the need for focused policies to protect the poorest and most vulnerable groups in society in times of crisis. A lesson from economic crises of the past (the Great Depression, the Mexican peso crisis and Asian crisis, and the Greek crisis, for example) is that social impacts of a crisis can very quickly be felt a few months into the crisis. According Chibber et al (2009), no sooner had the Asian crisis of 1997 and 1998 begun than it exposed the “vulnerability of countries in the social and political fronts” because most countries lacked adequate social safety nets. An increase in poverty rates is more often the earliest manifestation of a crisis.

Flowing from this experience, there has been considerable concern in Africa about the social impacts of the three crises because, like the Asian financial crisis, they have similarly exposed the vulnerability of African economies in many areas. In 2008, riots broke out in several African countries including Egypt, Senegal, Somalia, Cote d’Ivoire due to the deficiency or absence of social protection¹ schemes (safety nets, conditional cash transfers etc) to protect the poor from rising food prices. Prior to the crisis, an estimated 73% of Africa’s workers were in vulnerable employment (ILO, 2009). Lay-offs, especially in export-oriented industries put many of these vulnerable workers and contributed to an increase in unemployment in many countries and to rising poverty headcount.

Still unknown is the aggregate impact of the crisis on development gains in Africa and on the rate of progress towards the targets of the MDGs. There have been arguments, based on past

¹ Social protection is in essence a set of public actions – carried out by the state or privately – that: a) enable people to deal more effectively with risk and their vulnerability to crises and changes in circumstances (such as unemployment or old age); and b) help tackle extreme and chronic poverty (EPRI 2006). It could also be seen as a set of measures designed to assist individuals, households and communities to better manage the income risks that leave people vulnerable (World Bank 2004).

experience, that the crisis would have had a negative impact on key MDGs such as education and health. However, the direction of the short-run impact of the crises depends, in the absence of policy interventions, on income and substitution effects. A slow down of growth may have an income effect which would negatively affect health and education and the environment. But it may also have a substitution effect – a contraction in output (e.g. cocoa demand) could lead to an increase in school enrolment because of the lower opportunity cost of schooling. Similarly, at the household the income effect could lead to an increase in the use fuel wood for energy as households substitute out of more expensive energy sources like kerosene and gas. Households may also substitute out of luxuries like clothing, cars, and consume more food. The aggregate impact of the crises will also depend on the nature and timing of policy responses to them, in particular whether governments increased or decreased budget allocations to MDGs-critical sectors. Overall, the aggregate impact of the crises on some of the key MDGs will only become known with time.

Prior to the onset of the crisis, there was much policy interest in Africa in social protection as an additional measure to accelerate progress towards the targets of the MDGs and to secure progress already made. Many countries (Ghana, Mozambique, Ethiopia, and Rwanda) had included social protection in their national development strategies. The African Union Commission, through the Livingstone process², brought social protection to the centre of continental initiatives to protect the poor and most vulnerable in society. The outcome of this process was the adoption in 2008, by the African Union a Social Policy Framework for the continent that calls for the strengthening of social protection systems, combating poverty and hunger, creating full employment and decent work opportunities for all, improving access to education and health-care services, promoting gender inequality, and ensuring the social inclusion of vulnerable groups in mainstream development.

Further, UN agencies, notably the ILO, reinforced their advocacy for social protection at the height of the crisis. For example, in April 2009, the ILO, in collaboration with other UN agencies launched the Initiative VI: “A Social Protection Floor” (SPF) campaign which aims to promote a set of basic social rights, services and facilities that the global citizen should enjoy. SPF can be seen as a core obligation of ensuring the realization of minimum essential levels of rights embodied in human right treaties.³ A Social Protection Floor could consist of 2 main elements that help to realize these human rights:

- **Essential services**, such as water and sanitation, food and adequate nutrition, health, education, housing and other social services such as life and asset saving information.

² The AU’s Livingstone process follows on from the Conferences of Livingstone, Zambia and Yaoundé, Cameroon in 2006, when a number of African governments made commitments to further basic social protection in support of their most disadvantaged citizens. Special emphasis was placed on implementing cash transfer schemes, including social pensions and child grants. The outcomes of the meetings are known as the ‘Livingstone Call for Action on Social Protection’ and the ‘Yaoundé Call for Action’.

³ Human rights relating to health, education, employment, social security, water and sanitation as reflected in the Universal Declaration of Human Rights, paras, 22, 25 and 26, and subsequent legally binding treaties.

- **Essential social transfers**, in cash and in kind, to provide a minimum income and livelihood security for poor and vulnerable populations and to facilitate access to essential services. It includes social transfers (but also information, entitlements and policies) to children, people in active age groups with insufficient income and older persons.

Likewise, in June 2009 the International Labour Conference (ILC) developed the Global Jobs Pact, a frame for appropriate reactions to the crisis. The pact calls for the extension of social protection to all, for a social protection floor and even more concretely for the introduction of cash transfers in order to meet the urgent needs of the poor. The UN Economic and Social Commission (ECOSOC) has recently expressed its support of the Global Jobs Pact and encouraged the UN Member States to make use of it as a framework for crisis response. It also calls on the UN agencies to take the pact into account in their policy decisions.

Hence, the currents for social protection in Africa and at the global level is strong. Whether the policy interest in social protection in Africa will remain strong after the crisis will depend in large measure on lessons learned in the number of countries where they have been implemented. Unfortunately, not much is known or understood about the scope for social protection in many African countries. Although a number of countries have effective social protection policies, not much is also known about their experiences and what lessons they present to other African countries. Yet this is critical for efforts to use social protection instruments to accelerate progress towards the MDGs and overall improvements in the human condition of poor people.

The Research Workshop

Social safety nets/ social protection programs are not a new phenomenon in Africa. Social protection schemes were initially set up about a century ago when the colonial powers introduced schemes that mainly benefited civil servants and employees of large enterprises for health care, pension, and maternity leave and disability allowances. The mass of the population were excluded from these schemes. At independence, most African countries continued with and expanded upon these schemes creating free medical service to free education at all levels, non-contributory pension schemes in the government sector, as well as significant subsidies for food, fuel and agricultural inputs.

Safety nets programs became more common in Africa in the 1980s as a response to the adverse effects of structural adjustment programs. While some safety nets had a development component, they were mainly considered a short-term buffer. Safety net programs include cash transfers and conditional transfers, free food distribution, direct feeding programs, school-based food programs, food stamps, price subsidies, subsidized agricultural inputs, public works programs, social health insurance and microfinance. Formal safety net programs focus on redistributing resources to poor people to reduce chronic poverty or protect them from risks to their livelihoods – risks posed by diseases, loss of employment, drought, conflict, financial

crisis or macroeconomic adjustment. However, during the structural adjustment years of the 1980s, most of these schemes were discontinued and finally abrogated.

“Social protection” is a newer term that incorporates safety net programs but also gives room for state involvement, emphasizes a longer-term developmental approach. Social protection programs include safety nets, social security, social assistance and social insurance. They are often advocated as being a fundamental human right rather than a reactive form of relief. Social protection policy includes programs aimed at reducing impact of shocks as well as interventions aimed at preventing shocks in the first place. Safety nets, which are short-term measures when coupled with the longer-term social protection measures, contribute to a broader development strategy.

The recent crises coupled with Africa’s slow progress towards the realization of the MDGs has led to the reexamination of social safety nets/ social protection schemes as economic stabilizers, an additional instrument of poverty reduction and a means of achieving the MDG targets in Africa. The United Nations Economic Commission for Africa (ECA) has been active in this re-examination. With the financial support of its partners, it convened a Consultative Meeting in March 2009 to define a research agenda on social protection in Africa and propose means of integrating social protection into the broader African development and assist capacity building in member states.

This research workshop is in furtherance of that objective. Based on early evidence from a ten-country (Namibia, Mauritius, Kenya, Nigeria, Malawi, Tunisia, Algeria, Mali, South Africa and Angola) study of the social protection experience in Africa, the workshop will explore the pathways through in which social safety nets/social protection schemes can contribute to the realization of MDGs targets. The workshop will identify challenges and propose measures for consideration and adoption by member states to ensure the flickers of social protection in Africa do not die in the face of competing claims on limited national resources.

Objectives

The overall objectives of this meeting are to:

- ❖ Contribute to a deeper understanding of the role and contribution of social safety nets/ social protection schemes in efforts to mitigate poverty, promote macroeconomic stability and growth and advance the MDG agenda in Africa;
- ❖ Explore ways and means to scale up the contribution of social safety nets/ social protection schemes; and
- ❖ Propose policy mechanisms for deploying social safety nets as an instrument for accelerating progress in Africa towards meeting the MDGs for consideration and adoption by policy-makers

In particular the workshop is expected to:

- ❖ Examine the extent to which social protection instruments are included in national development plans or poverty reduction strategy papers by discussing the outcomes of the country studies undertaken;
- ❖ Analyse the impacts of social protection programmes on poverty alleviation and achievement of MDG targets;
- ❖ Identify possible gaps and make suggestions with an aim of improving social protection instruments; and
- ❖ Serve as a background to the ECA-initiated African Learning Group on Poverty Reduction Strategies and the Millennium Development Goals (PRS/MDGs-LG)

Participants

The workshop will be attended by a wide range of stakeholders from African governments, the African Union Commission, the academia, UN system, multilateral and bilateral institutions, including the European Commission and CIDA – Canada, African Regional Economic Communities (RECs), the African Development Bank, etc. The consultants who have been involved in preparing the country studies for this workshop will also be present.

Working Language

The working language of the workshop will be English. Interpretation will be provided.

Contacts for further information:

Atkilt Getahun
Tel: +251.11.544.5408
Email: agetahun@uneca.org

or Olabisi Shoaga
Tel: +251.11.544.5666
Email: oshoaga@uneca.org

References

Adato, M., A. Ahmed, F. Lund, 2004, **Linking safety nets, social protection, and poverty reduction: directions for Africa**, Brief 12, International Food Policy Research Institute (IFPRI), Washington D.C.

Chhibber, A, J. Ghosh, T Palanivel. 2009. **The Global Financial Crisis and the Asia-Pacific Region: A synthesis study incorporating evidence from country case studies**, UNDP Regional Centre for Asia and the Pacific.

ECA/AUC/AfDB/UNDP (forthcoming 2010) **Assessing Progress in Africa toward the targets of the Millennium Development Goals**, Addis Ababa.

Ehmke, E., M. Skaletz, 2009, **Strengthening Social Security in Economic Crises: The Need for a Social Protection Floor**, Briefing Paper 14, Friedrich Ebert Stiftung (FES), Geneva.

ILO, 2009. **Global Employment Trends, Update May 2009**, International Labor Organization, Geneva.

ILO/WHO, 2009. **The Social Protection Floor A Joint Crisis Initiative of the UN Chief Executives Board for Co-ordination on the Social Protection Floor**, International Labour Organization and World Health Organization, Geneva.

Nino-Zarazua, M; A. Barrientos, D. Hulme; S. Hickey. 2010. "Social protection in sub-Saharan Africa: Will the green shoots blossom?" **BWPI Working Paper 116**, Brooks World Poverty Institute www.manchester.ac.uk/bwpi accessed 24 May 2010.

Nwuke, K., O. Diallo, J-C. Ndabananiyi, 2009, **Social Protection in Africa: Examining the Experience So Far**, Paper delivered at the Consultative Meeting on *Accelerating Progress in Africa towards the Targets of the MDGs: What Scope for Social Protection?*, United Nations Conference Center, Addis Ababa, Ethiopia, March 25 – 26 2009.

Samson M., I. van Niekerk, K. Mac Quene, 2006, **Designing and Implementing Social Transfer Programmes**, Economic Policy and Research Institute, Cape Town.

Townsend, P., 2009, **Building Decent Societies: Rethinking the Role of Social Security in Development**, Executive Summary, International Labour Organization, Geneva.

WB, 2004. **Making Services Work for Poor People**, World Bank Development Report, World Bank and Oxford University Press, Washington, 2004.