

**Date:** 2014-12-01

**Applicant's Name :** Mr Daniel Kumitz

**Workshop Name :** SOCIAL PROTECTION VS POVERTY REDUCTION: ALIGNING POLICY FIELDS

**Track :** Track 2: Social Security .....

**Chair :** Mr Daniel Kumitz, Programme Manager Friedrich Ebert Stiftung and Coordinator SASPEN (Southern African Social Protection Experts Network, <http://www.saspen.org>)

**Presenter/s :** Dr Sophie Plagerson, Senior Researcher, Centre for Social Development Africa, University of Johannesburg  
Dr Solomon Asfaw, Economist, FAO Rome  
Ms Mutale Wakunuma, Country Coordinator Platform for Social Protection Zambia

**Discussant :** Dr Marianne S Ulriksen, Senior Researcher, Centre for Social Development Africa, University of Johannesburg

**Convenor :** same as chair

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## PROPOSAL

### Workshop Abstract:

Poverty reduction has been a key priority of international development agencies for decades. This is exemplified by the poverty reduction strategies in the 1990s, the Millennium Development Goals (MDGs) in the 2000s and now the upcoming Sustainable Development Goals (SDGs), where poverty reduction remains Goal number 1. Social protection initiatives have mushroomed across Africa with both national government and international agencies favouring these strategies in the effort to address poverty. Many thus give prominence to social protection as the 'new', the more efficient and more effective poverty reduction policy compared to previous approaches such as trickle-down, infrastructure rehabilitation, agricultural subsidies, SME promotion or microfinance. According to the mainstream, there may be no better, certainly no easier way to alleviate poverty than a cash transfer. Thus, many representations of social protection centre on the aspect of poverty.

But is social protection really just another, better way of poverty reduction? The classical definition of social protection (or social security) as enshrined in ILO core conventions regards social insurance and social assistance policies with the primary aim of addressing income insecurity in times of unemployment, illness, death, maternity, disability, parenthood and old age. It concerns workers and their dependents in both formal and informal sectors, in both precarious and stable employment relationships. It is not restricted to poor or vulnerable households. From an income security point of view to limit social protection to poverty is a reduction of the concept, as it threatens the rights-based approach and minimizes the actual level of livelihood meant to enable. The scope of social protection is reduced to be about poverty only, and thus leaves out members of our societies who are not poor, but still threatened by life's contingencies.

This is not to say that the poverty reduction focus is narrow. On the contrary – a growing majority across the continent sees social protection to include a wider range of policy initiatives – including for instance subsidies, public works and income generating projects – with the primary aim of reducing poverty. What was often started as simple emergency relief, such as cash transfers in many countries, is increasingly seen as a key factor in comprehensive policies to combat rural poverty. Where the majority of workers are in the informal sector, involuntarily forced to be self-employed entrepreneurs, poverty reduction focused social protection promises to deliver some security to those who have never been able to participate in social insurance schemes which are typically restricted to formal employment.

As a consequence, social protection initiatives increasingly include aspects that directly address the working age population through public works and other productive safety net activities, thus maximizing the poverty reduction impact. However, the attention to the poorest households and temporary employment solutions often means that other (classical) types of social protection policies – such as unemployment and health insurance, which are critical for those already in some form of employment – are under-prioritised or outright neglected. Often enough social insurance and social assistance are handled by different line ministries and their constituents negotiate benefits on completely different wealth levels, in charity-based regimes here and rights-based systems there. Particularly with a view of implementing

comprehensive systems, as foreseen by ILO Recommendation 202, it is paramount to clarify what social protection is, what poverty reduction is, and which parts speak to each other and which do not.

Hence, in this workshop we ask: Is social protection the primary way to address poverty, or is the objective of social protection to address income insecurity of the poor and non-poor alike? Can these two objectives be achieved within a coherent social protection framework at the same time? Daniel Kumitz (Friedrich-Ebert-Stiftung Zambia and SASPEN) convenes and chairs the workshop, in which we take a critical look at the connections between social protection and poverty reduction. Dr Sophie Plagerson of the Centre for Social Development Africa (UJ) reviews the historical development of social protection in South Africa from a rights-based perspective and in the broader poverty reduction context examines opportunities to sustainably combine social protection and poverty reduction aims. Dr Solomon Asfaw of the FAO will present the international research project “from Poverty to Productivity” and its findings of substantial productivity impact of cash transfers intended for mere consumption opening the question of how much synergy may actually be possible between poverty reduction and social protection. Ms Mutale Wakunuma of the Platform for Social Protection Zambia shows how without the new social protection prominence poverty would continue to be a vice in Zambia for years to come and argues for the progressive realisation of benefits with a starting focus on poverty in the example of Zambia. The discussant, Dr Marianne S Ulriksen of the Centre for Social Development Africa at the University of Johannesburg extrapolates the overarching lines of social protection vs poverty reduction as discussant to the workshop presentations.

Abstract Plagerson:

How are social protection and poverty reduction related in South Africa?

Looking forward (to 2030), the South African National Development Plan (2013) sets out an inclusive vision for social protection, that includes access to social assistance grants, mandatory and voluntary retirement savings, risk benefits (such as unemployment, death and disability benefits) and a social wage, which consists of free or subsidised education, basic services and public transport. Looking back, the South African Constitution (1996) states that “Everyone has the right to have access to [...] social security, including if they are unable to support themselves and their dependents, appropriate social assistance” (Section 27(1)(c)).

Within this broad remit for social protection, the Constitution also recognizes that the realisation of social rights is subject to the availability of resources (Section 27(2), RSA 1996). The progressive realisation of social protection in South Africa has been built on a foundation that has prioritised the need for poverty alleviation. Particularly, the successes of social assistance programmes in contributing to the reduction of poverty in South Africa have received particular attention globally. It is perhaps such experiences in South Africa, and elsewhere, that have contributed to the perspectives that social protection, more than anything, plays an instrumental role in addressing poverty.

However, despite the success in addressing poverty, severe gaps in the South African social protection framework have been highlighted. Not least, the inability to provide income security for the able-bodied working age population. The question is then whether a poverty-focused social protection system is the best way to achieve sustainable income security for all in South Africa. This paper focuses on the concurrent challenges of poverty alleviation and the progressive realisation of social security as a constitutional right. Taking a historical perspective, the paper first analyses how the social protection framework in South Africa has developed and how these efforts have overlapped (or not) with efforts to address severe poverty problems. The paper then looks ahead to the next phase of social protection development, and explores whether the relationship between the aims of poverty reduction and social protection may be entering a new phase. The paper concludes with reflections on the opportunities for South Africa in promoting the sustainable achievement of both social protection and poverty reduction.

Abstract Asfaw:

The Role of Cash Transfer Programmes in Fostering Broad-Based Economic Development in sub-Saharan Africa

Cash transfer programmes have become an important tool of social protection and poverty reduction strategies in low- and middle-income countries. During the past decade, a growing number of African governments have launched cash transfer programmes as part of their social protection strategies. Many government-led cash transfer programmes in sub-Saharan Africa originate in the social sector, where concern about vulnerable populations, often in the context of HIV/AIDS, has driven the setting of objectives and targeting towards an emphasis on the ultra-poor, labour-constrained, and/or households caring for orphans and vulnerable children (OVC). As a result, the objectives of most of these programmes focus on food security, health, nutritional and educational status, particularly of children. The programmes have important and immediate impacts on reducing hunger and rural poverty.

Investments in health and education induced by cash transfer programmes generate both short and long-term economic

benefits through improvements in human capital, which lead to an increase in labour productivity and employability. However, there is good reason to believe that cash transfer programmes also influence the productive dimension of beneficiary households. The livelihoods of most beneficiaries in sub-Saharan Africa are predominantly based on subsistence agriculture and rural labour markets, and will continue to be so for the foreseeable future. The exit path from poverty is not necessarily the formal (or informal) labour market, but self-employment generated by beneficiary households themselves, whether inside or outside agriculture. Moreover, most beneficiaries live in places where markets for financial services (such as credit and insurance), labour, goods and inputs are lacking or do not function well. In this context, when cash transfers are provided in a regular and predictable fashion, they can help households to overcome credit constraints and manage risk. This, in turn, can increase productive investment, increase access to markets and stimulate local economies.

Cash transfers can thus potentially serve as an important complement to a broader rural development agenda, including a pro-poor growth strategy focusing on agriculture. Cash transfers can serve not just as social protection but also as a means of promoting farm and household-level production gains. This means that cash transfers function as part of both tracks of the twin track approach – reducing hunger and vulnerability immediately, while at the same time facilitating household level investment in productive activities.

The FAO has a four-year agreement with the research programme at DFID – the From Protection to Production Project (PtoP) – to study the impact of cash transfer programmes on household economic decision-making and the local economy. PtoP seeks to understand the potential productive and economic impacts of cash transfers on the rural poor in sub-Saharan Africa. It aims to provide insights into how social protection interventions can contribute to sustainable poverty reduction and economic growth at household and community levels. The project uses a mixed method approach, combining econometric analysis of impact evaluation household survey data, general equilibrium Local Economy-wide Impact Evaluation (LEWIE) models, and qualitative research methods.

The project is implemented jointly by FAO and UNICEF, with the research building on ongoing impact evaluations of government-led cash transfer programmes in seven countries (Ethiopia Tigray Social Cash Transfer Programme (SCTP), Ghana Livelihood Empowerment Against Poverty (LEAP), Kenya Cash Transfers for Orphan and Vulnerable Children (CT-OVC), Lesotho Child Grant Programme (CGP), Malawi Social Cash Transfer (SCT), Zambia Child Grant Programme (CGP) and Zimbabwe Harmonized Social Cash Transfer (HSCT)). In this workshop we would like to present findings of cross-country results and broader policy messages. We try to answer if there are productive and economic impacts of cash transfer in SSA and if yes, how heterogenous they are? We will also explore the underlying program design and implementation features that mediated the impacts. Finally, we will discuss how best to place social cash transfer in the broader rural development strategy in SSA.

Abstract Wakunuma:

Different kinds of poor painted with one broad stroke solution

Not arguing for Social Protection for the poor, as the words of Amartya Sen ring loudly in countering such a concept, there is still a point to be made for focusing Social Protection on the poor as a starting point in both an underdeveloped social protection system and a country with a high incidence of poverty.

This paper weaves together the concept of Social Protection as ultimately an instrument for poverty reduction. An argument that demonstrates that ideological divergences eventually converge where poverty reduces as a result of effectively targeted social protection programs. The paper asserts that using a poverty focus in rolling out social protection offers the best value for money proposition in any poverty reduction agenda.

The reality that poverty carries the same name for different negative conditions in different people's lives and is caused by varying contingencies justifies the need to carefully pick which underlying cause you resolve first as you progress to full realization. The argument in the paper does not preclude social protection as a right, it rather applies the rational argument of progressive realization being keenly awake to the economic arguments of scarcity.

Social protection is a rather broad concept that requires clear delimiting in order not to veer off into other territory of poverty reduction. As such, using the case of Zambia, the paper isolates specific social protection instruments to demonstrate that social protection shows the most rapid rate of poverty reduction when applied judiciously on the rightful target groups.

Consolidated theme:

Is social protection the primary way to address poverty, or is the objective of social protection to address income insecurity of the poor and non-poor alike? Can these two objectives be achieved within a coherent social protection framework at the

same time?