

# Social Protection Challenges for Africa

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## Social Protection in Africa - Context

- **Balanced/Shared growth**
  - While there has been progress, growth has not always trickled down to poor & without desired poverty impact; growth remains elusive in many (post) conflict settings
- **MDG challenges**
  - Africa is behind in achieving MDGs & more work needed to ensure continued poverty reduction and to protect and foster human capital
- **Crises and the changing global environment**
  - Food, oil, financial, and climate shocks underline the need for coordinated, coherent, effective, efficient, and fiscally sustainable social protection policies and programs that can respond flexibly to increasing and decreasing needs over time. The impacts of climate change are likely to increasingly heighten the need for such instruments.

## Special Challenges in African Social Protection – Additional sources of risk and weak institutions

- In addition to the risks of short and long term poverty, African SP needs to address other risks such as weather, disease and conflict
- Responses have tended to be short term but need to be long-term with built in scalability
- Weak capacity in government and often NGOs
- Traditional/informal Social Protection/ Safety Net mechanisms often tribally based & unable to cope with multiple shocks (HIV/AIDs, conflict, food price increases, etc.)

## Special Challenges in African Social Protection – programs are fragmented and uncoordinated

- Social protection programs exist (both government & donor) but often many, highly fragmented, uncoordinated, which can have very high overhead costs relative to benefits. Often they are donor led with and the designs may be unsustainable.
- Few instances of sustainable, long-term safety net programs that can be scaled up during crises (social funds typically outside government, Ethiopia Productive Safety Net)
- Lack of adequate coherent programs to scale up during a crisis makes it difficult to respond to crises.

## Special Challenges in African Social Protection – Need to combine self-help with social assistance

- The larger proportion of people below the poverty line makes it difficult to provide safety nets on a fiscally sustainable basis and there is a need to combined them with self-help programs for those who can benefit and convert the safety nets to safety ladders.
- Safety ladders could include conditional cash transfers which aim at inter-generational graduation from poverty by improving human capital of children.
- It could also temporary employment combined with market skills training program.
- It could also be public works programs to improve local infrastructure and increase productivity e.g. irrigation, farm to market roads, water-shed management etc.

## Special Challenges in African Social Protection – The challenge of the lost generation (s) in conflict or post-conflict societies

- Conflicts tend to affect the normal course of the human life cycle. Children are forced into battle or are displaced and cannot acquire the human capital to support themselves afterwards.
- At the end of the conflict you are faced with the challenge of providing productive opportunities for these people or risk political upheaval.
- Their trainability coefficient is low as they do not have the basic literacy/ numeracy skills necessary for most modern jobs.
- Thus, there needs to be combination of emergency employment combined with catch-up basic education and later supplemented by labor market skills training but the design and implementation of these are tricky and cost of failure very high.
- Given the low capacity in most post-conflict countries use of special agencies like social funds could often be an option.

## Special Challenges in African Social Protection – Youth Employment opportunities

- The economic growth, even among fast growing countries, is not generating enough new wage and salary jobs to absorb the high demand- only 10% of the youth entering the labor force find wage jobs in either the formal or informal sector
- High population growth is adding pressure on the job market
- Labor market: the supply- demand challenge
  - Supply of labor: African youth lack general and soft skills
  - Demand for labor :
    - The wage/salary jobs sector is small
    - Self-employment or family business (informal sector work) is large and low productivity => vulnerability
- Migration: adding pressure on the already small urban market
- Social context: frustration among idle youth may affect social peace
- Conflicts: pose additional challenges
- African Governments are spending significant sums on programs for youth with limited or unclear results
- There is a need to evaluate these programs and recommend changes if needed.

## Social Protection – World Bank Focus in Africa

### Need to work for Balanced Growth Agenda that includes:

- **Developing sustainable innovative safety nets** (and SP systems) that help households and communities better manage shocks that reduce the downward poverty spiral and provide them with a stronger basis for participating in and contributing to economic growth
- **Enhancing earning opportunities** and jobs for the vulnerable to contribute to growth agenda (strong emphasis on short-term youth)
- **Making services work for the poor** by increasing capacities of communities to demand and local governments to provide better services; direct impact on MDGs

### But within this there are opportunities to do better than other countries:

- Technology could AFR leapfrog ahead in SP administration with the added advantage of reducing overheads and fraud
- move from a concept of assistance to one of protection and promotion

## Innovative and Productive Safety Nets

### Challenges

- Constant shocks in Africa (droughts, floods, locusts, disease, civil wars/unrest, etc)
- Fragmented and uncoordinated response by governments and donors
- Need to change perception of SN as “handouts” and/or fiscally unsustainable programs ; lack analysis to show overall SP spending;
- SP not yet seen as a key component of a balanced growth agenda and MDG agenda

### Moving Forward

- Need to build effective safety net systems that respond to particular country’s needs
- Need to generate data -- Safety Net Assessments/PERs that assess the existing fragmented programs, their targeting, to provide basis for proposing streamlined coherent programs
- Innovate w/ productive safety nets that create both physical and human capital
- Continue to work to design countercyclical programs and contingent financing that can scale up rapidly in response to price, climatic, or other shocks
- Continue to innovate with conditional cash transfers and school bursaries to encourage human capital investments, and second chance programs for out-of-school and unemployed youth
- Need to innovate in design of programs and use of ICT.

*Good Practice: Ethiopia’s Productive Safety Net Program with its public works and cash transfers has developed community assets, maintained household assets during shocks, and increased the adoption of fertilizer by 10.7 percentage points for beneficiary households*

## Framework for Engagement on Youth Employment

The need for both short and long term actions

- **In the short term**, there is need for well-chosen and cost-effective package of interventions to ameliorate the problem both in urban and rural areas, recognizing the importance of the informal sector
- Develop a menu of possible actions in response to needs expressed by Governments for immediate action
- This menu of possible actions would deal with various constraints faced by youth, and would be based on international experience and available evaluation results currently underway in the Africa region
- ST & temporary employment interventions

Challenge: Weak knowledge base from which to work

Liberia – Y from 120 days work can sig raise yearly income w/ no substitution; reaches the poor & poorest; spend income on LT asset-creation and business development (30% living expenses, 30% education; 30% house and business

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## Evaluate and Monitor and .....

- Due to the high level of need in a fiscally constrained environment, social protection expenditures need to be used cost effectively and need to be well targeted to the expected beneficiaries. Many countries have programs which look good on paper but reach the wrong target or have very high overheads or both. Examples, of these could be general subsidies but even some targeted programs may end of reaching those who do not need their help.
- Evaluation of a program against its objectives and constant monitoring of targets and overheads are the best way to make sure funds are used effectively and objectives are reach.
- Impact Evaluations which can look like overhead costs at design may actually help reduce overheads and effective use of funds.

## ..... be ready to adjust design or drop ineffective programs

- But the best and most effective evaluation system is no good if the findings are not used to adjust design or to drop ineffective programs.
- Sometimes program designers see evaluations as a an attack on their design and get defensive – they need to learn to see these as tools that they were themselves smart enough to include in the design.
- Hopefully this workshop will help you to see evaluations and use of the evaluation results as design tools rather as criticism.