



CONCEPT NOTE

A Policy Dialogue and a South-South learning event on long term social protection for inclusive growth

A focus on Sub-Saharan Africa with inputs from Latin American, Caribbean and Asian Countries

Rationale & Objective

Building on its extensive applied policy research in social protection, support to the Brazil-Africa Cooperation Programme on Social Protection and, more recently, its hosting of IBSA Academic Forum, IPC-IG is organising a policy dialogue and learning event on the intersections between the social protection and inclusive growth agendas. The focus will be on sub-Saharan African countries although the dialogue will also encompass experiences and innovations taking place in other countries in the Global South. In so doing, IPC-IG seeks to contribute to the process of South-South learning that have already been taking place in Sub-Saharan Africa under the leadership of regional institutions (e.g. AU, UNECA, SADC) and various development partners.

1. Background

The intersections between social protection and inclusive growth are varied – ranging from the potential contribution of social protection to macroeconomic and social resilience in the face of multiple types of crises and contributing to inclusive growth over the long term to addressing various dimensions of social and gender-based exclusion, inequalities and vulnerabilities. Also key is the potential of large scale social programmes to crowd-in service delivery, payment systems and more transformational and accountable approaches to development in under-served regions. Developing countries themselves have pioneered development innovations in these areas and their experiences are of interest in the context of South-South learning.

The recent food, fuel and financial crises have highlighted the importance of having long-term and established social protection¹ programmes in place as opposed to short-term safety nets. These are critical not only for mitigating the effects of the crisis on the poor which can persist for many years after the economy has 'recovered'² but also because analysis suggests that developing countries are likely to face additional sources of situational and structural vulnerability which will persist in the medium and long term. Scalable social protection and employment programmes can also facilitate a speedier recovery from such crises.³

¹ *Social protection* is an 'umbrella concept' used to describe policies and programmes ranging from formal social security and social insurance and rights at work to social assistance programmes and transfers focused on the vulnerable, the poor and the unorganized.

² E.g., ILO's *World of Work Report (2008)* points out that in the wake of the Asian crisis, formal employment rates fell by up to 3.1% and took 5-10 years to return to pre-1997 levels. In the context of the recent crisis, ILO's *Global Employment Trends (2010)* indicates that in Sub Saharan Africa and South Asia, the overall vulnerable employment rate is likely to have risen to almost 4/5 of the employed.

³ e.g. see Duval, Elmeskov and Vogel, 2007 "*Structural Policies and Economic Resilience to Shocks*," OECD Economics Department Working Papers 567) who point to the importance of employment-focused policies for impact mitigation and recovery; ILO (2010) "*Employment and social protection policies from crisis to recovery and beyond: A review of experience*" An ILO report to the G20 Labour and Employment Ministers Meeting, 20–21 April 2010

More importantly, recent experience of countries suggests that social protection can promote resilience in the face of these multiple sources of vulnerability and crises; it can, importantly also contribute to macroeconomic resilience. There is, therefore, a growing interest in understanding the various interconnections between social protection and growth⁴ and in exploring the role of social protection in promoting macroeconomic resilience when implemented at scale.⁵

In the context of scaling-up, improving the effectiveness of delivering social protection and enhancing their development impact, there are a number of questions of interest at the level of institutional design: e.g., how can specific types of social protection policies be combined and/or made to work together to across different phases of the life-cycle of citizens?⁶ How can the design of social protection programmes better address gender-differentiated sources of vulnerabilities and exclusions? What are the likely pathways towards comprehensive coverage as opposed to the 'dual systems' which exist in many countries and that combine relatively good coverage for workers in formal employment with a 'residual patchwork of programmes of social assistance targeted at the poor and vulnerable'?⁷ In addition there is a growing focus on innovative information and delivery systems for (scalable) social protection programmes that can not only facilitate integration, and hence reduce overhead and transaction costs for the delivery of social protection, but also have significant spillover effects in improving the delivery, and affordable availability, of global public goods (e.g. digital inclusion and delivery of financial and other services) in underserved areas.⁸

⁴ E.g. see G20 Leaders' Statement, The Pittsburgh Summit September 24 – 25 2009; the UN inter-agency focus on the global jobs pact and the social protection floor; IBSA Academic Forum April 12-13, 2010 with a focus on social strategies and the IBSA Social Strategies document itself, OECD's International Conference: "Inequalities in Emerging Economies: What Role for Labor Market and Social Policies?" 19 May 2010, and ADB's seminar on "Promoting Inclusive Growth through Social Protection"; ERD conference "Promoting Resilience through social protection in sub-Saharan Africa", Dakar 28-30 June 2010; UNECA research workshop "Social Protection and Achieving the Millennium Development Goals (MDGs) in Africa" and AU-EU meeting on Employment, Social Protection and Decent Work in Africa, 30 June – 2 July 2010, Dakar amongst others.

⁵ "Barrientos "Social Transfers and Growth: A Review" and Anna McCord (2010) "Differing government and donor perspectives on Cash Transfer based social protection in sub-Saharan Africa: The implications for EU Social Protection Programming" seek to identify the reasons why the evidence base may have been limited to date in the Sub-Saharan context. According to McCord (2010), these include "the limited scale of most programmes; low levels of coverage, the low absolute value of many transfers, and the fact that cash transfer programmes tend to be implemented among economically marginalized populations, which limit the potential of most cash transfer programmes in terms of any significant macroeconomic impact"

⁶ See Bonilla García and J.V. Guat (2003) 'Poverty Reduction and Sustainable Development' Social Protection Sector, ILO; Cain, Emma (2009) 'Social Protection and Vulnerability, Risk and Exclusion across the Life-Cycle' HelpAge International.

⁷ See Niño-Zarazúa, Miguel; Barrientos, Armando; Hulme, David and Hickey, Sam (2010): Social protection in sub-Saharan Africa: Will the green shoots blossom?

⁸ Kenya is pioneering in its testing the use of mobile phones for cash transfers through a service called M-PESA, Brazil earlier pioneered in the development of the correspondent banking model (for e.g. between 65-80% of Bolsa Familia beneficiaries are able to collect their benefits from lottery points) which is now of interest to India and other countries. Aside from the fact that there is a strong link between income and access to banking services, a lack of legal documentation appears to be a major barrier facing poor households more generally. In the context of India's NREGA, the government has approved job cards issued to participants as a valid document under the *Know Your Customer (KYC)* norms for banks for the purposes of opening an account in a bank in the country and is thus able to give the rural poor much easier access to

Trends in the context of Sub-Saharan Africa

Since the 1990s, a number of countries in Sub-Saharan Africa have developed social protection policies and/or put in place large scale programmes in the form of grants for children and the elderly.⁹ Particularly significant are the social programmes in South Africa, Lesotho, Botswana, Namibia and Swaziland - the leading lower and upper middle income countries of the Region. Beyond Southern Africa, Mozambique, Ghana and Kenya have also been successful in developing social protection frameworks, and/or otherwise moving towards to give a longer term perspective to their policies and programmes. Other countries, in spite of not having social protection frameworks, have been innovative in the design of their programmes which have incorporated more sustainable and empowering measures in the fight against poverty and hunger. Ethiopia is a remarkable example of an innovative combination of public works with food and cash transfers. Much progress has been made in the context of the Livingstone Meeting in Zambia in 2006 and the follow-up Meeting of the Ministers of Social Protection in Windhoek (Livingstone II) in 2008 and the establishment of the Social Policy Framework by the African Union¹⁰

However, the programmes of social protection are usually located in ministries that often have little support from the Ministries of Finance. For the most part, there is little policy dialogue on the inter-linkages between key social and economic key drivers of growth. It is in this context that the South-South policy dialogue and learning event has the potential to add value by linking social protection programmes to overall macroeconomic and social resilience in the context of promoting inclusive growth.

The opportunity

There is an emerging body of evidence to promote this dialogue: the experience of countries in Latin America has shown that large scale social transfers to promote investments in human capital and/or smooth consumption have been central contributors to the decline in poverty levels and inequality. India's implementation of a large scale public employment programme (National Rural Employment Guarantee Act) as a driver of social protection policy and the promotion of social rights have also had a range of significant economic impacts. In the context of Africa, as Zarazua, Barrientos, Hulme, and Hickey (2010) point out "a new wave of social protection programmes including the Productive Safety Net Programme (PSNP) in Ethiopia, the Orphans and Vulnerable Children Programme (CT-OVC) in Kenya,

financial services by banks. Further, in India, the national UID initiative seeks to address this issue in a yet more comprehensive way with the added potential to facilitate micropayments. See Unique Identification Authority of India [UIDAI] "UID and NREGA" and Unique Identification Authority of India [UIDAI], Planning Commission (April 2010) "From Exclusion to Inclusion with Micropayments"

⁹ Zarazua, Barrientos, Hulme, and Hickey. (2010). Social protection in sub-Saharan Africa: will the green shoots blossom? MPRA Paper No. 22422, online at <http://mpra.ub.uni-muenchen.de/22422>.

¹⁰ See and Mutangadura (2009) who points out that "A social policy framework that calls for strengthening 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 equality, and ensuring the social inclusion of the vulnerable groups in mainstream development, was adopted at the conclusion of the first African Union conference of African ministers in charge of social development, held in Windhoek in October 2008 and at the 12th Summit of the African Union in January 2009."

the Livelihood Empowerment Against Poverty (LEAP) in Ghana, and the scaling up of the Mchinji Social Transfer Scheme in Malawi also provide a knowledge base on the feasibility and likely effectiveness of social protection programmes in low-income countries in sub-Saharan Africa.”

The timing is also favourable: a number of global policy initiatives (e.g. the global jobs pact and the social protection floor), for which UNDP is also a partner, provide opportunities to strengthen and build on the momentum for change at the country level.

2. Objectives:

- Facilitate a policy dialogue amongst decision makers from selected countries particularly between ministries of finance and social development on the inter-linkages between social and macroeconomic resilience and the potential contribution of well-designed large scale social protection programmes to inclusive growth;
- Foster a knowledge exchange with key partners, with a view to identifying a mix of scalable policy initiatives that hold promise for a more inclusive growth path through their promotion of economic and social resilience and multiplier impacts critical for growth and real macroeconomic stability.
- Contribute to the discussion on sustainability of MDG investments, achievements and financing.

Workshop Design:

Day 1 will focus on frameworks for social protection and evidence, policy and financing issues related to promoting the shift from a crisis response to inclusive growth. The presentations are expected to focus primarily on Sub-Saharan Africa countries. Day 2 will focus on social protection policies over the life-cycle ranging from cash transfers for the children, the elderly and the disabled to a range of innovative employment creation programmes. There will also be an explicit focus on exploring how far the design of programmes have been able to address gender-based vulnerabilities and a comparative analysis of different social protection approaches to different development challenges. Day 3 will address institutional design issues and explore the ‘nuts and bolts’ of scaling up and integration.

The workshop design combines structured sessions with opportunities for participants to identify the issues that they would like to focus on in more detail.

3. Outputs

- Case made on the contribution of well-designed large scale social protection programmes to inclusive growth;
- Identified opportunities for South-South learning cross-regionally based on a mix of policy initiatives that hold promise for a more inclusive growth path;
- Identified paths for the sustainability of MDG investments based on the dialogue with the Ministries of Finance.

Knowledge Products and Networking:

- Articles for the November edition of IPC-IG’s Poverty in Focus;
- Working Papers published by IPC-IG.

The *South-South learning gateway on Social Protection* hosted by IPC-IG can be used after the event to share information on the various programmes and to contribute to showing how the inclusion of social policies can also be put on the map of regional and inter-regional integration mechanisms (e.g. Unasur, IBSA, SAARC, SADEC etc.).

4. Dates and place

Dates: October 11-14 2010. Location: Johannesburg, South Africa;

5. Participants and Invited Partners: The Workshop will target policy makers and experts engaged in Social Protection. The focus will be primarily on Sub-Saharan Africa.

Inter-governmental bodies: African Development Bank (AFDB), African Union (AU), Council for the Development of Social Science Research in Africa (CODESRIA), East African Community (EAC), Economic Community of West African States (ECOWAS), European Union (EU), Intergovernmental Authority on Development (IGAD), International Labour Organization (ILO), New Partnership for Africa's Development (NEPAD), Southern Africa Development Community (SADC), United Nations Children's Fund (UNICEF) and the United Nations Economic Commission for Africa (UNECA).

Research Institutions: African Centre for Development and Strategic Studies - ACDESS (Nigeria), Centre for Policy Analysis - CEPA (Ghana), Economic Policy Research Centre - EPRC (Uganda), Economic Policy Research Institute - EPRI, Human Sciences Research Council - HSRC (South Africa), Instituto de Estudos Sociais e Económicos - IESE (Mozambique), Kenya Institute for Public Policy Research and Analysis - KIPPRA (Kenya), International Development Research Centre (IDRC), International Food Policy Research Institute (IFPRI), Organization for Social Science Research in Eastern and Southern Africa (OSSREA), Overseas Development Institute (ODI).

Donor Agencies: DFID (UK/Brazil), GTZ.

Civil society Organizations: African Platform for Civil Society, HAI, Sightsavers, World Solidarity Mondiale.

6. Proposed participant countries ¹¹

Sub-Saharan Africa: Botswana, Cape Verde, Ethiopia, Ghana, Kenya Lesotho, Malawi, Mali, Mauritius, Mozambique, Namibia, Nigeria, Senegal, South Africa, Swaziland, Tanzania, Uganda, Zambia.

Latin America: Brazil, Chile, Colombia.

Asia: East Timor, India, Bangladesh, Philippines, Indonesia.

¹¹ To be discussed among the partners.