

Perspectives for social protection in West and Central Africa

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For every child
Health, Education, Equality, Protection
ADVANCE HUMANITY



Social protection in WCA

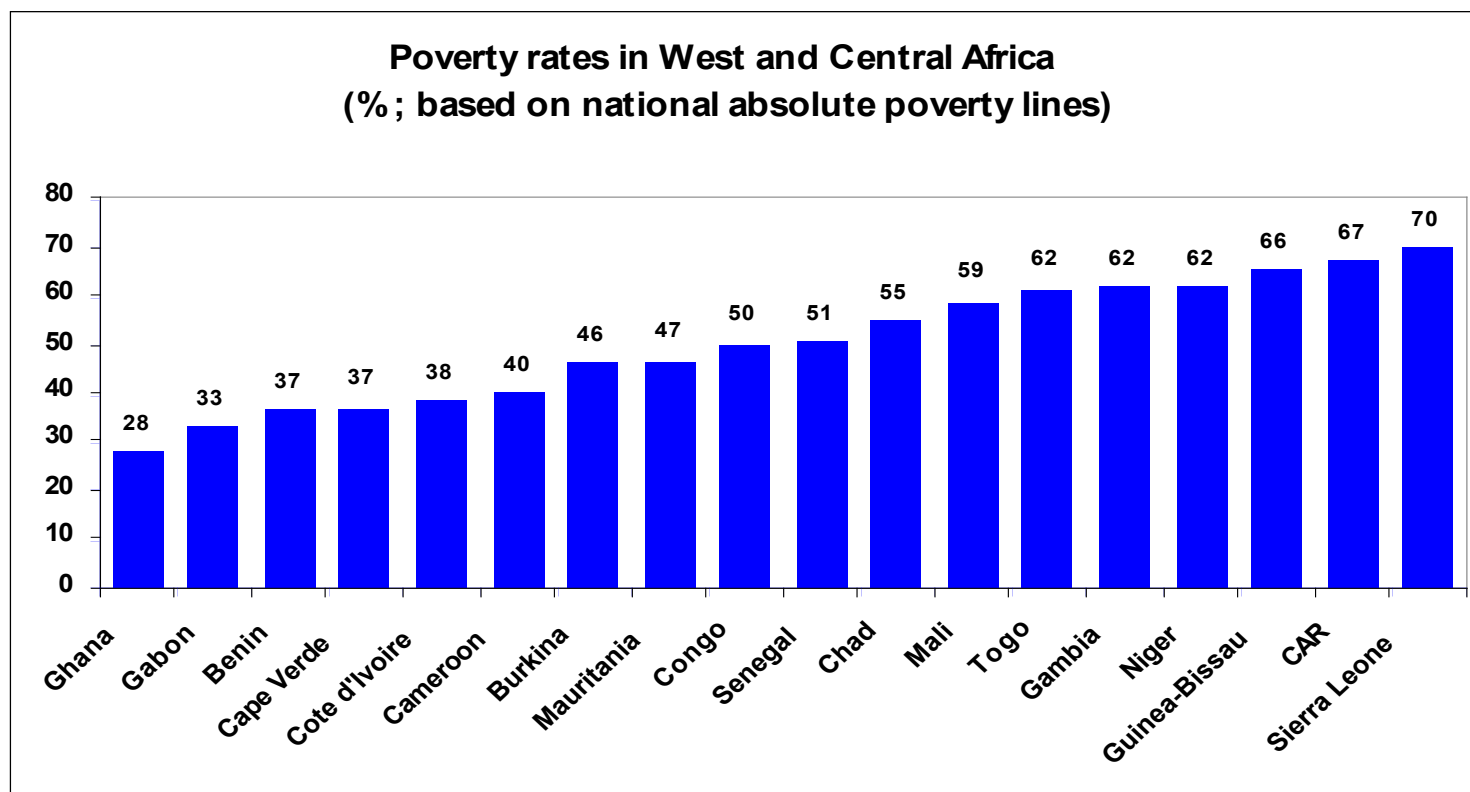
1. Traditional solidarity mechanisms
 - Private transfers & remittances
 - Savings and credit associations (traditional microfinance)
2. Mutual/community health organizations
3. Employment-based social security systems
 - Reach only 2%-20% of population
4. Broader social insurance
 - Only in Ghana on a significant scale: NHIS (42% pop.)
5. Social transfer schemes
 - In their infancy: government led pilots in Ghana (LEAP) & Sierra Leone (SSN)
6. Social welfare services
 - Weak and fragmented
7. Other – school feeding programmes; humanitarian relief

6 key considerations for social protection in WCA

1. Extensive nature of poverty – ‘we’re all poor’
2. ‘Top inequity’
3. Supply side vs. demand side challenges
4. Fiscal space
5. Governance and administrative capacity
6. The complementary role of transfers and social welfare services

1. The extensive nature of poverty in WCA

The poor are not a small marginalized or 'left-behind' minority, but often 50-70% of the population.



What are the implications?

- ***A universal approach?***

- Not worth targeting 40 to 70% of the population
- But are universal programmes affordable?

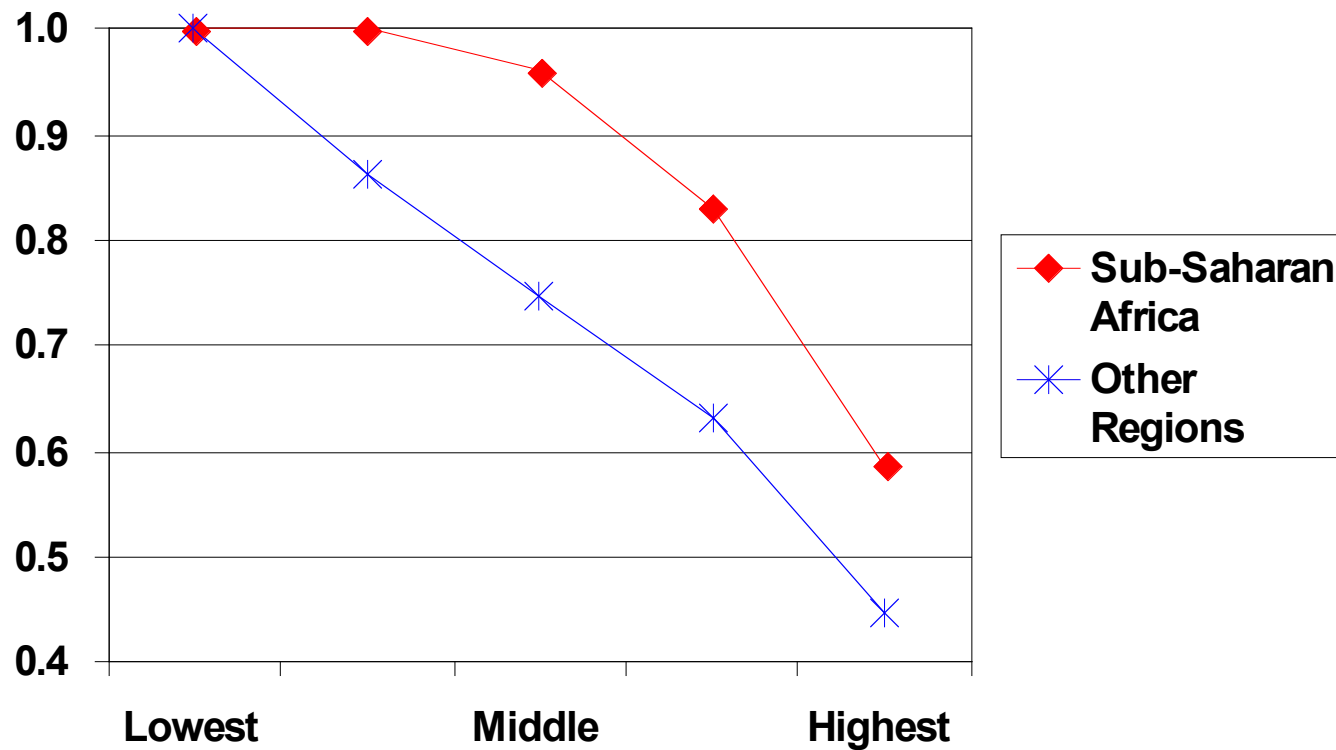
- ***Targeting the ultra-poor/destitute?***

- Approach adopted in Ghana and Sierra Leone (OVCs, elderly and disabled in extreme poor HH)
- Mix of categorical and community based targeting
- Will only reach small minority of extreme poor
- Too restrictive eligibility criteria?
- Robustness of targeting? Inclusion/exclusion errors?

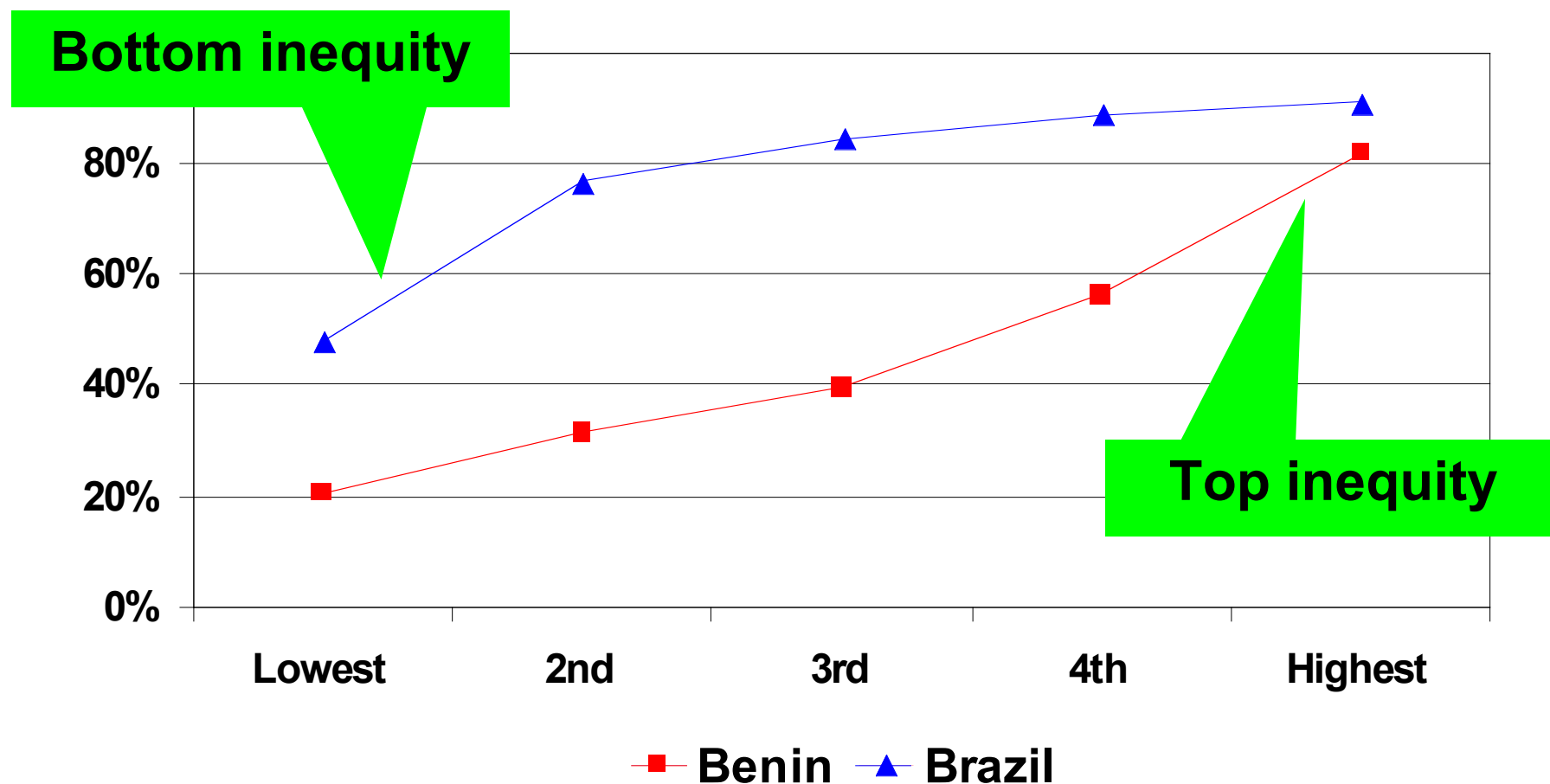
2. 'Top inequity'

- Fairly flat income distribution for bottom 3-4 quintiles, with much higher incomes only in the top 1-2 quintiles.
- Reflected in 'shape of the curves' for social indicators by wealth quintiles.
- Contrast with other regions of the world.
- 2 examples: U5MR and access to child health services.

Under 5 mortality: ratio of quintile U5MR to bottom quintile U5MR



Percent of underfive children receiving six or more child survival interventions (by wealth quintiles)

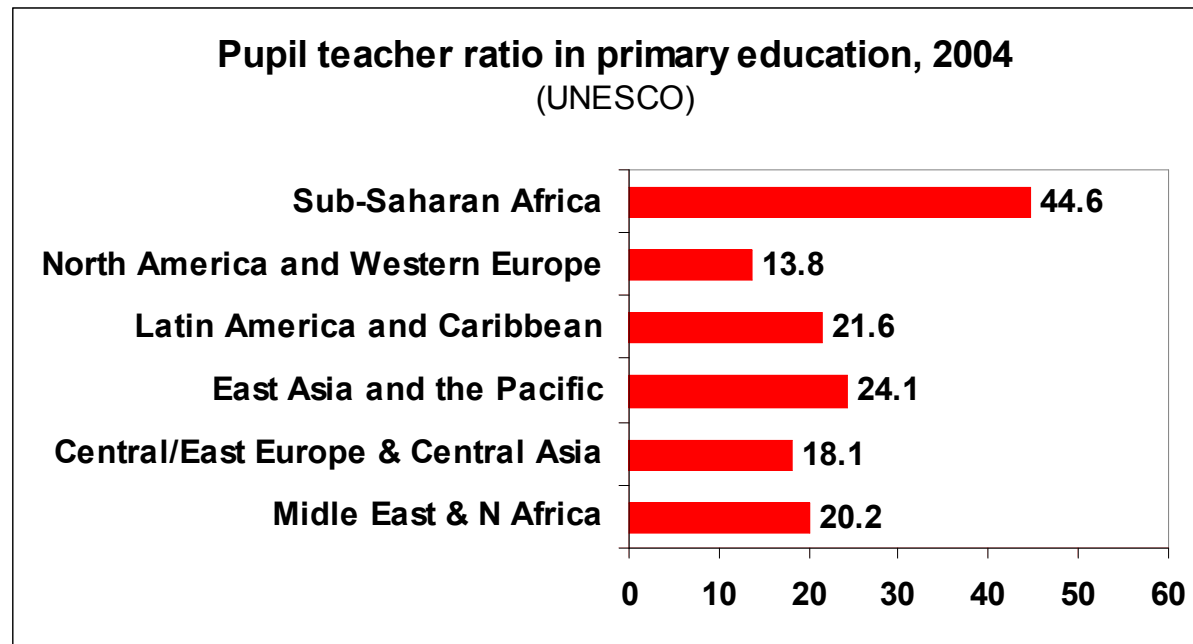


Implications

- Need for universal approaches.
- 2 main options:
 - National health insurance – Ghana model – but can poor afford premiums?
 - Public provision of free essential health services
- Ghana is combining the 2 approaches:
 - NHIS plus free health services for all children (<18) and expectant mothers
- More limited fee abolition in some other countries.

3. Supply side deficits in basic social services

- Rationale for CCTs in Latin America: address demand-side constraints on access to basic social services
- But in SSA there are still huge supply deficits: e.g. primary pupil-teacher ratio is twice as high as in Latin America



Implications

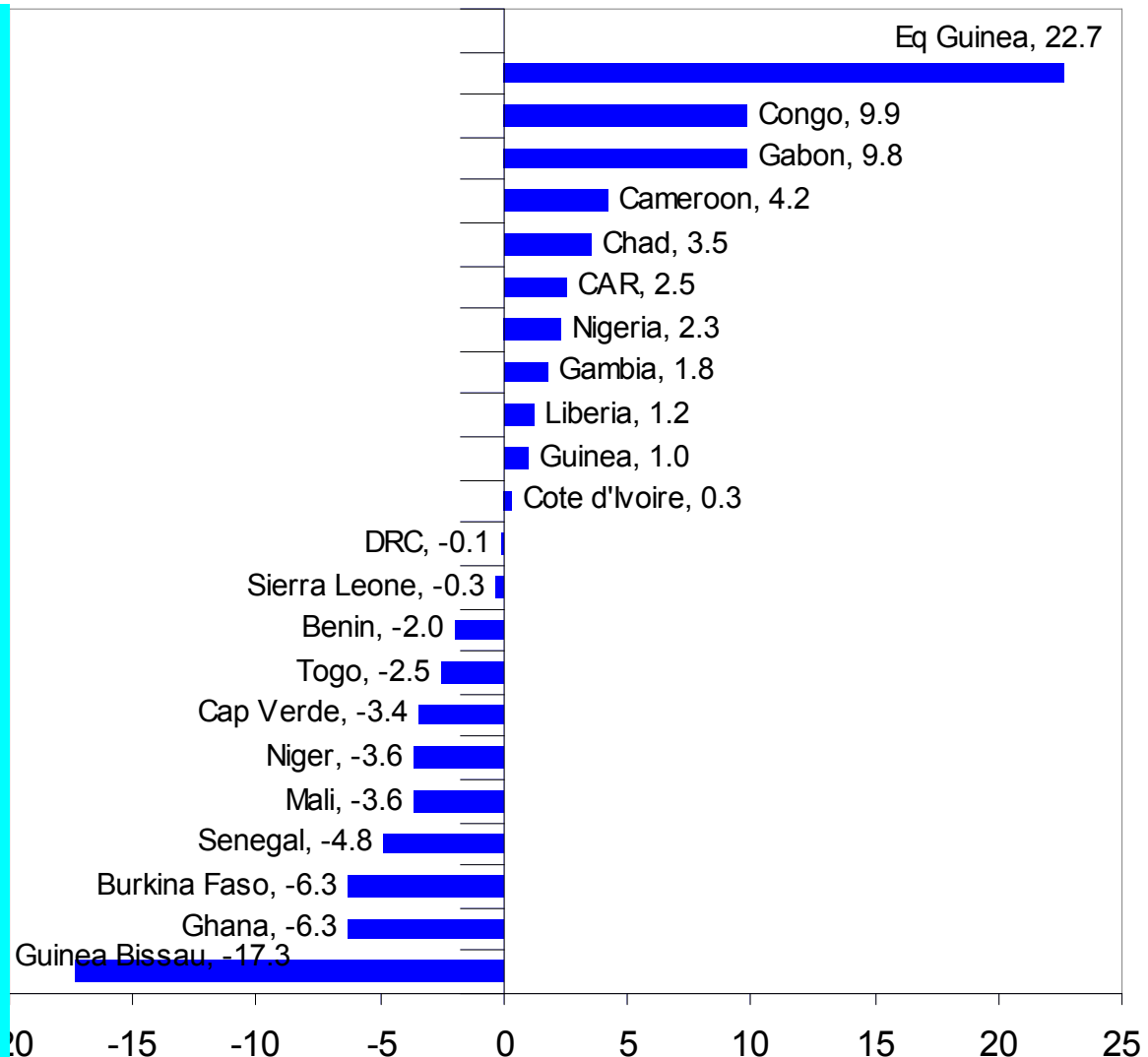
- Conditionality in cash transfers makes no sense – and risks excluding the most marginalized
- Governments face trade-offs between priorities (within hard budget constraint):
 - e.g. invest in availability & quality of primary education? Or invest in social transfers to overcome demand side barriers?

4. Fiscal space

- Arbitrary to specify a benchmark percentage of GDP for social protection spending.
- GDP and fiscal space vary enormously between countries, even within WCA.
- A world of difference between:
 - Handful of oil producers with massive fiscal surpluses
 - Majority of low income countries with persistent deficits despite debt relief.
- Governments face hard choices between social sectors, infrastructure, agriculture, etc

Figure 5: Overall fiscal balance, incl grants (% of GDP), 2007

- Universal benefits (e.g. child grants & social pensions) in oil states?
- An income redistribution mechanism, not just 'poverty reduction'?
- A word of caution: future sustainability?



5. Governance and administrative capacity

- Out of 24 countries in WCA, 14 are 'fragile states' (World Bank)
- Low administrative capacity – especially in Ministries of Social Affairs
- Fragmentation and weak coordination
- Low budgets and weak staffing (social workers, managers)
- Corruption: Transparency Perceptions Index: All but 4 WCA countries are in the bottom 80 out of 180.

Implications

- Minimize the administrative burden of programmes by avoiding complex targeting processes or monitoring of conditionality
- Where affordable, universal approaches are more practical and less prone to corruption
- Give high priority to capacity building of the responsible government bodies

6. Complementary role of transfers & social welfare services

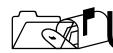
1. Need for an integrated approach to social protection:
 - Dimensions of child vulnerability are many: economic & social
 - Different types of intervention are needed: services and legislation as well as transfers and insurance
2. Specialized social welfare services are needed to reach children who are particularly vulnerability:
 - Problems of abuse, exploitation and discrimination
 - Children without parental care

The risks of an exclusive focus on cash transfers

1. 'Crowding out' of social welfare services
 - a real risk in Ghana's Department of Social Welfare due to the HR requirements of LEAP
2. Transfers may not reach the poorest & most vulnerable children without complementary services: example of South Africa
3. Unintended adverse effects: taking children into care for financial gain?

Strengthen social welfare services alongside cash transfers...

...in order to exploit the opportunities for complementarity and synergy:



Use SWS to ensure that cash transfers:

- reach the poorest and most vulnerable children
- enhance child protection outcomes
- avoid negative impacts on some children



Use an integrated approach:

- Prevent 'crowding out' of social welfare services
- Develop comprehensive national social protection strategies
- Apply an integrated, holistic approach to capacity building