Building a social protection floor in Mozambique

Mozambique is a low-income country with high levels of poverty, informal and rural labour. Seriously affected by HIV and AIDS and exposed to climatic shocks and crises such as floods and droughts, the country's institutions only have a limited capacity to deal with such shocks and offer social protection for the poor and vulnerable population. To address these challenges, an ILO technical cooperation project financed by Portugal works, together with other UN Agencies, to improve public policies and strengthen institutional capacity for the extension of social protection in Mozambique and other Portuguese-speaking African countries.

10/10/2011

FTR/arm_mozambique

MATOLA, Mozambique (ILO Online) – Angelina Joaquim Mate lives in the city of Matola, located in a rural area in the south of Mozambique.

Angelina shares a small room with her eight-year-old great-grandson Alberto. "I am living with my great-grandson because his parents are working in South Africa", she explains. `

When asked about how she makes a living, she says, "I was living on charity from friends and neighbours. Then I learned about the PSA (a cash transfer programme) from these neighbours who were already receiving benefits".

Angelina went to see the official, told him about her situation, and filled out a form. A few days later the official came to her house to examine her situation and send the documents to the programme administration.

With the money from the cash transfer programme, she buys maize to turn it into flour at home and sell it at a stand in front of her house.

"Increasing public investment in social protection will strongly reduce the large proportion of the poor and vulnerable people like Angelina in the country" explains Philippe Marcadent, head of the ILO STEP ("Strategies and Tools against Social Exclusion and Poverty") Portugal programme.

"Cash transfer programmes, such as the PSA, are important instruments for building social protection floors in low-income countries with high levels of poverty, informal and rural employment such as Mozambique", Mr. Marcadent continues, adding that "extending social protection to the vulnerable is key to reducing poverty."

Social ground floor is possible

When asked whether the extension of social protection and the build-up of a social protection floor are possible, Mr. Marcadent refers to the concrete experience of more than 35 developing countries around the world, that have been able to extend significantly the coverage of their social security system during the last decade. With regard to affordability, ILO costing studies on seven sub-Saharan African countries and five Asian countries show that the initial gross annual cost of the overall social protection floor package (excluding access to basic health care that is already financed to some extent) is projected to be limited to 2.2–5.7 per cent of GDP.

According to the ILO expert, only around 10 per cent of Africa's labour force, principally those in the formal economy, are covered by social security schemes. "Extending social protection is therefore a priority, both to give effect to the universal human right to social security and to ensure good health, nutrition and education, which constitute conditions for a transition from low productivity activities to highly productive decent employment ", he says.

In May 2008, the Mozambican Minister of Social Affairs addressed a request to the ILO for assistance in designing a Social Protection Floor. The Floor is a UN initiative, led by the ILO and WHO, that pursues a normative approach to social protection, including a basic set of essential social rights and transfers, in cash and in kind, to provide a minimum income and access to essential goods and services.

Recognizing the strategic importance and necessity of ensuring universal social protection, the United Nations System’s Chief Executives Board adopted in April 2009 the Global Initiative for a Universal Social Protection Floor as one of nine initiatives in response to the global economic and financial crisis.

The ILO responded through the STEP project, a technical cooperation project funded by Portugal that works to improve public policies and strengthen institutional capacity for the extension of social protection in Portuguese-speaking African countries.

STEP contributes to the implementation of a Mozambican Social Protection Floor, mainly by strengthening the capacity of national public institutions responsible for elaborating and implementing social protection policies and for coordinating the assistance provided by international development partners in this field.

Project activities include supporting the implementation of the National Strategy for Basic Social Security and the design of associated new programmes, notably productive social assistance programmes and regular cash transfers to vulnerable groups. The project also aims at strengthening capacities in the delivery of social protection benefits, stronger coordination among external partners, increasing the profile of social protection in national development frameworks and promoting higher investment of fiscal resources in social protection.

Coordinating intervention with development partners

STEP has taken a prominent role in the coordination of intervention from various development partners involved in social protection in Mozambique. This includes participation in the group to support the Food Subsidy Programme comprised of the Ministry of Women and Social Action in Mozambique, the National Institute of Social Action, UNICEF, the British development agency DFID and the Embassy of the Netherlands and the PRSP (Poverty Reduction Strategy Papers) Partners Social Action Working Group.

In terms of the extension of basic social security, Mozambique has experienced a gradual increase in the coverage of the Food Subsidy Programme, although this coverage is still insufficient when compared to the needs of the country. It is estimated that the number of beneficiaries of this programme had increased from 170,000 people in 2009 to 217,000 people in 2010 (63 per cent women and 37 per cent men). The Government expects coverage to reach 252,000 people by the end of 2011.

“The experience of Mozambique has been identified as one of the most innovative social protection floor experiences. It has evoked considerable interest from other international development actors present in Mozambique. As an example, the World Bank has invited the ILO project to share its experiences and lessons with international partners involved in a similar process in Angola", concludes Charles Dan, ILO Regional Director for Africa.