



Social Protection Floor in Cape Verde

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Cape Verde has experienced remarkable economic progress over the last decade allowing the country to graduate in 2008 from Least Developed country in the United Nations' scale to the Middle-income status. Cape Verde has also made substantial progress at the social level, with the poverty rate decreasing from 36.7 per cent in 2001 to 26.6 per cent in 2007. Cape Verde has a strategic framework for growth and poverty reduction which asserts the objective of universalization of social protection. The implementation of its National Strategy for Social Protection has helped achieve significant transformations in recent years: extension of social security coverage on pensions and health, increased amount of benefits, extension of social insurance to several categories of workers excluded, and improved efficiency of contributory and non-contributory sub-systems. The main programs which can be considered as components of the social protection floor in Cape Verde are briefly described below. They mainly focus on income security for the elderly and children as well as access to education and essential health care.

In 2006, Cape Verde established a social pension through the merging of two non-contributory pension schemes. It is a means-tested scheme, managed by the National Centre of Social Pensions (CNPS), directed at the elderly (60 years of age or older) and the disabled. The amount of benefits has been regularly revalued and reaches 5000 escudos per month (about US\$65), a high figure in the African context. The cost of the scheme is estimated to be around 0.4 per cent of GDP. The pension currently covers more than 90 per cent of the target population (23.000 recipients). There is also a contributory pension which current number of recipients is four to five times inferior to the recipients of the non-contributory pension. The contributory pension is part of the social insurance scheme managed by the National Social Security Institute (INPS).

Cape Verde spends 22 per cent of public spending on education. In addition to providing adequate services, the country's success in education is at least partly due to its school canteen programmes. A scholarship programme as well as a social assistance programme to support orphans also exists. Another recent measure aimed at improving income security for vulnerable children is the social pension for children from poor families with a disability or an incapacitating chronic disease.

Cape Verde has higher health indicators than most countries in the sub-region. In 2005, total spending on health care reached 5.6 per cent of GDP while public spending on health care was 13.2 per cent of the total public spending. The health care system in Cape Verde is composed of two main sub-systems: a Social Health Insurance covering 24 per cent of the total population and a Public Health system. The insurance is typically financed through contributions from employers and workers. The public health system is mainly financed through taxes. A cost-recovery policy was established. Poor people are exempted from co-payments or benefit from reduced co-payments through a voucher system. Cape Verde has started to extend social insurance to various groups of workers from the informal economy: independent workers, domestic workers and workers in small and micro-enterprises.

Cape Verde has achieved significant economic and social progress over the past two decades. By giving social protection a high priority, the country has demonstrated that it is possible to effectively combine growth with equity. Cape Verde is currently probably one of the countries in Sub-Saharan Africa most advanced in setting up a social protection floor. However, much remains to be done to improve the efficiency and integration of social protection mechanisms and to further expand coverage.

