SOCIAL PROTECTION CHALLENGES IN Southern Africa

by VIVIENE TAYLOR

In southern Africa, social protection should go beyond the classic approach of a residual safety net and deal with such deeper and broader issues as income poverty, food security, inequality and social exclusion, and capacity building for poor people. However, at present, coverage of the poorest members of society tends to be limited to small-scale interventions that respond to symptomatic rather than structural problems. This overview of existing national systems in the region examines what types of coverage, through what channels, are provided for what portions of the population, and identifies gaps and weaknesses. The author, Viviene Taylor, is a professor at the University of Cape Town, South Africa.

INTRODUCTION: THE REGIONAL CONTEXT

Central to the challenges of social protection are the issues, characteristics and features of this phase of economic globalization and its impacts on national and regional environments. It is precisely the differentiated and uneven impacts of economic globalization for countries in sub-Saharan Africa that create an environment of insecurity, characterized by continuing and deepening poverty, social exclusion and alienation and growing inequality. As acknowledged by the United Nations Development Programme,

> *"Globalization is not new, but the present era has distinctive features. Shrinking space, shrinking time and disappearing borders are linking people's lives more deeply, more intensely, more immediately than ever before."* (UNDP, 1999)

These features together with the recurrent crises in the region, as well as the HIV/AIDS pandemic, have had a devastating impact on southern African countries. Economic interdependence has generated more opportunities for some countries and created greater risks and vulnerabilities for others. It is these risks and vulnerabilities that are evident when one examines the human development status in the region.

Table 1 analyzes the regions' human development and socioeconomic indicators. These indicators must be seen in the context of worsening terms of international trade, limited foreign direct investment flows and declining financial resources. For many countries in the region the impacts of economic structural adjustment with debt servicing and low levels of economic growth have had negative impacts on governments' capacity to deliver on social development.

The socioeconomic trends highlight the challenges facing the region. There is mass poverty, and it is one of the poorest regions in the world. Its combined growth rate has been consistently low. There is long-term structural unemployment and underemployment, and a growing trend towards informal and casual work. Also evident is the feminization of poverty and the resource depletion in rural areas which makes it impossible to provide secure livelihoods and food for households because of vulnerability to droughts, flood and HIV/AIDS. Current labour and social protection standards and regulations are inadequate, and the challenges of social protection are many. Member States of the Southern African Development Community (SADC) are increasingly aware of the need to address these issues, which form part of the regional integration agenda of SADC. The state, the private sector, and communities and households have central roles in achieving the needed balance of economic growth with equity and social justice.

The reality for many countries in the region, however, is that social services are being cut back, and that food security and social assistance are compromised, as national budgets fall prey to competing priorities, in particular debt servicing.

Recent disasters in southern Africa, including floods in Mozambique and elsewhere, have produced economic and social devastation. Clearly, there is a need to anticipate, prevent and offset the consequences of such shocks through disaster preparedness and effective social policy arrangements at national and regional levels supported by appropriate international aid.

The capacity of governments to manage the process of economic liberalization as a key element of this phase of globalization is increasingly constrained by a number of factors. Not the least among these is the absence of effective social policy arrangements, particularly those of social security, to deal with structural or systemic social problems as well as the needs of those at risk and vulnerable because of poverty.

Table 1—COMPARISON OF HDI ESTIMATES OF SOUTHERN AFRICAN COUNTRIES[h]

Countries	Life expectancy at birth (years)	Adult literacy rate %	Real GDP per capita (PPP$)	Life expectancy Index	Education index	GDP index	(HDI) value
Botswana	47.4	74.4	7,690	0.37	0.73	0.72	0.609
Lesotho	56.0	82.3	1,860	0.52	0.74	0.49	0.582
Malawi	39.3	57.7	710	0.24	0.63	0.33	0.399
Mozambique	45.2	40.5	740	0.34	0.35	0.33	0.341
Namibia	52.4	79.8	5,010	0.46	0.81	0.65	0.638
South Africa	54.7	84.0	7,380	0.50	0.87	0.72	0.695
South Africa*	54.7	81*	3,056[r]	0.50	0.81*	0.58	0.628*
Swaziland	60.2	77.5	3,350	0.59	0.76	0.59	0.644
Zambia	40.1	75.1	960	0.25	0.67	0.38	0.431
Zimbabwe	44.1	90.9	2,350	0.32	0.83	0.53	0.560

* *Adjusted — estimates based on the 1996 census.*

[r] *Based on data obtained from the Reserve Bank of South Africa.*

[h] *From the* Human Development Report, *1999.*

The financing of social security provision is also influenced by such demographic features as decreases in life expectancy (see table 1), among the highest infection rates and incidence of HIV/AIDS, and high fertility and population growth rates in the region. These factors affect many kinds of benefits — pensions for old age, invalidity and survivors, benefits for sickness and medical care, and unemployment coverage. Increases in the population dependency ratio together with unemployment and low levels of labour absorption in the formal sector make inclusion in conventional social insurance measures extremely unlikely.

RECONCEPTUALIZING SOCIAL SECURITY IN THE REGION

Historically southern Africa, with the exception of some countries such as South Africa, has had limited social insurance and social assistance measures. Social insurance coverage (employer-employee contributions for health, retirement and work-related contingencies) as a mandatory contributory system of one kind or another in the region has remained rudimentary. Some countries have put in place “provident fund” arrangements as a first stage towards social insurance (ISSA, 2000). Also uneven in the region is social assistance (publicly funded arrangements which include social services and income transfers) which provides basic minimum protection to the population as a whole, or subject to qualifying criteria, for those who are at risk and vulnerable because of poverty and unemployment.

Conventionally both social insurance and social assistance constitute social security. Generally "social security" falls within the public domain, has national application, and is usually uniformly regulated by governments. Government, employers and employees contribute to it in varying proportions. In developed countries, a central feature in earlier decades was the alleviation of poverty in old age, with a gradual shift towards income replacement and universal coverage for all the aged. However, this is not the case in southern African countries, where poverty is pervasive in large sectors in the region (Van der Walt, 1999).

Developing countries are unable to provide social insurance coverage in similar ways to industrialized countries, especially given the effects of globalization and the growth in the informal sectors and atypical work. With low or negative economic growth and high fiscal deficits, countries in the region are unable to provide the significant social assistance which is required. Social assistance as provided through governments is traditionally seen as social consumption rather than social investment that generates development.

The International Labour Organisation (ILO) and the European Union (EU) define social security as schemes that compensate for the financial consequences of a number of social risks or social contingencies (Berghman, 1997). Internationally, debate about the reform of social security has been driven by such considerations as economic and demographic changes, ineffective pension institutions and the desire to provide more effective social protection. Many countries recognize that changes in the national, regional and global contexts have to lead to changes in social security philosophy, especially on the "individual versus collective" level (ISSA, 1998).

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In Africa, the debates tend to emphasize the privatization of social security schemes, the relevance of and adoption of the World Bank approach and the influence of structural adjustment programmes (Humba, 1999). There are also issues relating to the efficiency, management and governance of social security, as well as the need to extend cover to the informal sector. Unique challenges for social security and social policy arise because, it is argued, Africa has been marginalized and excluded from the benefits of economic globalization.

The problem with these debates, as outlined by Berghman (1997), is that little or no reference is made to poverty, inequality or social exclusion, the emphasis is put on the consequences of a particular set of social contingencies, and social security is defined with a social insurance bias. For such reasons, recent trends indicate a movement away from social security within a residual safety net approach to one that is internationally called "social protection." Social protection allows for a more comprehensive response to income poverty, capability poverty (dealing with health, education and other areas of deprivation), asset generation (particularly social capital, household assets, land and credit), as well as standard policy interventions dealing with contingencies and risks. Significantly, social protection could also include developmental programmes that are responsive to poverty, social exclusion and meeting basic needs.

Social security is moving away from a residual safety net approach to social protection — a more comprehensive response to income poverty, capability poverty, social exclusion, asset generation and meeting basic needs, as well as standard contingencies and risks.

Promoting a social protection approach within the southern Africa region requires certain preconditions within the public and private environments. Key among these are the following four: 1) An interface between social insurance type arrangements and publicly provided social assistance should be in place; 2) A regulatory framework is needed which integrates public and private benefits and provides a continuous range of instruments for all, including those who are categorized as atypical workers; 3) Traditional social supports that are provided through households, neighbourhoods and communities need to be examined to determine the extent to which these remain in place and are able to operate in the context of economic globalization; 4) Assumptions made about the survival systems of poor households given the multiple impacts of HIV/AIDS and chronic shocks alongside increasing marginalization and social exclusion must also be interrogated.

VALUES AND PRINCIPLES OF SOCIAL PROTECTION

For the southern African region, issues of central importance include the need for consensus on the fundamental values and principles that should underpin social protection reforms. Critical questions include: what are considered acceptable levels of provision and cover, and how can access be provided to the excluded majority? Linked to the values and principles that generally form the basis of social protection, countries in the region, because of their political, economic, social and cultural history and related factors, are influenced by four imperatives. These are the democratic, equity, efficiency, and moral imperatives.

Democratic governance and participation in countries in the region has major relevance for the establishment of appropriate and responsive systems of social protection. The links between democracy, human rights, satisfaction of basic needs and social protection are determined by complex considerations. Central to this is how decisions are made about who gets what benefits and under what conditions.

Issues of equity and distribution of goods and services tend to be relegated to what is affordable, rather than how specific social policy interventions aimed at equity can promote human development and contribute to sustainable economic development. Economic efficiency and institutional capacity to deliver social protection are important considerations, but the challenge in sub-Saharan Africa is not to view them as a trade-off with equity and issues of distribution. Key to the debates and concerns with efficiency and institutional capacity is the type of private-public mix of policy options that would promote the most effective range of benefits to the broadest number of people.

Other principles and values whose relevance requires discussion in the region are social solidarity and social cohesion. What does the notion of social solidarity mean in the context of intergenerational poverty, long-term unemployment and jobless growth, and limited possibilities of cross-subsidization across the public-private sectors, given shrinking revenue bases and ineffective tax regimes. In any national context, however, social protection interventions cover a broad range of

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potential policy instruments requiring careful examination of financing options, tax incentives and the dedication or earmarking of specific revenue. The principles underlying the options must cohere with effective achievement of the policy under consideration.

The principles of consumer protection, legitimacy of the social protection environments, as well as those of reducing poverty and social inequality, pose continuing challenges in the context of globalization.

Yet, vexing problems are posed by the need to ensure financial and institutional sustainability in the context of economic uncertainty and social fragmentation. Risk pooling, managing and reducing vulnerability becomes difficult when government is the largest employer, as in many African countries, and when debt servicing constitutes more than 40 per cent of the national budget.

REGIONAL RESPONSES TO SOCIAL PROTECTION IMPERATIVES

Despite the many challenges, a Social Charter of Fundamental Rights in the SADC has been drafted and will be negotiated (SADC, 2000). The Charter refers to the SADC Treaty, and some of its main objectives provide a basis for social protection. Notable in this is the objective to achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the peoples of southern Africa and support the socially disadvantaged through SADC regional integration.

Such an objective can only be reached by developing viable social protection measures and structures throughout the region. Regional collaboration is essential to achieve consensus on the principles and values that inform measures to support worker mobility, rights and conditions across countries. While the unrestricted movement of people across national borders increases, there is a definite need to ensure they have access to basic health care, social services, and other provisions if they are in poverty or at risk of falling into deeper poverty due to shocks or contingencies. Work on designing a floor of minimum social protection measures must include governmental as well as nongovernmental and private sector stakeholders. The question is whether regional collaboration to define and agree on issues of social protection can succeed when at the national level the policy interventions and program measures for social protection are very limited and uneven.

STATUS OF NATIONAL MEASURES FOR SOCIAL PROTECTION

In order to deal with the issues and gaps in existing institutional arrangements, it is necessary to have an overview of the status of social protection measures in countries of the southern Africa region. The following section draws on information in a recent research paper (van Rensburg, 2001). Little or no information is available for social protection in Angola, Mozambique and the Democratic Republic of Congo.

Botswana

Social security in Botswana is relatively undeveloped, and emphasis has been placed on meeting basic needs by providing adequate social service infrastructure. While the share of urban population grew from 18 percent in 1981 to 46 percent in 1991, the majority of people continue to live, work and grow old in rural settings and rely heavily on the extended family to care for those in need. HIV/AIDS has a drastic impact and has severely strained the public health sector.

Less than half the formal sector workers receive old age or disability pensions, and even fewer receive benefits for surviving family members. The government recently established an old age pension for everyone aged 65 and up. Previously, old-age benefits were limited to employees in the public sector and a few private companies with occupational pension schemes. Public sector pensions cover central and local government employees whose service is so-called "permanent and pensionable". The government pension scheme is set at 1.67 percent of final earnings for each year of pensionable service, payable as early as the age of 45, but compulsory at 60.

Kenya

Old age, disability and survivor benefits are provided under a provident fund system, with benefits paid only in lump sums. Only employed persons are covered, and casual workers are excluded. For public employees a special pension system exists. Protection for sickness and maternity is governed by legislation passed in 1966. The programme entails a social insurance system for hospital benefits only.

Lesotho

Without an adequate national social security scheme, Lesotho has sought to arrange for its former migrant workers in South Africa to receive South African old-age and disability pensions since during their active years they contributed to South Africa's revenue base through income and value-added sales tax. Long-term migrant workers with permanent residence in South Africa have benefitted from its social assistance. Lesotho has also made use of South African workers' compensation for occupational injuries and diseases, including migrant Basotho workers who were injured in South African mines and have returned home. Lesotho is also now designing its own social security scheme to cover old age, invalidity, death and maternity.

Malawi

Historically the government has provided only a few social services for its citizens. A special system of social protection benefits public employees only. Sickness and maternity benefits are also very restricted; some medical services are available free to the population in government health centres and hospitals. The Workers' Compensation Scheme for victims of employment injury makes employers liable for paying compensation to injured workers.

Poverty alleviation remains the central focus of the government's development programmes. Malawi has been chronically food insecure for the past 3-5 years; most households are unable to produce enough food to meet their subsistence requirements due to the effects of drought, floods and other factors in some areas. A Safety Net Intervention has been initiated to provide relief to vulnerable households and assist people to move out of poverty; it focuses on food security and combines government and donor involvement.

Mauritius

The social security scheme has generally succeeded under different adjustment programmes. Employment has increased, and per capita income has improved drastically. The government has continued to offer free education and health services and even subsidized food to the population. Other provisions include old-age, disability and death benefits through a universal social insurance system. The pension system benefits all residents. Earnings-related pensions accrue to all employees. Means-tested benefits are provided to heads of household under age 60 after a period of 30 days of registered unemployment. Poor families with three or more children are also entitled to certain family allowances as part of the social assistance system.

Namibia

The 1994 and 1998 social security legislation provides for payment to employees of maternity and sick leave and benefits for work injury, death, invalidity, funeral and survivors. It also set up a National Pension Fund with contributory arrangements. Regular employees as well as domestic and casual workers contribute toward social security, except for workers under 16 and over 65 years and the self-employed. Employment injury benefits are financed entirely by employers. Retirement benefits are payable to workers 60 and over who have worked and contributed to social security for at least 15 years, and are retired or have only minimal earnings. The 1998 Act also authorized a medical aid scheme which has not yet been developed and a Development Fund to create jobs for socioeconomically disadvantaged individuals and provide loans for higher education.

The Ministries of Labour and Health and Social Services have formulated a National Code on HIV/AIDS and Employment.

Seychelles

The 1987 Social Security Act covers old-age, disability and death benefits for employees, the self-employed and the unemployed. The pension scheme includes all full-time workers (with 25 or more working hours per week), with an option for part-time workers and the unemployed to join voluntarily. There is also a survivor pension. Sickness and maternity benefits are extended to employed and self-employed persons, with no minimum qualifying period.

Swaziland

Social security measures are still in the formative stages. The Swaziland National Provident Fund was set up in 1974 as a savings scheme to provide benefits for employed persons who retire in old age or disability. All employers in the private, agricultural and industrial sector are obliged to contribute to the fund, with employees contributing half the total amount. Public service employees with more than 10 years of service are eligible for pensions. Other measures in place include private pension plans; private life insurance schemes; means-tested targeted relief to needy people, young and old, provided by the Ministry of Health and Social Welfare; and social welfare services to people with disabilities and other special needs, typically provided with the assistance of voluntary welfare organizations. Workmen's compensation, introduced in 1983, is based on employer liability for compensation in the event of injury, occupational-related disease, permanent disablement, temporary total or partial incapacity, and death.

Tanzania

With an economy largely based on agriculture, social insurance arrangements are limited. A provident fund covers old age, disability and survivors, providing lump-sum benefits; it extends to all employed persons in the public and private sectors, except domestic employees. For sickness and maternity, subsidized medical care is available in government clinics and hospitals.

Employers must pay the whole cost of private insurance to compensate all employees for work injuries. Temporary disability is compensated for up to 96 months at 50 percent of total earnings. For total disability, a lump sum of 54 months' earnings is payable up to a maximum. A proportionate percentage is paid for partial disability. Dependants of a deceased worker are entitled to a lump sum of 41 months' earnings, less any disability benefits paid.

The statutory social security scheme in Tanzania includes five elements: 1) A Government Pension Scheme covering civil servants which is noncontributory and funded from the Treasury; 2) A Local Authority Provident Fund for employees from District, Town, Municipal and City Councils, which receives both employer and employee contributions; 3) A Parastatal Pensions Fund covers all employees in the parastatal sector, which is contributory; 4) A National Social Security Fund, established in 1997, is the largest social security fund. It mainly covers private parastatal sector employees who do not fall under any other schemes; and 5) The National Insurance Corporation occupational and endowment scheme provides cover for individual schemes.

Private social security arrangements are of three types. Rotating Savings and Credit groups are mainly in urban communities, and have rudimentary structures based on mutual agreements. Saving Cooperatives are based on members' contributions and lend money to members for contingencies, like children's tuition and care. Social security schemes established by NGOs and self-help co-operatives provide benefits to a small part of the population.

Tanzania has a national AIDS Control Programme, coordinated by the Health Ministry, which requires workers to set up AIDS Committees to promote workplace intervention.

Zambia

The Zambian economy is dominated by the mining sector, which accounts for over 90 percent of export earnings and the greatest part of government revenue. A recent comprehensive economic reform involves privatization of various state enterprises and economic liberalization. These measures have significantly changed production processes, with downsizing and retrenchments leading to unemployment.

Since 1966 the Zambia National Provident Fund has been the largest scheme for old-age protection, covering about 270,000 employees in the private and parastatal sectors, including agricultural workers, domestic servants in urban areas, and apprentices. Casual workers, the self-employed and workers in cooperatives are excluded. Insured persons contribute 3.5 percent of earnings, and employers contribute 3.5 percent of their payroll. Retirement benefits can begin at the age of 50. The provident fund also pays maternity benefits to employed women.

Disability payments are made in cases of permanent physical or mental incapacity for any work. A survivor benefit is also payable in case of the death of an insured worker. Old-age benefits equal the total of the employee's and employer's contributions plus accrued interest, and may be paid in a lump sum, as an annuity or in instalments, at the member's option.

The Zambian Compensation Fund protects in case of work injury to all private and public sector employees except permanent civil servants, teachers, police and the armed forces. Casual workers are covered by workers' compensation only if hired to do work in the employer's trade or business. Employers are responsible for the whole cost through fixed annual contributions.

Social protection in inadequate for such contingencies as retrenchments/ redundancies, disabilities, retirement and unemployment, and for informal sector employment.

To improve social security delivery, the government has transformed the Zambia National Provident Fund (ZNPF) into a National Pension Scheme Authority (NAPSA); plans to merge the Pneumoconiosis Compensation Board and the Workers' Compensation Fund Control Board; and created private pension schemes for people in specific industries, such as mines and insurance companies, to operate side by side with compulsory social security schemes.

The government also has a National Poverty Reduction Plan aimed at reducing the share of the population living in poverty to 50 percent by 2004 through rural development, increased infrastructure investment, human resource development and targeted antipoverty programmes.

Zimbabwe

Zimbabwe does not have a comprehensive social security system, but rather a number of fragmented schemes under separate laws for workers compensation, the Pension and Provident Fund, state service disability benefits, welfare assistance, and war victims compensation.

TRANSFORMATION OF SOUTH AFRICA'S SOCIAL SECURITY SYSTEM

South Africa, relative to other countries in the region, has an established social security system. It includes both social insurance and social assistance covering typical risks, vulnerabilities and contingencies of certain sectors of the population. However, given the historic exclusion of the black majority from socioeconomic activity, the current system is inadequate. High levels of protection go to high-income earners who in the main are white. The democratically elected government of 1994 has introduced wide-ranging social policy reforms and initiatives, including a focus on basic needs, human resource development, and transforming the state sector.

A Committee of Enquiry into Comprehensive Social Security began its work in May 2000, and some of its initial findings are reflected below. South Africa has for some time been operating without an explicit concept and policy framework for social security, and the policy and institutional framework cannot cope with the new demands placed on it.

First, there are significant gaps and structural flaws in the current system. For example, the child-support grant covers children up to age seven; the disabled are not adequately serviced; there is no effective safety net for poor and unemployed people. Existing coverage is fragmented and the private and public sectors do not offer comprehensive protection. Although many privately offered protections for health care, retirement, and death and disability exist, protection does not conform to any minimum standard and is in many instances subject to discretionary decisions by employers and insurance companies.

Second, many instruments of social protection were originally designed under a different constitution, aiming at protection of white citizens and workers. What are the implications of the new constitution in terms of coverage as well as affordability?

Third, the role of the private sector in social protection needs study. There are problems of uncertain protection, very costly coverage, inefficient risk-sharing opportunities, abusive treatment and poor advice to consumers, and weak response to the needs of low-income and informal sector workers and their families — more than 10 to 15 million people.

Fourth, another largely unaddressed issue is the impact of AIDS on the labour force, medical costs, the number of orphans, disability, retirement funds, and the discriminatory practices of some medical schemes.

There is little social security value in an environment where protections are subject to unilateral abdication without reference to wider social considerations. This does not imply that private provision should not exist, but rather that its role be clarified and integrated into a consistent overall social security framework.

The problems with South Africa's social security system run deep (Naidoo, 1999). No explicit view of the concept of social security exists at present. Constitutional, legal, institutional and administrative coherence is lacking across government in social security provision. There are problems in the tax structure both for funding public benefits and for encouraging private schemes via tax incentives. There are difficulties in the national-provincial division of revenue and priorities for the allocation of resources for social grants, and the capacity of provinces to manage the existing system is inadequate. In both government and private schemes, liaison and interaction with the served public is not well handled.

The limited nature of publicly provided benefits means that social security costs are in most instances passed on to employers. An unfortunate consequence is increased nonwage costs for the economy. This perceived cost acts as a disincentive for direct employment of regular workers. Increased indirect employment and stagnation of permanent jobs are partly the result of employers trying to avoid these costs.

The growth of employer-linked benefits necessarily excludes a significant share of the population — the unemployed, informally employed and many temporary workers. This forces nonwage costs to be higher still, since workers require higher wages to support many unemployed dependant persons (with no benefits) in their households.

Private-provision-to-some contributes to escalating costs of services. South Africa spends around 9 percent of GDP on health, while the World Health Organization regards 5 percent of GDP as sufficient. These high expenditures arise because two-thirds of health spending goes towards the private health sector, which serves only 20 percent of the population. Reduced public provision has effectively driven up overall health costs and the cost of employment; medical scheme costs are up by over 450 percent per capita in real terms since 1982. Profit-driven provision is accompanied by a removal of many cross-subsidies to those unable to afford services within the monetized portion of the economy.

According to recent studies, 45 per cent of the population live below the poverty line. The majority of the poor live in the rural areas, are women and children, and have little or no means of accessing basic social services. Demands on social services are increasing, given long-term structural unemployment, increasing job losses, lack of job creation at the lower skill levels and increasing informal and atypical work. Because of the way the social security system is currently structured, most of those who are excluded and marginalized happen to be poor, the ultra poor, and the historically disadvantaged. These realities increase pressure on the existing formal social security mechanisms in the country, as well as on existing informal support and survival strategies in poor communities.

The issue of social security in South Africa has gained new momentum since the new Constitution. It grants everyone the right of access to social security, as well as to appropriate social assistance when they are unable to support themselves and their dependants. The Constitution compels government to take "reasonable legislative and other measures within its available resources, to achieve the progressive realization" of the right to social security given in its Bill of Rights. A recent constitutional court judgement stressed the duty of government to act to ameliorate the plight of the large number of South Africans who live in deplorable conditions.

The development of a comprehensive social security system is a major priority for the government in redressing the apartheid legacy of inequity, inefficiency and mass poverty. It should deal with income poverty, asset development and food security as well as other measures — such as health care, education, capacity building — to improve poor people's capabilities to survive and develop. It would have to address the issue of what minimum package of goods, services and benefits is necessary for the participation and advancement of the majority, which has been excluded from mainstream society.

Objectives

A number of far-reaching basic objectives are considered essential in the reform of social security. The objectives would include:

- Prevention of very low standards of living
- Protection against significant negative changes in living standards
- Protection for those who suffer from chronic deprivation
- Protection for those who face temporary adversity
- Protection for those who face social exclusion
- Action on the fundamental causes of exclusion (gender, race)
- Action on issues of reparation
- Alleviation of poverty
- Reduction of inequality.

Policy areas

The comprehensive review process currently under way in the Committee of Enquiry is examining six key policy issues:

- Redefinition and expansion of the current system of social assistance grants as a means of removing poverty and dealing with problems related to HIV/AIDS;
- The viability of a 'basic income grant', including its financial and social implications;
- Phasing of the implementation of universal cover and protection in health and retirement;
- The future place of existing social insurance funds in the social security system;
- Ways of incorporating the informal sector into a system of social security protection;
- Alternative means of dealing with

social exclusion resulting from loss of employment.

Types of provisions

The social security system would include both public schemes (government noncontributory) and private (contributory) arrangements. It would provide both social assistance — old-age pensions, child support, disability grants, foster care, etc. — and social insurance for such needs as health care and unemployment. The provisions would be designed to achieve protection for the entire population in accordance with the constitutional imperative, including both formal and informal sector workers.

Structure of the review process

Apart from the central issue of the concept of social security, the three areas relating to the legal framework, the financial framework and the institutional requirements are also under investigation, since they are of fundamental importance to policy reform. In addition, wide-ranging consultations have taken place with all the stakeholders in the public, private and community sectors through public hearings. The review is supported by significant policy research and comparative analysis with international experience.

CONCLUSION

Variations within each national context and the significant problems related to social, economic and political processes have to a large extent determined the types of social protection systems that are in place. Encouraging steps are under way in the region to develop regional protocols for social protection, as evident in appendix 1. Despite these steps, at national levels much more needs to be done. Critical challenges remain the manner in which economic liberalization programmes, political processes at national, regional and global levels and human development imperatives are able to converge in the interests of the poorest.

The negative impacts of economic structural adjustment programmes have resulted in complex problems for countries, including increasing poverty and social alienation. Inequalities are exemplified by the extent to which most of the social security schemes across southern Africa tend to focus on people who are employed in the formal sector. Coverage of the poorest members of society tends to be limited to small-scale targeted interventions that respond to symptomatic rather than structural problems.

The benefits paid by many schemes are inadequate to meet basic needs. In the case of noncontributory schemes, a heavy reliance on general tax revenues strains government financing, keeping benefits at low levels in most countries. Moreover, social welfare schemes (or noncontributory public schemes) are still in an embryonic stage.

Moreover, the relationship between the state and market in terms of social policy objectives needs to be debated within the context of globalization. At

Appendix 1—SOCIAL SECURITY SCHEMES IN SOUTHERN AFRICA: A COMPARATIVE ASSESSMENT

Type of Scheme	Contingencies	Bot	Les	Mal	Mau	Moz	Nam	RSA	Swa	Tan	Zam	Zim
Mandatory savings schemes (mainly by way of National Provident Funds)	Old age								X	X	X	
	Disability								X	X	X	
	Death								X	X	X	
Noncontributory schemes	Old age	X			X		X	X				
	Disability				X		X	X				
	Widowhood				X							
	Orphanhood/ Children				X			X				
	War veterans	X					X	X				
Social insurance	Old age				X	X				X		X
	Disability				X	X				X		X
	Survivorship/Death				X	X	X MSD	X UIF		X		X
	Sickness					X	X MSD	X UIF				
	Unemployment							X UIF				
	Maternity						X MSD	X UIF				
	Adoption							X UIF				

national and regional levels consensus has to be reached on what should constitute a minimum package of social provision to enable the poorest to participate in all spheres of society and to advance. In addition, while economic growth is essential for social development, in and of itself it does not reduce poverty or promote human development. For sustained economic development, political commitment is required to ensure that social protection mechanisms can play a mediating role between the policy objectives of equity and growth. ■

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