



REPUBLIC OF MOZAMBIQUE

Basic Social Security-Reaching the Most Vulnerable



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The National Basic Social Security Strategy 2010-2014

What is Basic Social Security?

Basic Social Security is one of the sub-systems of Social Protection in Mozambique. It consists of the implementation of initiatives that intend to mitigate the impact of vulnerabilities and risks that the poorest households face. These initiatives provide assistance to families which are unable to escape poverty by their own means. The Basic Social Security Regulations stipulates that Basic Social Security has four components: Direct Social Action, Education related Social Action, Health related Social Action and Productive Social Action.

In the context of Direct Social Action the following programmes were approved: Basic Social Subsidy Programme, the Direct Social Support Programme and the Institutional Support and Orientation and Family Reunification Programmes. Additionally, the Productive Social Action Programme has a social transfer component that is linked to participation in Public Works and a component that promotes complementary support via access to savings schemes and Income Generating Activities (micro-credit, training etc.).

Why is Basic Social Security important for the development of the country?

Social Security is a human right and a powerful tool in combating poverty. It is an important investment in the social and economic development of a country, especially by reducing food insecurity and increasing the investment families can make in education, health and productive assets. This investment contributes to improved current and future productive capacity of the household and the country.

The 2008/2009 Mozambican Household Budget Survey data show that the country continues to face the challenge of reducing consumption poverty (with a stagnation from 54.1 to 54.7% between 2002 and 2008) and reduction of inequality between the richest and the poorest households remains to be achieved. The results of the Household Budget Survey show that the impressive benefits of recent economic growth in Mozambique, in terms of macroeconomic indicators, need to guarantee a more inclusive economic growth. This will guarantee a positive impact on the productive capacity of the country as the full potential productive capacity of its citizens will be used, especially the most vulnerable groups. The reduction of inequality levels can also contribute to stability and social peace. These are essential elements to attract private investment and achieve sustainable economic growth.

Basic Social Security Programmes can play a crucial role in changing the poverty and inequality scenario by providing the poorest households the means to access and invest in education, health and productive assets. These are essential to increase the productive capacity of its members, promoting their participation and the increase in their contribution to the economic development of the country.

Why did Mozambique need Basic Social Security?

The current Poverty Reduction Strategy 2010-2014 (PARP) recognizes that Basic Social Security plays a key role in reducing the poverty rate. The Social Security Programmes that Government implemented until recently, provided an important means of assistance to the most vulnerable households. However, the benefits that are provided in these programmes need to be increased in order to have a greater impact on improvements in food consumption and permit an investment in the development of human capital and of the families.

These Programmes face the challenge to increase the impact of the transfers and the coverage of eligible households, which are primarily households living below the poverty line.

To improve the impact of the new Basic Social Security Programmes, the National Strategy has three objectives:



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1. Increase the coverage and impact of Basic Social Security interventions for the poorest and most vulnerable;
2. Increase the efficiency of the Basic Social Protection system;
3. Ensure harmonization and coordination of Basic Social Security programmes and services.

The Strategy also recognizes that a harmonized, multi-sectorial approach is needed to strengthen inter-ministerial cooperation and to address the various dimensions of vulnerability that poor households face. This will avoid gaps and duplication of interventions and is expected to produce a positive multiplier effect for poor households.

What is the international experience regarding the impact of Social Security Programmesⁱ?

A significant number of countries worldwide has adopted Basic Social Security Programmes as a strategic poverty reduction tool and experiences, in large part from the Southern Hemisphere, are overall very positive. The following experiences can be highlighted:

Ethiopia Data show that the Productive Social Safety Net Program has had a major impact as an investment in human capital: 75% of participants consumed greater quantity and quality of food in the previous year and 60% had avoided selling their productive assets to buy food.

South Africa The Child Support Grant in South Africa has reduced the poverty gap with 47% and the complete system of social transfers is estimated to have reduced the country's Gini coefficient by 3%. Anthropometric evidence of children indicate significant gains in terms of height-for-age, which, in turn, has important implications for health, education and productivity as an adult.

Brazil The evaluation of the Bolsa Familia Programme is largely favorable as the programme has helped 4.3 of the 12.5 million beneficiary families out of a situation of extreme poverty and is considered responsible for 21% of the reduction of inequality recorded in Brazil (measured for the period 2004-2006)ⁱⁱ

Other countries in the region have followed the same steps (Lesotho, Namibia, Cape Verde, Botswana, Rwanda, Kenya) with different solutions, adapted to their specific contexts.



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Are the costs of these programmes financially affordable and sustainable in the Mozambican economic context?

International experience shows that, as a general guideline, an allocation of 2% of Gross Domestic Product (GDP) to Social Security Programmes is fiscally affordable and sustainable.

In Mozambique institutions like the IMF defend that in the current macro-economic context fiscal space exists to increase the budget allocation to this type of Programmes. The positive forecasts regarding the increase in tax revenues, resulting from the expected increase in economic activity (especially with the start-up of activities in the extractive industries) can create a positive scenario in terms of financial sustainability of these measures. The Social Security Programmes that were approved by the Council of Minister will cost the Government of Mozambique approximately 0.58% of GDP in 2012 and 0.69% of GDP in 2013.

One concern that is often raised in relation to social transfers is the fear of creation of dependency. However, in countries that implement this type of programme, no negative impact has been seen on labour supply. On the contrary, the fact that the head of a household receives a social transfer has a positive impact on the participation of other household members in the labour market as they are better able to take risks and look for employment. This is the case in the Social Pension Programme in South Africa and in Brazil, where a slight increase of participation in the labour market is seen for those families that benefit from Social Protection Programmes.

What are next steps?

After approval of the general outlines of the new programmes it will be essential that the National Institute for Social Action revises procedures and the operational manuals of the programmes, in order to, in 2012, begin with the implementation of the new Programmes.

In order for the programmes to be able to attain the proposed targets it will be important to guarantee the allocation of adequate funds for their implementation, especially from the State Budget. Additionally the strengthening of the Basic Social Security System will be needed, particularly the Human Resource capacity involved in the implementation of these programmes, especially of the Ministry of Women and Social Action and the National Institute for Social Action.

Expansion and roll out of the programmes needs to be based on a solid poverty and vulnerability mapping of the country in order to reach the poorest and most marginalised households first.

The adoption of modern technologies in the implementation of the transfers, in the identification and selection of beneficiaries as well as the development of monitoring and evaluation processes will facilitate the implementation of the programmes in a more effective, efficient and transparent manner.

ⁱ DFID (2011), Cash Transfers, Evidence Paper, Policy Division

ⁱⁱ ILO, WHO (2010) Social Protection Floor Country Brief

For more information

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