



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 data of children indicate significant gains in terms of height-for-age, which, in turn, has important implications for health, education and productive capacity 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)²

Other countries in the region have followed the same path, as is the case of Lesotho, Namibia, Cape Verde, Botswana, Rwanda and Kenya, which have implemented various kinds of solutions, adapted to their specific contexts.

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 have defended that in the current macro-economic context fiscal space exists to increase the state budget allocation to this type of programme. The positive projections regarding the increase in fiscal revenue from the foreseen increase in economic activity (especially with the start of the activities of the extractive industries) can create a positive scenario in terms of financial sustainability of these programmes.

The Social Security Programmes that were approved in September 2011 by the Council of Ministers 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. To 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. This is, for example, the case in South Africa and 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 the approval of the general outlines of the new Programmes it is of crucial importance that the National Institute for Social Action starts revising the procedures and the operational programme manuals in order to be able to roll out the programmes in the beginning of 2012.

In order for the programmes to attain the set targets it is important that adequate funds, especially from the state budget, are allocated to their implementation. The strengthening of the Basic Social Security System, particularly the Human Resource capacity of the Ministry of Women and Social Action and the National Institute for Social Action is crucial as well.

Additionally, the expansion of the programmes need to be based on a solid poverty analysis and vulnerability mapping of the country in order to reach the poorest and most marginalized households first.

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



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Basic Social Security Reaching the Most Vulnerable

² ILO, WHO (2010) Social Protection Floor Country Brief



The National Basic Social Security Strategy 2010-2014

What is Basic Social Security?

Basic Social Security is one of the pillars of Social Protection in Mozambique. It consists of Programmes to mitigate the impact of vulnerabilities and risks that the poorest households face. These Programmes provide assistance to families which are unable to escape poverty by themselves. The Basic Social Security Regulations stipulates that Basic Social Security has four components: Direct Social Action, Education Social Action, Health Social Action and Productive Social Action.

Within the Direct Social Action Component, the Basic Social Subsidy Programme, the Direct Social Support Programme and the Social Action Social Services were approved by the Council of Ministers in 2011. Additionally, the Productive Social Action Programme has a Component of cash transfers which are associated with participation in Public Works and a Component that promotes complementary interventions through the promotion of access to saving 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 Mozambican Household Budget Survey data show that challenges regarding the reduction of consumption based poverty persist (with stagnation from 54.1% to 54.7% between 2002 and 2008) and the reduction of inequality between the poorest and the richest households also remains a challenge. The results of the Household Budget Survey show that the impressive benefits of recent economic growth in Mozambique, in terms of macro-economic indicators, need to guarantee a more inclusive

economic growth. This would guarantee a positive impact on the productive capacity of the country which can be attained by taking advantage of the full productive capacity of all citizens, especially the most vulnerable groups. The reduction of high levels of inequality can also contribute to stability and social peace which are essential elements to attract private sector 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 invest in education, health and productive assets. These are essential to enhance the productive capacity of the households, promoting their participation and their increased contribution to the economic development of the country.

Why did Mozambique need a National Basic Social Security Strategy?

The current Poverty Reduction Action Plan 2010-2014 (PARP) recognizes that Basic Social Security plays a fundamental role in the reduction of the poverty rates. The Social Security Programmes that Government implemented until recently, provided an important means of assistance to beneficiary households. However, the benefits that are provided through these programmes need to be increased in order to produce a higher impact in terms of improvements in food consumption and to permit an investment in human capital development.

Thus, these Programmes face the challenge to improve the impact of the benefits that are provided and increase the coverage of potential beneficiaries who live below the poverty line.



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

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

The Strategy also recognizes that a harmonized, multi-sectoral 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 Programmes¹?

A significant number of countries worldwide has adopted Social Security Programmes as a poverty reduction tool and experiences, in large part from the Southern hemisphere, are overall very positive.

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

¹ DFID (2011), Cash Transfers, Evidence Paper, Policy Division

