The August edition of the Newsletter profiles social development trends in East and Southern Africa. Specifically, it highlights the salient features of the social protection system in Kenya, ongoing efforts to consolidate social cohesion in Rwanda through community development, as well as a brief comparison of poverty reduction strategies in Mauritius and South Africa. The content has been prepared by ICSW, East and Southern Africa region.

As usual, we also provide information on some new publications of interest to our readership.

Sergei Zelenev, Executive Director and Editor of the Newsletter.

Since independence nearly fifty years ago, the Government of Kenya has endeavored to reduce levels of poverty and vulnerability among its people, as reflected in its development policies and plans. In August 2010, the people of Kenya adopted a new Constitution, which contains the Government's commitments to provide for vulnerable populations that are unable to meet their basic needs, including women, children, older persons and youth.

Similarly, the country’s main development strategy, Kenya Vision 2030, asserts that no society can gain social cohesion if significant sections of the population live in abject poverty. Reducing vulnerability and poverty is a key element of many social policies across government ministries in Kenya.

Kenya has been implementing a range of social protection programmes, but they have been limited in scope and coverage. These efforts have also been disparate and implemented by various ministries, agencies and development partners, which has often led to coordination challenges.

A National Social Protection Policy was drafted in 2011 which provided a framework to guide the design, implementation and national oversight of social protection programmes in the country.

A detailed review of the social protection sector in Kenya, with analyses of social security, social assistance and social health insurance programmes, has provided data on the amount of resources government and development partners were spending on social protection and highlighted to what extent those programmes have reached the poor and vulnerable. In addition, the review provided an insight into the operations of the programmes, looking at how beneficiaries are selected, what measures are in place to ensure accountability, efficiency and effectiveness, and how the performance of those programmes is monitored and evaluated. Importantly, the report provides a long-term view of social protection in Kenya, as well as studying how sustainability can be assured. The recommendations arising from that review are important and timely and will inform the continued reform agenda for the sector.

Murang’a woman representative Sabina Chege, Social Security PS Susan Mochache and Ahadi Kenya CEO Stanley Kamau during a handover of money from the cash transfer programme for the elderly in Kenya

The Context for Social Protection in Kenya

There is now a broad consensus among policy makers that social protection is a powerful way to fight poverty and promote inclusive growth. This international consensus is most clearly articulated in the African Union’s Social Policy Framework, which was endorsed by all African heads of state in 2009. The document explains that social protection includes “social security measures and furthering income security; and also the pursuit of an integrated policy approach that has a strong developmental focus, such as job creation...” The document commits governments to progressively realize a minimum package of basic social protection that covers essential health care and benefits for children, informal workers, and the unemployed, the elderly, and people with disabilities. That approach is echoed in the United Nation’s Social Protection Floor Initiative. Across Africa, social protection has become a mainstay in poverty reduction strategies and many countries have developed a social protection strategy.
Those policy advances have been accompanied by increasing investments in social protection programmes in Africa.

Governments (sometimes with support from development partners) have been investing in social protection programmes that have demonstrated a range of results. There is growing interest across Africa in social protection, as a means of providing predictable social assistance to poor and vulnerable populations. The most popular social protection schemes are social cash transfers and public works. At the same time, many African countries are reforming their pension systems to provide greater protection against poverty in old age. For example, a number of countries (including Cape Verde, Ghana, Nigeria, Sierra Leone, and Zambia) have consolidated various formal schemes into one that covers all formal sector workers. African countries are also exploring means of extending health insurance across the population. Rwanda has achieved near-universal coverage using community-based health insurance and targeted subsidies. Ghana is also making gains, using a model based on social health insurance. Evaluations of those programmes at the country level, including in Kenya, show that social protection directly reduces chronic poverty and vulnerability.

In Kenya, an evaluation of the Cash Transfer Programme for Orphans and Vulnerable Children (OVC) found that there was a significant impact on consumption, school enrolment, and health outcomes, with households using programme transfers primarily for food- and health-related spending. There has also been a modest impact on household productive assets. Similar results were reported for Kenya’s Urban Food Subsidy programme and Food for Assets programme. Kenya has a long history of investing in social protection.

Social protection in Kenya is defined as “policies and actions, including legislative measures, that enhance the capacity of and opportunities for the poor and vulnerable to improve and sustain their lives, livelihoods and welfare, that enable income-earners and their dependents to maintain a reasonable level of income through decent work, and that ensure access to affordable health care, social security, and social assistance.”

However, the coverage of social insurance schemes and safety-net programmes in Kenya has tended to be low and their effectiveness limited. The main form of safety-net support offered to poor and vulnerable populations has been humanitarian relief (often in the form of food aid), which had been mobilized by the government and the international community in response to crises, such as droughts and floods. In many parts of the country, most notably Turkana and other arid and semi-arid lands, this type of response has become common, with emergency food relief being provided to poor populations on an annual basis. This suggests that this instrument had evolved into a regular response to chronic poverty and food insecurity. Concurrently, the long established National Health Insurance Fund (NHIF) and National Social Security Fund (NSSF) have provided coverage exclusively to formal-sector workers, representing just 8 percent of the population.

Despite such investments, together with a broad range of initiatives to promote poverty reduction and economic growth, poverty and vulnerability remain high in Kenya. Much remains to be done to improve the situation.

**Looking to the Future**

The policy context for social protection in Kenya is changing.

That comes in response to international calls for greater access to social protection for citizens, such as by the African Union, and to the constitutional commitment to extend
social security to all as articulated in the Bill of Rights (2010). Those trends have culminated in a National Social Protection Policy (NSPP). It proposes to extend social assistance to the various target populations, with the ultimate goal of providing universal access to the vulnerable throughout their life cycle, and establish comprehensive social-security arrangements that will extend legal coverage to all workers and their dependents, whether in the formal or informal sectors...

To that end, there are several principle areas of reform:

The quest for the appropriate programme mix in the context of social protection envisions the following:

1. Progressively realizing access to social protection for vulnerable groups.

Given the current fiscal limitations, the government will need, in the short term, to adopt a strategy to allocate resources to subgroups within the vulnerable population. For example, while the cost of extending safety-net support to all households with children under 18 years of age would cost 8.25 percent of GDP, narrowing the target group to only poor households with OVCs would reduce the cost to 0.39 percent of GDP. A number of factors could be considered in this process, including the relative poverty rates among various vulnerable groups and the productive benefits of investing in children.

2. Improving the effectiveness of social protection for households.

While much more work is required to detail such a reform agenda, based on the analysis in this review, the government could take short-term measures that would improve the effectiveness of social protection. The government should consider reallocating resources from the General Food Distribution (GFD) programme to a mechanism that provides predictable support to the chronically poor and food-insecure, such as the Hunger Safety Net Programme (HSNP). Given the fact that some social cash transfer programmes continue to experience difficulties in making regular, predictable payments to beneficiaries, these programmes – in order to provide effective support – will need to review their procedures to ensure timely payments.

3. Improve coordination among social protection programmes so as to reduce fragmentation and duplication.

In the short term, greater coordination is needed among social cash transfer programmes as the basis for the provision of predictable support to poor and vulnerable populations. This should consist of a nationwide strategy to scale up the coverage of programmes so as to avoid duplication and gaps.

4. Increase financing to social protection in the face of a tight fiscal environment.

Simulations show that it is possible to progressively increase funding to social protection in the current fiscal environment in order to achieve high rates of coverage among poor and vulnerable groups in the short to medium term. For example, if economic growth continues at 6 percent per year, that will generate an estimated additional amount of 100 billion Kenyan shillings in annual government revenue. If

5 percent of those resources were allocated to social cash transfers, the comprehensive coverage of poor households with members who are vulnerable (i.e., OVCs, people over 60 years of age, the disabled or chronically ill, and people living with HIV/AIDS could be achieved in nine years. In those scenarios, development partners’ funding will continue to be needed in the short to medium term. There may also be scope for improving the effectiveness of safety net programmes by reorienting financing from the GFD. While that would not increase the overall funding to the sector, it would create efficiencies and improve the impact of those resources on poverty and human development in Kenya. Finally, there is a need to secure financing for responding to transitory needs among the vulnerable but not yet poor populations that are exposed to shocks. International experience suggests that contingent financing, channeled through established social protection programmes, can be an effective response. This approach could be integrated, for example, into the National Contingency Fund.

5. Expand contributory programme coverage to the non-formal sector and address problems of adequacy and financial sustainability.
The NSSF and NHIF are the main vehicles on the road to progress towards the Constitutional (2010) right to social insurance for all. These Funds are currently implementing a range of reforms that aim to improve their efficiency and effectiveness, while also extending coverage to the informal sector.

**Based on:** Kenya Social Protection Sector Review: Ministry of State for Planning, National Development and Vision 2030, Nairobi, June 2012

Since the 1994 genocide, Rwandans have been making efforts to rebuild their country’s social fabric using a variety of creative means. Socio-economic groupings, such as cooperatives and self-help groups, have been developed and used not only for economic growth but also for repairing and consolidating social cohesion. Village Saving and Loans Associations (VSLAs) is one example of the socio-economic groupings approach developed in Rwanda.

**Overview of the VSLA approach**

The approach was initiated in Rwanda by the international NGO CARE in 1999 with its CLASSE (Community Learning and Action for Saving Stimulation and Enhancement) Project. VSLAs help alleviate poverty in three ways:
1. Assisting members to save so that they are able to accumulate a significant amount of money at the end of the cycle
2. Providing members with an opportunity to request loans of small amounts
3. Members earning income from interest paid by members who borrowed.

The approach employs a field officer and village agents to establish the VSLAs in communities. The village agents are exemplary members of the target community, who are trained to promote the establishment of VSLAs and are supervised by field officers over a period of 10 – 18 months.

VSLAs in the AEBR’s trust-building project

The Association of Baptist Churches in Rwanda (AEBR) has undertaken a socio-economic development programme using the VSLAs approach. The programme was piloted in Rwanda’s Southern Province, in Gisagara, Huye, Nyanza and Nyaruguru districts, and has brought together more than 7,000 people. During the implementation of the pilot phase of the programme, it was realized that the established VSLAs need to benefit from an activity aimed at strengthening trust among the members. Oriented to responding to the needs of the beneficiaries, AEBR, in partnership with Shalom Educating for Peace and supported by the Baptist Union of Denmark, has initiated a trust-building project designed for VSLA members. The project developed a training activity with the aim of equipping the VSLAs with the skills needed to transform conflicts and build trust among VSLA members.

**Content of the training**

The trust-building project consists of training organized for village agents, who facilitate the dissemination of its content to the beneficiaries of the project. Training modules include: understanding and analyzing conflict; conflict-resolution approaches; conflict resolution: collaborative approach; problem-solving: conciliation; building trust within groups/communities; celebrating differences; effective nonviolent communication and anger management; building a resilient and peaceful community; and enhancing skills for effective dialogue among the group members.

**Short-term impact of trust-building training on the VSLAs**

A short-term impact assessment of the training revealed the satisfaction of the participants; their feedback highlighted a number of positive effects of the training.

The participants confirmed that the training increased their understanding of conflicts, their sources and how they can be positively resolved. They acknowledged the decreased number and intensity of conflicts in VSLAs as evidence of the training’s impact.

The participants explained that before the training, they had not had time to discuss issues affecting the groups. They reported that dialogue has increased, and they have managed many of conflicts happening in the VSLAs without the intervention of village agents or field officers. In some cases, members of the VSLAs have facilitated or
contributed to the resolution of conflicts that occur in their communities.

The participants testified that the training contributed significantly to building and consolidating group cohesion within the VSLAs. Some within the VSLAs had interpersonal conflicts in their daily life (such as land-related conflicts), and were able to give examples of how such conflicts had been resolved by applying knowledge gained from the training. In addition, the participants underlined that mutual respect between members had increased thanks to the lesson on respecting differences. The participants also recognized that the training inspired good leadership in VSLAs. They stressed that before the training the VSLAs leaders in some groups had used an authoritarian leadership style. After the training, they have freedom to discuss group issues and make decisions collectively. That has allowed members to have much more involvement in decision-making regarding the management of the VSLAs.

**Observations from a peace building perspective**

It is clear that the efforts to build conflict-transformation capacity within VSLAs and other socio-economic groupings could significantly contribute to building peace and consolidating social cohesion in beneficiaries’ communities. Above all, such an approach helps to strengthen the relationships among group members. The approach is particularly relevant in the context of Rwanda, as the country is investing in rebuilding socio-economic development. Building sustainable reconciliation, social cohesion and economic growth have been and remain the key pillars of reconstruction. One way in which society and local governments are dealing with the challenges is through socio-economic groupings.

Such an approach meets the interest of the Rwandan society in two key ways. Firstly, such groups are in keeping with the strong emphasis on community in Rwanda. Secondly, although groupings such as VSLAs may be viewed as organizations for the promotion of the economic interests of its members, the approach does not confine itself solely to the economic aspects of life. It permeates the social side of life as well and aims to establish a new democratic social order based on freedom, fraternity, equality and equity, where people live in harmony, caring and sharing like a family, where there is a unity of spirit and a common economic bond and where people have the freedom to shape their destiny.

For more information: [http://www.insightonconflict.org/2014/12/rwanda-vsla-programme/](http://www.insightonconflict.org/2014/12/rwanda-vsla-programme/)

### Growth, Poverty And Inequality In Mauritius And South Africa

*By Jean-Yves Duclos and Audrey Verdier - Chouchane*

Mauritius' poverty reduction strategy has been to expand employment opportunities and modernize its economy, while maintaining an elaborate social safety net. It has been hoped that what remains of extreme poverty after several decades of strong economic growth would be alleviated by skills acquisition programs for unskilled and uneducated individuals and nutritional and medical assistance for the others.

Mauritius has also had a policy of allocating significant public resources to education and health. Adult literacy and life expectancy are well above the sub-Saharan African average. Health care is free and health facilities are of reasonably good quality and accessibility throughout the country. The benefits of Mauritius's educational system have also become more universally distributed in the last 15 years, with a move away from a strongly elitist system to one with greater accessibility of all to secondary and higher education.

A comparison with South Africa is illustrative. In South Africa, government initiatives to accelerate growth and share its benefits more evenly have taken various forms. In mid-nineties, the government's plan to alleviate poverty relied prominently on a market-based approach to fostering growth and creating jobs. Trade liberalization has, in particular, been at the forefront of the country's post-apartheid economic strategy, reflecting a commitment to outward-stimulated development.

Government has also tried to boost productivity, long-run employment and growth
through privatization, despite short-term costs. More recent official policy has tried to reorient government spending to fight deprivation in areas such as access to improved health care and quality education, the provision of decent work, the sustainability of livelihoods, and the development of economic and social infrastructure. While significant achievements have already been made, improvement in service delivery remains a priority in South Africa. The quality of health care and education is extremely heterogeneous across provinces. The gap between the disadvantaged (black) and the advantaged (white) persists. A further problem is that most urban black South Africans are highly concentrated in suburban townships, far from economic opportunities; high transportation costs and crime inhibit job searching in townships.

In Mauritius, the three indices of absolute pro-poorness indicate that from 2001 to 2006 absolute poverty has decreased.

However, from a relative perspective, the significant growth in Mauritius’ living standards between 2001 and 2006 has not been sufficiently pro-poor for that to be empirically validated. For South Africa, there is little evidence that growth has been absolutely pro-poor in South Africa between 1995 and 2005. That implies that the growth rates in the income of the poor have not been high enough to follow the growth rate in average income. From a relative perspective, the significant growth in South Africa’s average living standards between 1995 and 2005 has been relatively anti-poor, since it has decreased significantly the relative shares of the poor in total consumption.

(compiled from Africa Economic Brief)
For additional information: https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications.pdf

**Useful resources and links—the finds of the month.**

Here we are publishing information on three recent studies on issues of poverty and inequality, as well as the quest for possible policy solutions:


Highlighting the increasing income gap between the global North and the global South, the author challenges the existing progress narrative. Unequal terms of integration of poor countries into the global economic system on unequal terms perpetuate inequality. Poverty is seen as a political problem that requires political solutions.

For details: https://www.penguin.co.uk/books/1113531/the-divide/

**Global Poverty: Deprivation, Distribution and Development since the Cold War. Andy Sumner. Oxford University Press. 2016**

The author underscores that substantial economic growth has not reduced poverty as one might expect due to patterns of inequitable distribution of resources, and argues that redistributive social policy and inclusive growth are imperative.


The author argues that more and more evidence is emerging to suggest that greater economic equality benefits all people in all societies, whether you are rich, poor or in-between. The truth of this generalisation has only become evident recently, and is contentious because it contradicts the views of many in the elite.

For additional information: https://newint.org/books/politics/the-equality-effect/