

SOCIAL PROTECTION: SAFETY NETS FOR THE VULNERABLE

While there is wide diversity across Africa, most countries in the region face serious challenges when it comes to achieving adequate living standards for the majority of their populations. About half the region's population lives on \$1.25 a day or less, leaving millions of households extremely vulnerable. In many places, unemployment (especially among urban youth) is pervasive, and HIV/AIDS has contributed to rising numbers of orphans and households headed by women, children, and the elderly. In this context, raising children to healthy and educated adulthood, maintaining adequate opportunities for productive employment or self-employment among working-age people, and facilitating the effective functioning of families and households within a supportive community structure and an expanding economy represent major challenges for communities, policy makers, and governments alike. These challenges have been painfully underlined by the food, fuel, and global crises.

Social protection aims to reduce poverty, manage individual risks, and promote equitable and sustainable growth. It does so through prevention that provides security for the vulnerable, protection that provides adequate support for the poor, and promotion that expands opportunities for higher productivity and incomes. The World Bank's social protection work in Africa has a conceptual framework based on risk management; an understanding of the context, challenges, and choices in each country; knowledge of global public practices; and its own experience in social protection within Africa. The Bank assists countries with a range of instruments that reduce, mitigate, and cope with different types of income risks that are especially relevant for poor households.

Labor Market Policies and Programs

For many people in developing countries, the ability to work is their main asset. Labor market policies and programs can contribute to development and poverty reduction by fostering a flexible formal labor market that rewards labor productivity and allows labor to be allocated to its most efficient use, facilitating the creation of more and better jobs, reducing the risks individuals face, helping workers manage risks and facilitate labor market transitions, and ensuring proper working conditions. Active labor market policies and public works programs can also include measures to train workers in accordance with labor market demands. Informal sector activities claim a significant, sometimes dominant share of their respective markets, spanning mining, manufacturing, commerce, finance, and other sectors. As the informal sector is the engine of employment and incomes in both rural and urban areas in the region, efforts to increase the rate of growth of jobs need to be complemented by policies and programs to

improve the profitability of informal and household enterprises; and broaden skills development, especially for those who do not complete secondary school.

Social Safety Nets

To the extent that governments are not able to reduce the systemic risks that households face or to mitigate the impact that shocks can have on households, social safety net programs can be effective risk-coping mechanisms. These

Ethiopia's Productive Safety Net Program



This safety net program helps address the needs of millions of chronically food insecure households in Ethiopia through an effective and affordable rural safety net in a very low-income country. The government launched the program in 2005

in response to the growing consensus on the need to reform a costly and unreliable emergency food aid system that for over 20 years dominated responses to food insecurity in Ethiopia.

The program provides predictable and timely cash and food transfers to households. It combines both a public works component for those households with labor as well as unconditional cash transfers for those who cannot work. The public works program is focused on creating sustainable community assets that contribute to the rehabilitation of severely environmentally degraded areas, which are a major cause of food insecurity themselves.



programs include cash transfers (with built-in work incentives), in-kind benefits, services and subsidies (including food distribution or subsidy programs). They allow the state to reduce the impact of a negative income shock or persistent low income by assisting families to deal with the consequences of the shock or the fall in income. In June 2010, the Bank cosponsored a forum on Making Public Works Work in Arusha, Tanzania, for 200 delegates from 40 countries, to review experience with the design, performance, and potential of programs such as safety nets.

Decentralized Service Delivery

Many African countries are decentralizing responsibilities for basic service delivery to local levels, but local authorities often lack the capacity and resources to scale up service delivery for poor and vulnerable people, and improve the quality of services. A new style of project, pioneered in Ethiopia, channels World Bank resources to local governments in parallel with government financing to support local delivery of education, health, agriculture, water supply and sanitation, and rural roads. The resources are complemented with significant support to deepen transparency and local accountability in service delivery, monitor fiduciary performance, and build local capacity. The Ethiopia Protection of Basic Services Program is now in its second phase. The approach has been replicated in Sierra Leone, where the first phase of the Decentralized Service Delivery Program is underway.

Children and Youth

Children and youth need their families, and access to health-care and education. But these are not enough. Each year, the transition of youth to formal and informal labor markets is marked by periods of unemployment or underemployment. Young people need training, skills development, formal and informal employment opportunities, and investment-led economic growth that could in turn spur labor market reforms. Girls face a heightened need for opportunities. Also crucial are evaluation systems to show what programs for youth have the most impact. A recent example of a social protection program targeting youth is the Kenya Youth Empowerment Project (a \$60 million IDA credit approved in May 2010) to support the government's efforts to increase access to youth-targeted temporary employment programs and improve youth employability. Working with the Kenya Private Sector Alliance, among others, this project provides disadvantaged unemployed youth with opportunities to acquire training, apprenticeships, and short-term jobs.

Fragile and Conflict-Affected States

Sub-Saharan Africa has the highest concentration of fragile and conflict-affected states. Given their redistributive mechanisms, social assistance programs can contribute to stability, reconciliation, and economic growth. Community-driven projects have been particularly successfully in this context. These have been supported by significant World Bank resources with the intention of mobilizing communities in the reconstruction effort, creating a strong implementation agency in the absence of the state, and ring-fencing activities from political capture and governance concerns. In Liberia, Sierra Leone, Comoros, Togo, and Sudan, the World Bank is actively engaged in social protection emergency operations, including youth- and labor-intensive public works projects which have become an integral part of the reconstruction and stabilization strategies of some of these countries.

Scaling up social protection during crises



The Bank has substantially scaled up its social protection operations in Africa to respond to the food, fuel, and financial crises, and to ongoing climate shocks. Highlights include responding quickly to crisis-driven needs; supporting governments to set up

effective and sustainable social safety net systems; and promoting skills and employment opportunities, especially among youth. Funding in these areas nearly tripled between 2008 and 2009.

Existing initiatives such as the Ethiopia Third Productive Safety Net Project, the Tanzania Social Fund for Development II Project and the Malawi Social Action Fund have been scaled up. New operations include the Madagascar Emergency Food Security and Reconstruction Project and the Comoros Emergency Global Crisis Response Project.

A review of the resilience of social protection systems is also underway in several countries, including Mauritius, Burkina Faso, Mali, and Cameroon. Recognizing the huge challenge of unemployed youth in the world's "youngest" region, the Bank is increasingly shifting from small-scale interventions financed by grants to larger stand-alone operations with a focus on youth employment and employability. Innovative projects are being prepared in Kenya, Togo, Liberia, Sierra Leone, and Nigeria.