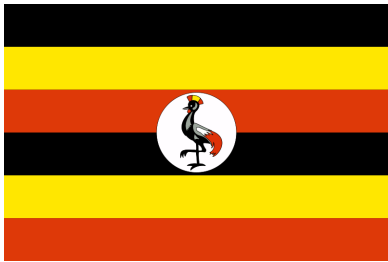


The Livingstone Call for Action:  
*A critical evaluation*  
Kirsten Hagen

# The 'Livingstone Call for Action': *A critical analysis*

Uganda



Rwanda



Malawi



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## **Preface**

This research paper is the result of my Master 'International Relations from a Historical Perspective' at the University of Utrecht. I have to acknowledge that before I started my internship at WorldGranny in 2007, I could never have imagined that I would become so involved in a subject I never really thought of before: Older people in developing countries. Just like many other people, my opinion was that older people in these countries were rare. With a life expectancy often under the age of 40, there would not be many people over the age of 60. But the opposite is true. Now, after working on my master thesis and a visit to Africa itself, I have to say that this will not be the last research on this topic, or my last employment in this particular field of development.

I could not have written this thesis without the help and support of a few people I would like to mention. First of all I would like to thank Sylvia Beales, Stephen Kidd and Charles Knox from HelpAge International. Without them I would not have obtained all the information necessary to write this paper. Second, I would like to thank Caroline van Dullemen from WorldGranny for all her mental support and encouragement at those times I thought this project would never come to an end. The same is true for all the other colleagues at WorldGranny. Third I would like to thank the employees of the different Ministries in Uganda, Rwanda and Malawi for updating me and sending me the missing pieces in my data collection.

Last but not least I would like to thank my supervisor from the University of Utrecht, Christ Klep, who told me that 'downs' are a part of the process of writing a thesis and who corrected and read my earlier drafts with unremitting interest in the topic.

Thank you all,

Kirsten Hagen

## Abbreviations

BWI	Bretton Woods Institution
CPRC	Chronic Poverty Research Centre
DFID	Department for International Development
DRT	Development Research and Training
ECASSA	East and Central African Social Security Association
EDPRS	Economic Growth and Poverty Reduction Strategy
FARG	Fonds d'Assistance aux Rescapés du Génocide
GBS	General Budget Support
GDP	Gross Domestic Product
HDI	Human Development Index
HIPC	Highly Indebted Poor Countries
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
MDGS	Malawi Development and Growth Strategy
MINALOC	Ministry of Local Government and Social Affairs
MINECOFIN	Ministry of Finance and Economic Planning
MIPAA	Madrid International Plan of Action on Ageing
MoGLSD	Ministry of Gender, Labour and Social Development
MPDE	Department of People with Disabilities and the Elderly
NGO	Non-governmental Organisation
NPRP	National Poverty Reduction Program
NSPS	National Social Protection Strategy
NSSF	National Social Security Fund
NTA	National Transitory Assembly
NTFPE	National Task Force on Poverty Eradication
OVC	Orphans and Vulnerable Children
PEAP	Poverty Reduction Action Plan
PPA	Poverty Participatory Assessment
PRBS	Poverty Reduction Budget Support
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PRT	Policy Relevance Test
PSPS	Public Service Pension Scheme
SAP	Structural Adjustment Program
SBS	Sector Budget Support
SIDA	Swedish International Development-cooperation Agency
UDHR	Universal Declarations of Human Rights
UNDP	United Nations Development Program
UNGA	United Nations General Assembly

## Introduction

In the 21<sup>st</sup> century, the world will experience an unprecedented ageing of the human population in all its countries. This demographic ageing is a direct consequence of both a decline in the worldwide fertility rate and an increased life expectancy.

In the developed countries, the proportion of older people already exceeds that of children, but even in the poorest developing countries the life expectancy is increasing as well. In 2000, 60 percent of the older people (people over the age of 60) were living in developing countries. In 2015 this percentage will be over 65 and it is estimated that in 2050, 80% of all the older people will live in developing countries.<sup>1</sup>

This demographic shift has profound implications for African societies as a whole, but also for the social, economic and political lives of individual people. Older people in African societies still play a vital role in family life. People over the age of 60, and sometimes even over the age of 70, continue to work in order to generate some income for their households. More and more older women (more often than men) are taking care of their grandchildren, because their adult children have migrated in search of work or have died as a result of the HIV/AIDS pandemic.

Despite their contribution to their family and society, many older people in Africa unfortunately continue to experience severe poverty and most older people are unable to access entitlements that are theirs by right.<sup>2</sup> They lack access to adequate basic healthcare, nutrition and decent work. On top of that two third of the older people in African countries receive no regular income.

During a three-day intergovernmental conference on social protection in Livingstone, Zambia in March 2006, the representatives of thirteen African governments examined new ways to tackle poverty and promote the human rights of the poorest people in Africa. Most discussions were about direct action in the field of social protection because social protection instruments can address social and economic inequality but can also contribute to economic growth.

Although the main focus of the conference was on social protection in general, social pensions were identified as an effective tool to deliver aid to older people and their families. After the conference, the delegates formulated the *'Livingstone call for action'*,<sup>3</sup> which calls, among other things, for the development of national social protection frameworks in all the African countries; greater cooperation between African and other countries when it comes to sharing of information on social protection experiences; cash transfer programs for children and older people; and increased investments in the field of social protection.

It has been two years since the *'Livingstone call for action'* was formulated. In this paper I will therefore evaluate the implementation process of the *'Livingstone call for action'*. The main question I will answer is: *To which extent did a number of African governments of countries that attended the Livingstone Conference indeed implement policies on social protection, especially policies on social protection for older people?*

In order to answer this question, I will first discuss three other questions. The first question that will be answered is: why is it so important to focus on older people within the debate about social protection? The second and third question will be about international cooperation with regard to social protection namely: Is international

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<sup>1</sup> *State of the world's older people 2002*. HelpAge International (London 2002). 19-27

<sup>2</sup> *Older people in Africa: A forgotten generation*. HelpAge International (London 2008). 1-5

<sup>3</sup> *The Livingstone Call' for Action*. See appendix A

cooperation necessary, and if so, what do donor countries do in order to assist the African countries with the implementation of social protection instruments. The fourth question elaborates on the topic of international cooperation: What is the position of social protection within the broader development agenda of the donor countries?

Because a discussion about all thirteen countries that attended the Livingstone Conference would become too extensive for this paper, I have chosen three countries to evaluate in this paper: Uganda, Malawi and Rwanda, because each of these countries is extraordinary in one way or another. I chose Malawi because of its low level human development, according to the Human Development Index of 2008, and the high incidence of HIV/AIDS in the country.<sup>4</sup> I have chosen for Rwanda because of the 1994 genocides. What can a country that lost all its internal coherence during one of history's worst genocide, do for its large number of vulnerable citizens? Uganda I chose because of its impressive economic gains in the late 1990's.

To evaluate the implementation process of the '*Livingstone Call for Action*', I will, within the framework of the above questions, discuss the following questions in regard to these three countries

- Has the available data on poverty been disaggregated into different categories and into the dynamics of poverty?
- Have the issues of ageing and social protection been mainstreamed into the development approaches?
- Have the governments identified any policy options on social protection for older people?
- Have any policies been implemented yet, or will they be implemented in the near future?
- What are the main drivers behind the policies? Are they being used as a political or ideological tool?

After outlining a theoretical framework on social protection and policy making in general in the first chapter, the paper will discuss the international response to the trend of worldwide ageing in the second chapter. The third and fourth chapter will deal with the approaches towards social protection that the British Department for International Development (DFID), the Swedish International Development-Cooperation Agency (SIDA) and the African Union are using. After that, the three case study countries, Uganda, Malawi and Rwanda will be discussed. After a short introduction on the three countries, I will discuss the process towards mainstreaming social protection in the broader development process in chapter five and the data on poverty and vulnerable people in chapter six. In chapter seven I will discuss the initiatives taken by the different governments after the Livingstone Conference in 2006 after which I will draw my conclusions.

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<sup>4</sup> A high incidence of HIV/AIDS in a country usually means a high number of orphaned children, which can result in a high number of older persons-headed households.

## Chapter 1 Social protection and policy making

### 1.1 Conceptualizing social protection

It is unusual in theoretical writing to begin directly with defining a concept, but there are so many different interpretations of the concept of social protection, that it has become difficult to discuss social protection without being misunderstood. Therefore I will start with a definition of social protection that will be used in the rest of this paper (except where otherwise specified). This definition was also used during the Livingstone Conference in 2006, the starting point of this paper: *'Social protection is a range of protective public actions carried out by the state and others in response to unacceptable levels of vulnerability and poverty, and which seek to guarantee relief from destitution for those sections of the population who for reasons beyond their control are not able to provide for themselves.'*<sup>5</sup> Social protection can, looking at this definition, be perceived as a set of (public) policies. These policies can comprise both *social insurance*, which refers to the pooling of contributions by individuals in private or state organizations, and *social assistance*, which are non-contributory transfers given to those deemed vulnerable or those who cannot provide for themselves. When interpreting social protection as a set of policies, societies where such policies are implemented (either delivered by the government of independent or voluntary agencies) are usually thought of as welfare societies: the provision of welfare in society.

Social protection can also, within the framework of this definition, be a development approach, focusing on reducing risk and vulnerability and building an inclusive society. Socially excluded groups can become vulnerable because they face on-going discrimination in their attempt to provide for themselves and their dependents. The social protection approach to development aims at addressing the severe and long-term poverty and vulnerability, starting at individual level. In addition the approach tries to address the factors that both push people into poverty and those that keep them there. In other words, a social protection approach to development is a citizen-centred approach within the field of development and focuses on inclusion.

#### 1.1.1 Social protection: A rights-based approach to development

Besides a set of policies, a part of the welfare state and an approach to development, social protection can also be perceived as a basic human right, derived from the International Human Rights Framework. Before demonstrating this, it is necessary to make a distinction between social protection and social security, although both concepts are often used interchangeably. The latter can be taken to mean the *'maintenance of incomes up to a minimum considered necessary for a level of living without want'*.<sup>6</sup> However, social security is usually based around formal employment, hence the use of 'maintenance' in the definition. In developing countries a variety of constraints<sup>7</sup> restrict the range of social security services, and therefore a widened concept is needed. This concept, which includes both private and public mechanisms for protection provisioning for every individual is the concept of social protection. The overall concept of social

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<sup>5</sup> *Social cash transfers for Africa: a transformative agenda for the 21<sup>st</sup> century*. HelpAge International (London 2006).<sup>6</sup>

<sup>6</sup> Sanjivi Guhan, "Social security in India: looking one step ahead" in Harriss, B., Guhan, S., Cassen, R.H. (eds.) *Poverty in India: Research and policy* (New Delhi 1992).

<sup>7</sup> These constraints are arising from issues such as underdevelopment, fragmented political and policy processes, a small tax base, and weak administrative capacities.

protection includes social security measures, as well as anti-poverty and pro-poor growth objectives of the contemporary general development agenda. The key objective of social protection is to reduce the vulnerability of the poor through measures that reduce the occurrence of adverse circumstances or mitigate their impact, and through measures that help the poor to maintain adequate consumption and access to basic services once the insecurity occurs.<sup>8</sup>

Social protection is not mentioned as a basic human right in the Universal Declaration of Human Rights (UDHR). However, articles 22 and 25 do promote social protection as such. Article 22 states that: *'Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.'*<sup>9</sup> Social security is, as said before, usually based around formal employment.<sup>10</sup> Therefore article 25 is needed to give the right to social protection a legal basis. Article 25 stipulates: *'Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.'*<sup>11</sup> When an adequate standard of living cannot be provided for by a person, him or herself, it is the duty of the state to provide it for this person.

Interpreting social protection as a basic human right turns the concept into a rights-based approach to development as well. A rights-based approach to development sets the achievement of human rights as an objective of development. In this case an adequate standard of living. There are several definitions of the rights-based approach to development, so again to set things straight; a clear definition will be given first. The definition used in the rest of the paper has been derived from the Human Rights Target Strategy Paper written by DFID.<sup>12</sup> This document states that: *'The human rights approach to development means empowering people to take their own decisions rather than being the passive objects of choices made on their behalf. The objective is to enable all people to be active citizens with rights, expectations and responsibilities'* and to *'claim their rights to the opportunities and services made available through pro-poor development'*. The paper indicated three key principles in order to make the development approach operational: 'participation'; 'inclusion'; and 'fulfilling obligation'.<sup>13</sup> This means that states have to fulfil their duties to the citizens but also the other way around. In order to fulfil all duties and rights, people need to be a part of an inclusive society, where they can participate in all aspects of economic, political and social life.

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<sup>8</sup> Rachel Sabates-Wheeler and Naila Kabeer, *Gender equality and the extension of social protection* (Geneva: International Labour Office 2003). 4-6

<sup>9</sup> United Nations, *Universal declaration of Human Rights (UHDR)* (New York 1948).

<sup>10</sup> Through universal negotiated and accepted instruments, such as the International Covenant on Economic, Social and Cultural Rights, the Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Racial Discrimination among others, the right to social security has further been developed.

<sup>11</sup> UN, *UDHR*.

<sup>12</sup> The DFID definition has been chosen because of the leading role DFID is playing within the field of social protection and social pensions for developing countries. Later in this paper the leading role of DFID will be further explored.

<sup>13</sup> *Realizing human rights for the poor; Strategies for achieving the international development targets*. Department for International Development (London, DFID 2000). 6-12



## 1.2 Social protection in developing countries

Concepts like the welfare state and social protection received, until late in the 20<sup>th</sup> century, hardly any attention within the field of development studies. The common thought in the European countries and America was that social protection and welfare provision for the poorest was unnecessary in the low and middle income countries in Africa and Asia, because of the traditional welfare system: The extended family network.

Within this traditional network, family members were looking after each other and provided food, shelter and protection for those members who were unable to provide for themselves. The family cared for the poor and the sick and was the transmitter of traditional social values and education. This sense of duty and responsibility within the extended family network was almost without limits. Every member of the family knew his or her task. The prime aged adults took care of their parents and children, while the grandparents and older people in return had the knowledge, wisdom and skills to pass on to younger family members. Food, shelter and clothes were shared and when necessary, the care for a family member was taken over by other households in the community.

In recent years though, changes such as labour migration, the cash economy, demographic change, formal education and 'Westernisation' weakened the extended family network.<sup>14</sup> Labour migration and urbanisation have led to a reduction in the frequency of contact between relatives and encouraged social and economic dependence: (durable) assets, such as land, machinery, or livestock, are perceived as personal property and are no longer available for all the members of the extended family. Children are educated in social values through schools and interaction with their friends rather than through their parents and grandparents. This has lessened the ability of older people to exert social control over their children and grandchildren.<sup>15</sup> In addition, the HIV/AIDS pandemic in Africa left thousands of children orphaned. Uncles and aunts, who were usually taking care of these orphans, are often victims of the disease as well, or have moved away to work or to have nothing to do with the HIV/AIDS infected family. The grandparents, who are less sexually active and therefore are less likely to be infected by the disease, become the caregivers of their grandchildren and are often also burdened with the care and costs of their HIV-infected children.<sup>16</sup> Unfortunately, without income from employment and without having contributed to any kind of formal social security system in their past, resources to keep their family members alive and healthy are limited.

Since this trend of the break-down of the traditional family network and thereby the disintegration of informal social protection systems has been recognized by both the national governments in the developing countries and the Bretton Woods Institutions (BWI's) and donor institutions, discussion about formal social protection schemes have moved to the forefront in the development field. However, limited resources, both financial and human; a lack of political will and a clear objective; and the view that social protection measures are unsustainable and unfeasible both political and economic, make the implementation of formal social protection policies difficult within developing countries.

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<sup>14</sup> G. Foster, 'The capacity of the extended family safety net for orphans in Africa' in *Psychology, Health and Medicine*, Vol. 5, No. 1 (New York 2000). 55-62

<sup>15</sup> Foster, 'The capacity of the extended family safety net', 55-62

<sup>16</sup> James P.M Ntozi, and Sylvia Nakayiwa, 'AIDS in Uganda: How has the household coped with the epidemic?' in: I. O. Orubuloye (ed.) *The Continuing HIV/AIDS Epidemic in Africa: responses and Coping Strategies* (Canberra: 1999). 155-181

### **1.3 Social protection for older people**

Besides the constraints on the implementation process of social protection policies in developing countries, there is also a discussion about which vulnerable group needs assistance the most, because of the variety of severely poor people. There still exists a negative view on social protection for older people in African countries which is twofold and based on preconceptions, of which the first is mentioned before: the traditional family network and the second is the low life expectancy in developing countries.

Some developing countries in Africa however, *did* implement national social protection policies to support the older citizens of society. This paper focuses on the implementation of social protection policies for these older people in African countries. Therefore the question that need to be answered first, will be: why implement policies for older people especially, when the available resources of a developing country are limited and the number of different vulnerable groups is large and diverse at the same time? Second, within the focus on social protection measures for older people, there exists a focus on non-contributory pensions, or universal pensions. HelpAge International is a global network of *not-for-profit* organizations with a mission to improve the lives of disadvantaged older people and to advocate for universal social pensions. In their publication '*Why social pensions now*', HelpAge claims that social pensions: have a direct effect on the proportion of people that live on less than a dollar a day; can promote economic growth and social equity within a society; and that social pensions are a part of an intergenerational approach to development.<sup>17</sup> These claims will be discussed below.

#### **1.3.1 Social pensions and economic growth**

With regard to economic growth, it has been assumed for a long time that transferring money to the poorest people in the poorest countries was a waste: poor people were not able to spend cash wisely, and it created idleness and dependency. There is however increasing evidence that predictable cash transfers, like pensions, generate economic growth on household level, but also within local communities and beyond.<sup>18</sup> There are three socio-economic impacts of cash transfers that can be translated into substantial improvements in the living standards of the poor and most vulnerable and, at the same time, generate national economic growth:

- Reducing poverty;
- Promoting equity;
- Stimulating growth.

Poverty, or vulnerability, is a consequence of extreme limitation of people's physical and financial assets. The lack of food, land, housing, livestock and savings, but also education and health care, constrain people's capability to have an adequate standard of life. A predictable cash transfer enables poor people to provide for (some of) these assets, which enables them to reduce their own poverty and that of their family and even poverty on a higher level. Not surprisingly though, the poverty reduction impact of predictable cash transfers is the largest on individual and household level: Food or fertilizer, bought with the pension money, benefits the whole household. In Lesotho, after the implementation of the universal pension scheme, only ten percent of the people claim that they still do not have enough food to live a decent life compared to more than

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<sup>17</sup> *Why social pensions are needed now*. HelpAge International (London 2006). 1-4

<sup>18</sup> *Why social transfers: the economic case*. Regional Hunger and Vulnerability Programme (Johannesburg 2007).

25 percent before the implementation of the pension scheme.<sup>19</sup> Meals also became more nutritious after receiving the monthly pension: containing beans and meat on a regular basis. People were also able to go to health facilities more often or to purchase a chicken or a goat, which increased poor people's ability to manage risks better in the future.<sup>20</sup>

In Mauritius, the old age pension has reduced the proportion of *households* living below the poverty line from thirty to six percent.<sup>21</sup> In South Africa, households including women eligible for the non-contributory pension reported significantly better weight-for-height indicators for girls, which releases the public health care system from an unnecessary burden.<sup>22</sup> A pension therefore provides for good (better) health and the enhancement of other human capabilities such as education, bearing in mind that those resources available for schooling in poor families are usually spent on boys; a pension can improve the chances of girls receiving education.

Besides extreme poverty countries in Sub-Sahara Africa are known for the high inequalities in income distribution. The number of poor people in Sub-Saharan-Africa has increased since the 1990s and over 290 million people were living with less than one dollar a day in 2000. In addition, the average income of the poor has declined, indicating worsening income distribution within the countries.<sup>23</sup>

Until recently, economic growth was expected to reduce poverty among the poorest people automatically within the process, and there is plenty of evidence suggesting that growth is important for poverty reduction.<sup>24</sup> However, there is more and more evidence available too that economic growth will be unsustainable in the long-run, when the inequality in income distribution will not be reduced, or even when a widening of this inequality will not be prevented.<sup>25</sup> The African countries that reduced their income inequality in the last few years were the countries where a stable and growing economy was connected to investment in interlinked socio-economic policy.<sup>26</sup>

To escape the cycle of poverty and to generate an income, people need to be productive in the (formal) employment sector. To achieve productive activity, a poor person depends on his past consumption. Only when consumption is above some critical level, it is possible to be productive and hence earn any income. (Temporary) cash transfers smooth consumption of the poorest people, especially when these transfers are linked to progressive taxation policies. Cash transfers do not only provide poor people the level of consumption to achieve productive activity, they also boost economic growth.

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<sup>19</sup> Kirsten Hagen, *The old age pension in Lesotho: an examination of the institutional impact* (Amsterdam 2007). 31-34

<sup>20</sup> The need to resort to the sale of assets in bad times can be prevented by the purchase of food producing animals and fertile land

<sup>21</sup> *Why social transfers*. RHVP

<sup>22</sup> Bad nutrition in African countries causes high numbers of people with diabetics which is a severe disease in such countries. Source: RHVP, *why social transfers*

<sup>23</sup> *The Millennium development Goals in Africa: Progress and Challenges*. United Nations Economic Commission for Africa (New York 2005). 3-6

<sup>24</sup> Examples of studies on this topic are, among others: F. Bourguignon, 'The Growth Elasticity of Poverty Reduction; Explaining Heterogeneity Across Countries and Time Periods' in T. Eicher and S. Turnovsky, eds. *Inequality and growth. Theory and Policy Implications*. (Cambridge 2003) and: D. Dollar and A. Kraay 'Growth is Good for the Poor' in: *Journal of Economic Growth*, Vol. 7, No. 3 (2002). 195-225

<sup>25</sup> See for instance: Rafael Gomez and David K. Foot, *Age structure, income distribution and economic growth* (Montreal 2001).

<sup>26</sup> *The Millennium Development Goals Report 2005*. United Nations (New York 2005). 6

Where food aid distorts local markets by eroding incentives for local farmers, cash transfers generate the demand for goods and services and the influx of cash into local communities through social transfers can stimulate the market because of the predictability of the cash transfer. Increased demand for local goods and services encourages local providers to increase their production. To extend the production of goods and services, local employment will get a boost. Even in the remotest areas, this multiplier effect will revitalize local economies. But not all people can work locally.

The assumption of African governments and international institutions has long been that giving people cash decreases the incentives for poor people to find a job. And the key objective of the overall developing process is still to get people to work in 'decent jobs'. For most poor people living in the rural areas of Sub-Saharan countries, finding a decent job means migrating to urban areas, because the supply of labour is still too small in the local communities. It has recently been proven that instead of decreasing the incentives to go to the city and find a job, a social pension can enhance these incentives.<sup>27</sup>

The intergenerational living arrangements play a significant role here. When a financial resource, in the form of a pension, is channelled into a household, the labour-market-behaviour of household members changes, especially the behaviour of the prime adults. In stead of reducing the working hours because of the improved income situation, a social pension promotes employment and this helps families to get out of the poverty trap. Research on this topic is still limited but a study of Posel, Fairburn and Lund (2006) has remarkable outcomes. They claim that the rate of labour force participation of *resident* prime-age adults living in 'three generation households' with a pensioner is significantly lower than in households that do not receive a pension. BUT, on the other hand, the households with a pensioner are significantly more likely to have members who have migrated either to work or to look for work outside their community.<sup>28</sup> This applies particularly to women, because the pension provides women with a solution for two constraints to labour migration: income support to go and look for a job and the responsibility for the children. Where poor households were not able to provide income support so that job search through migration could be sustained, the pension can. It provides for transport to the city and decent clothes to go and have job interviews. Furthermore the pension income facilitates female labour migration because grandmothers can take over the care of children when women migrate.

So on micro-level, social pensions have a role in the migration decision-making process of especially female prime adults. In the long run, on national or macro level social transfers will reduce poverty; income inequality; and create national economic growth.

### **1.3.2 Social pensions to promote social equality**

Again, a defining statement will be used to mark the beginning in explaining the connection between social protection and social equality: *equality means the removal of inequality*.<sup>29</sup> Being equal does not mean that people are supposed to be the same, or to turn it around: people are not unequal because they are different. Inequality has to do with the advantage or disadvantage one person can have over another person. People can have advantages over others because of their race, income, gender or class, to

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<sup>27</sup> D. Posel, J.A. Fairburn and F. Lund, 'Labor Migration and Households: A Reconsideration of the Effects of the Social Pension on Labor Supply in South Africa' in: *Economic Modelling* Vol. 23, No. 5 (2006) 836– 853

<sup>28</sup> Posel, Fairburn and Lund, 'Labor Migration and Households' 836– 853

<sup>29</sup> Paul Spicker, *Liberty, Equality, Fraternity* (Bristol 2006). 67-68

mention a few. This does not mean that all people should be rich, upper-class males in order to be able to respond to their needs. It means that the disadvantage of races, gender, class and income should be eliminated.

Now the question comes up: how can a social pension eliminate the disadvantages of older people in all the segments of life? The disadvantages older people experience, have to do with their age and health: older people in developing countries are in many cases excluded from: formal employment, because they are too weak to be productive; public transportation; health care services and other public services. Their rights are denied and they feel like a burden on their families. In addition, a large proportion of the older people in developing countries are women and thus they are not only disadvantaged by their age, but also by their femininity. Women have often less opportunity to obtain a contributory pension because of the inaccessible formal employment sector and the shorter work-history, due to child-rearing. Old age in developing countries is thus a social construction that brings disadvantages with it. Older people are socially excluded, denied in their access to formal structures and decision making processes which governs the collective life of a society. Their dependent status undermines their capacity to exercise voice and agency on their behalf. They are unable to act like citizens.

A non-contributory pension, being a predictable and regular income for older people, can be the solution to a number of the above mentioned problems. Health care services and even medicine become available due to the pension. Public transport fees, to become mobile again, can be paid with the pension as well. Working in the formal sector is not so urgent anymore which gives older people the ability to stay home, take care of the children and contribute to the welfare of their family and community again.

Social pension can also contribute to the social contract that exists between: 1) citizens themselves; and 2) the state and its citizens. Citizenship can be understood in two main senses. It can be described as 'the right to have rights', which is central to many of the mechanisms by which vulnerable individuals can be protected within society, as explained before.<sup>30</sup> Secondly, citizenship can also be defined as being a member of a community. Citizenship in this sense is '*a status bestowed on those who are full members of a community. All those who possess the status are equal with respect to the rights and duties with which the status is endowed.*'<sup>31</sup> The assertion of equal status is essential to claims for equality. Older people often feel like a burden on their family and community members, as mentioned above. Their wisdom and knowledge are not respected as before and do not give them any status. A regular social pension income can increase older people's standing in their families when shared within the household. Social pensions contribute to the strengthening of the social contract between the state and its citizens in the sense that implementing a universal social pension is a duty of the state. In return, the recipients increase their trust in their government. Both forms of social contract will be explained further on the basis of the three case studies.

### **1.3.3 Social pensions: An intergenerational approach**

Continuing the line of reasoning of the above, a social pension can be perceived as an intergenerational approach to development. This means, an approach that builds on existing relationships between different generations: young people and adults working together to address social problems in developing countries. The intergenerational

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<sup>30</sup> Spicker, *Liberty*, 83

<sup>31</sup> Dwyer, Peter, *Understanding social citizenship* (Bristol 2004). 3-4

approach has the potential to bring adults and adolescents together in a constructive manner to support efforts to, for example, prevent the spread of HIV/AIDS, promote girls' education and improve child protection.<sup>32</sup>

The Madrid International Plan of Action on Ageing recognized the value of the intergenerational approach to development as well. The plan especially emphasizes the role of the approach with regard to: social cohesion (age awareness activity promotes understanding and respect); community development (all generations have a role within the community, especially within poor communities); child and youth education; and in situations where grandparents are taking care of (their) grandchildren. A study amongst the citizens of 15 African countries determined the disadvantage of older people in societies and the impact a generational approach can have in the form of a universal non-contributory pension.<sup>33</sup> The study demonstrated that the preconception mentioned before, that older people often live with their family members, is correct. What was more interesting though is the age and sex of the family members and the function of the older person within the family. Up to 25% of the older people, who live in multigenerational households, are head of the household, meaning that they were the main breadwinners. The incidence of poverty among these families was significantly higher than average, just as among the households where only children and older people are living. The study also confirmed that a universal social pension, though such a system has some fiscal implications,<sup>34</sup> can be a good intergenerational approach to development.

Evidence has shown that people who receive a pension use their income for the whole family: the pension feeds and clothes the family members, and some of the income is spent on the education costs of the children within the household.<sup>35</sup> As mentioned before, a pension gives prime-aged family members the opportunity to go and look for a decent job.

#### **1.4 The policy-making process; mainstreaming the issue of ageing**

This paper will focus on the concerns of older people in developing countries and how their quality of life could be enhanced by mainstreaming their concerns into the overall social development agenda by formulating public policies for older people.

Mainstreaming, within this scope, is a process of systematically bringing issues to the centre of attention in order to integrate a particular social group into all aspects of social, political, economic and cultural life. With regard to ageing issues, the aim of mainstreaming is to ensure that all ages are treated equitably in programs and policies. Decision makers need to be convinced that investing effort in the inclusion of older people into planning and policymaking has a pay off for the government. With a growing proportion of the population ageing, it has become more important to bring this developmentally marginalized group into the mainstream.

Mainstreaming ageing issues and also social protection initiatives are part of a broader policy making process or the public policy making process. Public policies

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<sup>32</sup> *The Intergenerational Approach to Development: Bridging the Generation Gap*. International Centre for Research on Women (ICRW) (Washington DC 2003). 2

<sup>33</sup> In their study, Kakwani and Subbarao looked at recent household surveys in 15 different African countries: Burundi, Burkina Faso, Cote d'Ivoire, Cameroon, Ethiopia, Ghana, Guinea, Gambia, Kenya, Madagascar, Mozambique, Malawi, Nigeria, Uganda and Zambia. Source: Nanak Kakwani & Kalanidhi Subbarao, *Ageing and poverty in africa and the role of social pensions*, IPC Working Paper 8 (Brazil 2005). 19-24

<sup>34</sup> Their simulation analysis shows that the fiscal cost of providing a universal pension will be quite high, even up to 3% of the GDP in some African countries, which is more than the level of public spending on healthcare.

<sup>35</sup> Kirsten Hagen, *The old age pension in Lesotho* 31-32

usually emerge as proposed solutions to identified social problems, but they also form a part of a government's broader political project in which different actors are involved. The process of policy making contains different stages: 1) getting a subject on the agenda; 2) reaching agreement within the executive branch of government; 3) winning legislative approval and public acceptance; and 4) launching and implementation.<sup>36</sup> Political challenges and tasks differ in each phase, and different tactics are needed. The first phase evolves around data collection and analysis to raise awareness among the public to get an issue on the agenda. The second phase requires reconciling different views and winning or consolidating high-level political support. After (someone in) the government has agreed to put forward specific policy proposals, legislative approval is necessary. When legislative approval is reached, the launching and implementation phase starts.

Efforts to mainstream ageing and social protection issues into the broader development agenda already have to be made already in the first stage of policy making. By collecting disaggregated data or age analytical information and presenting the evidence on older people, political active actors can get an issue on the agenda. Data collection can furthermore address the specific needs and approaches of older people. Using participatory methodologies in the further stages of policy development can bring the views and experiences of older people into baseline research and the policy process. In this paper, two approaches to mainstreaming ageing and social protection issues are presented: the stand alone approach, and the cross-cutting approach. The stand alone approach makes the issue in question a key theme of a policy process. A cross-cutting issue touches already existing general principles like for example gender equality. Both approaches will be discussed later on in the paper when discussing the policy process in the different countries.

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<sup>36</sup> Sam Hickey, *The Politics of What Works in Reducing Chronic Poverty: A synthesis report for the Ministry of Foreign Affairs, the Netherlands*. A CPRC Working Paper (Manchester: 2007). 2-4

## Chapter 2 International response to ageing

### Introduction

In 2002, an event on worldwide ageing of major international significance took place in Madrid: the Second World Assembly on Ageing. Representatives of 159 countries shared ideas and designed policy solutions for the growing ageing population in the world and the global demographic change. The point of departure of the Second World Assembly on Ageing was the acknowledgement that ageing represents more than just a 'challenge', but marks a tremendous social achievement and a milestone of human progress.<sup>37</sup> The document that was adopted by the Assembly was the *Madrid International Plan of Action on Ageing (MIPAA)*. As the name reveals already, the Second World Assembly on Ageing was not the first international initiative on the challenge of global ageing. The first part of this section will therefore look at preceding international initiatives on the issue of ageing. Furthermore, the necessity of international cooperation in the field of social protection for older people will be discussed. After that, it will be argued that country ownership is central in the process towards social protection policies in developing countries.

The second part of this chapter will discuss the poverty reduction strategies the Bretton Woods Institutions introduced at the end of the 20<sup>th</sup> century in order to assist the least developed and developing countries in their struggle to eradicate poverty.

### 2.1 Internationalizing the issue of ageing

The 2002 World Assembly on Ageing reflected the global consensus on the social dimension of ageing that had evolved during preceding decades.

The first initiative to place the issue of ageing and rights for older people on the international agenda was already taken back in the 1940's. The Government of Argentina submitted a draft declaration on old-age rights to the UN General Assembly (UNGA) back in 1948.<sup>38</sup> Although not adopted, the issue of ageing received international acknowledgement and resulted two years later in a UN report called: '*Welfare of the aged; old-age rights*'.<sup>39</sup> However, the rapid demographic change that was approaching was not evident back then and it took until the 1970's before the debate on the economic and social consequences of ageing really started. In 1978 the UNGA decided to convene a world assembly dedicated to the issue of ageing to formulate an international action plan on ageing.<sup>40</sup> This First World Assembly on Ageing was held in 1982 in Vienna and resulted in the *Vienna International Plan of Action on Ageing*.<sup>41</sup> The identified three main priority areas were: the sustainability of development in the world where the population is increasing in age; the maintenance of good health and wellbeing to an advanced age, and; the establishment of an appropriate and supportive environment for all age groups. These issues were reproduced in the UN Principles for Older Person in 1991.<sup>42</sup> The Principles provided guidance to incorporate ageing issues into national development programs. They did however, never receive the

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<sup>37</sup> Sergei Zelenev, 'Towards a 'society for all ages: meeting the challenge or missing the boat' in: *International Social Science Journal*, no. 190 (2006). 601-616

<sup>38</sup> S. Zelenev, 'Towards a society for all ages' 601-616

<sup>39</sup> '*Social and Humanitarian Assistance: Aging and the elderly*', Website Encyclopedia of the Nations; Available on: <http://www.nationsencyclopedia.com/United-Nations/Social-and-Humanitarian-Assistance-AGING-AND-THE-ELDERLY.html> (10.10.08).

<sup>40</sup> S. Zelenev, 'Towards a society for all ages' 601-616

<sup>41</sup> *Vienna International Plan of Action on Ageing*. United Nations (New York 1982).

<sup>42</sup> United Nations General Assembly, *Resolution 46/91* (New York 1991).



status of legally enforced rights and therefore, resulted in a resolution without a plan for systematic action and monitoring regarding the national initiatives and policies for older people.<sup>43</sup>

A year later, in 1992, the General Assembly designated 1999 as the International Year of Older Persons and named the theme of the year '*Towards a society for all ages*'. The key of this theme was '*seeing the "life course" in its progressions from childhood through old age, recognizing that older people are not simply a homogenous group but individuals whose individual diversity tends to increase with age*'.<sup>44</sup> There was major public interest for the Year of Older Persons, and the political message generated responses to issues of ageing long after the year of 1999.

In 2002, the *Second World Assembly on Ageing* was held in Madrid. The aim of the Assembly was this time to formulate a *new* plan of action on ageing to address the social, cultural, economic and demographic realities of the new century, with special consideration to the needs of the developing countries.<sup>45</sup> The Madrid International Plan of Action on Ageing (MIPAA), the document adopted after the Assembly, centres on three interlinked main priorities:

- 1) a policy approach to ageing that is integral to the development agenda;
- 2) empowerment of older people and full realization of their rights;
- 3) Public recognition of the opportunities and challenges of an ageing society.

Besides these priorities, the document stresses the importance of *social protection* for older persons, including income security, and formal and informal support, as well as reduction of poverty among older persons and poverty prevention.<sup>46</sup> One of the most innovative and influential parts of the Madrid outcome was the concept of a universal social pension for all older persons within a society.

In general, the MIPAA sets directions for national governments and international development organisations towards implementing its recommendations. The implementation process has two distinctive layers - a national and an international one. On the international layer the document states: '*In order to complement national development efforts, enhanced international cooperation is essential to support developing countries and least developed countries (...) while recognizing the importance of assistance and the provision of financial assistance*'.<sup>47</sup> This rejects the prevailing view that national governments are responsible for addressing the challenges and opportunities of ageing at the country level. Though, it still seems that the issue of ageing continues to be on the periphery of internationally agreed goals, as exemplified by the absence of ageing in the Millennium Development Goals.

According to the MIPAA, international cooperation complements national development efforts. International cooperation can take the form of bilateral or multilateral cooperation between governments, and by utilizing the United Nations system. In case of the developing countries, apart from the usual financial development assistance, there will be a need for technical assistance, cooperative research and the exchange of information and experience in response to national or regional requests. These forms of assistance include the identification of constraints to poverty reduction and finding solutions to overcome these, because not only the mobilization of capital is complex in developing

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<sup>43</sup> Mark Gorman, *The mark of a noble society* (London 2000).

<sup>44</sup> United Nations General Assembly, *Resolution 47/5 Proclaiming on ageing* (New York 1992).

<sup>45</sup> *Madrid International Plan of Action on Ageing (MIPAA)* United Nations (New York 2002).

<sup>46</sup> MIPAA. UN

<sup>47</sup> MIPAA. UN

countries, but the human capacity and the institutional infrastructure are often inadequate as well.

The institutional infrastructure contains ministries, agencies and national committees that deal with the issues of ageing, but a forward-looking policy process geared at mainstreaming ageing into all relevant policies and programs must be part of the infrastructure as well. International cooperation to enhance the institutional infrastructure is particularly important when institutions lack the necessary human capacity. Most developing countries established a Department for Older People within their ministry dealing with social development. But without any leading documents; experience in the field of policy making; a minimal connection to other departments and ministries; but most important, too little staff, these departments have little influence on national policy level. The number of qualified people who can scale up anti-poverty initiatives on policy level, but also trained health workers, teachers and training officers is often too small. Direct funding by donors can be a means to solve this problem, when the money is used to employ more people within the institutions. But more important is the education and training of the already hired personnel and new employees.

Technical assistance is necessary to show the importance of a connection between different ministries. This can improve the administration and delivery of social services, not only to older people. In Lesotho, a better connection between the Ministry of finance and the Ministry of social welfare improved the delivery of the old age pension and the identification of eligible households for the Public Assistance Grant.<sup>48</sup>

Another form of international cooperation is the exchange of information and knowledge on the issue of ageing, without enforcing 'Western' ideas upon the developing countries. To enhance international cooperation on the information and knowledge level, standardized definitions of all matters concerning ageing and social protection are necessary. Despite the necessity of standardized definitions, the national policy-making processes still need to be owned by the national governments. In recent years this country-ownership has become more important in the development literature, especially since the Paris Declaration on aid effectiveness in 2005.<sup>49</sup> Ownership is a key principle of the declaration which means that partner countries that signed the declaration (the countries receiving foreign assistance) need to commit to: *'exercise leadership in developing and implementing their national development strategies through broad consultative processes and to translate these strategies into result-oriented operational programs. Furthermore they have to take the leadership in the coordination of aid at all levels.'*<sup>50</sup> The donor countries, on the other hand need to *'respect this leadership and help strengthen to exercise it.'*<sup>51</sup>

Country ownership furthermore requires active participation of non-state stakeholder groups, in particular the civil society, in order to answer to the demands of society. This social contract between policy makers and the society needs to be strengthened at every occasion. Implementing social policies in order to reduce the

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<sup>48</sup> Kirsten Hagen, *The old age pension in Lesotho* 11-15

<sup>49</sup> The Paris Declaration is an international agreement on aid effectiveness. 126 developed and developing countries adopted the Paris declaration in March 2005 committing their countries and organizations to continue to increase efforts in harmonization, alignment and managing aid for results with a set of monitorable actions and indicators.

<sup>50</sup> *Paris Declaration on Aid Effectiveness*. Organization for Economic Coordination and Development (OECD) (Paris 2005). 3

<sup>51</sup> *Paris Declaration*, OECD. 3

poverty among citizens of a country can be a good means to improve this social contract. Although the policy process needs to be owned by state and citizens donor countries can play a role in it. In the first phase of the policy making process (getting an issue on the agenda) a participatory approach is important. However, in some developing countries, this approach is unknown and foreign assistance is necessary. During the implementation phase and after the implementation of a new policy, again the national policy makers need to take the lead. In order to foster this country ownership, the international donor community has designed several policies and procedures which demand an enormous effort from the receiving countries, but will hopefully result in sustainable development of developing countries.<sup>52</sup>

## **2.2 Bretton Woods Institutions and poverty reduction**

Because the paper is about mainstreaming the issue of ageing into the broader development agenda I will briefly look at the most significant poverty reduction strategy, that the BWI's have been promoting in the least developed and developing countries: The Highly Indebted Poor Countries (HIPC) initiative with the accompanying Poverty Reduction Strategy Papers. The purpose was to create a solution for the rescheduling cycle undergone by the poorest countries since the 1980 until today and as an exit to these countries' debt trap as well as a path towards sustainable debt levels.

In 1996 the HIPC Debt Initiative was proposed by the International Monetary Fund (IMF) and the World Bank. It was the first time that foreign debts owed to bilateral creditors (Paris Club)<sup>53</sup>, multilateral creditors such as the IMF and the World Bank, and the Group of Eight (G-7 plus Russia) joined together to reduce the external burden of some of the world's most indebted countries.<sup>54</sup> The underlying attempt of the HIPC was to remove the debt overhang<sup>55</sup> constraining economic growth, poverty reduction and debt sustainability in the most heavily indebted countries. In 1999 the initiative was enhanced to make debt relief broader, faster and deeper. The enhanced version of the initiative, contrary to the original version, has restrictions for how the funds released from the debt relief are to be used. Therefore, the World Bank introduced the concept of Poverty Reduction Strategy Papers (PRSP) as a part of the HIPC initiative. In order to receive the debt relief and other financial assistance from the IMF or WorldBank, the aid-recipient country was required to prepare a PRSP. The PRSP had to outline how a country plans to utilize debt savings in order to eradicate poverty. It furthermore had to articulate the government's commitment to poverty reduction.

There are two main stages to the HIPC initiative: the decision point and the completion point. In order to be considered for interim debt service relief, countries need to have a track record of macro economic stability, have prepared at least an Interim PRSP through a participatory process and must have cleared outstanding arrears to multilateral creditors. When having reached this point countries begin receive debt relieve.

When countries maintain this macro-economic stability, carry out key structural and social reforms, and implement a satisfactory PRSP for one year, debt relief is

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<sup>52</sup> Examples are the necessity of PRSP's to receive any aid, the formation of national coordination committees, and participatory approaches to policy implementation.

<sup>53</sup> The Paris Club is a group of informal and voluntary bilateral creditors, mostly from developed countries.

<sup>54</sup> Masaya Llaveneras Blanco, 'Asking the Iceberg to Save the Titanic: The HIPC Initiative as a Locus of the International Financial Regime's Underlying Rationale', *Undercurrent*, Vol. 2, No. 1, (2005). 45-53

<sup>55</sup> When a country's debt exceeds its ability to repay, the country is suffering from a debt overhang.

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provided irrevocably by the countries creditors. How the process of mainstreaming ageing issues and social protection instruments in the case study countries is affected by these initiatives, will be discussed in chapter seven.

## Chapter 3 Donor approaches to worldwide ageing

### Introduction

The policy objectives adopted in the Madrid International Plan of Action on Ageing had the support of all governments attending the meeting, but they refused to turn the objectives into binding commitments. As a result, the MIPAA has little legal force, even though the document sets norms and offers policy ideas.<sup>56</sup> The MIPAA does advocate international cooperation to support developing countries and least developed countries in implementing the MIPAA.

In the field of social protection, the British Department for International Development (DFID) is often seen as *the* leading institution promoting cash transfers and social development in developing countries. Sweden, on the other hand, is worldwide known for its own enhanced national welfare system.

In this chapter both the Swedish and the British activities in the field of social protection for older people in developing countries are discussed. Besides that, the chapter will look at the position of social protection within the broader development agenda's of both Sweden and the United Kingdom.

### 3.1 DFID's approach to social protection and ageing

As the leading institution<sup>57</sup> on social protection, DFID has produced a number of documents that relate to the topic. It took, however, until 2004 to produce a first policy paper on social protection. Though it was called a policy paper, the document did not represent DFID's position or policy on the topic.<sup>58</sup> A paper on social transfers that followed in 2005 resulted in a considerable increase of the concept of social transfers on the international policy agenda, but again, did not reveal DFID policy on the subject. In January 2006, DFID finally produced four briefing papers on social protection and one practice paper on social transfers.

In these papers, social protection was finally acknowledged as a necessary right to all people and, more important, DFID's position on social protection within the broader development agenda was finally revealed. The papers included terms and concepts related to social protection and evidence from developing countries on how social protection initiatives can improve the human development and economic growth. Social protection was defined as: *'Public actions – carried out by the state or privately- that: a) enable people to deal more effectively with risks and their vulnerability to crises and changes in circumstances (unemployment, old age, etc.); and b) help tackle extreme and chronic poverty.'*<sup>59</sup>

To distinguish social protection from broader development policies and for operation purposes, DFID narrowed down the concept of social protection to *'a concept that focuses on a sub-set of actions that contains three sets of instruments: social insurance*

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<sup>56</sup> Susanne Paul and Alischa Kugel, *'Global action on ageing. Social protection for older people: A plan of Action'* (New York 2007) source: <http://www.globalaging.org/agingwatch/socialwatchgaa.pdf> (28-09-2008)

<sup>57</sup> DFID has identified security and protection as one of the key requirements for sustainable poverty reduction and furthermore perceives poverty elimination not as a matter of charity. Decent living standards, access to services and security are part rights of poor people. DFID's policy work on social protection and their active engagement in a wide range of countries has to consolidate DFID's reputation with regard to social protection.

<sup>58</sup> Andrew Shepard a.o., *Policy paper on Social protection* (London 2004) 1-5

<sup>59</sup> *Social Protection in poor countries*. Social Protection Briefing Note Series, number 1. Department of International Development. (London 2006). 1

(contributory); social assistance (non-contributory); and, the setting and enforcing of minimum standards to protect citizens within the workplace'.<sup>60</sup>

Having recognized the importance of social protection to reduce poverty in developing countries, DFID produced a new White Paper on International Development in 2006: *'Making governance work for the poor: eliminating world poverty'*. This paper sets out what the UK government will do over the next 5 years to reduce world poverty.<sup>61</sup> The central theme of the White Paper is that state effectiveness is the most important determinant of successful development and poverty reduction, emphasising that effective states protect people's rights of which social security is one: *All human beings have a right to food, clothing, shelter, education, health and social security*.<sup>62</sup>

Social protection, on the other hand, is presented in the paper as one of four public services that are essential when countries want to achieve the Millennium Development Goals.<sup>63</sup> The relation between social protection and the right to social security is however not discussed and both concepts can even be used interchangeably. As used in the white paper, social protection can be perceived as an alternative term to social security: the maintenance of income in case of poverty, unemployment, sickness, disability, old age and loss of the breadwinner.

The above immediately highlights the problem DFID has with the use of the concepts of social protection and social security. There is no consistent use of both terms. Social Security has always been a specific concept within DFID discourse and refers to a particular form of security, traditionally based around formal employment and including social insurance and social assistance.<sup>64</sup> Social security is perceived as a basic human right, distracted from the UDHR.

Social protection is also perceived as a human right, but the content of the right remains unclear in the DFID documents. Papers produced by DFID on social protection refer to the UDHR in an isolated way when discussing social protection as a human right. For example, the practice paper on social transfers inserted an additional box about the human rights framework in order to connect social protection to the UDHR. Such a box would not be necessary when social transfers were perceived as a part of the right to an adequate standard of living.<sup>65</sup>

Although the content of the right to social protection remains somewhat unclear in the documents produced by DFID, the explicit recognition of the right to social protection in the 2006 White Paper is important and shows the rights-based approach to development DFID has. This means that the rights of the poor need to be enshrined in national laws and international agreements so they can form the basis on which development organizations formulate their policies. The social protection approach of DFID is also rights-based and participation; inclusion; and fulfilling obligation are the key

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<sup>60</sup> *Social protection in poor countries*. DFID. 1

<sup>61</sup> *Making Governance work for the poor: Eliminating world poverty*. Department for International Development (London 2006) 45-87

<sup>62</sup> *Making governance work for the poor*. DFID. 73

<sup>63</sup> The other services are: Education; health; and water and sanitation.

<sup>64</sup> Social security is a series of public measures to offset the absence or substantial reduction of income from work resulting from various contingencies (notably sickness, maternity, employment injury, unemployment, invalidity, old age and death of the breadwinner); to provide people with healthcare; and to provide benefits for families with children'. Source: Shepard, *Policy paper*. 8-11

<sup>65</sup> *Social transfers and chronic poverty: Emerging evidence and the challenge ahead*. Department for International development. (London: 2006) 3-6

components.<sup>66</sup> In other words, social protection is an opportunity to invest in people, even the poorest, without excluding any social group or agency. Investing in education and health for example, will make people more productive and capable in the future. This way, social protection initiatives can tackle poverty, inequality and exclusion, but also strengthen the social contract between state and citizens while reducing the likelihood of extremism, social unrest and conflict.<sup>67</sup>

The UK was one of the 159 countries that signed the Paris Declaration on Aid Effectiveness in 2005. The key principle of the Declaration, as mentioned before, was country ownership and leadership of development initiatives. Besides the request to governments of developing countries to invest in its citizens, DFID also request country-led approaches to development and the acknowledgement by government officials of developing countries of the effects of rising inequality and poverty.<sup>68</sup>

In general, to achieve this, DFID tries to change the view that is common in most in developing countries: Giving the poorest people money is a waste and makes poor people more articulate and political aware. Articulate people can cause great problems and will ask for more in the future, which can cause social unrest.

The key objective in DFID social protection approach is therefore to enlarge the political will of governments in developing countries to invest in social protection. In addition DFID will assist countries to enhance the documentation on the severity of poverty among its citizens in order to implement justified policies. For that reason, DFID supported the creation of the National Institute of Statistics of Rwanda with the aim to ensure an effective development agenda based on solid evidence about what the country needs. DFID also assisted by executing Rwanda's first National Household Survey after the 1994 genocide.<sup>69</sup>

According to the white paper, the government of the UK will increase its spending on social protection initiatives in order to move from emergency relief to long-term development through social protection by 2009. Second, DFID will help national governments in the development process towards national social protection frameworks and increase the partnership between developing countries to share experience of expanding social protection. Therefore DFID also funded a manual on designing and implementing social cash transfers, that, since its production, has been distributed to a large number of developed and developing countries.<sup>70</sup>

At the moment DFID works in Zambia and Ghana to set up pilot social protection programs; in Ethiopia, Zimbabwe and Kenya to develop large-scale social protection programmes; and in Kenya, Zambia and Malawi to develop strategic frameworks for social protection. Besides these programs that deal only with the issue of social protection, DFID supports developing countries through Poverty Reduction Budget Support (PRBS). PRBS is a form of financial aid to governments in order to provide support for policies that have long-term objectives to reduce poverty.<sup>71</sup> Budget support can take the form of a contribution to the overall budget; a contribution to achieve objectives in particular sectors, for example education; or as a

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<sup>66</sup> *Realizing human rights for poor people: Strategies for achieving the international development targets.* Department for International Development. (London 2000). 6-12

<sup>67</sup> *Social protection in poor countries.* DFID. 2-4

<sup>68</sup> *Social transfers and chronic poverty.* DFID.24

<sup>69</sup> *Gathering facts to fight poverty in Rwanda.* Department for International Development (London 07-08-2007) source: <http://www.dfid.gov.uk/casestudies/files/africa/rwanda-statistics.asp> (26-06-2008).

<sup>70</sup> *Progress on Social Transfers in DFID.* Department for International Development (London 2006). 1-7

<sup>71</sup> *Poverty Reduction Budget Support.* Department for International Development (London 2008). 5-22

package of support. Countries are eligible for budget support when they are committed to reducing poverty; upholding human rights; improve public finance and good governance; and when the provision of the budget will produce significant benefits to other forms of development aid.<sup>72</sup> The three case study countries, Uganda, Malawi and Rwanda all receive PRBS from DFID at the moment. The budget support to Rwanda is connected to a *Memorandum of Understanding* between the UK and Rwanda which reaffirms the long term development partnership between both countries. The UK will provide sustained support in the form of grant aid of which a minimum of two thirds will be provided through budget support.<sup>73</sup>

### **3.1.1 HelpAge International**

In the specific field of social protection for *older people* in developing countries, DFID often works together with HelpAge International. HelpAge International is a global network that has been working since 1983 to improve the lives of older people in developing countries. The network today spans over more than 70 affiliate organisations in 50 countries. In 2002, a Partnership Program Arrangement (PPA) was agreed between HelpAge International and DFID. Through the PPA, DFID provides funding for the work of HelpAge in developing countries.<sup>74</sup> A lot of the activities done by DFID in the three case study countries is done with the help of HelpAge, through the PPA.

HelpAge is also closely engaged in policy work with DFID for many years. As a result, when a developing country asks for the assistance of developing a pension scheme for their older citizens, HelpAge often provides the design and implementation assistance and DFID does the funding. More about the work of DFID and HelpAge will be discussed in chapter seven.

### **3.2 SIDA's approach to social protection and ageing**

Sweden has for a long time been known and admired for its' own 'Swedish model' that refers to the Swedish model of the welfare state.<sup>75</sup> Many other countries are keen to copy the model. This expertise within the field of social protection justifies Sweden's active involvement in the implementation of social protection measures in developing countries.

The Swedish governmental agency that deals with international development and financial aid is the Swedish International Development Cooperation Agency (SIDA). In 2003, the Parliament of Sweden adopted the new leading SIDA-policy called *Sweden's Policy for Global Development*. By adopting the policy paper, Sweden became the first country in the world that presented an integrated policy for global development. The overall objective of the policy paper is to contribute to equitable and sustainable global development through the perspectives of the poor and through a rights-perspective. Using the *rights-perspective*, the policy paper aims at upholding the universal human rights. By embracing the *perspective of the poor*, the circumstances, needs and priorities

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<sup>72</sup> There are more conditions to receiving budget support, which are further discussed in the Policy Paper on poverty reduction budget support. Source: *Poverty Reduction Budget Support*. 4-5

<sup>73</sup> *Memorandum of Understanding*. Government of the United Kingdom and the Government of Rwanda (13-02-06) Source: <http://www.dfid.gov.uk/Pubs/files/rwanda-mou-2006.pdf> (10-10-2008).

<sup>74</sup> The total amount of funding by DFID was £1.629.000 for the year ending in April 2008. This equals around 10% of HelpAge's total budget. Source: *Report and financial Statements 2008* HelpAge International (London 2008).

<sup>75</sup> Johan Norberg, *Swedish Models* (06-01-2006)

Source: <http://www.nationalinterest.org/Article.aspx?id=11488> (18-6-2008).



of the poorest people in a country need to guide the process towards sustainable development.<sup>76</sup>

One of the central component elements of the policy is social development and social security. The policy document states that: '*Sweden should make efforts to ensure that sustainable development is characterized by equitable distribution (...) Sweden's experience of social security policies should be utilized in realizing the purposes and goals of the policy for global development.*' In the policy it has been recognized that the ready-made Swedish model of social development and security cannot be exported to the developing countries. However, the close link that exists in Sweden between its welfare and security policy and its economic policy makes Sweden an expert in the field of social development, and an important international partner in the development of social policies.

The broader concept of social protection is not mentioned as such in the policy, just as the social transfers are left out. In the first evaluation of the policy in 2005, the important role of cash transfers or social protection as a concept was still not recognized or at least not included in the report.<sup>77</sup> The emphasis of the evaluation was mainly put on environmental, international trade, agricultural and migration policies.

In 2006, SIDA evaluated its implemented policies again, and the result was a document completely concentrating on the social development, called: *Mapping Sida's activities, Swedish and international actors*. In this document a shift was recognized from activities in separate areas such as health, education and sanitation, towards more comprehensive activities that overlapped all these areas.<sup>78</sup>

As a result of this evaluation process, SIDA organized an international seminar called '*Social Policy in a Development Context – How research can be translated into policies and action.*' The United Nations Research Institute for Social Development, which just carried out a research on social policies in a developmental context, cooperated with SIDA. During the seminar Sweden emphasised how comprehensive social policies can contribute to democratisation. Swedish representatives explained that the welfare state in Sweden used redistribution policies to ensure the inclusion of the middle-class people, but also the poorest segments of the society. Although social spending is high in Sweden, a high level of prosperity and economic growth is displayed in Sweden as well. This demonstrates the possibility of a unified broad based strategy which includes both the concept of social protection and competitive and growth oriented economies.<sup>79</sup> Again it was emphasised that the Swedish model as such cannot be exported to every country in the world. At the end of the seminar a consensus among the attendants emerged about some specific affordable social protection policies for developing countries emerged, including a policy on social pensions.

After the seminar, SIDA started developing a position paper on social security and protection: '*Social Security Systems 2008-2012*'. Social security as a development

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<sup>76</sup> *Sweden's Policy for Global Development*. Swedish International Development Cooperation Agency (Stockholm 2003).

<sup>77</sup> Government Communication 2005/2006: 204 Sweden's Global Development Policy (18-05-2006) Source: <http://www.regeringen.se/content/1/c6/07/01/68/3e990ee4.pdf> (18-10-2008). 67

<sup>78</sup> *Mapping Sida's activities, Swedish and international actors*. Swedish International Development Cooperation Agency (Stockholm 2006).

<sup>79</sup> Olli Kangas and Joakim Palme, *Social Policy and Economic Development in the Nordic Countries* (Basingstoke 2005).

concept was defined as '*formal systems that create security for human beings in vulnerable situations*'.<sup>80</sup> The concept of social security in the SIDA paper includes the provision of resources and other basic social services to '*especially needed groups*' and vulnerable people.<sup>81</sup> The '*especially needed groups*' include the unemployed, children from poor families, older people without networks and victims of trafficking and child soldiers. However, mentioning '*especially needed groups*' as a separate group within society undermines the overall rights-perspective that exist in the leading development document of SIDA: *Sweden's Policy for Global Development*. Using '*needed groups*' for targeting social security systems can be perceived as a '*welfarist*' and charitable approach to development. Social protection instruments should be universal, not just for some people. The policy paper on social security systems does however recognize the universal rights of individuals and the duties of the state to uphold these rights, including social security. SIDA's social security policy uses the different concepts (social protection, social services, and social security) inconsistently, just like DFID does in its documents.

Reform activities will be concentrated on the countries' own capacity to develop systems that provide services for people living in poverty which connects with the Paris Declaration Sweden signed as well. Regarding this declaration, Swedish future priorities within the field of social security and protection in developing countries are all connected to the responsibility of the state, the civil society as executor and activist, and the strengthening of the administrative and financial structures and capacity in the developing countries.

On the implementation level the Swedish policy is very limited. Clear activities towards enhancing social security in developing countries are not mentioned at all. The only instrument mentioned in the policy is the bilateral dialogue between SIDA and governments of developing countries. These dialogues will be executed in order to assist countries in their process towards developing a framework for social security/protection. Dialogue as an instrument of development has a central function within the overall Swedish development agenda. The concept of dialogue includes creating an enabling atmosphere in order to transfer the message.

Just like the UK, Sweden also supports developing countries through budget support. The budget support in Sweden is either General Budget Support (GBS) or Sector Budget Support (SBS). The GBS, in contrast to the SBS, is not assigned to a particular sector within the government budget.<sup>82</sup>

All of Sweden's contributions to the developing countries, including the GBS en SBS are coordinated in accordance with the Paris Declaration of 2005. In addition, Sweden has an agreement with Norway when it comes to assistance for developing countries. For example, the assistance to Malawi: Norway details out the support in dialogue with Malawi, while Sweden contributes money and expertise. This cooperation reduces the administrative burden on Malawi where development cooperation represents approximately one fifth of the national budget. Sweden's remaining activities in Malawi and the other two case study countries will be discussed in chapter 7.

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<sup>80</sup> *Social Security Systems*. Swedish International Development Cooperation Agency. A position paper (Stockholm 2008). 7

<sup>81</sup> *Social Security Systems*. SIDA. 8

<sup>82</sup> *Inventory of Programme Support at Sida 2000-2006*. Swedish International Development Cooperation Agency (Stockholm 2007).

### 3.3 Comparative analysis

Although DFID is often perceived as the leading agency in the field of social protection, there is no real difference in the way SIDA and DFID support the African countries in their process towards social protection initiatives. This is mainly a consequence of the Paris Declaration on Aid Effectiveness. Signing this declaration, the donor countries made commitments on the alignment and harmonization of development aid.

In order to deliver aid effectively Poverty Reduction Budget Support has been identified as the right mechanism to do this. This approach gives receiving governments more money to spend on health care and education, but it can also strengthen the government's own institutions. A widely accepted form of Poverty Reduction Budget Support is multi-donor support. Within this form, multiple donor countries, for example Sweden, the UK and the Netherlands, all pay a part of the required budget support. It is thus often the case that Sweden and the UK support the same country through the same mechanism.

DFID does, however, distinguish itself from SIDA when it comes to the direct assistance of cash-transfer-pilot-programs and the development of social protection frameworks. At the moment DFID is working in 20 different countries to set up social cash transfers, but all are in very different stages.

In Malawi, DFID supported the national government with the implementation of a cash transfer pilot for the poorest citizens in the Mchinji district. Besides that, DFID supports the development of a national social protection framework.

In Uganda, DFID and the national government just agreed on the effectiveness of a pilot program. Who will be targeted within the program is however, still unsure.

In Rwanda DFID supports the Ministry of Local Government in its process to implement the National Social Protection Policy. DFID also still supports the National Institute of Statistics of Rwanda with the execution of their National Household Surveys and Demographic Health surveys.

SIDA recognized the importance of social protection measures as the policy paper on social security systems proves. However, Sweden is not yet assisting countries with the design and implementation of pilot schemes like DFID does. The emphasis is more on the improvement of the healthcare, sanitation and education sector. With regard to the sanitation sector however, Sweden is phasing out its efforts to increase access to water and sanitation in the rural areas of Uganda.

The development cooperation to Malawi will be phased out completely and will be ended around June 2010. This will be done because of the wish to reduce the number of partner countries.<sup>83</sup>

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<sup>83</sup> *Future cooperation Malawi*. Swedish International Development Cooperation Agency. Source: [http://www.sida.se/sida/jsp/sida.jsp?d=282&a=39167&language=en\\_US](http://www.sida.se/sida/jsp/sida.jsp?d=282&a=39167&language=en_US) (25-09-2007).

## Chapter 4 The African approach to the issue of ageing

The African countries started their initiatives to address the challenges resulting from an ageing population on the continent, already before the turn of the century. During a session of the Organisation of African Unity (former African Union) in Namibia in 1999 (the year of the older people) the Labour and Social Affairs Commission in cooperation with HelpAge International made a start by drafting an African Union Policy Framework and Plan of Action on Ageing in Africa. This draft received its final seal of approval in 2002, after it was approved during the Second World Assembly on Ageing in Madrid. In the policy it was recognized that the older people in Africa are consistently among the poorest people, but that they are hardly acknowledged in poverty reduction initiatives. Formal social security is often out of reach for older people, and often they are denied in access to formal employment, services and credit. In most cases older people in Africa rely on their families.<sup>84</sup> The policy recommends member states of the African Union to undertake measures to ensure that the rights and needs of older people are comprehensively addressed in poverty reduction strategies and binds all countries to develop national policies on ageing.<sup>85</sup>

The policy on ageing was followed by a Plan of Action on the Family in 2004. The policy was developed in order to adjust to a new reality, with regard to the African family. The policy emphasized the changing environment in which families are trying to survive, and also the number of child-headed-, single-headed-, or household headed by the older people is increasing. In the future, political, cultural and socio-economic development strategies need to take the family as starting point, because, according to the policy, the family is still the basic unit of the society.<sup>86</sup>

In order to assist National governments to implement policies addressing the issue of ageing and social protection in general, an intergovernmental Conference on Social Protection was held in March 2006. The conference was initiated by HelpAge International in cooperation with the Government of Zambia that also hosted the conference. The conference brought together the representatives of 13 African countries<sup>87</sup> together with Brazil, several development partners, UN agencies and non-governmental organisations (NGO's). Although the main focus of the conference was on social protection in general, the issue of social protection for the older people in Africa was emphasised especially. A representative of the Government of Lesotho provided a presentation on the recently implemented Old Age Pension in his country and the Government of Zambia explained that the impact of the Kalomo Pilot Social Cash Transfer Scheme was especially on the older people and the children they take care of.<sup>88</sup> After the three day conference, the attending representatives agreed to develop national social protection policies to support the most vulnerable groups of their societies. Furthermore, social cash transfers, like the Lesotho Old Age Pension, were identified as an effective means to tackle poverty among the poorest people. However, some

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<sup>84</sup> *AU Policy framework and plan of action on ageing*. African Union (Nairobi 2006) 11

<sup>85</sup> *AU policy Framework*. African Union. 11

<sup>86</sup> *Promoting the African Family – Experts meet to adopt a plan of action on the Family in Africa*. African Union (Addis Abbeba 2004).

<sup>87</sup> Ethiopia, Kenya, Lesotho, Madagascar Malawi, Mozambique, Namibia, Rwanda, South Africa, Tanzania, Uganda, Zambia and Zimbabwe

<sup>88</sup> *Social cash transfers for Africa*. HelpAge International. 14-19

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attendants, especially the representatives of Uganda, were concerned with the 'welfarist' nature of a cash transfer and the administrative and financial feasibility of such schemes. All the outcomes of the conference were collected and reformulated into a plan of action on social protection: '*Livingstone Call for Action*'.<sup>89</sup>

In September 2006 already, the Livingstone initiative was followed by an African-wide workshop on ageing hosted by the Government of Cameroon. A new call for action, the '*Yaoundé Call for Action*', was adopted. This call for action explicitly called for governments to implement the preceding policy objectives, mentioned in the '*Livingstone Call for Action*' and to adopt comprehensive social protection schemes for older people with particular emphasis on universal social pensions.<sup>90</sup>

The African Union is now in the process of developing an overall '*agenda towards a sustainable social development for Africa*'. This new Social Policy Framework for Africa will include policy recommendations to help member states develop social protection schemes that provide disadvantaged groups, such as children, older people and people with disabilities, with access to social protection and other basic social services.

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<sup>89</sup> *Livingstone Call for Action*. See appendix 1

<sup>90</sup> *Yaoundé call for action*. See appendix 2

## Chapter 5 The case studies, pre-Livingstone

### 5.1 The case study countries

The Livingstone Conference was the first intergovernmental conference about Social Protection in Africa. Nevertheless, the issue of social protection was, in some African countries, already entered in development strategies before the conference. Botswana, South Africa, Namibia, Lesotho and Mauritius implemented social pension schemes even before the Livingstone Conference. This chapter will present an overview of the process towards mainstreaming social protection, especially social protection for older people, into the development strategies of Uganda, Malawi and Rwanda. After that I will critically analyse these processes and compare them. I will begin though, with a brief introduction of the three case study countries.

#### 5.1.1 Uganda

Uganda is a country in the East of Africa bordered by Kenya on the East, Sudan on the North, the Democratic Republic of the Congo on the West and Tanzania on the East. These boundaries were created by Britain in colonial times and resulted in a country where a wide range of ethnic groups with different political systems and cultures. These ethnic groups prevented the establishment of a connected political community after independence was achieved in 1962. Therefore, the President of Uganda, Milton Obote, abolished the in 1996 the tribally based kingdoms and suspended the constitution. He proclaimed Uganda a republic. In 1971 Idi Amin took over power from Obote after a military coup. Amin declared himself President of Uganda and gave absolute power to himself. His regime was responsible for extreme economic decline, social disintegration, human rights abuses and approximately 300.000 deaths. In 1979 Amin was removed from his position by the army of Tanzania and Libya. In December 1980, Milton Obote became President of Uganda again, which claimed another 100.000 deaths and one of the worst human rights abuses records in the world. Since 1986 Uganda has a President who has brought relative stability and economic growth: Yoweri Museveni.

Today, Uganda is still one of the 50 poorest countries of the world, with a gross domestic product (GDP) per capita of just above the US\$1000 per capita, growing with an average of 2.7% per annum. Uganda is ranked 154<sup>th</sup> out of 177 countries in the 2008 Human Development Index, which indicates medium development social development.<sup>91</sup> Uganda's total population was just over 31 million people in July 2008 and 38% of them live below the poverty line of one US\$ a day.<sup>92</sup> According to the 2002 Uganda Population and Housing Census, the population of older persons (60 years and over) in Uganda was 1.090.000 (4,6%) of the total population of 24.3 million.<sup>93</sup>

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<sup>91</sup> The Human development index ranks countries by their achievements in the field of human development such as life expectancy, GDP per capita and educational attainment. The human development achievements in Uganda are medium according to the Report by the United Nations Development Program, but 0.005 points away from being a country where the achievements are low. *Human Development Report 2007/2008 Uganda*. United Nations Development Program. (12-3-2008) Source: [http://hdrstats.undp.org/countries/data\\_sheets/cty\\_ds\\_UGA.html](http://hdrstats.undp.org/countries/data_sheets/cty_ds_UGA.html) (03-12-2008).

<sup>92</sup> *Poverty Eradication Action Plan 2004/5 2007/8*. Ministry of Finance, Planning and Economic Development (Kampala 2004). 12-17

<sup>93</sup> *Uganda population and housing census*. Uganda Bureau of Statistics (Kampala 2002). 17

The informal sector is by far the most important employer in Uganda. A sizeable proportion of older people are still working in the informal sector, especially the women. Most people active in the informal sector are active in the agriculture, which gives them the opportunity to provide food for themselves by growing their own crops, or by in-kind payment. The level of income in the informal sector is low and evidence reveals that only 21% of the employed women are paid in cash only and 32% of the women do not get paid at all.<sup>94</sup> The focus of the people active in the informal sector is likely to be on immediate short term needs (nutrition), rather than on participating in the formal security schemes and have long-term insurance, which is also the case in Malawi and Rwanda.

The formal sector workers, a minority, *are* in a position to participate in formal insurance or pension schemes. The current formal pension scheme in Uganda is essentially a single pillar system with the National Social Security Fund (NSSF) covering the private sector and the Public Service Pension Scheme (PSPS) covering the civil servants.<sup>95</sup> The coverage of these formal systems is low: only 7.1% of the people aged 60 years or over have access to a pension and the majority of them (60%) are male.<sup>96</sup> Apart from the large informal sector in Uganda the low coverage of the pension system is also a result of the lack of obligation for the people in the formal sector to mobilize savings either through compulsory contributions or voluntary savings.

### **5.1.2 Malawi**

The Republic of Malawi is a small landlocked country in the Southeast of Africa, between Zambia and in the West, Mozambique in the South and East, and Tanzania in the North. Malawi, formerly known as Nyasaland, struggled for independence from the British in the 1950's. The answer of Britain was the Federation of Rhodesia and Nyasaland, containing Northern and Southern Rhodesia, now known as Zimbabwe, Zambia and Malawi. This federation was dissolved in 1963. Malawi gained independence in 1964 with Hastings Banda as President of the one-party republic he installed. Speaking out against the President was strictly prohibited. After three decades of Banda's one-party rule, the first multiparty elections were held in 1994. Accelerated economic liberalization and other reforms were introduced by the new President, Bakili Muluzi, but the foreign aid depending country, stayed one of the poorest in the world. In 2004 the second multiparty elections followed, won by Malawi's current President Bingu wa Mutharika.

Malawi is still one of the poorest countries in the World, with only a GDP per capita of 667 US dollar, and the human development is very low: Malawi is ranked 164<sup>th</sup> on the HDI.<sup>97</sup> Malawi has a population of almost 14 million people, of which approximately 52.4% lives below the poverty line.<sup>98</sup> 5,5% of the population is over 60 years old and 56,2 percent of the population is under the age of 19.<sup>99</sup>

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<sup>94</sup> *Uganda National Household Survey*. Uganda Bureau of Statistics (Kampala 2006). 31-38

<sup>95</sup> The NSSF operates a defined contribution scheme funded out of mandatory contributions by employers (10 per cent of wages), and employees (5 per cent of wages). The NSSF is essentially a compulsory savings scheme, which pays out a lump sum to the employee on termination of employment due to retirement, disability or death. The PSPS is a "defined benefit" scheme funded out of general revenues from the state.

<sup>96</sup> Fred Muzaale, 'Museveni Wants "Ageing" Taught in Schools', in: *The Monitor* (Kampala 2008) source: <http://allafrica.com/stories/200810030186.html> (14-06-2008).

<sup>97</sup> *Human Development Report 2007/2008 Malawi*. United Nations Development Program (12-3-2008) Source: [http://hdrstats.undp.org/countries/data\\_sheets/cty\\_ds\\_MWI.html](http://hdrstats.undp.org/countries/data_sheets/cty_ds_MWI.html) (03-12-2008).

<sup>98</sup> *Malawi Growth and Development Strategy: From poverty to prosperity*. Government of Malawi (Lilongwe 2006). 7

<sup>99</sup> *Integrated household survey 2004-2005*. National Statistical Office (Lilongwe 2005). 12

Most people in Malawi, 75%, are active in the informal agricultural sector. Especially women work in this occupation field: 8 out of 10 against 6 out of 10 men.<sup>100</sup> The proportion of older people (60+) that are still active in agriculture is significantly high with almost 90%.<sup>101</sup>

The current formal pension system in Malawi is weak and there exists no national policy on pension. There is only the Government Public Pension Scheme, a non-contributory pay-as-you-go system that provides retirement and other benefits to civil servants. There is currently no social security system for private-sector workers, although the government encourages state-run and private-sector companies through favourable tax policy to provide voluntary occupational retirement plans. Most of these arrangements operate on a defined contribution basis through contracts with insurance companies. The coverage of the pension scheme is low, but there are no exact numbers available to the author of this paper to give a percentage of the people with a formal pension or insurance.

### **5.1.3 Rwanda**

Rwanda is the smallest country of the three countries discussed here and part of the Great Lakes Region in East-Central Africa. Its' neighbours are Uganda, Burundi, the Democratic Republic of the Congo and Tanzania.

Rwanda has been dominated by alternately Germany and Belgium, which resulted in severe hostilities between the two main ethnic groups, the Hutu's and the Tutsi's. The Tutsi's were favoured by both the Germans and the Belgians, because of their, according to the Germans, superior racial type and willingness to convert to the Roman Church. Therefore the Tutsi's received the majority of the political control from both the Germans and the Belgians. This led to severe oppression of the Hutu's.

At independence from Belgium in 1962, the Hutu's, who gained more and more power from the Tutsi's in the previous years, took over the government and elected a Hutu President, Grégoire Kayibanda. From then on, the Tutsi's were blamed for everything that went wrong in the country and they became the national scapegoats. In 1973 Juvénal Habyarimana, also a Hutu, took over power from Kayibanda. He dissolved the National Assembly and abolished all political activity. In 1978, 1983 and 1988, Habyarimana was elected again because he was the sole candidate. In 1990 he announced his intentions to turn the one-party rule into a multi-party democracy. The Tutsi's, unwilling to wait for it to happen, invaded Rwanda from their base in Uganda. Ethnic tension increased by the day. On April 6 1994 the Hutu President of Rwanda and the Hutu President of Burundi were killed in a plane crash when the plane was, most likely, shot out of the air. Military and militia groups, who were sure that the Tutsi's were responsible, started killing all the Tutsi's they caught. Between April 6 and July the same year, an estimated 1.000.000 people, mostly Tutsi's were killed, leaving the country devastated.

Now, nearly 15 years after one of the worlds' worst genocides in history, Rwanda is still one of the poorest countries with a GDP per capita of US\$ 1206.<sup>102</sup> It is estimated that more than 60% of the total population, around 10 million, lives below the poverty line. The human development in Rwanda is still low and the HDI placed Rwanda on the 161<sup>st</sup> place. 4,6% of the total population is over the age of 60, and 57,3% of all people are below the age of 20, of which 29% is orphaned.<sup>103</sup> A lot of children (67,7%) in the age group 15-20 are

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<sup>100</sup> *Integrated household survey*. National Statistical Office. 46-63

<sup>101</sup> *Integrated household survey*. National Statistical Office. 48

<sup>102</sup> *Human Development Report 2007/2008 Rwanda*. United Nations Development Program. (12-3-2008)

Source: [http://hdrstats.undp.org/countries/data\\_sheets/cty\\_ds\\_RWA.html](http://hdrstats.undp.org/countries/data_sheets/cty_ds_RWA.html) (03-12-2008)

<sup>103</sup> *Rwanda Demographic and health survey 2005*. Institut National de la Statistique Ministère des Finances et de la Planification Économique (Kigali 2006). 11



already economically active in order to generate some income for their households. Most of them are working in the informal sector. In fact, 93,8% of all the working people in Rwanda are working in the informal sector. Agriculture, fishing and forestry are the main sources of income. Of the older people (people over the age of 65) 74,9% is still economically active, mainly in the informal agricultural sector, in order to feed themselves and their dependents.<sup>104</sup> Rwanda does have a social insurance system for salaried workers. Employers can voluntarily pay 6% per month of their covered earnings, which they can get in either in the form of a monthly pension (equal to 50% of the legal minimum wage) or an old age settlement lump sum (the average monthly income of the person times the years he has worked). But with more than 90% of the people working in the informal sector, the coverage of the pension scheme is less than 5%.

## 5.2 Towards mainstreaming social protection

In Uganda, the timetable for promoting social protection seems to be determined by both the global process of Poverty Reduction Strategy Papers and a unique political context at the time of the start of the process.

Since the fall of Idi Amin in 1979, and the subsequent civil war, the economic development and poverty reduction in Uganda has been noteworthy. The economic growth strategy in the late 1980's and early 1990's, based on state-led rural development was beginning to yield a profit in the later 90's: from 1992 to 1999 the GDP grew by nearly 7% per annum, on average.<sup>105</sup> It was assumed that the benefits from the economic reforms would percolate down to the poorest people through their increased participation in the economy. The poorest people however, lacked the assets to participate in the economic or political life. Only a few people were able to move out the cycle of poverty. As a result the income inequality in Uganda rose.

At a seminar, organized by the Government of Uganda and the World Bank in 1995, the concerns about the economic situation of Uganda were discussed. There was a lack of addressing *chronic poverty* in the existing development policies.<sup>106</sup> Despite the impressive economic gains, more than a third of the Ugandans were still living under the national poverty line of one dollar a day. After the seminar a National Task Force on Poverty Eradication (NTFPE) was established. This task force had to develop a poverty reduction strategy and framework for social development. In 1997 the task force finished a strategy document called the *Poverty Reduction Action Plan (PEAP)*, and a Poverty Action Fund was established to channel resources for priority programs with direct poverty benefits. With this new strategy document the Government of Uganda turned away from its state-led rural development strategy to an approach which was focussed on social development. Education, healthcare and the provision of safe water for all got special attention in the PEAP.

The President of Uganda, Yoweri Museveni, had a significant role in this process. Right after the seminar in 1995 he stated that the policies of the Ministry of Finance, such as macroeconomic stability and (rural) growth, were not sufficiently focused on poverty reduction.<sup>107</sup> The President recognized the importance of the social sector in the process

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<sup>104</sup> *Development in employment sector*. Statistics Bureau Rwanda. See appendix 3

<sup>105</sup> Sarah N. Ssewanyana, Lawrence Bategeka, *Chronic Poverty and Economic Growth in Uganda: The role of markets* Background papers for the Chronic Poverty report 2007/2008 (Manchester 2007).

<sup>106</sup> Laure-Hélène Piron and Andy Norton, *Politics and the PRSP Approach: Uganda Case Study* (London 2004). 13-22

<sup>107</sup> Christiansen, Karin and Ingje Hovland, *The PRSP initiative: multilateral change and the role of research* ODI Working Paper (London 2003).

towards poverty reduction and sustainable development. Museveni, with the help from external advisors mostly from the World Bank, also had a major role in the formulation of the PEAP. The impetus for the strategy came thus from the Government of Uganda and more specifically from the President himself and also the new policy direction was owned by the President.<sup>108</sup> Museveni initiated several social development policies as well. He was responsible for the abolition of the school fees for primary education, among other things, which increased the primary school enrolment by 90%.<sup>109</sup>

The domination of Yoweri Museveni in the political decision-making process was possible due to the political context at the moment, created by the President himself. After he and his National Resistance Army toppled the last post-Amin regime in 1986, a so-called 'no-party' form of decentralized democracy was established.<sup>110</sup> Both legislative and executive power was from then on vested in the President. The National Resistance Movement (the political wing of the NRA) obtained a significant autonomy in policy-making, although with a high degree of Presidential dominance. Restrictions on multi-party competition in Uganda allowed the President more room to manoeuvre and to adopt his own ideas as policies more easy than in another system. With little to no opposition to face, regarding his poverty reduction program, President Museveni could adopt his 'home-grown' PEAP.

In 1999 the World Bank introduced the concept of Poverty Reduction Strategy Papers (PRSP's) as a part of the Heavily Indebted Poor Countries program (HIPC) of which Uganda was a part as well. The demand for such papers coincided with the plan of the Government of Uganda to revise the 1997 PEAP. The second PEAP, adopted in 2000, is therefore also the first PRSP of Uganda. Being a part of the PRSP program, Uganda had to revise its PRSP every three years.<sup>111</sup>

During the revision process of the second PEAP, or first PRSP, in 2002, important conclusions about the dynamics of poverty in Uganda came to the forefront. A positive conclusion was that the economic growth in the 1990's had been translated into substantial increases in household consumption and a reduction in income poverty.<sup>112</sup> On the negative side however, evidence showed that, while poverty had declined, the inequality of income in Uganda kept rising severely. Not only did the richest tenth of the population in Uganda experience a real consumption increase of 20% as opposed to an only 8% increase of the income of the poorest tenth, poverty was also regionally concentrated, with the North having the largest proportion of poor people. Moreover the urban-rural gap had widened.

The focus on the social sector in the first and second PEAP was thus not enough to solve the poverty problems in Uganda. The 2003 PRSP progress report stated that: *'Poverty diagnostics that clearly illustrate issues of chronic poverty among different social groups need to be reviewed in order to strengthen targeted interventions to*

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<sup>108</sup> Oliver Morrissey and Arjan Verschoor, *What Does Ownership Mean in Practice? Policy Learning and The Evolution of Pro-Poor Policies in Uganda* (London 2003). 9-14

<sup>109</sup> Piron and Norton, *Politics and the PRSP Approach*. 16-17

<sup>110</sup> This system was implemented after the National Resistance Army (NRA) seized power in 1986 and established The National Resistance Council (a direct continuation of the NRA) as its governing body. Opposition parties continued to exist, but with the restrictions that they could not rally, campaign in elections or field candidates directly. The first PEAP of Uganda was however no PRSP, the second one, using a participatory approach in the formulation process was listed as a PRSP.

<sup>111</sup> Uganda is now in the process of revising their third 2005 PEAP.

<sup>112</sup> According to household survey results, the proportion of the population living below the poverty line (poverty head count index) declined from 56 percent in 1992 to 44 percent in 1997, and then to 35 percent in 2000 (a decline of 38 percent since 1992).

*support the incomes of particularly disadvantage groups.*<sup>113</sup> The new PEAP therefore required adjustments in order to give the poorest people the opportunity to benefit from the growing economy as well. The concept of social protection in its broadest sense was chosen to fulfil this promise and was placed within the fifth pillar of the 2005 PEAP: the human development pillar.

Unlike Uganda, the Government of Malawi initiated social protection instruments in the 1960's already. At independence in 1964, these interventions mainly consisted of price controls and subsidies.<sup>114</sup> In the eighties however, these activities became financially unsustainable. The economy of Malawi was hit hard by the global recession in the seventies and on the verge to collapse. As a result Malawi became a part of the Structural Adjustment Program (SAP) of the IMF in order to help alleviate the country's worsening poverty and at the same time to achieve sustainable economic growth. The main area of focus was the liberation of the agricultural sector. Despite the intervention of the IMF, poverty and unemployment continued to rise. In the early nineties the IMF introduced a Productivity-Enhancing Safety-Net program (such as free fertilizer) in Malawi as a core part of the SAP. Lifting the price controls and eliminating subsidies made place for a more market-oriented focus on poverty.

This shift came at the same time that the Government of Malawi changed from a dictatorship under President Hastings Banda to a multi-party democracy in 1994. This transition seemed very peaceful at first, but some events surrounding the transitional elections suggested that there was a political crisis.<sup>115</sup> The United Democratic Front, a, according to themselves, liberal party, won the elections and Bakili Muluzi became President of Malawi. After the elections, the new government started to announce several populist safety net policies, particularly in the field of education, health and food security. These announcements raised expectations among the citizens beyond the capacity of the government to meet them. It didn't take long before the government recognized its' huge miscalculations and realized that the safety net inventions had little impact on the long-term poverty reduction and economic growth.

The government started with the development of a long-term development strategy in 1998: Vision 2020. This document envisaged that Malawi would be a middle income country by 2020, with the right living conditions for all its citizens. However, the miscalculations made by the new government with regards to the safety net programs and populist initiatives, but even more by the government of Hastings Banda, resulted in extreme foreign debts, and Malawi became a part of the HIPC program of the IMF in order to receive debt relief and low-interest loans.

Being a part of the HIPC, Malawi needed to develop a PRSP as well. Malawi already developed the Vision 2020, but to change this development perspective into a clear policy paper with appointed instruments to reach the goals that Vision 2020 was aiming for was easier said than done. Malawi's first PRSP was not ready until mid 2002. Because of this fiscal indiscipline, as the IMF saw the delay of the PRSP, donor

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<sup>113</sup> *Uganda Poverty Reduction Progress report*. Ministry of Finance, Planning and Economic Development (Kampala 2003).

<sup>114</sup> These price controls and subsidies were in order to protect the real incomes of the poorest segment of the population. Source: Frederic L. Pryor, *The Political Economy of Poverty, Equity, and Growth: Malawi and Madagascar* (Oxford 1991). 154-159

<sup>115</sup> The voting patterns were largely along regional and ethnic affiliations; the different parties misused the media for propaganda; the loss of jobs of supporters of the opposition parties; the Islamization of the country with foreign aid; and the marginalization, exclusion and discrimination of supporters of opposition parties after the elections. Source: *The Politics of the MDGs and Malawi*, African forum and network on debt and development (Harare 2005). 3

countries and institutions started to withhold their assistance to Malawi, so when the PRSP was finally adopted, the document was nothing more than a guide for the government. But without donors to fund the budget and state expenditures being spent on non-poverty reduction initiatives, the Government of Malawi effectively ignored the PRSP as well after its first year of implementation. The PRSP also lacked a clear macroeconomic analysis and a clear private sector development plan, which were both seen as the engines of growth in previous years. The PRSP did have a clear focus on the social sector of development though, but without the capacity to implement the reforms, the document was doomed to fail.

In 2004, Malawi chose a new government again, and Bingu wa Mutharika, again from the United Democratic Front, became the new President. After the elections, Mutharika got in conflict with a large part of the United Democratic Front and also with the former President Muluzi. Mutharika left the party and formed the Democratic Progressive Party. The new progressive government initiated the development of a new poverty reduction strategy, to replace the failed first one. This time the document was called: Malawi Growth and Development Strategy (MGDS), with both sustainable economic growth and social development as its goals. The MGDS, finally adopted in July 2005, has 5 result-oriented key themes to realize its two main goals. Social protection is one of these key themes. The prominence of the concept of social protection in the 2005 MDGS is a direct result of the consequence of the rather disappointing track record of previous safety net programs and intentions on poverty and vulnerability. The Mutharika government came to the conclusion that the safety nets interventions have had limited impact on the poorest people because they were short-term, ad hoc decisions and uncoordinated. Furthermore, there was no capacity or mandate to bring together the different ministries involved in the social development strategy that was presented in the first PRSP.

Being a key-theme in the MDGS, a social protection framework was necessary. Its development however would take until 2006, after the Livingstone conference.

The process towards *mainstreaming* social protection in the development agenda of Rwanda started significantly later than in the other two countries. After the 1994 genocide that devastated the country economically, politically and socially, Rwanda lacked an elected parliament, but had a National Transitory Assembly (NTA) instead, with 70 appointed members. General elections were not planned until 2003 and a new Constitution was supposed to be formulated only when the new Parliament was established. The social indicators deteriorated sharply in the years following the genocide. To preserve further deterioration and to make a beginning with restoring the country the NTA implemented some sort of social protection initiative in 1998: The *Fonds d'Assistance aux Rescapés du Génocide* (FARG).<sup>116</sup>

The FARG was established to assist the *rescapés*, or the survivors of the genocide. With money from the FARG, houses were built; school fees were paid; and medical care cards were distributed. Some people also received small credits in order to start a small business to generate income. In theory, only the needy *rescapés* could receive benefits under the FARG, which made the FARG more about charity rather than about restoring the country, because the beneficiaries were mainly the poorest of the poor.<sup>117</sup>

After *local* elections in 1999, the NTA developed Rwanda's first long-term Development Strategy: *Vision 2020*. This document formed the basis for all future

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<sup>116</sup> Heidy Rombouts, *Gender and Reparations in Rwanda*. (New York 2006). 2-6

<sup>117</sup> Rombouts, *Gender and Reparations*. 5

development initiatives in Rwanda. *Vision 2020* articulated around a new line of thinking that emphasized on good governance and poverty reduction and was based on the guiding principle of participation of all. The Poverty Reduction Strategy started in this same new line of thinking.<sup>118</sup>

A National Poverty Reduction Program (NPRP), a unit within the Ministry of Finance and Economic Planning (MINECOFIN), was charged with the coordination of the PRS. The first mission of this unit was to collect data on poverty and vulnerability in Rwanda. In order to achieve this information, a Poverty Participatory Assessment (PPA) was held to assess the dimension and characteristics of poverty in Rwanda. In addition, communities were asked to identify the main problems they ran into on household- and community level.

After identifying these problems, a pilot Community Action Planning was held in Butare. In this pilot, communities were asked to come up with action plans to solve the problems they identified as a community. At the same time, the NPRP developed a National Interim Poverty Reduction Strategy Paper (I-PRSP). This document was adopted by the NTA in 2000 after it had been subject to a Policy Relevance Test (PRT).

In the meanwhile the Butare Pilot was conducted nation wide, followed by District PRT's in 38 out of a 100 districts.<sup>119</sup> On the basis of all these experiences, a discussion document was produced by the NPRP together with the Ministry of Local Government and Social Affairs (MINALOC) in August 2001 entitled: *Ubudehe to Fight Poverty*.<sup>120</sup> In this document the definition and different categories and dimensions of poverty were formulated in order to close the existing knowledge gap on poverty dynamics. This document together with a macro-economic framework formed the basis of the first PRSP of Rwanda, which was finally adopted in August 2002 and was called the '*Economic Development and Poverty Reduction Strategy 2008-2012*'. Six priority areas that were mentioned in the *Ubudehe to Fight Poverty* became the 6 key themes of the PRSP.<sup>121</sup> The primary emphasis of the PRSP was on managing a transitional period of rehabilitation and reconstruction.

The main problem the Government of Rwanda ran into when implementing the PRSP into was a serious lack of implementation capacity. In addition, the PRSP contained an overload of reform initiatives, but no roadmap on how to implement these initiatives or on how to create an environment for structural growth. Furthermore, the budget that accompanied the PRSP did not reflect the priority areas at all: primary education, agriculture and primary healthcare were pushed away by expenditure on third level education, the National Police and specialist healthcare, accessible only to the affluent.

Although the wide range of analytical work on poverty and vulnerability acquired through the PPA's and PRT's was included in the PRSP, the long-term solutions to fight poverty that were identified in the *Ubudehe*, seemed to be forgotten: no long-term targets that prioritized the reduction of poverty were included. The only apparent initiative in the PRSP to protect the poorest of the poorest people in Rwanda was the mentioning of the

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<sup>118</sup> Rwanda needed a Poverty Reduction Strategy in order to reach the decision point within the Highly Indebted Poor Countries Initiative of the IMF.

<sup>119</sup> Ngoné Diop-tine, *Process of Rwanda's PRSP: Was civil Society involved?* (04-4-2003) Source: <http://www.internationalbudget.org/conference/Rwanda.pdf> (01-08-2008)

<sup>120</sup> Ubudehe is a traditional approach to identify and support the most vulnerable households in the community.

<sup>121</sup> The priority areas of the first PRSP of Rwanda were rural development and agricultural transformation; human resource development; economic infrastructure; private sector development; governance and; institutional capacity-building.

provision of social capital for vulnerable groups, which in reality meant the continuation of the FARG.<sup>122</sup>

After a progress report of the PRSP in 2005, the Government of Rwanda finally did realize the important role social protection measures can play in the development agenda. In the progress report social protection was mentioned as an essential concept to maintain sustainable economic and social development centred on good social risk management. The Government of Rwanda ensured that it would take into consideration the global approach towards the concept and management of social affairs and that all programs and actions in the future, aimed at promoting social wellbeing, would be in a 'social protection line of thinking'.<sup>123</sup>

The Ministry of Local Government, decided after the PRSP progress report that a National Social Protection Policy (NSPP) was necessary in order to identify and target the most vulnerable groups, but more important to coordinate different SP initiatives and to allocate budget to achieve to implement new initiatives.<sup>124</sup> In November 2005 the NSPP was published, but an accompanying strategy was still missing. In the next part I will elaborate on how this problem was solved.

### 5.3 Comparative analysis

All three countries were in some degree affected by the global Poverty Reduction Strategy (PRS) process when it comes to the process of mainstreaming social protection in their broader development programs. Rwanda has been the most affected by foreign forces. In both Uganda and Malawi was already a focus on social development before the PRS process started. Malawi initiated the first initiatives even back in the 1960's, but these initiatives were standing alone: they were no part of a broader development program.

In Uganda the focus on social development started in 1995 by entering national healthcare, education and sanitation in their development process. Although fiscally sustainable, the initiatives were not enough to move the large number of poor people out of poverty. The remarkable thing about the focus on social development in the first PEAP of Uganda though, was that they were mainly an idea of President Museveni. When he changed his vision from state-led rural development to the focus on social development, this became the new development approach of the Uganda government. When the World Bank initiated the Poverty Reduction Strategy Papers, Uganda thus already had a focus on social development. The *concept* of social protection as an approach to development did occur only when Uganda was rewriting its first PEAP and became a part of the global PRSP process. But again the impetus came from the President himself. What remains questionable though is why Museveni changed his view on development. Given the political system at that time, with all the power vested in the President himself, it seems that Museveni did want to improve the livelihoods of his citizens instead of using a development approach to enhance his political power. Bear in mind though, that satisfied citizens won't revolt as quick as unsatisfied citizens.

In Malawi it was the failed social safety net policies that laid the foundations for a new approach towards poverty reduction. However, it also took a new progressive

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<sup>122</sup> *Economic Development and Poverty Reduction Strategy 2008-2012*. Minister of Finance and Economic Planning (Kigali 2007). 24-28

<sup>123</sup> *Poverty Reduction Strategy: Annual Progress Report 2005*. Ministry of Finance and Economic Planning (Kigali 2005).

<sup>124</sup> *Roadmap to develop social protection policies and programs*. (21-12-2004) Source: <http://info.worldbank.org/etools/docs/library/111354/RWANDA%20SP%20PRESENTATION.pdf> (18-06-2008).

President, Mutharika, to accelerate this process. Once Malawi became a part of the global process of the Poverty Reduction Strategy Papers, it still took seven years to produce and implement an approved development strategy. Although the influence of Mutharika seems hardly relevant at this time, in the next chapter I will elaborate on his successes with regards to his social protection approach.

Rwanda has been the case-study country that was most affected by global forces in their process towards mainstreaming social protection in their development approach. Not only did Rwanda enter the HIPC initiative significantly later than the other two countries, the country was also extremely donor dependent after the genocide. Becoming a part of the HIPC initiative resulted in an evidence-based approach to policy making. Although the transitory Assembly did have some influence in the PRSP process, the main impetus came from the different donor institutions. Rwanda is nonetheless the only country of the three where the civil society was involved to such a large extent in the development of the PRSP. Time has to prove if this will still be the same during the evaluation of the PRSP and the revision of the second PRSP. Yet, using the concept of poverty as it is perceived by the poor themselves means using the opinion of the greatest experts.

## Chapter 6 The case studies, data collection and social protection

### Introduction

Before the Livingstone Conference in March 2006, all countries had the concept of social protection or social protection as an approach included in their national development strategies. However, tangible action in this field was seldom. When there were social protection initiatives implemented, they were individual policies, without any connection to a broader social protection framework. This was one of the main problems identified during the Livingstone Conference on social protection. Another problem was the lack of presence of data on poverty, vulnerable groups and the impact of existing social protection instruments. In some countries even, the concept of social protection was still unclear.

In this chapter I will therefore look at the present data collection on poverty and vulnerable groups. Besides that, I will demonstrate how the concept of social protection, at the time of the conference was used in the development debate and literature by the different countries.

### 6.1 How is poverty defined?

All the three PRSP's define poverty using a variety of monetary and non-monetary indicators and articulate the multi-dimensionality of poverty. Particular emphasis though, is given to income poverty. Income poverty is measured calculating the real household expenditure per adult equivalent. Households whose real expenditure falls below the poverty line<sup>125</sup> are considered poor. The poor are those people who are not able to secure basic food consumption needs and a corresponding level of non-food consumptions.

The proportion of Ugandans whose expenditures are below the poverty line decreased from 56% in 1992 to 44% in 1997/8 and even faster, to 34% in 2000. Between 2000 and 2003, however, income poverty increased again to 38% and settled ever since. Non-food consumption is an important poverty indicator as well in the Uganda PRSP. This reflects the fact that there is evidence for changes in this dimension of poverty: the proportion of houses with metal roofing and radios has increased; the use of the mobile phone rose to seven percent of all households nation-wide and even 35% in Kampala; and the possession of a bike or livestock increased to more than 40% of the households.<sup>126</sup> Another remarkable aspect of poverty that is mentioned in the PRSP, unlike in most other African PRSP's, is the voicelessness of poor people; social exclusion and; lack of information. By doing this, the GoU defines poverty within a governance framework.<sup>127</sup>

In Malawi the amount of poor people is even higher than in Uganda. According to the National Household Survey of 2004/05 52,4% of the Malawi citizens are considered poor. The emphasis of the Malawi PRSP is, however more on other dimensions of poverty, those that are connected to socio-economic well-being of the citizens. The access to health, water and education, but also the life expectancy, is mentioned when discussing poverty. The life expectancy, however has decreased with 9 years since the 1980's, largely due to the HIV/AIDS epidemic. Therefore the amount of physicians

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<sup>125</sup> The World Bank '1 dollar a day'-poverty line is used here. When a household of 6 has only four dollars a day, they live below the poverty line.

<sup>126</sup> *Poverty Eradication Action Plan*. Ministry of Finance, Planning and Economic Development (Kampala 2000).14

<sup>127</sup> *Poverty Eradication Action Plan*. Ministry of Finance. 147



available in certain regions is mentioned as an aspect of well-being. The MGDS furthermore recognizes a clear relationship between low income and household size. Households among the poorest ten percent are more than twice as large as households in the richest ten percent.

The Rwanda PRSP is the only PRSP that makes a distinction between objective and subjective poverty. During the *Ubudehe* surveys, people could give their perception of their own poverty status. Six categories were identified: Umutindi nyakujya (destitute); Umutindi (the very poorest); Umukene (the poor); Umukene wifashije (the resourceful poor); Umukungu (the food rich); Umukire (the money rich). Most of the participants (70,2%) placed themselves in either the 'destitute'-category (18,0%) or in the 'poorest'-category (52,5%). The main causes of poverty that were identified were the lack of access to land and poor soils.<sup>128</sup>

The objective definition of poverty can be derived from the first PRSP and is measured at individual and household/community level. At individual level a person is considered poor if he/she has not enough income to satisfy his or her basic needs. When most of the people in one community are being considered poor at individual level, the community is considered poor as well. The shortages of economic and social infrastructure and of natural resources are important criteria for community-level poverty.<sup>129</sup>

To measure the income inequality Rwanda and Uganda used the gini-coefficient.<sup>130</sup> Rwanda has the highest Gini-value: 0,51 which is also among the highest on the African continent. The Uganda gini-coefficient rose the last years to 0.43 in 2003. The Malawi PRSP does mention the income inequality in the country, but does not use the gini-coefficient to measure it. The income inequality in Malawi persists with the richest 10 percent of the population having a median per capita income that is eight times higher than the median income of the poorest 10%.

The Malawi PRSP also mentions the dynamics of poverty. Evidence shows that approximately 30% of the poor people moved out of (income) poverty during the first PRSP period, but that another 30% moved from being non-poor into poverty.<sup>131</sup> The Malawi government thus shows that it recognizes the continuing economic vulnerability of its citizens and the thin line that lies between being in and out of poverty. The PRSP's of Uganda and Rwanda are both surprisingly limited when it comes to the dynamics of poverty.

## 6.2 Who are the poor?

The Rwanda-, Malawi-, and Uganda-PRSP all use income- or consumption-quintiles when talking about the poorest or richest people of the total population. But who are the people that are mentioned when talking about the poorest quintile?

The governments of Malawi and Uganda both recognize the regional income differences in the country. The Northern part of Uganda is significantly poorer than the rest

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<sup>128</sup> *Malawi Growth and Development Strategy: From poverty to prosperity*. Government of Malawi: (Lilongwe 2006). 13-14

<sup>129</sup> *Malawi Growth and Development Strategy*. Government of Malawi. 14

<sup>130</sup> The Gini Coefficient measures how concentrated incomes are among the population of an economy: the higher the Gini, the more concentrated incomes are among a few people. The Gini ranges between 0 (indicating income is distributed equally between all people) and 1 (indicating all income in the economy accrues to one person).

<sup>131</sup> *Malawi Growth and Development Strategy*. Government of Malawi. 43

of the country, mainly due to the insecurity that still exists after the civil war.<sup>132</sup> In Malawi the poorest people live in the South. Both PRSP's also made a distinction between people living in the urban areas and those in the rural areas. In both countries the people on the countryside are poorer than the people in the cities.

The Malawi PRSP furthermore makes a distinction between *poor* people (those who live below the poverty line) and the *ultra poor* (whose income lies far below the expenditure of minimum acceptable food requirements). 52% of the population is poor in Malawi, as mentioned before and one in five (22%) are defined as ultra poor.

Both in Malawi and Uganda female citizens are poorer than the men, especially when they are the head of the household. Women who work in the agricultural sector in Uganda are the worst off. Research has shown that only 21% of the women employed in the informal agricultural sector are paid in cash only and 32% of the women do not get paid at all.<sup>133</sup> Besides the women, orphans (single or double); the disabled; the chronically ill and the older people are considered poor in both PRSP's. In Uganda the internally displaced people can be added to this list.<sup>134</sup> In Malawi the pregnant and lactating mothers are also among the poorest people as well just as the children under five.

Rwanda has a very high number and diversity of vulnerable groups: the widows; the landless; the older people; and the child-headed households perceived themselves 'destitute' during the *Ubudehe* surveys. But nine other specific groups of people are considered being poor, mainly as a result of the 1994 genocide. These people are categorized in the PRSP as the survivors of genocide; refugees and returnees<sup>135</sup>; and vulnerable former war combatants. Non-genocide related groups are the orphaned and vulnerable children (OVS's); the disabled; the socially excluded; the people infected by HIV/AIDS; people living in food insecure areas and; youth from destitute families. Considering the very high number and diversity of the vulnerable groups, further categorization in Rwanda is still needed especially to find out which group can best be targeted for social protection initiatives.

### 6.3 Social protection perceived

At the time of the Livingstone Conference in March 2006, Uganda and Malawi both had adopted a new PRSP: the third for Uganda and the second for Malawi. In the PRSP of Uganda, social protection became a cross-cutting issue and placed within the fifth pillar, the human development pillar. But although social protection became a cross-cutting issue, the mentioning of the concept in the PRSP is disappointing: There was only the announcement of a plan to work on a Framework for Social Protection in the PRSP.

Being a cross-cutting issue, the concept of social protection was supposed to unite a smaller group of less influential actors, in this case the Ministry of Gender, Labor and Social Development (MGLSD) to the more powerful policy actors. The MGLSD, however had little capacity and limited experience of promoting policy issues. The Ministry of Finance was approached, even as other key ministries and international consultants, to outline how social protection could cross-cut with their agenda's.

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<sup>132</sup> The proportion of people in the North below the poverty line fell from 72% in 1992 to 60% in 1997/8, but rose again to 66% in 2000. The major reason for the increasing regional gap is insecurity. Households that are physically insecure cannot make economic investments.

<sup>133</sup> *Uganda National Household Survey*. Uganda Bureau of Statistics (Kampala 2006). 31-38

<sup>134</sup> In Uganda are still (2008) 921.000 people displaced after the civil war. 1.8.million people did return to their villages again. Source: <http://www.internal-displacement.org/countries/uganda> (03-12-2008)

<sup>135</sup> In 1999 there were still 650.000 people internally displaced in Rwanda. There is no accurate data on how many there are still not returned to home yet. Rwanda still has 80.955 refugees (originating from the country)

The official definition of social protection in the PEAP goes therefore no further than that '*social protection deals essentially with the reduction of risk facing households and the enhancement of their ability to manage them*'.<sup>136</sup> The PEAP does appoint target groups suitable for future social protection measures. These groups include the vulnerable groups mentioned above. However, the first budget after the PEAP revisions in 2005 did not allocate funds in the direction of social protection. Even more remarkable, the overall Social Development Sector Strategy, the guiding plan for the fifth pillar in the PEAP, remained completely unfunded.

In the 2006 PRSP of Malawi social protection is a result-oriented key theme. This is probably the result of the rather disappointing track record of previous safety net programs and other initiatives on poverty and vulnerability.<sup>137</sup> The social protection strategy contains a comprehensive package for the poorest people that must improve the quality of their lives and of those who have no advantage of the economic growth. A social protection policy framework will be formulated and anchored to the MDGS in the near future, to translate the ideals stipulated in the MGDS into actionable programs and interventions that would address the continuing problems of widespread poverty and vulnerability among the Malawians.

A remarkable thing about the use of social protection in the MDGS is that in the whole second pillar there is the absence of a human rights discourse. Where the constitution of Malawi contains the 'right to development'<sup>138</sup>, which is quite unique, the MDGS has a more charitable character. There is no mentioning of the legal duty of the state to protect its citizens nor is there any intention to empower the vulnerable to challenge the status quo on their own. There is the sub theme on 'empowering farmers and rural communities by improving their integration into the economic market, increasing their productivity and contribution to economic growth', but the poorest people, with no access to land or other durable assets, will never be able to participate in these activities. Social protection programs in the MDGS were formulated 'as a spring board for the poor and they should provide them with the capacity to come out of vulnerability and engage in productive work'.<sup>139</sup> Social protection initiatives therefore seem to have a temporarily status, to bridge the poor people who are not able to engage in productive work yet. How the discourse on social protection changed after the Livingstone Conference in 2006, will be discussed in the next chapter.

In the Rwanda 2002 PRSP, the one in use during the Livingstone Conference in 2006, social protection was not mentioned at all. It did refer to the use of 'social capital', which was identified as the central element of Vision 2020. This initiative however, lacked a planning; a consolidated budget; and a monitoring framework.

The government did adopt a National Social Protection Policy in 2005 in which the global language of social protection was used, and which identified the weaknesses

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<sup>136</sup> *Poverty Eradication Action Plan*. MINECOFIN. 173

<sup>137</sup> At the end of the 1990's and the beginning of the new millennium the conclusion was that the safety nets interventions had limited impact on the poorest people because they were short-term, ad hoc decisions and uncoordinated.<sup>137</sup> A new National Safety Nets Program (NSNP) was formulated and found its concrete expression in the Malawi Poverty Reduction Strategy of 2001. The NSNP did not achieve its underlying goals and objectives. It has been argued that the main reason for this failure was that the institutional framework was weak and fragile.<sup>137</sup> There was no capacity or mandate to bring together the different ministries involved in the strategy and the government did not provide the necessary leadership to manage the different programs<sup>137</sup> within the framework. The failure of the NSNP made the Government of Malawi move from safety nets to social protection.

<sup>138</sup> Government of Malawi, *The Constitution of the Republic of Malawi*. (Lilongwe 1994).

<sup>139</sup> *Malawi Growth and Development Strategy*. Government of Malawi. 44

of the former policies in the field of poverty reduction, but the specifics of future social protection initiatives remained unclear. The National Social Protection Policy defined social protection as '*a set of public and private initiatives enabling to provide for transfers of income or consumption to the poor to protect in particular the vulnerable and the marginalized against welfare risks and improve their social status and rights as a whole with the objective of promoting the welfare of the population.*'

This projected policy appeared to be centred primarily on the highly vulnerable groups who were – as the policy states – 'naturally vulnerable' or needy. The policy expressed little sense of the need for a policy which sees certain groups (for example the children or older people) as having the *right* to assistance. This absence of a right-based approach to social protection can result in stigmatization, costly administration and the disregarding of people who, while maybe not the very poorest, still find themselves in a desperate living situation. Embracing a rights-based approach to social protection and to development in general is the key issue for the GoR in order to uplift the welfare of the population. In the next chapter I will discuss if there has been any changes with regard to social protection in the newly adopted 2008 PRSP.

## Chapter 7 The case studies, post-Livingstone initiatives

### Introduction

In this last chapter before the conclusion I will finally look at the initiatives and policies that the governments of Uganda, Malawi and Rwanda identified and in some cases implemented already after attending the Livingstone Conference in 2006. The initiatives that will be discussed here are mainly focussed on social protection for older people. At the end of this chapter I will set the initiatives of the different governments side to side, before I will continue with the overall conclusion.

### 7.1 Uganda

In Uganda the Ministry of Gender, Labour and Social Development (MoGLSD) has the responsibility for recognizing the needs for social protection and for the designing, implementation and monitoring of social protection policies. Accommodated within the MoGLSD is the Department for the Elderly and Disability Affairs, with a Minister of State as the leading actor. This department has the specific responsibility for policy formulation and the design of national policies for older people in general and for social protection policies aimed at older people. However, the budget for the department is small and needs to be approved for by the Ministry of Finance, Planning and Economic Development. This can be demonstrated by the amendment of the 1997 Local Government Act in 2006, right after the Livingstone Conference. The amendment would provide for the representation of the older people in the local government councils, but due to a lack of budget, the implementation is still in balance.<sup>140</sup> The Department also lacks a national policy on older people. The mainstream view on ageing in Uganda was, until March 2006, that older people were the responsibility of his or her family or of the community.

The priority of the Department for the Elderly after the Livingstone Conference became therefore to formulate a national policy on older people. The Ministry of Gender, Labour and Social Development in addition, had the priority to develop a national social protection policy. However, the data collected for the third PEAP was not sufficient enough to identify the poorest people of Uganda who were in need of assistance by the state. Furthermore, there was hardly any information about the older people, their living arrangements and their level of poverty.

The first publication that was a consequence of the Livingstone Call for Action was done by the Development Research and Training organisation (DRT) and the Chronic Poverty Research Centre (CPRC) in Uganda. The research had to identify how severe the poverty among the older people was in reality. The research was titled: *Targeting and protecting the chronically poor in Uganda: A case for the elderly*. The report concluded that older persons are a significant vulnerable group. The report refined this conclusion by mentioning that this does not count for all the older people.<sup>141</sup>

In response to this publication the MoGLSD executed its own research among the older people. All the outcomes pointed in the same directions. Most older people in Uganda:

- live on less than a dollar a day and eat less than three meals a day;

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<sup>140</sup> Erina Baingana, *Voices of older persons in Uganda*. Presentation at the 46<sup>th</sup> session of the Commission for Social Development (Kampala 2008).

<sup>141</sup> Beatrice Mugambe, *Targeting and protecting the chronically poor in Uganda: A case for the elderly*. A CPRC Policy Brief (Kampala 2006).

- live in some sort of extended family, but they feel like a burden, rather than a contributor to the family-life;
- do not have predictable cash incomes, or access to basic health services and have therefore chronically ill health;
- are too weak for productive work, or are, when active, excluded from formal labour markets.

It also came to the surface that more and more female (widowed) heads of households over the age of 60 were looking after their (orphaned) grandchildren. The Government of Uganda finally identified the shortcomings of the existing development documents on the issue of ageing.

To make sure that a social pension was *the* effective instrument to solve the multi-dimensional problems of older people (and their households), representatives of the Government of Uganda visited Lesotho and South Africa in September 2007 to see the impact of a social pension first hand. The officials got the direct evidence that the impact of a (universal) pension scheme does not only reach the older people, but has an intergenerational impact. Furthermore, there was the evidence that a pension scheme could be implemented without any significant difficulties.<sup>142</sup>

However, the government was still concerned about targeting older people over the other vulnerable groups in Uganda: Limited resources ask for careful targeting. Knowing that the percentage of older people is relatively low, but, on the other hand that a pension scheme can have a great intergenerational impact, made the living arrangements of older people more interesting for the Government of Uganda. The Uganda National Household Survey 2005/2006 already showed that 70,1% of the older people claim to be the main breadwinner of the household and that 16% of the Ugandan households is headed by *only* an older person, without any other prime age adults in the house. The incidence of poverty among these households is increasing, especially when the older person is female.

Having analyzed all the information available on the dimension of poverty of older people; on additional vulnerable groups; and on the living arrangements these vulnerable groups, the Ministry of Gender started drafting a National Policy on Older Persons. At the same time the MoGLSD in cooperation with the Ministry of Finance and DFID started to develop a scheme for predictable cash transfers as a result of the trip to South Africa and Lesotho. They developed five possible options for predictable cash transfer schemes and DFID offered the possibility of piloting the chosen scheme first. The five possibilities that were proposed to the Cabinet were:

1. a vulnerability grant to the poorest 10% of the households in Uganda;
2. a universal old age pension;
3. a targeted old age pension (targeted on household composition);
4. a targeted old age pension (depth of poverty); and
5. a disability grant.

Of these five policy options, the universal old age pension would be politically the most feasible. The administrative difficulties are minimized when the only criterion of eligibility is the age and the stigmatizing will be the least when targeting people on their age. However, there could be problems with the administration of the older people, because the registration of citizens in Uganda is weak.

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<sup>142</sup> Kirsten Hagen, *The Old Age pension in Lesotho*. 27-32

The impact of a universal pension, when the eligible age is set at 60 years, would also be the most desired: 1.1 million older people can be reached with a universal pension. In addition, assuming that the older people share their pension with the rest of the household, approximately 1.7 million other people would be reached, of which more than 50% are children.

Until today however, no decision is made in the cabinet about the form of the predictable transfer scheme. HelpAge International and DFID are still advocating for the implementation of a universal pension scheme. In the meantime DFID provided £4 million to support a cash transfer pilot that will operate in 6 districts in the near future and will target the poorest 10% of the households.

Although this pilot is a start, the main challenge is still to design and implement a cash transfer scheme that, like the pension in Lesotho, is affordable without donor funding. But this is also the most pressing issue within the Government of Uganda today: The fiscal affordability. The budget speech of the fiscal year 2008/2009 did not allocate any funds yet in the direction of any social cash transfer. The overall Social Sector Development Strategy (the fifth pillar of the PEAP) remains unfunded too.

The National Policy on Older People which has been in draft since the beginning of 2007 still has to be implemented. A draft 'Older Persons Policy' did receive clearance from the Ministry of Finance but is now still on its way to the cabinet and thus not approved yet.

## **7.2 Malawi**

Until the appointment of Bingu wa Mutharika as the new President of Malawi, there was no ministry or department that had the particular responsibility for older people. When Mutharika was elected, he seemed determined from his first day on to improve the livelihoods of older people in Malawi. He established the Ministry of Persons with Disabilities and the Elderly (MPDE) and the Bingu Silver Grey Foundation, a foundation that is aimed at providing assistance to the older people in Malawi. The MPDE is ever since responsible for the older people. The leading agency in the field of social protection is the Department of Poverty and Disaster Management Affairs. This department had no official policy at the time of the Livingstone Conference, but it did already accommodate the Social Protection Steering Committee (SPSC). This committee is responsible for guiding and overseeing the design of a National Social Protection Framework and Policy.

Only a few months after the Livingstone Conference in 2006, the first meeting of the SPSC was held. In June of the same year, a first small pilot scheme of cash transfers to 64 poor households started in Kachamba Village in order to test the methodology of such a scheme. In September 2006 the pilot was scaled up to 561 households in the Mchinji district and in November already, the scheme reached an additional 5 districts.<sup>143</sup>

The government decided to set up the pilot because most of the benefitting households became ultra poor beyond their own doing and undoing. The main objective of the scheme was in first place to reduce poverty and hunger starvation of the ultra poor and labour constrained poor. In addition, the scheme had the purpose to generate information about the feasibility, costs and benefits, and the impact of cash transfer programs as a component of a future SP program.

It was remarkable that the scheme mainly targeted (unintentional) households that were headed by an older person. These households were the poorest ones in the country

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<sup>143</sup> Bernd Schubert Mayke Huijbregts, *The Malawi Social Cash Transfer Pilot Scheme, Preliminary Lessons Learned* (New York 2006). 1-16

and had the least chance of generating any income in the near future. The families had no able-bodied adults who could go to the city to find work and the older people are too old and the children too young and underfed to work.

As soon as the pilot scheme rolled out over different districts, the SPSC started on the formulation of a National Social Protection Policy. In November 2006 the first preliminary Draft Policy on Social Protection was written, but NGO's, Members of Parliament and donor agencies all shared concerns with regard to this draft. It lacked a contextual definition of social protection and it did not address key or controversial issues of the concept of social protection. Furthermore, the draft policy had the inability to articulate the social protection policy within the human rights based approach that lays so clearly at the basis of the Malawi Constitution as mentioned before.<sup>144</sup>

The Draft seemed motivated largely by the results of evaluations studies of failed safety nets; hence the focus of the Draft Policy was charitable. Civil society drew the conclusion that the Draft was no new vision at all. Members of civil society were therefore added to the SPSC to have a hand in the next draft of the new policy. During the drafting of the next Social Protection Policy Paper, the issue of whether social protection is a human right or not remained unresolved. The committee was reluctant to use the human rights discourse because of possible misuse: people could be starting to make excessive demands against a limited government capacity.

At this moment, the Government of Malawi has a Fourth Draft of the Social Protection Policy carrying the title: *Social Protection: a right for all*. This policy provides a comprehensive framework for designing, implementing, coordinating, monitoring and evaluating social protection interventions. The Draft emphasizes the connection between social protection and the Constitution. Article 30, 37 and 43 contain the right to development, the right to access to all information held by the state and the right to administrative justice, which all apply to the concept of social protection. The guiding principle of the Draft is that social protection should promote the realization of human rights in a progressive way. The provision of welfare support is one of the key themes.<sup>145</sup> This fourth Draft still has to be approved by the cabinet.

At the same time the government was drafting a Social protection Policy, plans were made to scale up the cash transfer program that started as a pilot in Mchinji nation wide. The Mchinji evaluation team who did an impact study on the pilot project found out that 44% of all adults in the scheme were older than 65 years and that 56% of all the household heads in the scheme were over the age of 65 and 27% were even older than 75. Besides that, 40% of the households in the scheme had no working aged adult among them. 62% of all the people in the scheme were children under the age of 18 and 61% of these children were either single or double orphans. This suggests that a large amount of children, orphaned or not, are being taken care of by an older person.

The Bingu Silvergrey Foundation together with the Minister of Persons with Disabilities and the elderly, have ever since the implementation of the Mchinji pilot tried to achieve a broad public awareness of the issue of the promotion and safeguard of the social security and welfare of the elderly, especially after reading the evaluation report. The coordinated effort from the minister and the Foundation resulted in the development of a concept note for a

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<sup>144</sup> Blessings Chinsinga, *The Social Protection Policy in Malawi: Processes, Politics and Challenges* (Lilongwe 2007). 18-22

<sup>145</sup> *Social Protection: a right for all*. Social Protection Steering Committee (Lilongwe 2008).



universal social pension scheme. HelpAge International provided the Government of Malawi with detailed evidence on how a pension could be practically implemented, including costs and coverage decisions. This resulted in a concept paper for a universal social pension, drafted by the Ministry for Persons with Disabilities and the Elderly, the Ministry of Economic Planning and the Ministry of Children and Gender and HelpAge International. The concept paper now has to go through the Social Protection Steering Committee and then to the Cabinet to get the approval. However, the President of Malawi has given the scheme his backing in the State of the Nation address of 2008 with the words: '*The government plans to establish a non-contributory universal pension for older persons (...) because this government is committed to ensure that (...) the elderly fully participate in socioeconomic development of this country.*'<sup>146</sup> The problems that the government still has at the moment have to do with the funding of a pension scheme. It is likely that there will be an arrangement of mixed funding with a significant donor commitment on the one hand matched by a significant commitment from Malawi's own budget. Multiple donor budget support could provide for the necessary budget. But first there an achievable entry age has to be decided upon.

### 7.3 Rwanda

Rwanda has a National Social Protection Policy since 2005. Since its adoption, social protection became more prominent as a theme in the development documents. However, the total government spending on social protection was only 3% in 2005 and most of the money is spent on the genocide survivors support program (FARG), and the community based support program for the poor (*Ubudehe* approach).<sup>147</sup> The projects provided through *Ubudehe* are mainly income-earning-projects that generate not even income for the people working in it, but also the state.

As a result of the Social Protection Policy, the concept of social protection was entered in the Economic Growth and Poverty Reduction Strategy (EDPRS), Rwanda's second PRSP adopted in 2008. This strategy includes four priority areas: economic growth; slow down population growth; tackle extreme poverty and; ensure greater efficiency in poverty reduction. Especially under the third area social protection is important and the aim is to '*tackle extreme poverty through improved food security and targeted schemes job creation and social protection.*'<sup>148</sup> The implementation of the new strategy towards poverty reduction and economic growth is still a difficult challenge for the Government of Rwanda.

The one specific action proposed in the EDPRS was the creation of a 'single coherent strategy' towards social protection, instead of the former small 'standing-alone' projects. Social protection will include, according to the EDPRS, social assistance that in most cases will consist of predictable cash transfers.

However, the next part of the EDPRS emphasises the issue of unemployment in Rwanda. After the genocide, Rwanda suffered from extremely high unemployment. The government has placed the issue of unemployment at the core of the social protection policy: '*The sector will support people who are able-bodied to progress out of extreme vulnerability and poverty into more sustainable means of self support through cash for work, micro-credit, income-generating activities and vocational/entrepreneurial skills*

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<sup>146</sup> *State of the nation address 2008*, Ministry of Finance and Economic Planning (Lilongwe 2008).

<sup>147</sup> Mick Foster, *Public Expenditure Review: Government and Donor Expenditure on Social Protection* (London/Kigali 2006).

<sup>148</sup> *Rwanda Economic Growth and Poverty Reduction Strategy*, Ministry of Finance and Economic Planning (Kigali 2007). 28

*development.*<sup>149</sup> Work-schemes will be established to lift the people who are able-bodied out of the poverty cycle. By lifting people out of poverty, government resources will become available to help those who are not able to help themselves and will need to receive social assistance for the long term. The question remains though, whether the people who will have access to the work-schemes will earn enough money to lift them out of poverty for good. If they remain below the poverty line, even when working in one of those schemes, they stay vulnerable and likely unable to provide for themselves when they lose their ability to work due to sickness or old age. The National Social Policy proposed 'a social fund for a pension insurance scheme for peasants' to help this particular group of people, but in the EDPRS, this plan is not mentioned at all.

The older people are categorized as people that need assistance for the long term or at least for a minimum period in the EDPRS. Older people are seen as the *needy ones*, who cannot survive without the help of the government. The Government of Rwanda furthermore wants to attach conditions to the assistance to older people and other vulnerable groups. Households that want to or need to receive support from the government have to meet several conditions in order to maintain the assistance. The conditions that have been discussed in Parliament are for example school attendance for the children within the household or regular medical checks. However, attaching conditions to the assistance undermines the right-based approach that must be the core of the concept of social protection. Conditions to assistance can be perceived as a lack of trust that the government has in its citizens which will, on the long run, disturb the social contract between the state and its citizens. The Government of Rwanda seems to have the idea that the people who will benefit from an assistance scheme will have the wrong intention for using the money.

The pension scheme of Lesotho proves this to be wrong. The Government of Lesotho also had concerns about the spending pattern of the older people receiving a pension. But not only is the pension in Lesotho used to feed the whole household, the pension also provides money to buy medicine; school uniforms for children and to travel to a clinic or hospital. Furthermore, a recent impact study revealed that the use of alcohol, tobacco or other 'bad' things, in most cases did not increase. The pensioners used their money wisely, without spending it on 'bad' habits.

Given the fact that, both in Lesotho and in Rwanda, the most vulnerable people who are eligible for a social assistance scheme are widows or other vulnerable women who are head of a household, the assumption can be made that most of the recipients will use the support in a way that will improve their livelihoods and/or living arrangements, analysing the impact study in Lesotho.

Since the Livingstone Conference in 2006, the Government of Rwanda also started with drafting a National Policy for Older People. This policy has been approved recently by the Parliament. The policy contains two major goals: To help all strata of society to prepare for ageing; and to ensure older persons enjoy the same rights as other ages. However, the Government of Rwanda believes that first and foremost, it is the responsibility of the family members of the ageing people to look after them. When the older people are part of the most destitute families in a community, they will benefit from the traditional assistance program *Ubudehe*. Discussions about a possible pension scheme in Rwanda have not yet been started.

Rwanda did join the East and Central African Social Security Association (ECASSA) established in 2007. The purpose of ECASSA is to provide a strong international voice for

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<sup>149</sup> *Rwanda Economic Growth and Poverty Reduction Strategy*. Ministry of Finance. 28

the pension systems in the five associated countries.<sup>150</sup> The members envision ECASSA as an institutional forum for the exchange of ideas to improve their pension plans. The headquarter of the association will be in Kigali, Rwanda after the second formal meeting in September 2008. Improving the pension system in Rwanda can be a great advantage for people not yet aged 60 or over, but for the people who did reach this age already, a decent social assistance scheme is necessary.

#### **7.4 Comparative Analysis**

As a result of the Livingstone Conference, all three countries have started or continued to think about how social protection can be mainstreamed into the broader development program. Instruments to assist the *older people* have to be identified as the most suitable during this process. Uganda, Malawi and Rwanda are all still in the earliest stages of the mainstreaming process, but a lack of experience, knowledge, budget and human capacity constrain governments to implement the developed policies. It is interesting to see how three different countries all use a different approach in mainstreaming policies into the broader agenda and to implement new policies.

The Government of Uganda established a social protection task force and included social protection as a cross-cutting issue already back in its 2003 PEAP. However, it was also the Government of Uganda that was the most concerned about the fiscal sustainability and the 'welfarist' character of predictable cash transfers and who was the biggest supporter of piloting before actual implementing. After the promise made in the PEAP to develop a Framework for Social Protection, the government has been forwarding its decision on the implementation of cash transfers ever since the Conference. DFID already promised financial support for a pilot program, but no pilot program has yet been started. The Government of Uganda chose to execute extensive research on the dynamics of poverty to target the most suitable group for a future cash transfer scheme. And has since the Livingstone Conference been trying to identify this group.

In Malawi, where social protection instruments have been present since the 1960's, but without a decent framework that structures all different instruments, implemented a pilot cash transfer scheme only a few months after the Conference. An extensive evaluation *after* the scaling-up of the pilot program resulted in the identification of the most suitable groups for a national cash transfer scheme. The poorest households in the scheme were in a lot of cases headed by older women. Therefore, the older people in Malawi were identified by the government to be the first groups to get cash assistance universally. The quick piloting resulted in fast-track policy making, based on evidence derived from Malawi's own experience: Although not started yet, the launching of the first universal pension scheme of Malawi will be happening soon. The process of fast-track policy making continued with drafting a National Social Protection Policy. Because of the extensive consultation of civil society groups, NGO's and other donor agencies, the final draft has not been approved by cabinet yet, but this will probably happen before the end of this year.

Unlike Malawi and Uganda the Government of Rwanda already did have an extensive data collection on poverty dynamics and vulnerable groups during the Livingstone Conference. Rwanda even had a National Social Protection Policy before 2006. However, the Government of Rwanda seems to have problems with 'owning' the discourse on social protection. The global language on social protection has been taken over in Rwanda, but the 2008 EDPRS still approaches social protection as 'charity' to the people in need and focuses therefore more on the income-earning-protections and on short-term cash transfers to lift people out of poverty who can on the long-term provide for themselves again.

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<sup>150</sup> The five countries who are part of the ECASSA are Burundi, Kenya, Rwanda, Tanzania and Uganda.

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Lacking budgets and the huge amount of vulnerable people in Uganda furthermore constrain the implementation of actual social protection instruments in Uganda. Because of this high number and diversity of the vulnerable groups in Rwanda, the government still nourishes the traditional family structures, which has been demonstrated with the approved National Policy on Older People. It will take more evidence and more information to convince the Government of Rwanda that social protection will be an investment in its citizens.

## Conclusion

Social protection still is a relatively new concept on the international development agenda. Nevertheless all the three case study countries did start with the process of mainstreaming the concept within their broader development program: Rwanda, Malawi and Uganda all included the concept of social protection into their current Poverty Reduction Strategy Papers.

Including the concept in the documents does not mean that the concept is immediately translated to actual policies and instruments. At the Livingstone Conference in 2006 the constraints to the implementation of social protection policies have been discussed extensively. All constraints had to do with a lack of something: The lack of financial capacity; human capacity; knowledge on the subject; or evidence based research that social protection indeed is an investment in people rather than a waste of money.

Sharing information on this particular field of development was therefore one of the first things that the delegates that attended the Conference called for in the *Livingstone Call for Action*. However, information on the dynamics of poverty, vulnerable groups and already initiated social protection instruments was scarce.

The governments of Malawi and Uganda both lacked the sufficient data on the dynamics of poverty and the different vulnerable groups. After the Livingstone Conference, both governments started to collect this necessary data, but the way how differed.

Uganda started with an extensive research on top of the triennial population and housing survey to gather the information. Malawi extracted the needed data from the evaluation of the cash transfer scheme in the Mchinji district pilot that started in 2006. Rwanda, the third case study country of this research, already had the information gathered before the conference, as an indirect consequence of the 1994 genocide and the recently established National Institute of Statistics. Besides being the first country of the three with the disaggregated data on poverty dynamics and vulnerable groups, the Government of Rwanda was also the government that used extensive citizen participation during the surveys. This resulted in the objective data on poverty, but also in data on how poverty was perceived by the poor people themselves.

After accumulating the necessary data, the relevant ministries in all three countries could identify the most suitable social protection instruments for their country linked to the most suitable vulnerable groups. During the discussion at the Livingstone Conference the attendants recognized the possibilities of social pensions, social transfers to vulnerable children, to people with disabilities and to vulnerable households. However, the high numbers of vulnerable people makes appointing only one certain group a delicate case. The impact of assisting a certain group thus has to go beyond the beneficiaries in order to create national poverty relief.

The Government of Malawi again used its own evidence to identify the most suitable groups for state assistance. The pilot scheme and the evaluation of the scheme were used and the older people were identified for a social cash transfer scheme.

The Government of Uganda identified three different possible groups suitable for a future social protection instrument: older people (either only the poorest older people; the older people heading large households with children or all the older people); people with a disability; and the poorest 10% of all the households. The extensive research executed by the Ministry of Finance could however never assess the direct impact of a transfer to one of these groups without using a pilot scheme to test it. The Government of Uganda is until today, still indecisive on which group to target first.

Considering Rwanda's high number of vulnerable groups and the recent history of Rwanda, the identification of vulnerable groups suitable for an assistance program is even more delicate in Rwanda. At the moment only the survivors of the genocide are considered a special group and receive assistance.

Apart from analyzing social protection initiatives in general, the paper focussed on social protection initiatives for older people in particular. The absolute number of older people on the African continent is rising and older people in the different countries face multiple challenges. The problems the older people in these countries face today are a direct consequence of the large informal employment sector that exists already for dozens of decades. Being a part of the informal sector means survival every day. People work to feed themselves and their dependents and they hardly look beyond the next week. In this sector of employment people have no opportunity to get insurance that can provide them when they are sick or disabled, or to get formal retirement benefits. As a result of the large informal sector the coverage of the existing formal pension- or insurance schemes is limited and often even less than 10% of the economically active people are covered. The formal pension schemes in African countries usually only include the civil servants and the private sector, as is the case in Uganda, Malawi and Rwanda.

Targeting the older people for social protection initiatives, as they were identified during the Livingstone Conference, does not only benefit the direct recipients. Pensions or household grants for older people have an intergenerational impact. Children and prime-age adults within the household and sometimes even members of the community benefit from the pension: Older people have the wisdom and values to use the money wisely within their households.

The issue of ageing is getting more and more attention now the development approaches include social protection. Malawi and Uganda recognized the older people as (one of) the most suitable groups for predictable cash transfers and all three countries are in the process of developing national policies for older people.

The Government of Malawi will probably be the first country of the three that will implement a social protection instrument for older people. At the moment, the design of a universal pension scheme and the available budget for the scheme are discussed in Parliament. The cash transfer pilot, though not only targeted at older people, is still continuing and scaled up nation wide. Uganda will probably be the second country to implement a cash transfer scheme. This scheme will most likely also target older people, considering the three options for the design of the scheme the government has. On the other hand, the Government of Uganda did not yet implement a pilot cash transfer scheme, although the funding has been provided for already by DFID.

The results of the Livingstone Conference, with regard to the implementation of social protection initiatives for older people, in Rwanda have yet to be seen. For the time being, the older people in Rwanda have to draw hope from the National Policy for Older People.

Identifying the process of mainstreaming social protection and ageing in the three African countries was just a part of this research. Why these initiatives have been implemented or going to be implemented in the future was another question that needed to be answered.

The Livingstone Conference was one of the reasons why social protection became such a prominent subject on the current development agenda. However, the process towards mainstreaming social protection within the broader development strategies, started

already before the Conference in 2006. As demonstrated in chapter 5, the governments of Uganda, Malawi and Rwanda were all affected by the global process of poverty reduction strategies initiated by the World Bank and the IMF, with regard to the formulation of the development agenda's. Nevertheless, both the President of Malawi and the President of Uganda had significant roles in the decision-making process as well.

The President of Uganda, Yoweri Museveni, had the main influence in the general political decision-making process. When he changed his vision for Uganda from one focussed on state-led rural development to one focussed on the social sector, the overall development strategy changed immediately. This was a result of the non-party democracy in which executive and legislative power was vested in the President. After the cancellation of the ban on multi-party politics in July 2005, the direct influence of Museveni on the political-decision making process diminished. Executive power was vested in the government again and legislative power in the government and the National Assembly. This change in power is probably the reason why the implementation of a predictable cash transfer (pilot or not) takes so long at the moment. All possible forms of a future cash transfer scheme identified by the Ministry of Gender, Labour and Social Development, have to be discussed and approved by the parliament. Before the cancellation of the ban on multi-party politics Museveni could implement its decisions without hardly any consultation or approval.

In Malawi the influence of the President with regard to social protection, changed significantly when the new President Bingu wa Mutharika came to power in 2005. From his appointment as President on, he advocated for the improvement of the livelihoods of his citizens and for the older citizens particularly. People in Malawi say that the reason behind this is his own age: 74 years.

The determination of the President to implement several general social protection initiatives is noteworthy for an African President. His government decided to start with a cash transfer pilot scheme for the ultra poor people in the Mchinji district because these people became poor beyond their own doing and undoing. The people in the district have been poor for generations without the possibility to move out of this cycle on their own. There are no jobs available; migrating to the city will be at the expense of the children of the household; and the HIV/AIDS rate in Malawi is high, which leaves lot of children orphaned and a lot of older people without someone to care for themselves and with often a number of children to take care of. The Government of Malawi sees it as its duty to assist these people and as the right of the people to get the assistance. The discussions in Parliament in Malawi about the formulation of the National Social Protection Policy are also about these duties of the state and the rights of the people. The Malawi constitution already had the rights-based discourse since the implementation in 1994, included the right to development. The Malawi Development and Growth Strategy lacked this discourse, but the National Social Protection Policy will use this discourse again. Malawi will be revising its MDGS in the coming two years, and it can only be hoped that now the rights-based approach to social protection will be used in it as well.

The Government of Rwanda on the other hand, took over the global language of social protection but does not own the language yet. Social protection is, in the Economic Development and Poverty Reduction Strategy, perceived as a short-term solution to severe poverty and as a charity to the needy people who cannot provide for their own. The National Social Protection Policy did include the physical safety, with 'rights and justice' at the core of the program, but still emphasises that the traditional extended family has the responsibility for the care of the needy people in the household

instead of the state. The President of Rwanda did not have a significant role in the process towards the new development strategy. Being head of a young state with little internal coherence, social protection is no priority of the President Kagame.

The last issue that needs to be discussed at this point is the issue of international cooperation. DFID (together with HelpAge International) and SIDA (to a smaller extent) both advocate for universal social protection in the developing countries. The concept of social protection has been mainstreamed in their development approaches by making it a key issue in their development documents.

International cooperation is useful with regard to social protection when it comes to knowledge sharing, designing policies, implementing policies and financing the initiatives. DFID is assisting the Government of Malawi with the development of their social pension scheme, provides money for a pilot scheme in Uganda, and established the National Statistical Office in Rwanda. However, most international cooperation is nowadays done through poverty reduction budget support in order to make sure that the leadership of the policies and initiatives stay with the national governments. SIDA assists the three case study countries mainly through this form of aid. A country is only eligible for budget support when it meets certain requirements. The requirements have to be met because of the political will national governments have to develop towards their economy and people. The designing of social protection initiatives can be a means to reach the requirements. An important issue when it comes to social protection initiatives is therefore the political will of the receiving government as well.

When the President of Uganda in the late 1990's changed his political vision to a vision focussed on social development, initiatives to implement this focus in the development agenda occurred immediately. Museveni wanted to improve the social development in his country: there was the political will. In Malawi the political will of President Mutharika was and is even more obvious. The President has the will to improve the livelihoods of the older citizens, and barely two years later a pension scheme will be implemented.

Uganda already has the same President for 20 years, so it can be assumed that the President still has the political will to increase the social development in his country. However, the 'slow-down' in the process of political decision making after the establishment of a multi-party democratic system demonstrates that not only the political will (or presidential will) is important when it comes to the implementation of social protection initiatives, but also the political system is important.

Another issue that can be ascertained from the case study of Uganda (and to a lesser extent from that of Malawi) is that the contract between state and citizens plays a large role as well when it comes to the concept of social protection. Museveni came to power after years in which civil war, human rights abuses, hundreds and thousands of deaths by the former regimes and rising income inequality succeeded each other. The President started a project focused on nation-building and economic growth and in this process he recognized the need for a renewed social compact between himself and his citizens. By tackling the chronic poverty (or at least by making a start) Museveni was able to get the politics right again, thinking beyond elections, decentralization and democracy.

The Government of Rwanda currently promotes economic growth; the slow down of the population growth; tackle extreme poverty and ensure greater efficiency in poverty reduction. However, for the time being, the social protection measures go no further than the maintenance of the FARG and income-earning-projects. The political will is there to eradicate poverty, but the right approach has not yet been identified by the government.



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Using the *Ubudehe* surveys the government acknowledged the importance of citizen participation in the process towards the development of the country and the citizens. A continuation of these consultations shall improve the contract between citizen and state as well, as long as the government incorporates the data accumulated during these consultations.

The ultimate aim of any African governments must be the complete eradication of poverty, by both job creation and immediate poverty alleviation. The policies necessary to meet this objective have to address both the barriers that constrain people from participating in the formal economy, and the barriers that constrain the creation of new jobs, but as important: The assistance to those who are currently in the informal sector has to be extended

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## Appendix A



### **INTERGOVERNMENTAL REGIONAL CONFERENCE**

#### **A transformative agenda for the 21st Century: Examining the case for basic social protection in Africa**

**20TH-23RD MARCH 2006**

#### ***SOCIAL PROTECTION – A TRANSFORMATIVE AGENDA***

#### ***THE LIVINGSTONE CALL FOR ACTION***

The Government of the Republic of Zambia co-hosted with African Union an intergovernmental conference on social protection from 21 – 23rd March 2006 in Livingstone. The event brought together ministers and senior representatives from 13 African countries, (Ethiopia, Kenya Lesotho, Madagascar Malawi, Mozambique, Namibia, Rwanda South Africa, Tanzania, Uganda, Zambia and Zimbabwe) together with Brazil, development partners, UN agencies and NGOs.

The conference discussed measures for protecting the poorest in Africa. The conference noted with concern the continuing high levels of poverty in Africa and the likelihood that the Millennium Development Goals will not be reached in the region unless development strategies incorporate direct action to enhance social development in line with the 2004 Ouagadougou Outcome (Summit of African Union's Heads of States and Governments on Employment and Poverty Alleviation), and the African Union social policy framework.

In his opening address, His Excellency Mr. Levy Patrick Mwanawasa SC, the President of the Republic of Zambia, noted that social protection is a basic human right. Social protection directly tackles poverty, contributes to economic growth and stimulates local markets. The President also noted that providing social protection in the form of social transfers is affordable in African countries with the resources currently available.

The conference heard a keynote address from the African Union Representative as well as overviews from Tanzania, Lesotho, Zambia, the ILO and DFID. The conference also heard presentations from individual countries' experience on social protection. The delegates also had the opportunity to visit the pilot Cash Transfer Scheme in Kalomo District.

The conference noted that:

- Social protection is both a rights and an empowerment agenda.
- The Universal Declaration of Human Rights and other human rights conventions establish that social security for all and social protection for the vulnerable is a basic human right.
- The guarantee of basic social protection strengthens the social contract between the state and citizens, enhancing social cohesion.
- Considerable evidence exists that social transfers have played a key role in reducing poverty and promoting growth.
- A sustainable basic package of social transfers is affordable within current resources of governments and international development partners.
- Transfers, when complemented with other social services, are a way to directly reduce poverty and inequality.
- Addressing generalized insecurity and inequality through social protection is proven to be an integral part of the growth agenda, particularly when provided alongside services promoting economic activity.
- The provision of cash directly to poor people enhances economic growth. Transfers are used for both investment and consumption.
- The provision of transfers increases human capital by helping people to keep healthy educate their children, and support HIV/AIDS affected families.
- Transfers can stimulate local markets, benefiting the whole communities.

Delegates called for

- Greater cooperation between African and other countries in the sharing and exchange of information, as well as experiences and action on social protection and cash transfers.
- Social transfer programs, including the social pension and social transfers to vulnerable children, older persons and people with disabilities and households to be a more utilized policy option in African countries.
- National and international commitment to social protection and to the building of consensus within different Ministries and institutional coordination in order to agree national plans.
- African governments to put together costed national social transfer plans within 2/3 years that are integrated within National Development Plans and within National Budgets, and that development partners can supplement.
- Increased investment in institutional and human resource capacity and accountability systems.

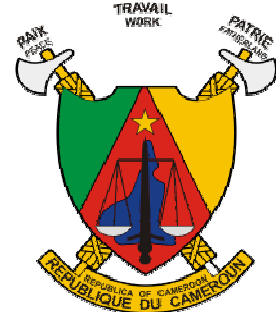
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- Reliable long term funding for social protection, both from national budgets and development partners.
- The institutionalization of a bi-annual conference on social protection under the auspices of the African Union.

**LIVINGSTONE – ZAMBIA**

**MARCH 23RD , 2006**

## Appendix B



# INTERNATIONAL WORKSHOP ON AGEING

**11-13 SEPTEMBER 2006**

**PALAIS DE CONGRES,**

**YAOUNDÉ, CAMEROON**

## YAOUNDÉ CALL FOR ACTION

This Call for Action emanates from an Africa Regional Workshop held from 11th to 13th September 2006 in Yaoundé, Cameroon under the patronage of the Prime Minister, Head of Government. The workshop brought together 103 participants from 12 countries which included Uganda, Kenya, Tanzania, Ethiopia, Mozambique, South Africa, Sudan, Ghana, Lesotho, Cameroon, United Kingdom and Zimbabwe. The participants included AU representatives, senior government officials, HelpAge International Affiliates and representatives of UN agencies and collaborating NGOs. The conference was co-organized by HelpAge International, Regional Centre for the Welfare of Older People in Cameroon (RECEWAPEC) and the Government of Cameroon, with support from the African Union.

The workshop was officially opened by the Minister for Social Affairs, Madame Catherine Bakang Mbock. In her speech, the minister noted the social and economic changes that have made older people increasingly vulnerable and also noted the rapid increase in the numbers and proportion of older people in populations in Africa. The minister underlined the urgent need for policy responses to issues of older people.

Of particular concern to delegates in the meeting is the devastating impact of HIV/AIDS and the burden of care and support for orphans and PLWAS that older people continue to bear, often without recognition and support. Delegates underlined the importance of policies that protect and nurture the rights of older people and recognition of their roles and contributions. They also called for the various departments, ministries, development partners and the civil society to coordinate support for older people.

The conference noted:

- Following the AU plan of Action and the Madrid Conference in 2002, Governments and civil society organisations are increasingly aware of the need to address issues of ageing in their respective countries.
- Civil society organisations, especially NGOs have made substantial contributions to the improvement of the conditions of older people
- The deplorable situation of older people, especially women, in relation to poverty, abuse, access to healthcare and access to property
- The unrecognised role of older people, especially older women, as caregivers.
- The absence of social protection measures to protect older people in their advanced age, especially those without access to formal social pensions
- Inadequate recognition of the needs and conditions of the poor, disabled, critically ill older people and those outside the formal social insurance covers.
- The lack of sensitisation on ageing and the need for support for ageing policies which will in the future affect them.
- There is urgency to strengthen access to healthcare for older people especially those living in the rural areas
- Home based care is increasingly important in providing care yet remains unrecognised and unsupported.

Delegates called for

- National HIV/AIDS policies must address the issues of older care-givers of PLWAS and OVC and support to them in this critical role.
- Inclusion of older people in HIV/AIDS information and programmes (prevention, C&S, stigma etc) with particular focus on appropriate and relevant messages for older people
- Encourage VCT among older people
- Increase access to ARTs and treatment for opportunistic infections equitably in urban and rural areas
- Studies, data and information on the impact of HIV/AIDS and social protection measures on older people be undertaken and be disaggregated by age and gender
- Implement the LCA and adopt comprehensive social protection schemes for older people with particular emphasis on universal social pensions.
- Coordinate social protection measures being implemented with various ministries through a comprehensive national coordination framework
- Increase access to healthcare for older people by eliminating user fees and integrating traditional health practice within national healthcare frameworks.
- Include training on ageing in curriculum of all health and social workers
- Disseminate information on existing policies and laws that protect the rights of older people
- Disseminate and raise awareness of the AU-POA and MIPAA at national and regional levels.

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- Urgently develop national policies on ageing in collaboration with older people, civil society and other stakeholders
- Mainstream ageing and the concerns of older persons in national development plans and poverty alleviation strategies.
- Establish an advisory council on ageing in AU with mandate to mobilise resources for adoption of POAs at national, regional and international level.
- Identify lead national coordinating agency on ageing
- Establish a department on ageing within the UN system
- Mobilise resources at national levels towards and equitable allocation towards issues of older people.
- Carry out a bi-annual review to assess progress on the Call for Action made in Yaoundé under the auspices of the AU.

**Yaoundé – Cameroon**

**11-13 SEPTEMBER 2006**

## Appendix C

**Table 11-2 Usual economic activity rates by age group (%)**

Age Group	EICV1(2000/01)					EICV2(2005/06)				
	Workin g	Unemp	Student	Inactive	All	Workin g	Unemp	Student	Inactive	All
7 to 10	2.4	0.1	72.1	25.4	100	1.3	0.1	82.9	15.8	100
11 to 14	16.2	0.3	72	11.5	100	9.7	0.3	85	4.9	100
15 to 20	67.7	1.5	24.4	6.4	100	55.1	1.3	40.3	3.4	100
21 to 30	90	2.5	4.2	3.3	100	88.8	2.5	6.1	2.6	100
31 to 40	95.4	0.9	0.1	3.5	100	95.8	1.5	0.4	2.4	100
41 to 50	95.4	0.8	3.8	100	95.7	0.9	0	3.4	100	
51 to 65	93.1	0.4	6.5	100	92.5	1	6.5	100		
Over 66 years	74.9	0.4	24.7	100	76	0.5	23.5	100		
<b>National</b>	<b>61.9</b>	<b>1</b>	<b>27.6</b>	<b>9.4</b>	<b>100</b>	<b>60.8</b>	<b>1.2</b>	<b>32</b>	<b>6</b>	<b>100</b>

Source: EICV1 and EICV2 data: household population aged 7 years and above.

**Table 11-3 Industrial activity of adult workers by urban and rural (%)**

Industry	Kigali urban	Other urban	Rural
Agriculture, fishing, forestry	14.2	55	86.5
Mining & quarrying	0.4	0.1	0.5
Manufacturing	5.5	2.1	1.5
Utilities	0.4	0.3	0
Construction	7.2	3.2	0.9
Trade	23.1	12.9	4.9
Transport & communications	6.4	3.2	0.7
Financial services	2.3	0.9	0.1
Government	11.9	7.9	2.1
Recreation & tourism	0.3	0.6	0.1
Other services	27.1	12.7	2
Inadequately described	1.2	1	0.8
<b>All</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: EICV2 data: usual job of adults 15 years and over years, and in employment.