

# **Types of Good Practices Focusing on Family Poverty Reduction and Social Exclusion**

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# Introduction

- **Family poverty** —state in which a family earns less than a minimum amount of income—typically US\$1.25 per day per person in low-income countries—and where the insufficient income hampers the family's ability to adequately cover basic costs of living.
- **Social exclusion**—process by which certain groups are systematically disadvantaged by an unjust distribution of resources and unequal capabilities and rights required to, among other things, create the conditions necessary to meet and exceed basic needs,

Most vulnerable to family policy and social exclusion in developing countries:

Groups: female-headed household; migrant families; families living in rural areas and urban slums; households affected by HIV and AIDS;

Individuals within families: children and youth; older persons; and people living with disabilities

# Good practices in family poverty reduction and social inclusion

To lessen family poverty and social exclusion many developing countries have adopted social protection as the key response. Two main categories:

- ***Social security***—contributory schemes that protect income earners and their dependants against temporary or permanent involuntary loss of income due to contingencies that impair earning capacity
- ***Social assistance***—non-contributory assistance or benefits provided to the poor and needy

# Social security

- The ISSA categorizes social security programmes into five main groups:
  - ***Old-age, disability, and survivor benefits; Sickness and maternity benefits; Work injury benefits; Unemployment benefits & Family benefits***
- In developing countries, these benefits are available only to formal sector waged workers, who are able to contribute to social security; unemployment and family allowances are generally scarce. Also noteworthy:
  - Benefits targeted at individuals and not families per se;
  - Perpetuate gender inequality due to male's relatively higher formal employment
  - lack of portability of benefits increases the vulnerability of the many migrant workers and their families in SSA

# Social assistance

## Cash transfers

- Ample evidence that these programmes support h/hold consumption and lead to direct improvement in h/hold welfare
- In relation to the rest of the developing world LA has the most stable and long-running cash transfer initiatives.
  - unconditional cash transfers continue to be generally categorical, targeting h/holds with older persons, PWD, and children.
  - CCTs, currently the most dominant type, reaching 19% of region's population of the region;
  - have their central axis of action taking place around poor families or households with children, rather than on individuals or specific family members.
  - typically select a woman (usually the mother or the woman responsible for children in the household) as the primary recipient of the transfer,

## Cash transfers (cont'd)

- In SSA
  - CCTs are less popular due to underdeveloped infrastructure
  - Unconditional cash transfers the most common esp. in Southern Africa and increasingly East Africa
  - Mostly in the form of categorical old age pensions.
- In South Asia cash transfers rudimentary or absent;
  - concentrated in only three countries: Bangladesh, India and Pakistan
  - typically categorical and targeted at older persons and children from poor households.

**Overall, conspicuously absent are child-oriented policies and disability benefits.**

# Provision of basic social services

- People in developing countries tend to have less access to health services than those in more developed countries, and within countries, the poor have less access to health services.
- Health coverage often offered by commercial insurance companies to those few who can afford to pay.
- Thus the out-of-pocket payments create financial barriers to access, reduce the affordability of health care services, & push people (deeper) into poverty.
- Partnerships between countries and international development and donor agencies has been advanced for and is happening in many countries of SSA. Examples:

## Provision of basic social services (Cont'd)

- **Ghana**-the largest trade union confederation in Luxemburg supported the extension of health insurance through financial contributions.
- **Kenya**--GTZ, provided support in the replacement of the National Hospital Insurance Fund (which covered only formal sector workers) with a new mandatory National Social Health Insurance.
- **Nigeria**-Health Insurance Fund established in 2007 with financial support for the Dutch government. Targets low-income Nigerians with a focus on informal sector workers, students and working women.
- **Gabon**-compulsory health insurance scheme designed in 2007 to be financed by specific taxes on mobile phone companies.



# Public works programmes

- Provide a cushion against unemployment risk for the poorest workers by offering some monetary compensation for 'emergency' or short-term work, typically in the maintenance, upgrading, or construction of local infrastructure
- Thus have the potential to simultaneously address poverty and the provision of assets and infrastructure, thus promoting pro-poor growth .
- While PWPs became widespread in Latin America in the 1990s and have since been implemented in various countries, only one (Argentina's *Jefes y Jafas de Hogar*) that can be described as a family-focused anti-poverty programme.
  - Targeted at unemployed heads of households with dependents under the age of 18 years or with disabled individuals of any age. Pregnant women are also a target population.

## Public works programmes (Cont'd)

- In SSA scale and coverage minimal and rarely matches the extent of need among the poor under- and unemployed.
- In South Asia, PWPs are a widespread policy tool in countries such as Bangladesh, India, Nepal and Pakistan. Most are self-targeted and categorical, aimed at poor households, largely in rural areas.

# Food programmes or subsidies

- Important for nutritional rehabilitation for families and children,
- However, arguments that:
  - programmes generally yield a smaller increase in the beneficiaries' choice sets than would a cash transfer of the same monetary value;
  - have relatively high operational and administrative costs
- Thus less widespread in developing countries relative to other social assistance programmes.
  - In Latin America they are of two broad types. (1) targets poor households and includes soup kitchens, the distribution of basic staples or nutritional supplements to mothers and babies, as well as food - for - work programs (2) target specific demographic groups, rather than the poor.

# Food programmes or subsidies (Cont'd)

- In SSA trend now turning to be targeting 'predictable hunger with predictable cash transfers' instead of food aid (Save the Children et al., 2005).
- Equally scarce in South Asia, being a major type of social assistance in only a few countries such as Bangladesh and India where they are focused on households and families although women appear to be the main recipients

*Thank you!!*