



## Mozambique

# Social protection (and its relevance for local governance): a working paper

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## 1. Purpose of the paper

The objective of this paper is to develop a better understanding of social protection policy and practice in Mozambique. The paper discusses the relevance of social assistance in the context of decentralized service delivery and local governance. The paper also opens a discussion in the country office. Three aspects are explored:

- the concept and main issues around social protection
- the social protection landscape in Mozambique
- considerations for the CARE Mozambique SCORE project

The objective of the “Strengthening Civil Society for Rural Empowerment” (SCORE) project is to promote a replicable, locally accountable system of civil society and government service provision, in food security, water and health in a way that mainstreams HIV and gender. The project is supporting the set up and/or functioning of local state and non-state structures of governance, and at the same time helping a varied range of service providers fulfill their role. The definition of “service providers” in the project includes community based organizations, government executing agencies, local government, local NGOs, etc. The mandate and obligations of all the organizations are quite diverse, as some are mandated by law and other are driven by a self-assigned mission. Recently, the project has been focusing on finding ways to address the problem of extreme vulnerability. The

project area is prone to flooding and drought, access to water limited, HIV and malaria are high, making it one of the poorest parts of the country. This area has a history of food and cash distributions. With the recent development in decentralized governance and increased donor interest on social protection, this paper seeks to understand the potential links between social protection and local governance.

## **2. Social protection: concept and issues**

### **2.1 What is social policy?**

Social policy is the part of public policy that deals with welfare and social services. Like other public policies, governments will design social policies on the basis of ideological, political, economic and societal considerations. The development community understands social policy as a part of the livelihoods framework. This framework supports the understanding of how people use assets and entitlements to make a living and the analysis of risks and vulnerability in asset building and preservation. This is based on Sen's entitlement theory, how people own, control and access assets, where assets are defined as tangible (good, equipment, cash, etc.) or intangible (skills, social networks, usufruct of rights, etc.). In this sense, social policies are understood as a component of the strategy for poverty reduction, by creating opportunities for the poor and at the same time provide protection.<sup>1</sup>

In this context, CARE<sup>2</sup> makes the basic distinction between promotion, protection and provisioning<sup>3</sup>:

- Promotion: focus on growth; “involves improving the resilience of household livelihoods to meet food and other basic needs on a sustainable basis (development).”
- Protection: “involves protecting household livelihood systems to prevent an erosion of productive assets or to assist in their recovery (rehabilitation/mitigation).”
- Provisioning: “involves providing food and meeting other essential needs for households to maintain nutritional levels and save lives.”

### **2.2 Social protection**

The United Nations defines social protection as “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>4</sup>

Social protection policies are commonly grouped in three categories<sup>5</sup>:

- social assistance: the State provides non-contributory transfers<sup>6</sup>
- social insurance: the individual makes a contribution to the state, in exchange for a guarantee of protection
- policy context and minimum standards: defined in the Constitution, laws, sectoral policies and strategies, implementation manuals

Social protection is a potentially important part of a strategy to increase sustainable, poverty-reducing growth. The benefits and trade-offs of social protection, compared with other development interventions is explained in the following paragraphs.

“Social protection is [...] not intended to promote economic growth, though it is intended to alleviate poverty. In general, economic growth is for poverty reduction; social protection is for vulnerability reduction. This has two aspects. One is reduced income and consumption variability. If the objective of economic growth is to raise mean income, the objective of social protection is to reduce variations around mean income. The second role for social

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<sup>1</sup> See Annex 1 for a review of models of social policy in the South, and Annex 2 for social policy objectives.

<sup>2</sup> Tim Frankenberger, Measuring HLS

<sup>3</sup> Tim Frankenberger

<sup>4</sup> Quoted in Petrauskis, C. (2006)

<sup>5</sup> From Johnson, K. (2006a), and Johnson, K. & Selvester, K. (2006)

<sup>6</sup> Different forms of transfer include pensions disability benefits, child support grants, household transfers, conditional cash transfers, cash and food for work

protection is to buffer the consumption of chronically poor individuals who cannot benefit from interventions that raise earned income<sup>7</sup>. This is not to say that social protection does not have a positive impact on growth, because it protects assets in turn helping people earn an income, promote participation in the labor and commercial market and in turn financing investment in health and education. Social protection, in reducing poverty and inequality, can also lead to greater social unity and a more stable environment for individuals to work, save and invest.<sup>8</sup>

Social protection is however criticized for creating market distortions (through the creation of subsidies) in contrast with market-led economic growth (this is the classic case against the welfare state). It is also criticized for creating cycles of dependency for poorest households (the poverty gap).<sup>9</sup> There also an issue of affordability and financial sustainability of such programs for national government in the context of a low tax base. One must also consider the technical capacity of government to deliver and the high risk of corruption in social protection schemes. Moreover if taxes are raised to pay for spending on social protection, tax payers may have less incentive to work and save<sup>10</sup>. For a full summary of positive and negative impacts of social protection measures, refer to Annex 3. Currently some pilots are being carried out (such as the Kalomo cash transfer project in Zambia), but there are questions about how transferable the pilots are to wider scales and to different contexts.

As humanitarian workers, we have a moral imperative to alleviate suffering, to ensure that people live in dignity and to defend and promote the respect their human rights (it is underpinned by the Universal Declaration of Human Rights). The work of many NGOs falls under the remit of social policy (social protection projects through contributory or non-contributory transfers to assist the most vulnerable, livelihoods and asset-building projects to help sustain assets and means of living). NGOs have a role to play in influencing the development of national social policies, because social protection is a right for a citizen that supersedes, or at least cannot be sacrificed on the altar of market economy. Governments must therefore to strike an appropriate balance between economic incentives and greater provision of social protection, and NGOs can help them in analysis and implementation.

### 2.3 Vulnerability

Who do we target with what type of interventions? To answer the question, one must understand the cause and nature of vulnerability. The following definitions of vulnerability may help:

- *demographic vulnerability*: “it is idiosyncratic, and can be related to physical characteristics (e.g. disability that prevents someone from working for a living) demographic factors (e.g. households with high dependency ratios, such as ‘skip generation’ households comprising only older people caring for young children) and life cycle changes (e.g. retiring from the workforce, or needing to take maternity leave)”<sup>11</sup>.
- *economic vulnerability*: “it relates to conditions in the production system (e.g. a drought that triggers harvest failure), markets (e.g. seasonal food price rises, or unaffordable fertilizer prices), and the policy environment (e.g. constraints on local or cross-border trade) that undermine the efforts of working people to achieve and sustain a viable livelihood. While many forms of economic vulnerability can be mitigated with short-term safety nets or social insurance mechanisms, demographic vulnerabilities might require permanent social welfare transfers”<sup>12</sup>.
- *geographic vulnerability*: vulnerability linked to a special circumstance in relation to the place where the person is located (natural disaster, war) usually mitigated through short term protective responses.

Vulnerability can be also classified by the degree to which people are affected, in strength and duration:

- *Moderately poor but viable*
- *Critically poor but viable*: able to cope, usually through community safety nets. In times of crisis (drought, job loss, etc.) they will fall in situations of destitution

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<sup>7</sup> From “Policy Options for Increasing the Contribution of Social Protection to Food Security”, Stephen Devereux Institute of Development Studies (IDS) University of Sussex for the Forum for food security in southern Africa September 2003, quoted in Johnson, K. & Selvester, K. (2006)

<sup>8</sup> DFID, Social Protection and Economic Growth in Poor Countries, Social Protection Briefing Note Series Number 4, March 06

<sup>9</sup> Johnson, K. & Selvester, K. (2006)

<sup>10</sup> DFID, Social Protection and Economic Growth in Poor Countries, Social Protection Briefing Note Series Number 4, March 06

<sup>11</sup> Devereux, S (2006)

<sup>12</sup> Ibid

- *Moderately poor and incapacitated*
- *Critically poor and incapacitated*: destitute and unable, regardless of conditions to pull themselves out of poverty. (“destitute” households).
- *Non-poor* (viable or incapacitated) <sup>13</sup>

Because people move in and out of these “categories”, families can use social protection interventions such as fee waivers to access health and education services to build intangible assets, and can use food aid to give household members some space so they can invest time and energy into developing their asset base and using new skills that are considered ‘livelihoods promotion.’.

It is widely accepted that community safety nets, i.e. informal support by better-off to poorer families in a community, is the primary source of protection in Southern countries. Many policies are now recognizing this and are stating that they will “support community safety nets”, although the practicalities of doing so are not so clear. With the HIV/AIDS pandemic, more and more people who are “vulnerable and viable” are falling into “vulnerable but not viable”. This is can be a sign that the safety nets are stretched, or that people are excluded of the nets, sometimes for the very reason of their vulnerable situations. But there are a wide range of opinions with little research behind these assumptions. A better understanding, in specific contexts, of the reality of “safety nets” would bring added value to the debate on social protection.

Rights-based-approaches to development seek to address the question of exclusion, through empowerment and participation. The postulate of the human rights framework is that all should have equal opportunities in front of the law. But differential access to power in a society is an impediment to this. It is important to recognize this, because the successful implementation of a social protection policy will be ultimately challenged by the existence of a state of law, at all levels of society. Social justice underpins access to the benefits of social protection. In Southern Africa, there is an extra contributing factor to destitution, which is fragile food security. The three factors described together are referred to as the “triple threat”: HIV/AIDS, food insecurity, poor governance.

There is always a danger in categorizing people, especially considering the transient nature of destitution. But appropriate targeting is important particularly where social assistance takes the form of transfers in cash or kind. Good targeting means that the benefits are transferred to the right people and that corruption has been avoided. Good targeting means that only the people who cannot survive without the transfer have received it, meaning that dependency over transfer by otherwise vulnerable but viable people.

#### ***2.4. Issues and approaches for programming***

Social protection can be divided into three types of approaches depending on the situation:

- 1) prevention of people falling into destitution
- 2) coping mechanisms for those in chronic vulnerability (the destitute). See above for definitions of vulnerability.
- 3) response to situations of vulnerability in emergencies<sup>14</sup> (this one will not be discussed here)

In order to provide the best response to the particular situation of individuals, a good understanding of individual situations and therefore a good targeting are essential. Targeting is evaluated through:

- Vertical targeting: “degree of coverage of only households or individuals within defined criteria”<sup>15</sup>
- Horizontal targeting: “degree of coverage of all eligible households or individuals within defined criteria”<sup>16</sup>.

It is worth noting that the higher the degree of targeting the more costly the scheme in terms of administration. “Schemes that try to control both vertical and horizontal targeting result in expensive and bureaucratic schemes”<sup>17</sup>.

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<sup>13</sup> This classification was used in the MDCSS program, quoted in Petrauskis, C. (2006)

<sup>14</sup> Johnson, K. & Selvester, K. (2006)

<sup>15</sup> Johnson, K. & Selvester, K. (2006)

<sup>16</sup> *ibid*

<sup>17</sup> *ibid*

For NGOs, livelihoods and social assistance are at both ends of a spectrum of interventions that imply different kinds of involvement of clients. In this paper, we are looking at social assistance in the wider context of a livelihoods/local governance project and are concerned with assistance to vulnerable people. We focus on cash and in-kind transfers for the vulnerable as a starting point for the discussion as this is the type of program currently offered by the GoM<sup>18</sup>. The question that we ask here is: in what situations to give cash/in-kind transfers, to whom and in what form?

*What form?* The food vs. cash transfer question has been largely debated; cash transfers are back in the picture and micro-level experiences in Southern Africa seem conclusive (see annex 4). Although we focus here on cash/in-kind transfers, we acknowledge the other forms of transfers such as subsidizing public services are useful on a large scale to ensure that there are no blockages, across the board, to accessing services.

*To whom?* If used properly, extra resources in a poor household will have a positive effect on the said household. But it is essential to remind ourselves of the principles of empowerment, participation and sustainability to ensure that the cash/in-kind transfers are given only to those who are destitute and unable regardless of conditions to pull themselves out of poverty (vulnerable but not viable).

*When?* Outside of emergency situations which we are not debating here, we need to carefully assess when, in the lifetime of a household and a community, are cash/in-kind transfers necessary. It may be useful to postulate that cash/in-kind transfers are a last resort, something we will use only if we are certain that there is no alternative to survival for the individual<sup>19</sup>.

*How?* We must continue to adhere to our principles of participation in all situations and not make our clients passive recipients of aid. Some agencies argue that conditional transfers are a form of participation; this is highly debatable and depends of course of the definitions of “participation” (see annex 5 for some definitions that may help the reader decide). This is also about civil society actually engaging in the debate in social protection with donors and government.

### **3. Social protection in Mozambique<sup>20</sup>**

#### ***3.1 Institutional landscape***

The Ministry for Women and Social Affairs (MMAS) is the ministry responsible for social policy, with representations in all provinces. It has two directorates and subordinate institutes:

- directorate for women (DNM) with responsibility for orphans and vulnerable children
- directorate for policy and strategy on social action (DNAS)
- institute for social action (INAS) with six departments<sup>21</sup>, provincial delegations reporting to central INAS and representatives (“permanents”) at district level reporting to the province.

Institutional arrangements (MMAS, INAS and sector ministry) make roles and responsibility unclear, complex and difficult to manage. Capacity is also very weak<sup>22</sup>.

Three other specialized bodies the National Commission for Social Reintegration (CNRS) and the National Institute for Disaster Management (INGC) and the national institute for social security (INSS) deal respectively with war refugees, disasters and obligatory contributions/state benefits.

Finally, an Inter-Ministerial Commission for Social Protection, subordinated to the Council of Ministers with consultative and advisory responsibilities, will be set up in the near future.

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<sup>18</sup> As outlined below, there are other types of support (for example supporting CBOs of vulnerable but viable) and SCORE is already working with INAS on supporting community groups.

<sup>19</sup> There is a need to reflect on what is last resort for an individual and what is last resort for a community, a district, a nation

<sup>20</sup> Much of this section has been extracted from two recent reviews of the social protection in Mozambique by Johnson, K. & Selvester, K. (2006)

<sup>21</sup> Development Programmes, Social Assistance Programmes, Planning and Statistics, Cooperation and Public Relations, Administration and Finance, Human Resources

<sup>22</sup> Johnson, K. (2006a)

### 3.2 The legal framework

The Social Protection Bill (to be approved by Parliament) defines responsibilities for basic and complementary social protection and the principal target groups of social assistance<sup>23</sup>. Of particular relevance to CARE, the Bill “defines the relationship between CSOs and GoM (complementary social protection), with GoM assuming a supervisory role in order to promote compatibility between its goals and activities and to defend the interests of beneficiaries”<sup>24</sup>.

Other relevant legal instruments include the National Policy for Older People and the national action plan for orphans and vulnerable children.

Table 1: the legal framework<sup>25</sup>

National Policy for Older People (approved in 2002):	<ul style="list-style-type: none"> <li>- To provide free health services for older people who have “orphans of AIDS victim parents under their responsibility”</li> <li>- To promote day centers for older people and non-institutional care for the older homeless.</li> <li>- To promote the construction of social housing and prioritizing their acquisition by older people living in isolation through bonus credits,</li> <li>- To encourage private sector construction of affordable housing and Municipal and civil society support in free maintenance of older people’s houses, “particularly those with orphans of AIDS victim parents under their care.”</li> <li>- To promote measures aimed at guaranteeing that retired people and other older people get their pensions in time and at ensuring that employers forward the contributions of their workers in full and in time to the appropriate social security institutions</li> </ul>
The National Action Plan for Orphans and Vulnerable Children (approved in 2006)	<ul style="list-style-type: none"> <li>- To create a protective environment and reduce the impact of HIV/AIDS</li> <li>- To facilitate community based responses</li> <li>- To strengthen institutional capacity of MMAS</li> <li>- To promote birth registration</li> <li>- To facilitate access to poverty certificates (form of fees waiver for health, education and birth registration services)</li> </ul>
Social Protection Bill (to be approved)	<ul style="list-style-type: none"> <li>- Includes the three pillars of social protection, i.e. obligatory, basic and complementary</li> <li>- Aims to provide both a legal framework for social protection and an institutional framework based in law.</li> <li>- MMAS was not central to the consultative process and there is concern that the section regarding basic social protection provision is not sufficiently clear</li> </ul>

### 3.3 Government led programs

Social protection is included in both the Poverty Reduction Strategy Paper (PARPA) and the government five-year plan although representing less than 1% of the state budget<sup>26</sup>. Social protection programmers are categorized as follows:

- Obligatory: contributory social security, administered through INSS (for private sector employees) or the Ministry of Finance (for public sector employees)
- Basic: social assistance administered through State institutions, principally INAS: Food Subsidy, Direct Social Support, Social Benefit for Work, Income Generation and Community Development programmers.
- Complementary: social protection delivered through non State actors (principally social assistance)”<sup>27</sup>

The types of social assistance programmers in Mozambique are described in the box below<sup>28</sup>:

<sup>23</sup> People in absolute poverty, Children in difficult circumstances, Older people in situations of absolute poverty and social exclusion, Disabled people in situations of absolute poverty and social exclusion, People with chronic and degenerative illnesses, Women heading households with no means of subsistence

<sup>24</sup> Johnson, K. (2006a)

<sup>25</sup> Source; Johnson, K. & Selvester, K. (2006)

<sup>26</sup> Johnson, K. & Selvester, K. (2006)

<sup>27</sup> *ibid*

<sup>28</sup> The text in the box are excerpts from Johnson, K. & Selvester, K. (2006), Johnson, K. (2006a), Johnson, K. (2006b)

INAS implements five principal programmers, targeting the absolutely poorest. The programmers are grouped in two categories (Procedures manuals exists for some of these programmers):

1. Programmers and provision targeting the absolutely poorest with no capacity to carry out activities for their own support:

- Food Subsidy (PSA) is the only programme enshrined in law and is the longest standing, largest State programme, providing small monthly cash payments to just under 100000 extremely poor older people (over 90% of beneficiaries), disabled people (about 6% of beneficiaries), people who are chronically ill and malnourished pregnant women.
- Direct Social Action (PASD): for individual groups
- Social units i.e. residential institutions for older people, for orphans etc

2. Programmers targeting the absolutely poorest with some capacity to carry out activities for their own support:

- Social Benefit for Work (PBST): for individuals
- Income generation (PGR): for community groups
- Community Development (PDC) is the fastest growing scheme, currently with about 50000 beneficiaries (community groups)

The vertical efficiency (i.e. extent to which beneficiaries all match eligibility criteria) of these State and non-State schemes is often high, with considerable investment of staff time in targeting. However, almost universally, the horizontal efficiency (i.e. extent to which all potentially eligible beneficiaries actually do benefit) of most schemes is extremely low, with very limited coverage.

3. Other programmers include:

a. The MMAS HIV / AIDS Sector Plan includes a programmed component aiming to ensure nutritional support for those living with HIV/AIDS. Two approaches to implementation are being considered (1) increasing the amount of monthly payments under PSA or (2) providing a supplementary food basket to (potential or actual) recipients of Food Subsidy who are also chronically ill<sup>29</sup>. The inclusion of the chronically ill is a new targeting criterion. Targeting guidelines to support the identification of households facing food insecurity due to chronic illness arising from AIDS have been developed and approved by Government<sup>30</sup>

b. Sectoral provision for social assistance is concentrated in the education and health sectors. The main approach in the education sector has been to provide an increasing range of education services without charge. The education sector is now piloting specific support programmers targeting orphans and vulnerable children in four districts from 2006. The approach in the health sector has focused on identifying treatment for specific categories of illnesses as free for all service users and identifying defined population groups as exempt from all user fees i.e. pregnant women and children under 5 years of age. These provisions are made regardless of the economic status of the recipient of treatment.

c. Mozambique also has a more general fees waiver scheme for absolutely poor households, granting such households exemption from paying user fees for education, health and birth registration services. Poverty Certificates are issued by the Ministry of State Administration, following assessments by local leaders and Ministry of Women and Social Action (MMAS) staff. The institutional arrangements are cumbersome, effectively limiting use by vulnerable households.

d. Public Works programmers have often adopted an approach of labor intensive construction and introduced specific targets groups for inclusion. There are no attempts underway to encourage the Ministry of Public Works to impose minimum requirements for employment of especially vulnerable groups in sub contracts with constructors and no links being drawn between the existing INAS Social Benefit for Work (cash for work) Programmed.

e. Social security programmers are described in Annex 6

<sup>29</sup> "Since 2004 a multi sectoral Working Group, SANHA, set up at the request of CNCS and hosted by SETSAN, has produced and field tested guidelines for identifying groups vulnerable to food insecurity due to the impact of HIV and AIDS. The SANHA Working Group is currently coordinated by the Director of Policy and Planning of INAS", ibid.

There is currently a low level of benefit per beneficiary, delays in processing applications, demotivated representatives at local level (“permanentes”) and dispersed beneficiaries, with low numbers in each district

#### **4. Decentralized governance and social protection**

##### ***4.1. Deconcentration and locally managed social assistance projects<sup>31</sup>***

Since 2005, a new push was given to the implementation of reforms on deconcentration with increased control by district government on their investment budget and an effort to consult constituents through the set-up of consultative councils from the village upwards. Deconcentration of state administration is still nascent; there are many institutional gaps, particularly with regards to intersectoral planning and management, as well sectoral decentralization. This directly affects service delivery at local level (the focus so far has been in investment). Capacity issues, with few district level civil servants having completed secondary school, complicate matters further, particularly in an institutional environment that leaves little room for innovation and team work.

Despite these constraints, the deconcentration reforms are pushing local government to come closer to citizens. One may hope that this will bring increased attention the most vulnerable populations. Up to now, rural populations have not played an active role in claiming their rights (because of lack of knowledge and of the absence of a political culture to do so) – they usual prefer finding local solutions to their problems. It is therefore a significant challenge for the most vulnerable in a community to have a voice in the consultation process. Recent studies on power relations in communities demonstrate that party capture and inability to challenge bad performance of civil servants characterize the current consultation process. Because of the lack of accountability of public servants, the absence of independent performance monitoring system and abuse of power, the risk of ill targeting and corruption associated with transfers is high.

Deconcentration would provide an option for social assistance to be managed by local communities in a way that factors in community safety nets. Ultimately, better local management would come in hand with increased local fiscality to finance social protection. Citizens would need to understand their personal interest and moral obligation to see their taxes used for the poorest, and this would need not to erode the resources for community safety nets but complement them<sup>32</sup>. For a quality programme to be implemented, there is a need to find ways of covering the costs of obtaining accurate information and of delivering.

##### ***4.2. Programming issues and ideas for SCORE and CARE***

CARE’s approach in Mozambique should gradually to move into facilitation and developing capacities vs. direct implementation. The SCORE project has gone some way down this line by focusing less on resourcing community groups and more on strengthening the institutions involved in local planning. It also established links between INAS and community groups by helping INAS increase the resources and capacity of community based organizations. The project will also support the development of micro-credit services for women. This is done through a partnership with a community-based saving and credit NGO. These are ways of strengthening community nets. The process and outputs will need to be documented. A number of other avenues can be explored if we wanted to increase our targeted support to the destitute in a way that shaped a new model of service delivery.

###### **4.2.1. Replicability**

If we are concerned by replicable models of service delivery, i.e. models that government, private sector and citizens at district, provincial or national level, will be able to provide for and access after the lifetime of the project, three fundamental aspects should be considered:

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<sup>31</sup> In Mozambique, deconcentration is understood as the delegation of responsibilities from central level to lower levels of “government” (state administration and some sectors of governments). This is different from devolution which transfers power to administrative territories (municipalities).

<sup>32</sup> One district in Mozambique is high performer in tax collection (Ribau) although it has not been used for social assistance. There is a great need for education for communities to take control of social assistance rather than INGOs managing such programmers. There is an obvious perception that this is central or provincial level responsibility although expectations on delivery are low.

- the existence and appropriateness of policy,
- continuity in funding
- administrative capacity<sup>33</sup>
- evidence around what works and why

As far as policy and funding are concerned, the growing attention that donors are placing on social protection mean that technical and financial input will most probably come in to support what is already existent (this, in fact, provides a further opportunity for NGOs as some donors may be interested in the piloting new approaches). In the short run, resources will probably be available – however, one should still factor in the aspect of low tax base and immature fiscal systems, if we were to pilot a more self-sufficient model.

Administrative capacity is probably the most crucial aspect. Due to the limited economic and political benefits of social protection schemes, social protection has been relegated in Mozambique to institutions with limited resources and capacity.

A final consideration is that any activity that we design should ensure clients do not become dependent on our intervention to a point that they will not find continuity or alternatives when/if the programmed stops.

#### 4.2.2. Some ideas for working around social assistance intervention in SCORE<sup>34</sup>

##### *Bring it into the local planning and development agenda:*

As we are mainstreaming HIV and gender that are aspects that influence vulnerability, we need to broaden this “mainstreaming” by proposing responses to vulnerability. We must bring social assistance into district planning. This means discussing vulnerability and protection in the consultative council meetings, helping the district technical team<sup>35</sup> pay attention to factors and responses to vulnerability in every sector. It also means ensuring that the district government (all the way down to the village), staff from local service providers (education and health) and citizens understand the social protection policies in place and social assistance programs.

##### *Policy influence*

At a wider level, we should link evidence building (ie knowing what works and why) and influencing policy. We should be able to document what option (cash/in kind transfers to families vs support to community groups for example ) works best in what situation. Hopefully the experience with SCORE should also help CARE Mozambique and other country offices in a similar theme.

##### *Targeting and defining the objective*

The targeting methodology of both SCORE and INAS is not systematic nor transparent (reliance on local leaders). INGC’s experience through SETSAN and the vulnerability assessment committee should be of use. In order for the targeting criteria to make sense, the objective of any social protection model should be clearly defined (cope with shocks, protect assets or support the destitute). Targeting must push us to know better the communities and the people with whom we work. If NGOs are to bring any added value to a government social protection program, it should be by improving selection and accompaniment of the individuals and their families. Mozambique is a particularly challenging environment to this respect due to the geographical isolation of families.

##### *Scoping*

SCORE is operating in Northern Inhambane where other INGOs and LNGOs are operating, as well as other CARE projects. Some of these activities might cover a dimension of social assistance, so it is important that all

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<sup>33</sup> In Petruskis, C. (2006)

<sup>34</sup> Many of these options are inspired and/or directly extracted from a piece of work recently carried out for Concern Worldwide on social assistance programming options in education and district planning , Johnson, K (2006b),

<sup>35</sup> This is a team of district government sectoral staff who have responsibility for planning and supervision.

activities are aligned, especially with INAS's work and the different policies in place<sup>36</sup>. A careful review of activities should be carried out.

#### *Participation*

SCORE should stimulate the participation of the most vulnerable in the Local Forums by ensuring that the adequate resources are available for these people to participate. Where they do not participate and are "represented", the project should support the consultative council in exploring its role and responsibilities with regard to social protection, especially social assistance.

#### *Safety nets and transfers*

Much of the literature on HIV/AIDS comments that community safety nets are eroding due to the impact of HIV/AIDS. There has been no recent in depth study to analyze this phenomenon in our areas of intervention. If we choose to continue supporting community nets, we must ensure that the model can be institutionalized. If cash/in-kind transfers are supported, this should be done within the existing state institutions. A participatory analysis of need by the consultative councils should decide who receives what type of support. A cash/in-kind transfers approach should not be an end in itself but also support individuals to become "viable". Support (at the demand and supply end) to registering would be an avenue to explore by using local resources in the communities.

#### *Monitoring*

It is important that our monitoring is embedded into INAS' and the PARPA's. Of particular importance is the registering of contact time with beneficiaries, the participation of the most vulnerable in the consultative councils. The monitoring should include both process and impact monitoring. Process monitoring should include "stories from the field" where the stories of those who access the services are told.

#### *Financing*

This should be straight to the district, via pilot funds, the state budget and increased local taxes. There is currently a debate within MMAS/INAS on a Social Action Fund that we could participate in.

#### *Support to INAS*

This has already started and could be strengthened by developing the capacity of permanentes to support applicants in obtaining ID documents.

#### *Other considerations*

To increase the efficiency of a social assistance scheme, we should consider exploring the ways in which cashew, cotton and tobacco wholesalers pay the farmers in remote areas. Finally, it is important to consider gender issues and the risks associated to handing cash over to men.

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<sup>36</sup> INAS /is currently commissioning studies to map INAS programmes and distribution of poverty in Mozambique, analyse levels of support per beneficiary in INAS programmes, seek to address some of the operational constraints limiting impact of basic social assistance programmes (e.g. delays in potential beneficiaries accessing ID documents)

**Annex 1: Review of Models of Social Policy in the ‘South’, with associated ‘Northern’ influences (in italics)<sup>37</sup>**

<b>Macro-Eco. Model</b>	<b>Social Policy Model</b>	<b>Primary Institutions</b>	<b>Comments</b>
<b>Modernization (1940s-1960s)</b>	Residual Welfare	Weak social welfare government ministries Voluntary organizations with main social welfare burden	Originally introduced by colonial governments Social need through individual effort in the marketplace; Government dealt with deviant behavior and when normal structure of supply, family and market break down
<i>Western Capitalism</i>	<i>Institutional</i>	<i>Sectoral ministries</i>	<i>Introduced in advanced economies; Welfare as an entitlement based on citizenship. Comprehensive universal, statutory state provision of medical care, education, housing, and income security</i>
<b>Failure of modernization ‘trickle down’ (1960-70s)</b>	Incremental	Sectoral ministries	- Southern version to replicate institutional model on incremental basis with gradual extension /expansion of existing provision expansion of social services along with increase in budgetary allocation. - Assumes budget expansions based on expanding economies: c.f./ role of donors; No questioning of relevance of local needs
<i>Western Socialism</i>	<i>Structural</i>	<i>State provision</i>	- <i>Welfare defined as the distribution of needs, is central social value. Satisfaction of needs on basis of equality as main aim of production and distribution. To each according to his need –universal, comprehensive and free social services of health and education.</i> - Goal of many socialist countries in South
<b>Redistribution with Growth (linked to eradication of poverty)</b>	Basic needs	Project level ‘count-cost-carry’ for external provision of goods and services that might/might not alleviate poverty	-Needs based targeted interventions – rather than national policy (except for Sri Lanka). -Debate about BN as means –conservative anti-poverty program with piecemeal reform within existing international economic order OR Basic needs as an end – Mutually reinforcing set of policies involving structural change
<b>Economic Reform and Structural Adjustment 1980s-1990s</b>	Compensatory safety nets such as social funds	State, private sector and NGOs Decentralized coverage	-Shift from universal comprehensive to targeted compensatory measures to compensate new poor as well as cushion impacts for borderline and chronic poor: -Concern with efficiency of financing and delivery mechanisms
<b>Globalization (1990s- 2000s)</b>	Social Justice Citizenship and global human rights as framework for RBA	IFIs – promotion of private welfare systems; International pressure for collective interventions	- Governments exposed to international trade have larger governments and higher social protection expenditures. - Increased recognition of exclusion on basis of gender, ethnicity, race and religion. - Also of holistic social policy that includes integrated livelihoods approach, participatory approaches to identification of needs, human security and social integration

<sup>37</sup> Excerpted from Moser, C. (2005)

## **Annex 2: Range of possible policy objectives addressed by social transfers (to reduce poverty)<sup>38</sup>**

### *Reduce risk, chronic poverty and vulnerability:*

- Manage risks and protect against impoverishment (e.g. . South Africa and Namibia's non-contributory pension schemes)
- Increase individual or household income (e.g.. Kenya foster care grants for households looking after children affected by AIDS)
- Reduce poverty and hunger in destitute groups through increasing household income (e.g.. Kalomo social cash transfer programmed in Zambia)
- Reduce child labor (e.g. Brazil's PETI programmed)

### *Change or reinforce demand-side behavior:*

- Boost demand and increase utilization of education and health services (e.g.. Honduras PRAF conditional cash transfer programmed; Mozambique minimum income for school attendance programmed)
- Reduce direct, indirect and opportunity cost barriers to accessing services
- Reduce gender-based and other discrimination-based barriers to accessing services (e.g.. Bangladesh female secondary school stipend programmed)
- Empower people with choice of providers (short route of accountability)

### *Linking demand to supply:*

- Target social sector resources/subsidies to poorest and socially excluded

### *Change service provider behavior (supply):*

- (Competitive vouchers) Improve service quality and client-focus for poor people by promoting competition and choice for clients with purchasing power (e.g.. Planned maternal health care voucher programmed for pregnant women in Bangladesh)

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<sup>38</sup> Excerpted from Chapman, K (2006)

**Annex 3. Impacts of Social Protection Measures and relevance for Mozambique** (positive in bold, negative in italics)<sup>39</sup>

<b>Impact</b>	<b>Examples</b>	<b>Relevance for Mozambique</b>
<b>Impact at individual/household level</b>		
<b>Reduced poverty of target group</b>	Universal social pension in Lesotho	Use Food Subsidy experience as a basis for developing universal provision for older people and/or children
	Child support grants in South Africa	
<b>Improved food consumption and dietary diversity</b>	Universal social pension in Lesotho	Mozambique has no universal social provision for vulnerable groups Food Subsidy is too low to have real impact Current experience is of direct feeding (emergency, school, HIV) or non social protection measures
	S Africa universal social pension	
	Zambia Kalomo cash transfer to the most vulnerable households	
<b>Recovered livelihood levels for the transient poor (temporary crisis)</b>		Mozambique cash grant in emergency (2000)
<b>Increased success in job seeking (higher risk/higher reward job seeking strategies)</b>	South Africa households receiving social grants	Mozambique focus is mainly on self employment. One example of State cash for work programmed. Limited public works, mainly post emergency. Unsuccessful income generating programmed (INAS)
<b>Increased resilience to shocks</b>	Senegal and Rwanda Community based health insurance	Base of existing community mutual support mechanisms relatively limited in Mozambique
<i>Graduation and poverty trap</i>		
<b>Community level impact</b>		
<b>Multiplier effect on local economy</b>	Zambia Kalomo district cash transfer to the most vulnerable households	Mozambique emergency cash grant
<b>Smoothing effect on income (predictability allows planning)</b>	Public works programmers in Malawi	Use Food Subsidy experience as a basis for developing universal provision for older people and/or children
	Public works in South Africa	
<b>Relief of social burden on poorest communities</b>	Zambia Kalomo district cash transfer to the most vulnerable households	HIV/AIDS is changing the context for community support mechanisms
<i>Poor coverage and exclusion of the most vulnerable</i>		
<b>Macro level impact</b>		
<b>Human development (improved access to education/health services)</b>	S Africa universal social pension	Current approach in Mozambique based on pilot direct targeting within sector
	Universal social pension in Lesotho	
<b>Governance (greater accountability demanded by citizens)</b>	Universal social pensions	Mozambique has generally low engagement of citizens with the State
<i>Opportunity cost for basic service provision</i>		
<i>Market distortion</i>		
<i>Scale and lack of institutionalization</i>		

<sup>39</sup> Excerpted from Johnson, K. & Selvester, K. (2006)

#### Annex 4: the Pros and Cons of Cash Transfers

##### Possible advantages and disadvantages of cash-based approaches (as opposed to commodity based approach)<sup>40</sup>

###### Possible advantages of cash

*Cost efficient.* distributing cash is likely to be cheaper than commodity-based alternatives because transport and logistics costs are lower

*Choice:* cash allows recipients to decide what they should spend the money on. This enables people to choose what they most need, and allows for this to vary from person to person

*Multiplier effects:* distributing cash can have knock-on economic benefits for local markets and trade if the money is spent locally, and it may stimulate agricultural production and other areas of livelihoods

*Avoids disincentive effects:* unlike commodities (food, shelter) cash is unlikely to discourage local trade or production

*Fewer costs for recipients:* food often costs recipients a significant amount to transport from the distribution site to their home. Cash avoids this

*Dignity:* cash can be better at maintaining the dignity of recipients. It may, for instance, be possible to avoid long, degrading queues.

###### Possible disadvantages of cash

*Inflationary risks:* if an injection of cash causes prices for key goods to rise, then recipients will get less for their money and non-recipients will be worse off

*Anti-social use:* cash can be used to buy anything. Some may be used for anti-social purposes

*Security risks:* Moving cash around may create particular security risks for staff implementing cash programmes, and for the recipients of them

*More difficult to target:* because cash is attractive to everybody it may be more difficult to target, as even the wealthy will want to be included

*More prone to diversion:* cash may be more attractive than alternatives and so particularly prone to being captured by elites, to diversion particularly where corruption is high and to seizure by armed groups in conflicts

*Disadvantages women:* women may be less able to keep control of cash than alternatives such as food

*Less available from donors:* donor governments may be more willing to provide commodities than cash

*Consumption/nutrition:* if a transfer has particular food consumption or nutrition objectives, then food may be more effective. For instance, food can be fortified to address micronutrient deficiencies

#### Annex 5: Definitions of participation

The quality of participation is difficult to measure but participation is what defines people's influence in decision-making, as follows:

<i>Manipulative</i>	"people's rep" unelected and has no power
<i>Passive</i>	Pre-decided decision – people are informed
<i>By consultation</i>	Problem decided from outside. Outsider controls analysis but people are consulted
<i>For material incentives</i>	Contribution in resources based on incentives
<i>Functional</i>	Form groups to meet predetermined objectives
<i>Interactive</i>	People participate in joint analysis and develop action plans. Right rather than a means
<i>Self-mobilization</i>	Take initiatives without external institutions retaining control over all the resources used.

<sup>40</sup> Excerpted from Harvey, P (2005)

## **Annex 6: Social security programs in Mozambique<sup>41</sup>**

“Provision for social security in Mozambique is almost exclusively made through two distinct systems. The State system provides for government employees who contribute to medical and pension schemes and their dependents, administered through the Ministry of Finance. Statutory social security schemes exist for pensions, sickness, invalidity for all formal private sector employees, with some cover for surviving dependents. Both State and private sector formal employment accounts for just over 5% of the adult population. Examples of community based insurance exist, but have been little documented and appear to be less widespread than in other parts of Africa. Examples can be found of community funeral funds and revolving savings and loans schemes (“xitique”). Non governmental organizations have introduced community savings and loans programmers in limited areas. Micro finance schemes and institutions also exist, primarily in larger urban centers with sufficient population density to make such programmers potentially viable. On its own, it is hard to justify microfinance as a form of social protection in the direct sense: it is more promotional than protectional, affording protection over the long term by contributing to the asset base and, ultimately, income of the household concerned. The stronger case for microfinance is that when microfinance institutions take root (particularly when they develop without external support) they may subsequently develop additional microinsurance or mutual aid functions which are more readily classified as social protection functions”

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<sup>41</sup> Source Johnson, K. & Selvester, K. (2006)

## **Annex 8: Acronyms**

CNRS:	National Commission for Social Reintegration
CSO:	Civil Society Organizations
DNM:	Directorate for women
DNAS:	Directorate for policy and strategy on social action
GoM:	Government of Mozambique
INAS:	Institute for social action
INGC:	National Institute for Disaster Management
INSS:	National institute for social security
MMAS:	Ministry for Women and Social Affairs
PSA:	Food Subsidy
PASD:	Direct Social Action
PBST:	Social Benefit for Work
PGR:	Income generation
PDC:	Community Development
PARPA:	Poverty Reduction Strategy Paper
SCORE:	Strengthening Civil Society for Rural Empowerment
SETSAN:	Technical Secretariat for Food Security and Nutrition