Why COVID-19 provides a lesson for Africa to fund social assistance

May 4 2020, by Gift Dafuleya

Credit: CC0 Public Domain

African countries have responded swiftly to the threat of COVID-19 by implementing various measures to contain its spread. Most of the continent is in lockdown or under curfew, or a combination of both.

Unfortunately, these measures have resulted in the loss of livelihoods for many people, particularly in the informal sector. An estimated 85.5% of workers across the continent work in the informal sector.

To shield the formal and informal economies from lasting damage, and vulnerable households from income and food shortages, a range of social protection steps have been taken by African governments.

Rwanda, in East Africa, has a temporary relief program that delivers free food to households that have been adversely affected by the ongoing lockdown. It aims to reach 20,000 such households. Tunisia, in North Africa, made available $155 million to assist poor families or those who have lost their jobs. South Africa introduced an unemployment income grant and increased the amount of existing social grants.

Most responses introduced on the continent are temporary, instead of institutionalized, social assistance measures. But what is the state of social assistance programs in Africa, and how suited are they to shield people against the loss of livelihood?

Social assistance in Africa

State-run social assistance includes institutionalized cash transfers, food transfers (not school feeding) and public works programs.

Cash transfers dominate, constituting 72% of social assistance in Africa. Most of these programs are found in Southern Africa. They include child grants, disability grants, old age pensions and war veterans' grants.

Only three countries in Central Africa have cash transfers – Cameroon, Republic of Congo and São Tomé and Principe.

Public works constitute 23% of social assistance in Africa, food transfers 2%, and the remainder combine cash, food or public works.

Ethiopia's Productive Safety Net Programme, for instance, delivers a combination of cash transfers, food transfers and public works to as many as 8 million rural citizens.

Social assistance programs in Central Africa are mostly designed and funded by international partners, such as the International Fund for Agricultural Development, which funds rural youth jobs in Burundi. Their reach is low in comparison to the number of people living in poverty in these countries. And they are mostly inadequate to lift the recipients out of poverty.

For instance, the cash transfers in the Republic of Congo reach only 5% of the children who need them. The amount of per capita cash transfer a day is also below the World Bank's daily per capita international poverty line.

By contrast, social assistance programs in Southern Africa and East Africa are institutionalized and are domestically funded. They are larger in scale and their transfers are adequate.

For instance, the social assistance program in Mauritius reaches all the children who need it, and the per capita cash transfers exceed the international poverty line. The same is true for Botswana and South Africa.

Several countries in East and Southern Africa are struggling, though, to fund social assistance programs to improve their reach and adequacy. These include Madagascar, Malawi, Zambia and Zimbabwe. Some countries such as Eritrea, Somalia and South Sudan do not have any state-run social assistance programs in place.

Most social assistance in Africa is targeted at poor and vulnerable children and older people. People with disabilities, the youth and other adults are typically left out. Vulnerable people with disabilities are not covered by any cash transfers in all countries in Central Africa.

COVID-19 emergency relief responses

Countries that either have institutionalized social assistance or rely on domestic resources to fund their social assistance programs did not hesitate to provide emergency relief to mitigate the effects caused by the COVID-19 containment measures. These countries include Egypt, Kenya and South Africa.

By 2 April, several North, West and Southern African countries had introduced emergency relief measures in response to the challenges posed by lockdowns. By 9 April, some countries in East Africa had also followed suit. As of 24 April, new countries that introduced social protection measures included Angola, Chad, Libya and Nigeria.

The emerging pattern of COVID-19 responses in the past month shows that countries with weak state-run social assistance, such as those in Central Africa, lag far behind in shielding livelihoods and the economy from lasting damage.

It is hard to expect that these countries will get any significant foreign assistance. That's because their global partners, among them France, the United States and the United Kingdom, are themselves badly affected by the pandemic. They are thus unlikely to focus their attention elsewhere. In any event, even before COVID-19, the international assistance provided to these countries was not enough.

What needs to be done

African countries need to find domestic sources, through taxation, to finance social assistance programs to provide for their citizens. There are three basic reasons this needs to happen.

First, domestic funding will always be necessary in the event there is a global crisis or pandemic such as COVID-19, and global partners are not able to assist significantly.

Second, it is hard to teach an old dog new tricks. Countries that depend on donor funding struggle to fund emergency relief for those affected by COVID-19 lockdowns themselves. They are not used to it. To the contrary, countries that are used to funding their own social assistance have been quick to fund emergency relief to mitigate the effects of lockdowns, especially on poor people.

Third, international funding, though necessary and much needed on the continent, has unintended consequences. That's because it tends to remove the incentive for African governments to put in place their own social assistance programs. And the mostly short-term nature of the finances from the global partners means they can't be used as the basis to create long-term, large-scale social assistance programs.

That's why the African Union advocates the use of domestic resources for social assistance.

Provided by The Conversation

Citation: Why COVID-19 provides a lesson for Africa to fund social assistance (2020, May 4) retrieved 27 April 2024 from https://phys.org/news/2020-05-covid-lesson-africa-fund-social.html