

# **SOCIAL POLICY, EMPLOYMENT, STRUCTURAL TRANSFORMATION AND EQUITABLE DEVELOPMENT**

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**Consultative Workshop on Employment,  
Structural Transformation and Economic  
Development in Africa**

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# 1. Introduction

- Workshop ambitions- addressing structural systemic issues; going beyond generalities and not being reactive.
- Social policy's importance
  - Guides social development; and the creation of a better life for all; addresses development deficits and social insecurity
  - Contributes to creating conditions for economic development; chicken and egg relationship between economic and social policy
  - Provides glue that holds society together- can contribute to social cohesion and national growth and development by bolstering living standards, cushioning the effects of structural and technological change on people.

# Introduction

- Social policy is key in structural transformation.
- ST defined by four processes which are largely economic and demographic-
  - the declining share of agriculture in GDP and employment;
  - rapid urbanization as a result of rural urban migration;
  - Expansion of industrial and service sectors and
  - a demographic transition from high to low rates of births and deaths.

# Introduction

## Implications of ST

- Agriculture no longer different from other sectors in terms of productivity and location of poverty
- economy enjoys sustained growth and development because of diversification and high levels of value addition and productivity of all economic activities (Timmer, 2012).
- Differences in country experiences of ST- does not always lead to social development and reduced inequalities.
- However, without ST, difficult to deal sustainably with employment and economic development issues.

# Current Context

- Failure of agrarian transitions and structural transformation
- Four decades- jobless growth, the growing informalisation and insecurity of work.
- Widening inequalities, weakening social cohesion and solidarity and weakening bargaining power of organised labour.
- Acute social insecurity- global financial, food and energy crises.
- Lessons- No inevitability about social development outcomes of economic growth; Need for deliberation in social policy
- Pan-African agenda of structural transformation an opportunity.
- AU Social Policy framework for Africa- AU Conference of Ministers in Charge of Social Development, Windhoek, 27 - 31 October 2008
- Social policy back on global/national agendas e.g. post MDGS; GSDGs

# Animating questions for presentation

- What role should social policy play in employment creation, structural transformation and equitable development?
- What kind of social policy is needed?
- Under what conditions will social policy be effective?
- What role for state and civil society?

# Outline

- Social policy in historical perspective
- Current features of social policy
- Towards transformational social policy: conception and issues
- What roles for the state, civil society and the trades union movement?

# Social policy

- Social policy involves collective interventions to directly affect social welfare, social institutions and social relations. It is concerned with the redistributive effects of economic policy, the protection of people from the vagaries of the market and the changing circumstances of age, the enhancement of the productive potential of members of society, and the reconciliation of the burden of reproduction with that to other social tasks. Successful societies have given social policies all these tasks, although the weighting of tasks has varied among countries and within each country, from period to period (Mkandawire, 2011).



# Components of social policy (OECD)

- 3 main aspects- quality of life; material conditions and sustainability over time

## a) Quality of life

- Health status
- Work and life balance
- Education and skills
- Social connections (socialising and accessing help)
- Civic Engagement and Governance
- Environmental Quality
- Personal Security
- Social security
- Subjective well-being

## b) Material living conditions

- Income and wealth
- Jobs and earnings
- Housing (living space and facilities)

## c) Sustainability

- Requires the preservation of the following resources over time
- Natural capital
- Economic capital
- Human capital
- Social capital

## 2. Social policy in historical perspective: colonial period

- Paternalistic welfare- civilising mission; distinctions between urban and rural areas
  - Education
  - Health- immunisation; dealing with public health and tropical diseases; hygiene; sexually transmitted diseases
  - Social welfare departments
  - Broad concerns with reproduction of rural producers e.g. peasant indebtedness; extension services;

# Early independence

- Developmental state- rapid economic development and defeat of the trinity of ignorance, poverty and disease.
- Social contract with population as a basis for social integration
- Strong links between economic and social policies
- Broad based policies in education, health and formal employment backed in some cases by legislation
- Social security laws for formal sector workers; state pensions for certain workers

# Post 1980s

- Relegation of social policy and its separation from economic policy
- Economic policies did not have employment as goal
  - Governments no longer collected employment statistics and other social indicator statistics- left to WB, UN.
- Privileging of market based social policy instruments
- Influence of global and regional institutions; less proactive role of national states
- From social safety nets to social protection measures
- Elite opt out- golden hearses; children in school abroad

### 3. Current features of social policy- social protection agendas

- Poverty centric rather than focus on equality and social solidarity
- Targeted the deserving poor; rather than universal
- Separation from work and employment
- Single issues
- Within neo-liberal economic policy framework
- Family, state and markets recognised as domains of risk management, **but**- much of weight on market based instruments of risk management.

# Popular instruments of social policy

- Cash transfers
- Health insurance
- Micro finance
- School feeding and capping of school fees
- Reform of social security systems
- MDGs

# Critique of social protection paradigm

- No problem with social protection per se- social policy has to include protection.
- Narrow vision of social policy (production, reproduction, redistribution and cohesion vrs only protection)
- Disconnect between economic and social policy
- Sole focus on poverty and vulnerability; preference for means testing and targeting -eg. Cash transfers \$10 per household a month- Kalomo, Zambia; \$12 in Ghana
- Touted as affordable; but benefits meagre when measured against the scale of the problems being faced by poor people.
- An instance of travelling ideas undermining policy learning- WB- social risk management; and DFID (Adesina).

# Critique

- Very minimal goals e.g. MDGs and primary education
- MDGs do not pay attention to employment or inequality- SDGs now propose employment as a goal.
- No evidence that poverty centric policies reduce poverty
- Non universal social provisioning produces resentment among the middle classes; humiliating and stigmatising to the poor; no concern about self-determination



# AU Social Policy Framework for Africa

- Developed to “complement and supplement on-going national and regional programme and policy initiatives such as the Poverty Reduction Strategy (PRSP) and NEPAD, and to close the gap where it was deemed that these did not adequately address social issues”.
- “The framework treats social development as subordinate to economic growth, but justifies social development as a goal in its own right. It acknowledges that while economic growth is a necessary condition of social development, it is not exclusively or sufficiently able to address the challenges posed by the multi-faceted socio-economic and political forces that together generate the continent’s social development challenges”.

# AU SPF

Adopts definitions of social policy, which in its own words:

- Underline the centrality of the state and society to the development agenda- social policy involves state interventions and collaborative working relations with society; social development is not left to the invisible hand of the market.
- Emphasise the instrumental value of social policy to secure and improve the living conditions of people, i.e improved livelihood and the consequent human security that it engenders is an important development goal in its own right.

# AU SPF

- “Social policy should not be limited to social welfare, nor should it be micro-nised and sectoral-ised. Rather it should be viewed as a web of policies that act in a complementary, multi-dimensional, multi-sectoral and multi-disciplinary manner”.
- As Mkandawire (2004:10) aptly puts it, “Ultimately, the issue is not just ‘health policy’ or ‘education policy’ but ‘social policy’ within which these measures are coherently embedded”.
- In effect the question... is how, say, ‘health policy’ and ‘education policy’ complement and enhance one another. Effectively, social policy is a comprehensive and coherent agenda in which, health policy, education policy, social welfare, employment policy, among others, are components.

# AU SPF Guiding Principles

- Social policies must encapsulate the principles of human rights, development imperatives and be embedded in the African culture of solidarity;
- It must be intimately linked to economic and political policies aiming at advancing society's well-being
- Policy for social development as a broader goal should be coordinated with, but not subordinate to, economic growth and political development;
- Social policy formulation must include bottom-up approaches to allow the participation of beneficiaries and recipients in decision-making;
- Social policy should have a long-term development perspective;
- The different stakeholders should work together in well-coordinated partnerships that enable them to complement and not compete with one another.

# AU SPF Recommendations on Employment

- Support the implementation of the *Ouagadougou Declaration on Employment and Poverty Alleviation in Africa* including the key priority actions in its Plan of Action and Follow-up Mechanism;
- Strengthen the role of Regional Economic Communities (RECs) in promoting regional integration, mobilising regional investments and attracting Foreign Direct Investments in key sectors that generate employment;
- Place employment at the centre of economic policies, including employment targeting, and conducive working conditions;
- Facilitate the promotion of private sector investment for job creation;
- Promote employment creation and enhance employment prospects for youth by implementing the recommendations of the 2002 Alexandria Youth Employment Summit, such as ensuring access for all youth to appropriate education and training which will be followed by adequate support during the transition to work;

# Employment recommendations 2

- Establish close links between educational institutions and the labour market through, for example, apprenticeship schemes and industrial placements, to encourage and promote work-related skills training;
- Encourage and support career counseling services and activities to ensure that the skills and experiences of young people match the demands of the labour market;
- Review, adopt and implement legislative, administrative and other appropriate measures to ensure that women and men, including those who are disabled have equal access to wage employment in all sectors of the economy in accordance with ILO Conventions;
- Adopt policy measures to ease the burden of the multiple roles played by women by enabling them to arrange their working hours in a manner that allows them to participate in paid employment and achieve a work-family life balance;

# Employment 3

- Give the informal sector the necessary support by removing administrative, legal, fiscal and other obstacles to its growth, and facilitate its employment creation functions with access to training, credit, advisory services, appropriate legislation, productive inputs, social protection, and improved technology;
- Promote and support technical and vocational training in trades, skills, crafts, and engineering fields such as construction, civil and mechanical engineering to create self-employment opportunities, and raise the level of productivity in the informal and small-scale formal sectors;
- Develop an extension of social security and social protection to cover rural and informal workers as well as their families;
- Develop effective and functional labour market information systems.

## 4. Towards transformational social policy: conception and issues

- Economic and social policy complementary; with synergies- need to move from jobless growth.
- Both macro-economic and sectoral policy shifts needed to ensure social policy can be effective.
- Multiple functions- production, reproduction, protection, redistribution, social cohesion and nation building (Adesina, 2012)
- Universalist
- Important role for the state- from setting parameters to financing; private sector role should not replace the state



# Some parameters to be considered for social policy for Africa

## 1. Demography

- Demographic characteristics of the population- fertility, mortality and population growth rates, as well as age structure ; impacts of certain diseases.
- Education and skills
- Health- malnutrition;
- i.e. quality of life and material conditions of population.

## 2. Structure of Economy

- Agrarian- most incomes subject to variations of agricultural activity.
- Non agrarian employment- mostly informal, indecent and precarious.
- Uncertainties of life serious because of general lack of social security.
- Social policy needs to prioritise problems in agriculture and their implications for livelihoods

# 3. Existing cultures of solidarity

- Importance of social solidarity in Africa.
- Numerous traditional mechanisms to deal with economic uncertainty.
- Rural urban migration leading to new mechanisms of cooperation.
- Effective social policy has to take into account informal mechanisms mechanisms and their implications

# 4. Addressing challenges of financing social policy

- Erroneous idea that social policy is a luxury to be afforded only when there is economic growth or certain level of per capita income.
- Mutually reinforcing relationship between economic growth and society's ability to deal with the consequences of social and economic uncertainty.
- Provision of basic social security an investment in development- leads to reduced poverty, increased demand and expanded domestic markets; healthier, better educated, productive workforce, peace stability and cohesion.
- Taxation- personal income and corporate; key to financing social policy.
- Requires political will, rationalisation of expenditures; reallocation of domestic resources and policies and measures that create fiscal space.

# Role of trade unions and social movements

- Leadership in the rethinking and reconstruction of social policy- pan African and national
- Understanding and addressing situation of labour in the agrarian and urban informal economy key part of the strategy for renewing the link between employment and social policy.

# Conclusion

- Transformative Social policy is fundamental to promote employment, structural transformation and equitable development.
- Its role is to complement economic policy; but also important in its own right.
- Implies state engagement and a proactive and preventive approach to social policy. Also a major conceptual shift in social policy.
- Current conditions have to be taken into account in designing social policy- population, economic structure, social cultural factors; financing social policy.
- Affordability has to be matched against effectiveness of social policy instruments.

# Conclusion

- End, thank you

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