

**Social Development
and
Urban Poverty**

**Proceedings of a Workshop
Held at the Kentucky Hotel,
Harare, Zimbabwe**

22 – 26 February, 1993

**School of Social Work,
Zimbabwe**

Social Development and Urban Poverty

**Paper presentations and edited proceedings of a
Workshop held in Harare, Zimbabwe
22nd – 26th February, 1993**

edited by Nigel Hall

Contents

| | |
|--|----------|
| <i>Acknowledgements</i> | <i>i</i> |
| Aims and Focus of Workshop..... | 1 |
| Principal's Welcome Address..... | 3 |
| Official Opening Address..... | 5 |
| Keynote Address..... | 7 |
| Position Papers | |
| • Looking for an Appropriate Method of Engaging the Underclass S J G Clarke..... | 17 |
| • The Personal is Political: International Politics, National Politics and Community Participation Maureen Sibbons..... | 25 |
| Country Papers | |
| <i>Botswana</i> | |
| • Urban Poverty and Social Security: the Botswana Perspective Gloria Jacques..... | 33 |
| <i>Lesotho</i> | |
| • Poverty Among Children in Lesotho: the Need for Social Services Limakatso Chisepo..... | 47 |
| <i>Malawi</i> | |
| • The Structural Adjustment Economic Reform Programme and Urban Poverty in Malawi Milton Kutengule..... | 53 |
| <i>Mozambique</i> | |
| • Urban Poverty, Intervention Strategies and the Role of Social Work in the Framework of Structural Adjustment: concepts, approaches and experiences Gabriel Dava..... | 63 |
| • Policy and Programmes to Alleviate Urban Poverty: Approaches and the Mozambican Experience Antonio Siba-Siba Macuacua..... | 71 |
| <i>Swaziland</i> | |
| • Proposed World Bank Low Income Housing Project for Mbabane and Manzini – 1993 Thandi F Khumalo..... | 77 |
| <i>Zambia</i> | |
| • Structural Adjustment and Personal Social Services in Zambia: The Case of Urban Poverty Robert Tembo..... | 81 |
| <i>Zimbabwe</i> | |
| • Structural Adjustment: Zimbabwe Claudius Kasere..... | 89 |

Aims and Focus of Workshop

Workshop on Social Development and Urban Poverty

Dates: February 22 – 26, 1993

Venue: Kentucky Airport Hotel, Harare, Zimbabwe

Contact: Editor, Journal of Social Development in Africa, School of Social Work, P Bag 66022, Kopje, Zimbabwe, Tel: 750815.

Sponsors: Overseas Development Administration (British Development Division Central Africa)

Organisers: Journal of Social Development in Africa, School of Social Work

Participants: To be drawn from Southern African countries: Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe. Also participants from University College, Swansea.

Aims of the Workshop:

- a) To discuss issues of social development with specific reference to urban poverty.
- b) To facilitate an exchange of experiences on problems of poverty in southern Africa.
- c) To examine the social consequences of structural adjustment programmes, especially as they relate to urban poverty.
- d) To discuss the implications of urban poverty for social work education and practice, in particular, fieldwork.

Focus of the Workshop:

- The Workshop will focus on the problem of urban poverty, looking at issues such as definition of problems, intervention strategies, social policy, the way forward, analysis of students' experiences while on fieldwork, etc.
- Country structural adjustment and economic reform programmes will be reviewed.
- The Workshop will also address the issue of popular participation and accountability, with the objective of making central and local governments more accountable than they are.
- Specific services such as housing, health, community services, personal social services, social security, research, etc, will be evaluated in their relation to urban poverty.
- Fieldwork, with its implications for social work education and practice, will be examined.

Papers will be two-pronged:

- a) Focus on country with discussion of urban poverty, extent of problem, intervention strategies, etc.
- b) Focus on fieldwork regarding its role in training social workers and urban development; and social development training with special reference to fieldwork.

“Urban Poverty and Social Security: The Botswana Perspective”

Gloria Jacques *

Introduction

The growing concentration of people in cities is now a phenomenon associated, almost exclusively, with developing countries. According to recent United Nations projections, the developing world's rural population will reach an upper limit in 2015 and, after that time, all future population growth will be concentrated in urban areas. Growth rates are expected to be fastest in Africa, where the urban population is anticipated to double between 1985 and the year 2000. This growth will result from natural increase of urban populations, rural-urban migration, and the expansion of villages into designated urban areas (UNDP, 1990).

Major population movements to cities are also shifting the main burden of poverty to urban areas. It is a fact that urban economies cannot absorb all the rural poor and the persistent problem is that attempts to tackle urban poverty directly through the creation of jobs and the provision of public services unavailable in the rural areas simply attracts more of the rural poor and thus their migration cancels out many of the gains.

The urban poor may have higher nominal incomes than the rural poor, but their real incomes are seldom significantly better. The reason is that the social services provided by government, while generally favouring urban areas, often do not reach the urban poor. Housing for the poor is considerably worse in urban areas, as are environmental conditions, water supply, and sanitation. Few Third World governments have effective programmes to reduce urban poverty, leaving the poor of the cities to fend for themselves – to provide their own shelter, to find their own work in the informal sector, and even to grow their own subsistence and market food crops (UNDP, 1990).

In addition to the issue of growing urban poverty, social science research has revealed that many developing countries have very unequal patterns of income distribution, and that, in a substantial number of countries, these inequalities, in recent years, have been accentuated (Midgley, 1984).

Lack of growth and development are important causes of poverty, but they are not always the only, or even the primary, causes in a considerable number of developing countries. Many such countries have experienced good rates of economic growth but, in a large proportion, redistributive measures have been used half-heartedly or ineffectively, and development has been very uneven (Midgley, 1984).

Many influential economists and development experts have recognised the need for national development strategies to foster growth and raise the levels of living of the poor by ensuring that the benefits of growth are equally distributed. Not only is this issue argued from an ethical base, but it is also contended that the adoption and effective implementation of egalitarian development policies is a necessary condition for the eradication of mass poverty and for real economic and social development (UNDP, 1990).

An important contribution to this overall development strategy, which may also effectively address the issue of increasing urban poverty, is the implementation of social security programmes. Like the other social services, social security has a considerable potential for redistributing resources

* Senior Lecturer, Department of Social Work, University of Botswana, Gaborone.

in favour of the more deprived sections of the community, and of contributing to the reduction of inequality and to the prevention and control of poverty in the developing countries. Despite this potential, redistribution through social security in the Third World is not always effective, especially where the beneficiaries are formal sector employees (a convenient initial focus for developing communities). Thus, the concomitant benefits of secure employment and social protection are concentrated in the same population groups.

It must be remembered that the concept of the State and non-governmental organisations becoming involved in welfare and social protection is still relatively new in developing Africa, in particular where such provision has always been made by the extended family and the community. The traditional 'social security' schemes which supported those in need or beset by contingency, while still in place to a certain extent, can no longer be relied upon for efficacy and constructive assistance. The changing patterns and styles of living of the countries in developing Africa necessitate the move towards greater formalisation of social protection programmes.

Social Security: Definitions and Elements

There is no universally accepted definition of the term social security and experts differ in their description of its coverage and objectives. While many stress the role of social security in maintaining income during periods of financial need, others broaden its meaning to include the provision of medical care, housing, education, and employment by a variety of social service organisations. The United Nations International Labour Office in its Social Security (Minimum Standards) Convention No 102 of 1952, formulated a definition which has been universally adopted as a basis for the development of social security programmes in different countries around the world, and this serves as a useful definition for the purpose of this paper:

"Social security is the protection which society provides for its members, through a series of public measures, against the economic and social distress that otherwise would be caused by the stoppage, or substantial reduction, of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age and death; the provision of medical care; and the provision of subsidies for families with children" (ILO, 1952).

Having regard to these basic standards, social security has developed according to the needs and resources of each individual country and in a variety of ways. In some countries social security provisions are administered by a single governmental agency while in others a number of organisations, including local government authorities, are responsible for different schemes catering for various groups in the community. An explicit example of the former is Britain, where social security is identified with centrally administered statutory income maintenance services, which provide coverage for the whole population (Midgley, 1984).

The growth of social security as concept and practice has identified an overall composition embracing different processes or elements. These elements are specified, in a recent ILO publication, as social insurance, social assistance, benefits which are financed by the general revenues of a country, family benefits, and provident funds; and these must be linked to additional provisions made by employers such as workmen's compensation schemes in respect of accidents or diseases of occupational origin; and to other complementary programmes which have developed around social security (ILO, 1992). A detailed look at these schemes follows:

• ***Social Insurance***

This is based on the principle of the pooling of risks. Social insurance schemes may differ from one another but their principle elements are that:

- they are financed by contributions normally shared between workers and employers, with often some State involvement
- they require compulsory participation
- contributions are paid into special funds out of which benefits are released
- surplus funds are invested to earn them further income
- benefits are guaranteed on the basis of the contribution record without means testing, and
- contributions and benefits are often proportionate to earnings.

• ***Social Assistance***

Such programmes do not rely on direct contributions of recipients – instead taxes (either local or national) are used to finance the various programmes, which provide benefits paid as a legal right when the prescribed conditions of need are met. Generally, means are taken into account when arriving at the assessment of the benefit to be paid. Social assistance and social welfare programmes are closely related.

• ***Benefits Financed by General Revenues***

In yet other countries, standard benefits for all residents or for those who have been in employment for a certain length of time, may be awarded irrespective of means. Such benefits may include pensions for the elderly, widowed, orphaned or invalids, and they are financed from the general revenues of the State. Medical care may also be provided without a contribution or means test and the cost is met, either wholly or partially, out of public funds.

• ***Family Benefits***

Many countries provide some form of social security in recognition of the special needs and additional expenditure associated with raising a family. While arrangements may be made through the taxation structure to take account of family responsibilities, a number of countries provide special benefits to people raising children, either by way of an allowance or by supplementing wages.

• ***Provident Funds***

Such funds and societies concerned with thrift have been in existence for generations. States, particularly those in the process of being developed, have adopted the approach and have introduced schemes of this nature, generally known as national provident fund schemes. They have the advantage of being an easily understood form of national and compulsory savings. The accumulated contributions, normally half deducted from wages and half provided by the employer, with added interest from investment returns, are paid out to members when certain eventualities such as retirement, old age, invalidity, or death occur. At the same time, the money standing in the fund can be used for social and economic development projects.

• ***Employer's Provision***

Employers' liability schemes exist in most countries, mainly concerned with the risk of employment injury (accidents at work and occupational diseases). They place an onus on the employer to provide compensation and medical care to the employee, either directly or under an approved insurance

policy. Most programmes of this nature are known as workmen's compensation schemes. Labour laws in many countries also require employers to provide other compulsory social security type benefits, such as paid sick and maternity leave, and severance payments when an employee is dismissed or made redundant. Many countries also encourage employers to create occupational pension plans for their employees. They are increasing in number and scope and are a fruitful area for collective bargaining and individual agreements.

• **Social Services**

Depending on the resources available, and as part of overall social protection, many countries provide social services, through State and non-governmental organisations, which support the social network. Such services include:

- preventive action in health care
- rehabilitation of the injured
- special facilities for the disabled and elderly
- child welfare and care
- family planning.

Taking all the elements into consideration, Calvert's definition of social security perhaps best conceptualises the process:

"(Social Security is) the provision for the individual of a cash income adequate, when taken along with the benefits in kind provided by other social services, to ensure for him a culturally acceptable minimum standard of living when the normal means of doing so fail" (Calvert, 1978).

Contextual Considerations

Social security schemes, as heretofore outlined, are relatively under-developed on the African continent and much needs to be done in this sphere to upgrade existing programmes and extend them to address the problems of massive rural and growing urban poverty in the region. Of interest in this regard is the system in Ghana, where the Social Security Act of 1965 established the Social Security and National Insurance Trust, into which employees and employers pay contributions (with no State support) to fund retirement, invalidity, disability, survivors', and unemployment benefits for members and their families. It should be noted that Ghana is one of the very few African states providing benefits for the unemployed, in particular.

Zambia has a workmen's compensation scheme, and a national provident fund, also established in 1965, which covers all employees, other than permanent and pensionable civil servants, and including industrial class public service employees and domestic and agricultural workers, with contributions being paid by employees and employers. Lump sum retirement pensions are provided as are invalidity benefits in the event of permanent incapacity for work. Maternity benefits can be claimed by employees in the formal sector subject to certain conditions. The scheme has been beset by many problems and there are reports of many lifelong contributors with little to show for their years of savings against the vicissitudes of retirement and old age.

Most recent audited accounts (1988/89) disclose that soaring inflation, high administrative costs, low interest loans to government, and other factors have left the fund depleted and unable to fulfil its early promise to the Zambian workforce. Investment policies which could have compensated, at least in part, for inflation in particular, seem not to have yielded anticipated returns (Times of Zambia,

January 11, 1993). Such experimental data must serve to create guidelines for other countries envisaging the implementation of similar schemes.

South Africa has a better developed social security system than many other African states, but again, as in other developing countries, there is the existence of a 'welfare elite', which tends to be more pronounced in South Africa as it is reinforced by a caste-like social system which renders barriers even more impermeable than in other countries. However, the social welfare system is undergoing change with more emphasis being placed on preventive action and community development, and it is to be hoped that this, together with a more equitable political dispensation, will ensure that in the future all people will be able to contribute to and benefit from the achievements of the nation.

South Africa has a compulsory workmen's compensation scheme financed entirely by employers, and a compulsory unemployment insurance scheme jointly funded by contributions from employees, employers, and the State, which also pays maternity and sickness benefits. Old age pensions are non-contributory, totally financed by the State, and subject to means tests. It is significant that despite stringent assessment measures and not taking into account inflation, expenditure on old age pensions increased between 1973 and 1983, by 545%. It is little wonder that most developing countries cannot even consider the affordability of such non-contributory pension schemes.

Blind pensions, disability grants and maintenance grants (where family income is inadequate for satisfactory child care), entirely financed by the State, are paid to those who satisfy certain health, residence, or means criteria. (Some of these provisions are racially discriminatory but this situation will no doubt, be addressed in the new society). There is no national medical insurance programme, but more than 200 private medical insurance schemes (medical aid societies) are registered in the country, and government health services are available, on the basis of a means test, for all.

In Kenya the government provides free medical services for all children and all out-patients at government hospitals and health centres and a limited national health scheme is in operation, financed by flat-rate contributions from employees earning more than a designated amount. The workmen's compensation scheme is entirely financed by employers and a national social security fund, financed by equal contributions from employees and employers, provides retirement and survivor's benefits to members. This is based on the provident fund model (Dixon, 1987).

Zimbabwe's Department of Social Welfare manages a public assistance programme, providing financial assistance to destitute members of society. It is non-contributory, financed out of taxation revenues, and means tested. The workmen's compensation scheme is entirely funded by employers and benefits include a permanent disability pension, widows' and widowers' pensions, medical and funeral expenses, childrens' allowances and a rehabilitation scheme to assist workers with physiotherapy and training to acquire new skills or to have original skills restored. War victims' compensation benefits are paid by the State in the form of disablement and widows' pensions.

Thus it may be observed that, although social security is recognised as necessary in the developing countries of Africa, provisions fall far short of needs and prevailing economic conditions necessitate emphasis on employment-related and employer-financed schemes.

Nature and Extent of Urban Poverty in Botswana

Before examining social security, current and projected, in Botswana, this paper will examine briefly the demographic and socio-economic factors pertaining to the growing problem of urban poverty, in particular, in order to establish the necessity for the implementation of enhanced social security programmes in the country.

Although Botswana has one of the world's lowest average population densities, it is nevertheless high in comparison with the fragile natural resource base (Botswana Government, 1991). Popula-

tion density is expected to increase from 1,6 persons per sq km in 1981, to 3,1 in 2001. The present population size is estimated to be 1,325,000. Figures for the 1971 and 1981, and provisional figures for the 1991 census, imply that the population of Botswana has been growing at an annual rate of 3,48% between 1981 and 1991, and that in the past twenty years the population has more than doubled (CSO, 1991). Other features of Botswana's population are that:

Infant mortality is declining (under five mortality per 1,000 live births has decreased from 173 in 1960 to 85 in 1990 which compares favourably with countries such as Ghana, Kenya, South Africa, Zimbabwe, and Zambia). Life expectancy is increasing (this has risen from 45,5 in 1960 to 60,2 in 1991, and is higher than most other African states, with the exception of South Africa where the figure is 61,7 for 1990). The pattern of settlement is changing rapidly with an increasing proportion of people living in urban areas and large villages (Botswana Government, 1991).

The capital city, Gaborone, has seen its population more than double since 1981, with an average growth rate of 8,4%. Two other towns, Francistown and Jwaneng, have also doubled their populations, with average annual growth rates of more than 7%. In 1981 the urban areas of Botswana accounted for 16% of the population. With the redefinition of some large villages the percentage grew until, in 1991, it reached 24%. By the time the statistics for the 1991 census are complete it is estimated that the figures will show that over 30% of the population live in designated urban areas. Projected estimates are 42,4% for 1996 and 47,9% for 2001 (CSO, 1991). The population of urban areas has, in fact, increased by 141% since 1981 and, with rural-urban migration, urban populations are now growing faster than rural populations.

In 1989 almost two-thirds of urban households in Botswana lived in SHHA housing – housing facilitated by self-help housing agencies, administered by urban councils. The programme was established in 1974 to provide an effective means of allowing access to affordable housing for low-income groups. The "site and service" concept adopted by the SHHA programme sought to emphasise self-reliance and the spirit of self-help (*ipelegeng*), and aimed to minimise costs, while providing access to housing for low-income groups (Botswana Government, 1991).

The fact that such a large proportion of urban households is accommodated in SHHA housing indicates that the majority of urban dwellers in Botswana fall into the low-income population category. According to the 1985/86 Government Household Income and Expenditure Survey, 55% of households in Botswana had incomes equal to or below their poverty datum lines. The proportions were 30% of urban and 64% of rural households in this category. Further analysis reveals that between 1987 and 1989 there was a total of 0,5 million people in the rural areas, and a total for the country of 0,7 million people living on, or below, the Poverty Datum Line. Thus, 55% of the rural population and 51% of the total population are living in poverty (CSO, 1988).

This becomes even more significant when considering the UNICEF report on women and children in Botswana (UNICEF, 1989), which argues that the Poverty Datum Line concept reflects a bare survival level and that the Effective Minimal Level (at 1,5 times the PDL) is a more accurate statement of poverty in Botswana:

"For 1986, this suggests an EML of P312 (at current Pula values) leaving 52% of all urban and 67% of all rural households under the EML. Fully 20% of all households in Botswana have a combined cash and in-kind income level of under P100 per month" (UNICEF, 1989).

Further, the Household Income and Expenditure Survey reflected the overall national average monthly cash income as P234 (as against the P312 set for the EML), and the overall distribution of total cash and in-kind income was such that the poorest 40% of households earned 10,7% of the total national income, the next 40% earned 27,8% and the richest 20% received 61,5% of the total income. The Gini co-efficient at 0,5562 indicates an inequality of income distribution even greater than that

of many of the most inegalitarian economies in Asia (Davies, 1980). It would appear that there is evidence that the rich are becoming richer and the poor poorer.

The 1992 Presidential Commission on the Review of Salaries and Conditions of Service in the Public Service, made the recommendation (which recommendation has been accepted and implemented by government) that lower-level civil service salaries should be increased by between 16% and 23%. Other levels received an across the board increase of 15%. Rationalisation was based on effecting a balance between the competing objectives of productivity, affordability, and social equity.

The United Nations Development Programme (UNDP) defines the labour force of a country as "the economically active population", and latest figures from UNDP indicate that only 34,9% of Botswana's total population constitute the labour force, and of that percentage only 35,5% are women. (This compares unfavourably with countries such as Ghana, Kenya, Ethiopia, South Africa, Zambia, and Zimbabwe, particularly in relation to the labour force as a percentage of the total population). Households headed by women (which account for nearly half of all households in Botswana – 40% in urban areas and nearly 50% in rural areas) have generally lower incomes than male-headed households. Statistics reveal that the distribution of female-headed households is more skewed towards lower monthly net cash incomes than that of male-headed households. Thus the spiral of poverty increases and is reinforced by demographic factors.

In the statistical field of Gross National Product (GNP) and Gross Domestic Product (GDP), Botswana far outstrips other countries in sub-Saharan Africa (except for South Africa) but, in relation to OECD members (industrialised countries belonging to the Organisation for Economic Co-operation & Development) Botswana lags far behind. Economic indications for 1987 reflect a GNP per capita of US\$1,050 for Botswana, US\$330 for sub-Saharan Africa, and a comparatively massive US\$14,670 for OECD members.

The challenge for Botswana in the future can be indicated by comparing Botswana today with the achievements of the OECD countries. In 1988/89 Botswana's real GDP per capita, while nearly eight times what it was in 1965, was only one-fourteenth of that in the OECD countries, and life expectancy and infant mortality, while much improved, fall far short of OECD standards.

Despite Botswana's progress over the last twenty-five years, many people are still very poor, there are not enough jobs for those seeking work, and there is a consistently large gap between urban and rural living standards. Much remains to be done and it must be done in an uncertain international environment, with the continuing threat of drought, and taking into account the likelihood of a slower growth of national revenues (Botswana Government, 1991).

Social Security in Botswana

One of the ways in which these challenges could be addressed is through the development of a comprehensive national social security scheme, which is not yet in place in Botswana. The reason for this is, in part, attributable to the recommendations of a consultancy by the United Nations International Labour Office, commissioned in 1980 to investigate the readiness of the country to change to a broader-based social security scheme than was already in operation at that time. The consultancy advised that the country was not ready for such a broad-based scheme and that Government's reliance on existing legislation, which provided for some of the benefits, was, for the time being, considered adequate. Employer-based pension schemes were to be encouraged but future development towards social security was to be undertaken with caution to allow the economy to absorb the heavy financial implications inherent in a national social security scheme.

In reply to a parliamentary question in November 1992, the Minister of Labour and Home Affairs stated that plans are underway to revisit the subject, but it is the Government's belief that a fully

fledged national social security programme should take place against a background of priorities in the society.

As part of its policy to secure a more diversified economic base, the Government of Botswana is seeking to stimulate private enterprise, and strengthen the labour force. Government policy in planning national development is guided by four central objectives:

- sustained development
- rapid economic growth
- economic independence, and
- social justice.

Whilst it has proved possible to achieve consistently high growth rates through the discovery of mineral wealth, this has not been matched by efforts to direct this growth into a diversified economy providing the basis for sustained development. Nevertheless, Government has been able to establish a generally effective social services infrastructure, particularly in the areas of health and education (ILO, 1991). Resources are made available to ensure the provision of primary and other forms of health care, financial support for productive activities, shelter, education, social welfare and community development, food aid, drought relief, and assistance to destitutes.

As has been contended previously in this paper, some of these elements are not necessarily integral aspects of formalised social security systems, but they constitute a network of support mechanisms which function interrelatedly with direct social security provisions.

• **Health**

Central and Local Government health services are provided at minimum cost to the entire population but the Government is planning to introduce a scaled user fee system during the NDP7 period (1991-1997). The State acknowledges that it is beyond its resources to meet the total need for health services and thus private sector participation is being encouraged, as is increased cost-sharing. Some consideration has been given to the introduction of a system of health insurance and a voluntary scheme has already been introduced for civil servants, providing access to a wide choice of medical services, on the basis of monthly salary deductions which are met by equal government contribution.

Primary health care, the core of Botswana's health strategy, emphasises community participation in identifying health problems, setting priorities for action, and in planning, organising and managing health care. Structures such as village health committees and village development committees are essential in ensuring community involvement. According to the NDP7 report:

"Attaining good health requires adequate food, safe water, basic sanitation, maternal and child health care (including family planning), immunisation against communicable diseases, education concerning health problems and methods of preventing and controlling them, and appropriate treatment for common diseases and injuries. There are close links between health and poverty and consequently an inter-sectoral approach is necessary, including both the public and private sectors" (Botswana Government, 1991).

Mine and mission hospitals and a recently established private hospital in Gaborone supplement Government provision, and reinforce the intersectoral approach to health.

• **Education**

Facilities for education at low cost are provided for the people of Botswana, but the system is neither universal nor compulsory as yet, and therefore not all benefit from its provisions. These comprise

primary and secondary schools and vocational training centres. Government also provides grants to the University of Botswana and scholarships to its students and there is direct financing for other tertiary training institutions in the fields of agriculture, health, and administration and commerce. Private sector provision in the education field is high at primary level, while many secondary schools established by Missions and Trusts are grant-aided.

Co-operation between school and community has always been a cardinal principle guiding education development in Botswana, as evidenced in joint Government-community participation in the construction and management of community junior secondary schools.

- ***Financial Assistance Policy (FAP)***

Initiated in 1982, it is the most visible government programme to encourage job creating investment. It offers grants over a limited period (in support of specified productive activities) which supplement loans and owners' equity. Assistance is graduated according to criteria such as size, location, and the number of jobs created.

- ***Social Welfare and Community Development***

Objectives of Government's welfare service, administered through municipal and district councils, are to minimise social, economic and psychological distress and to implement programmes and provide benefits and services, through governmental and non-governmental organisations, which meet the basic social needs of the population. Community development programmes aim to coordinate community efforts in the provision of health, welfare and recreational facilities. The focus of the programmes is the family, and the improvement of living standards through relevant knowledge is the objective. Leadership potential and constructive programmes for youth are developed and implemented by community development workers.

- ***Shelter***

Less than one-tenth of urban housing in Botswana is provided by the formal private sector. SHHA (self-help housing agency) mentioned previously, is responsible for the provision of almost two-thirds of urban housing. One-fifth is provided by central and local government and by the Botswana Housing Corporation, a parastatal organisation, which undertakes the construction and management of high, medium, and low-cost urban housing for rental and sale by the public and private sector.

- ***Food Aid***

The Government Food Resources Department has a continuing role to play in supplementary feeding programmes for school children and medically selected vulnerable groups. The Department also plays a central role in drought relief programmes when these are in operation.

- ***Drought Relief***

Botswana's drought relief and recovery programme during the devastating 1980s seven year drought period was highly successful and, although it targeted rural areas and the rural poor, its positive effects on the country as a whole were considerable. The programme, although not entirely on-going, represents a further dimension of the supportive framework for social security in Botswana. It was composed of four basic elements:

- a system of food distribution to supplement the diets of vulnerable population groups
- a labour-based relief programme providing opportunities for earning cash incomes on village improvement projects, enabling poor households to invest in productive community assets

- agricultural relief and recovery measures including the distribution of free seed and the provision of animal feed at subsidised prices, and
- the provision of clean and dependable sources of water.

The success of the programme was measured in the decrease of malnourished children (below even pre-drought levels); a more equitable overall distribution of food in the rural areas; and the maintenance of rural assets (Botswana Government, 1991).

• *Destitute Assistance*

The national policy on destitutes was formulated in 1980 and although rates of assistance have been increased from time to time, the basic policy remains unchanged. However, Government has indicated that alternative programmes, having a potential for lessening poverty, rather than utilising palliative measures, will be identified in the future.

The rationale for the destitute policy was that all members of society are not always able to provide for their own needs, and with the additional factor of the breakdown of the extended family system, the situation is deteriorating. The principle of the standard of exclusion in relation to the deserving poor and to those who refuse to help themselves, was incorporated in the programme. Significantly the policy emphasises the importance of self-help and rehabilitation programmes, but, thirteen years on, these critical elements have still not been seriously addressed.

The monthly allowance for registered destitutes is P45. This is made available in the form of coupons or direct rations, constituting dietary components for a minimum but adequate diet (the United Nations World Food Programme assisted in preliminary exercises in this regard).

The policy defines a destitute person as one who is without assets and whose close family members cannot, or will not, assist him; one who is physically or mentally incapable of working due to old age and physical or mental handicap; a minor child whose parents have died or deserted the family, or who are not supporting them; or one who is rendered helpless due to natural disaster or temporary hardship. Assistance may be of a temporary or permanent nature and, during the drought of the 1980s, there was a third category, for the purposes of assistance, of drought-induced destitution.

Recipients may also be given essential household items, shelter (if needed), medical care, occasional travel allowance (if related to employment, rehabilitation or repatriation), funeral expenses, exemption from service levies, and tools and equipment necessary for rehabilitation projects. The policy requires registered destitute persons to attempt to find employment and to produce at least a proportion of their own food, if they are physically and mentally able (Botswana Government, 1980).

Destitute assistance is a form of social assistance, one of the elements of social security, and as such, is non-contributory and financed from taxation. It should be envisaged as a scheme to propel at least the able bodied and mentally capable poor towards a measure of independence, self-reliance and even productivity. Rehabilitation programmes, including those for the disabled, should be developed in an attempt to enhance the capabilities of, and to create community involvement opportunities for, those who are considered to be destitute in Botswana's society. It is interesting to observe that, while the majority of destitute persons are to be found in the rural areas, the most rapid rate of growth in destitute numbers is taking place in the urban areas (Botswana Government, 1990).

Partly as a result of such provisions as have been discussed, Botswana has the best basic social indicators in sub-Saharan Africa but, as has been stated previously, problems exist with regard to employment and the flattening out of the economy after the mineral-based boom. Emphasis is thus placed, in the National Development Plan, for the period 1991-1997, on broader-based and more stable growth, with a reduction in Government expenditure and encouragement for private sector development.

With regard to social security programmes in general, priority has been given to providing an adequate social services infrastructure and, by means of a 'safety net' approach, to identifying those persons or groups in specific need and making available assistance in cash or relief to ensure a minimum standard of living. On the other hand, provisions aimed at ensuring income protection for those normally engaged in wage labour are, in general, based on the employer liability concept.

The Workmen's Compensation Act of 1977 requires all employers to pay compensation in accordance with prescribed scales in respect of employees injured, disabled or killed as a result of accidents or disease related to employment. In the event of death, benefits are made available to the dependents and appropriate funeral expenses are expected to be met by the employer. Reasonable medical expenses are also the responsibility of the employer. The effectiveness of the scheme is limited by its dependence on the acceptance of liability by the employer and his insurance company and by its reliance on lump sum payments in respect of long term contingencies (ILO, 1991).

The Employment Act of 1982 makes provision for the payment of severance benefit to employees as a lump sum, related to earnings and length of service on termination of employment, except in the case of misconduct. As a result of recommendations by the 1985 Salaries Commission, industrial class public service employees are no longer required to resign at the end of every five year period in order to draw this benefit, which is now regarded, perhaps somewhat inappropriately, as a gratuity. Certain categories of employees in the private sector now also qualify for this provision. The Employment Act further provides for twelve weeks' maternity leave to be granted to female employees at not less than 25% of basic pay.

The 1992 Public Service Review recommended, significantly, that, for civil servants, the maternity allowance should be increased from 50% to 100% of the employee's remuneration and, although the Ministry of Labour and Home Affairs does not envisage any imminent increase, it is inevitable that the lead given by Government will encourage parastatal and private sector employees to seek the same benefit. The Employment Act also specifies that sick leave should be granted to employees with at least twelve months' service in respect of a maximum of fourteen days per year (30 if hospitalised) at the rate of full basic pay.

Parastatal organisations and some private sector employers have introduced occupational pension schemes for their employees, regulated by the Pensions and Provident Funds Act of 1988. Usually employers and employees contribute equally to such schemes. More than eighty such programmes have been registered in Botswana, but the majority of private sector employees are still not covered by superannuation schemes of this nature. According to Kaseke (1988), the absence of the principle of transferability in most occupational pension schemes minimises their effectiveness as instruments of social protection, as employees who change employment several times lose some of their benefits. Since occupational pensions normally cover only one contingency, namely retirement, they cannot be used in isolation as systems of social security.

Permanent civil servants are covered by a statutory non-contributory pension scheme which provides earnings-related pensions, subject to at least ten years of continuous service, on voluntary retirement from age forty-five or on compulsory retirement at age sixty. Surviving dependents do not receive benefits through this scheme. It is financed entirely from Government revenues and there is no established pension fund.

Whilst not a social security scheme by definition, a 1988 statute established a Motor Vehicle Insurance Fund to provide compensation in respect of injury, disablement or death, to the victims of motor vehicle accidents. Revenues accrue through taxation on petrol sales and liability is dependent on there having been negligence or an unlawful act on the part of the driver or owner. This provision ensures that at least some compensation is available for victims of traffic accidents who might, if defaulting owners or drivers hold no valid third party insurance, receive no assistance.

The Future Direction of Social Security in Botswana

The 1990 and 1992 Presidential Commissions on the Incomes Policy and Public Service Salaries and Conditions of Service, raised issues, through their surveys, analyses and recommendations, pertaining to the field of social security in Botswana and these issues indicate the direction in which the country will be moving, in this regard, in the immediate future.

The Government of Botswana is currently in the process of conducting a comprehensive review of employment-related social security provisions, including both public and private schemes, to determine the extent of coverage, range of protection and problems of implementation, together with an assessment of the role and impact of such measures on meeting the needs of individual members and on socio-economic development in general. The Commissions recommended that consideration be given to the establishment of a funded, contributory pension scheme for civil servants to provide a more stable basis for continuing pension entitlement. The contributory element would increase the amount of long-term investable resources available to the nation and, by giving public officers a greater stake in the pensions programme, they would be encouraged to take a more active interest in the management of the scheme which could have the effect of moderating demands for the enhancement of benefits. Further, as pension payments are presently met, not from the assets and income of a statutory pension fund, but from annual budget appropriations, the Government's pension obligations constitute a major and escalating contingent liability. Unfunded schemes place pensioners at considerable risk in this regard, as has been observed in other African states which have had to default on their pension obligations when budgetary problems occurred. Actuarial valuation and analysis will precede the formulation of proposals for a funded contributory scheme which must provide for pension portability.

Studies are also being carried out in relation to the establishment of a national provident fund for either parastatal and private sector employees (and possibly industrial class public service workers), or for all categories of workers, including civil servants, in which case the Public Service Pensions Scheme would cease to exist. In the absence of such a fund, many employees have no form of superannuation benefit apart from severance payment, but this is not assured if, for example, the employer becomes bankrupt or if they wish to change jobs before the gratuity is due. Both employers and employees would contribute, and the fund, if properly administered, could prove a valuable source of long-term savings. Government is concerned about the administrative burden of such a scheme, but this, and the investment programme, could be implemented by a private firm on an agency basis.

Fundamental disadvantages of such schemes are that they are based on the accumulation of individual contributions and have no insurance element. There is no pooling of risks which means that benefits relate directly to contributions (and interest). Also they provide benefit for a long-term contingency by means of a lump sum which, as in the case of severance payment, whilst representing compensation for the loss of employment, is unlikely to provide a realistic basis for income support throughout retirement. Although judicious investment should compensate in part for the long-term effects of inflation, the experience has been that this is not always so. Many provident fund schemes in developing countries are in the process of conversion to national pensions schemes, based on social insurance principles.

Comparative studies are also in progress in consideration of the relative advantages and disadvantages of a national provident fund and a social insurance national pension scheme, with particular reference to the relationship between such schemes and existing occupational pension provisions, including the public service scheme. Projections are being made regarding the social and economic impact of such provisions in relation to consumption, domestic savings, poverty alleviation, labour

mobility, and private sector growth. The formulation of detailed proposals for both such schemes is, at present, being addressed with reference to coverage, benefit formulae, funding and financial management, and administrative infrastructure. Severance payment, maternity allowance and sick pay will all have to be considered in relation to the impact on contingencies of new systems of provision. Also under review is the legislation and administration of the workmen's compensation scheme.

Proposals are currently being formulated, together with an actuarial analysis, regarding its possible conversion to a funded social insurance scheme for employment injury linked with improved occupational health and safety provisions and, significantly, vocational rehabilitation. Consideration is also being given to the feasibility of linking provision for persons injured in employment-related accidents with compensation for the victims of motor vehicle accidents.

Public and private health care financing and delivery is in the process of review to identify the need for additional resources and the feasibility of providing such resources through cost-sharing techniques, including health insurance (ILO, 1991). Existing social assistance programmes aimed at destitution, drought relief, and food security will have to be reviewed in the light of implications of possible new social insurance or provident fund schemes (ILO, 1991).

Conclusion

It is evident that urban poverty is on the increase in developing countries and, unless measures are introduced to address the concomitant issues, the year 2000 will herald, not only a new century, but a new dimension of human suffering and deprivation.

Botswana is in the dichotomous position of having the highest gross international reserves in the world (17,6 in relation to 2,7 for all developing countries, 1,5 for sub-Saharan Africa, 3,5 for industrial countries, and 3,0 for the world [UNDP, 1990]), and having a Gini co-efficient (or measure of unequal distribution of income) also amongst the highest in the world. Thus, the resources exist (unlike the case of many developing countries), but the availability does not. Social security schemes must, therefore, be utilised to address the issue of urban poverty and to promote egalitarian objectives.

As the country possesses the necessary resources, social security schemes in Botswana should be adequately supported by Government funds, properly integrated with relevant service support systems, and co-ordinated with other reforms in a comprehensive national plan which will expand and extend coverage to the entire population, ensuring that resources are redistributed towards the most needy groups.

There is a danger that innovations in social security may concentrate on employer/employee funding with a corresponding limitation of State intervention and an evasion of the issue of collective responsibilities for welfare. There is necessity for legislative control of employer provisions in the field of occupational pension schemes in particular, but the State should also consider the implementation of social insurance programmes in which employers, employees and the State contribute to the benefits. Of particular viability in this regard would be a possible national health insurance scheme, a national pension fund, or a Government national insurance scheme, with statutory provision of medical care and benefits in relation to sickness, unemployment, old age, employment injury, family responsibilities, maternity, invalidity, and the needs of survivors. In the event of the establishment of a national provident fund, measures must be taken to ensure that maximum benefits accrue to members through judicious investment of funds in order to protect the scheme from the ravages of inflation. In both social insurance and social assistance programmes, rehabilitation should be the password in relation to the occupationally sick and injured and to the physically and mentally disabled and aged destitutes. Given the buoyant nature of the Botswana economy, it might be possible

for non-contributory social allowances, in the form of old age pensions, blind pensions, and disability grants to be made available, at some point in the future, to those who might not be covered by social insurance schemes. Negative effects of social insurance provisions may be observed in terms of consumer support for increased prices to balance costs, and employer concentration on capital rather than labour intensive programmes. However, in effect, social security constitutes only a portion of total labour costs and economic and social well-being should be viewed as mutually sustaining.

In developing countries, in Africa, in Botswana, we live in changing times. As social workers our mandate is to address the changes and to meet the challenges in response to the needs of the communities in which we operate. The value of our input with regard to social security should be considerable in terms of our broader vision and our commitment to humanity. It is our duty to make our contribution in the interest of present and future generations of our "brave new world".

References

- Botswana Government (1980) "National Policy on Destitutes", Gaborone.
- Botswana Government (1990) "Report of the Presidential Commission on the Review of the Incomes Policy", Gaborone.
- Botswana Government (1991) "National Development Plan 7 (1991-1997)", Ministry of Finance & Development Planning, Gaborone.
- Botswana Government (1992) "Report of the Presidential Commission on the Review of Public Service Salaries and Conditions of Service", Gaborone.
- Calvert, H (1978) **Social Security Law**, Sweet and Maxwell, London.
- CSO (1988) "Household Income and Expenditure Survey : 1985/1986", Gaborone.
- CSO (1991) "1991 Population Census – Preliminary Results", Stats Brief, October, Gaborone.
- Davies, D G (1980) "Poverty and the Development of Human Resources : Regional Perspectives", **Human Development in sub-Saharan Africa – World Bank Staff Working Paper No 406**, Washington DC.
- Dixon J (ed) (1987) **Social Welfare in Africa**, Croom Helm , Breckenham, Kent.
- ILO (1952) " Social Security (Minimum Standards) Convention No 102, International Labour Office, Geneva.
- ILO (1991) "A Strategy for the Development of Social Security: Terms of Reference for a Comprehensive Review", ILO Technical Co-operation Programme, Lagos.
- ILO (1992) "Social Security – A Workers' Education Guide", International Labour Office, Geneva.
- Kaseke, E (1988) "Social Security in Zimbabwe", **Journal of Social Development in Africa**, Harare.
- Midgley, J (1984) **Social Security, Inequality, and the Third World**, John Wiley and Sons, Chichester.
- Times of Zambia (1993), January 11, Lusaka.
- UNDP (1990) **Human Development Report, 1990**, Oxford University Press, New York.
- UNICEF (1989) "Report on Woman and Children in Botswana" Gaborone.



This work is licensed under a
Creative Commons
Attribution – NonCommercial - NoDerivs 3.0 License.

To view a copy of the license please see:
<http://creativecommons.org/licenses/by-nc-nd/3.0/>

This is a download from the BLDS Digital Library on OpenDocs
<http://opendocs.ids.ac.uk/opendocs/>