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## RATIONALE FOR CONFERENCE

A major activity under UNDP's Support to the Government of South Africa from 2011-2012 is a "review of existing national policies, programmes, and institutional arrangements against [the background of] international experiences and best practices on social protection." In keeping with the Government's strategy of pursuing South-South Cooperation for national and regional development, UNDP and the National Planning Commission (NPC) organised a high-level international dialogue on social protection, from 20-21 September, 2011, to examine and draw experiences from Brazil, Russia, and India, all members of the BRICS Group to which South Africa was admitted in 2010.<sup>2</sup>

### Economy and society in post-1994 South Africa

Prior to the onset of the economic recession in 2009, the South African economy in the post-1994 era experienced a period of unprecedented growth as the Gross Domestic Product (GDP) grew at about 4% per year between 1994 and 2008. It remains largely unclear, however, how this brisk growth translated directly into improved welfare of the majority of South Africans. Available evidence shows two key welfare outcomes from this period. Firstly, household poverty between 1995 and 2005, as measured by the headcount rate at a poverty line of R322 a month in 2000 prices, declined by only five percentage points – from 53% to 48%.<sup>3</sup> Other measures of poverty, such as the World Bank's US\$1.25, US\$2.0 or US\$2.50, confirm this decline. Nonetheless, poverty levels remain high and there is growing consensus that it would take more than high economic growth to bring them down to tolerable levels. Additionally, there is reason to believe that the poverty situation might have worsened significantly since 2009, when the economic recession led to the loss of about a million jobs and a presumed fall in household incomes.

Trends in income inequality are no less worrying. Using household per capita expenditure, Bhorat and van der Westhuizen (2010) found a rise in inequality in South Africa between 1995 and 2005. Specifically, the Gini coefficient, a traditional measure of inequality, increased from 0.64 to 0.69 over the period. (The coefficient ranges from 0–1, where a move towards '1' signifies rising inequality.)

### Trends in Social Protection

A closer inspection of the growth-poverty-inequality dynamics suggests that while poor South African households did see an increase in their incomes, this gain was an indirect result of economic growth. Rather

than necessarily realising gains through sustainable employment, these households were the recipients of ever-widening and deepening social protection programmes by government. Recent data indicate that government transfers grew from 2.5% of GDP in 1996/97 to 3.5% in 2010.<sup>4</sup> The number of people receiving social grants increased from 3 million in 1995 to 14 million in 2010. While all types of grants experienced an increase, the Child Support Grant grew fastest, accounting for about 70% of the total by 2010 and reaching 10 million children. South Africa now has one of the most extensive and generous social protection schemes among middle-income countries.

Challenges remain, however. These include strategies for sustaining the system financially and how to ensure that social protection goes beyond just sustaining the poor and the vulnerable to helping to foster inclusive, and hence sustainable, economic growth and poverty reduction.

### Conference objective



(L-R): FABIO VERAS SOARES (BRAZIL); EVGENY GONTMAKHER (RUSSIA); LUIS FROTA, (ILO); VIVIENNE TAYLOR (NATIONAL PLANNING COMMISSION); AND SELWYN JEHOMA (SASSA)

The over-arching objective of the conference was to draw from the social protection experiences of three countries at comparable levels of development as South Africa, namely Brazil, India and Russia. It was expected that the variety in strategies and outcomes (both successes and challenges)

<sup>2</sup>China could not be represented at the conference.

<sup>3</sup>Bhorat & van der Westhuizen (2010) Poverty, Inequality & the Nature of Economic Growth in South Africa. In Misra-Dexter & February (eds) Testing Democracy: Which way is South Africa going? Cape Town: IDASA.

<sup>4</sup>UNDP and ILO (2011) Sharing Innovative Experiences – Successful Social Protection Floor Experiences, New York: UNDP & ILO.



from each country would help South African policy-makers in refining and strengthening existing policies and programmes towards inclusive economic growth and sustainable poverty reduction. To achieve this objective, the conference covered the following:

- Background presentations on the nature of and developments in social protection in South Africa as well as Brazil, India and Russia.

*The focus here was on those elements of success within the relevant countries, which South African policy-makers can learn from to improve the efficiency and effectiveness of their social protection interventions.*

- Relationship between growth-poverty-inequality dynamics and social protection in each country.

South Africa's recent growth path has been built on a social grant system which has reduced poverty but has been unable to prevent a significant increase in income inequality. What has been the experience in other countries?

- Alternative models of social protection, such as own account, contribution-based systems.

*Is South Africa thinking creatively enough about alternative modes of delivering social protection? Do the new retirement funding proposals of the National Treasury consider international best practice?*

- The employment-creating potential of social protection.

*Should South Africa utilise conditionalities or other elements of a social protection system to enhance employment prospects? Can the social grant system be tweaked to facilitate, for example, job search behaviour or training for the unemployed?*

- Costs and benefits associated with conditional cash transfers.

What does the behavioural evidence suggest, and what are the cross-country differences?

- Fiscal and demographic limits to social protection.

*When does a country reach the limits of what is fiscally possible and responsible? Is there a common early warning system which countries could share in this regard?*

### Expected output and outcomes

A key output expected from the dialogue is this report of proceedings, which will be disseminated to dialogue participants as well as other policy-makers and development practitioners. The immediate and long-term outcomes are that policy-makers and their respective organisations would be better informed about the choices, challenges and prospects of using social protection to support the poor and the vulnerable while promoting inclusive economic growth and sustainable poverty reduction.

### Audience

The audience were primarily South African policy-makers from relevant government departments, notably the National Planning Commission, the Presidency, National Treasury, Social Development, Economic Development and Labour. Other participants included UNDP officials and other members of the donor community, as well as researchers and civil society organisations (see Annex 2).

### SESSION 1. INTRODUCTIONS

#### Introduction to conference

**Chairperson: VusMadonsela**  
**[Director General, Department of Social Development, South Africa]**



VUSI MADONSELA (DG OF DSD AND MODERATOR)



Between 1994 and 2008, South Africa experienced an annual average economic growth rate of about 4%. This was just before the global economic crisis of 2009. Questions arise as to whether this economic growth has translated into a better life for many South Africans in a context where high levels of poverty and inequality exist. South Africa has registered some important gains. During 1996-1997 social grants accounted for 2.5% of GDP. In 2008, this figure stood at around 3% of GDP. While developed countries used to dominate social security developments, in the past few years, emerging economies have become significant players in social security protection developments.

The BRICS countries, namely Brazil, China, India and Russia, account for 42% of the global population and a combined GDP of 30%. Brazil has built up an extensive social protection system, such as its cash transfer programme which targets low-income families and adolescents. South Africa is well known for its rights-based approach to unconditional cash transfers, notably the Old Age Pension (OAP), Disability Grant, and Child Support Grant (CSG). Following the report of the Taylor Committee in 2001, much progress has been made in working towards a comprehensive social security system. This progress needs to be defended and extended.

#### Welcome address

#### **Vivienne Taylor [National Planning Commission, South Africa]**

In the context of one of the most severe global economic crises giving rise to increased unemployment and poverty, the importance of social protection is high on the policy agenda. Our understanding of poverty has changed over time. For example, while we previously defined poverty as merely a lack of income we now understand that poverty also affects the wellbeing of people. One of the major shifts we have seen over the last two decades is a multidimensional approach to poverty, including living standards, such as decent work and health, as measured by life expectancy, infant mortality, etc. We need to determine what types of poverty are to be addressed before deciding on a strategy to address it. In a country such as South Africa, we have both chronic and transient poverty. Transient poverty is characterised by people falling in and out of poverty due to illness, economic downturns, etc. Just over

40% of people in South Africa fall under the poverty line. Cash transfers to children, the elderly, and the disabled have played an important role in South Africa. Research shows that access to cash transfers in South Africa have made a significant difference to social inequality.

In conclusion, it is important how we understand social protection. The concept of social protection has risen mainly to account for many countries that are struggling with a lack of infrastructure, education, and poverty. It has been described by the UN as a society's responses to various types of deprivation. As noted by the ILO, in times of national and global economic crises, social protection systems can stabilise the economy, preventing individuals and their families from falling below the poverty line, limiting the depth of recession and opening the path to recovery. By the end of 2008, more than 38 African governments had indicated their commitment to adopt a social protection framework.

#### **Social protection has five key objectives:**

- 1) A protection function
- 2) A preventive function
- 3) A promoting function, when it aims to enhance the ability of individuals to participate in all spheres of activity
- 4) A transformative function.
- 5) A developmental and a generative function, when it increases the consumption patterns of the poor and enables the poor to access economic and social activities.

Therefore, we need to start thinking in terms of a different framework to addressing poverty in South Africa. Currently we have a categorical approach to understanding social protection, as we provide cash transfers to various categories of people. What is missing in this approach, however, are measures to address income poverty of people aged between 18 and 60 years of age. Given the country's unemployment crisis, this is a serious issue. South Africa has tried to ensure that the most vulnerable are targeted. However, can we sustain the level of finances that we are putting into cash transfers? The ratio of social protection to GDP is currently 3.6% of our GDP. There has been much debate in South Africa as to whether we should promote



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conditional cash transfers. This involves three aspects: firstly, the conditions that qualify people for cash transfers; secondly, the monitoring of these conditions; and, thirdly, do we have the administrative capacity to implement this?



VIVIENNE TAYLOR (NPC)

According to Martin Ravallion’s work on the BRICS countries, some of the factors we should look at include the initial conditions in each country, and what the starting base is. We also have to look at the level of development in the countries, demographic and economic trends and the system of governance. The linkages between these factors are multidimensional and complex. The most crucial question is what proportion of the benefits of economic growth goes to the people most in need?

#### Remarks from the Chair

Highlighting two points raised: Firstly, the importance of the interplay between social policy and economic policy was an important point. If both social and economic measures are poorly thought through, the result is a society with social and economic exclusion of the poor within a country. Secondly, there is a need for us to take a multi-dimensional approach to the subject of poverty, which takes into account both the social and economic vulnerabilities of those on the margins of society.

#### Opening remarks

#### Agostinho Zacarias [United Nations Development Programme, South Africa]



AGOSTINHO ZACARIAS (UNDP RESIDENT REPRESENTATIVE)

On behalf of UNDP and the wider UN system, I would like to join the previous speaker in welcoming you to this very important conference, and – for those arriving from abroad – to South Africa as well. I trust that by the end of the two days that we will spend here, we would have gained significant insights into the dynamics of social protection policies and their implications for fostering economic growth while combating poverty and inequality successfully. This conference could not have come at a more opportune time, a time when there is widespread public debate about the pros and cons of social protection alongside other debates about economic growth, poverty and inequality in post-apartheid South Africa.

The concept of social protection is of course much wider than “social assistance”, of which the Child Support Grant is only a part. Social protection, to quote Prof. Leila Patel, Director of the Centre for Social Development in Africa at the University of Johannesburg, refers to “private and public measures to ensure effective access to a range of basic goods and services by all people, particularly the most disadvantaged in society”. These goods and services, she notes, may be cash or in-kind services and benefits to reduce poverty, promote equality, build human capabilities and assets, and thus achieve empowerment and human well being.



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It is estimated that the number of South Africans receiving social assistance in all forms has increased from 3 million in 1995 to 14 million in 2010, with the total cost accounting for 3.5% of GDP, or the country's total economic output. Not surprisingly, South Africa's social protection programme has been hailed world-wide as generous. But like all success stories, it is not without its challenges. Issues of effectiveness, efficiency, and sustainability of the South Africa's social protection policies occupy the minds of policy-makers and the public alike. It is my expectation that this conference will help us to not only understand the nature of these challenges but also how best to tackle them within the context of South Africa's national development agenda.

From the viewpoint of UNDP, the conference is also taking place at a time when the relationship between UNDP and the Government of South Africa is undergoing a strategic re-orientation to ensure greater up-stream engagement and impact in line with South Africa's status as an upper middle-income country. This re-orientation, or "repositioning", as we call it, is a response to the joint evaluation report by the Government of South Africa and the United Nations in 2009. The report expressed dissatisfaction with the low impact and low value to South Africa of the many UN projects scattered around the country with little or no coordination. For example, there were 26 projects involving 51 governmental and non-governmental organizations in partnership with 10 UN agencies and multiple donors. Contributions to capacity building were minimal.

Against this background, the report recommended that the relationship between the UN and the Government of South Africa be upgraded into a "higher strategic engagement" that contributes to the building of strong and sustainable institutions for South Africa's long-term growth and development. Among the tools for fostering this higher strategic engagement is the use of the UN's global presence to share with South African policy-makers best practices from around the world, especially from countries at comparable stages of development.

The presence here today of speakers from three BRICS countries – namely, Brazil, Russia and India – is in line with our new approach of drawing on global best practices to

enrich policy discourse and policy-making in South Africa. We ask for your forgiveness for our bias towards the Global South. We believe that the best relevant experiences or lessons of development would come from countries that have crossed the mark of development recently, rather than those that crossed it many years ago. (China could not be represented here due to some unforeseen challenges; we do hope, however, that they will be available to share their experiences in other areas of development policy at similar forums in the future.) I do hope, too, as I have already noted, that the conference will enrich our understanding of the relationship between social protection, on the one hand, and economic growth, poverty and inequality, on the other.

## SESSION 2. BRAZIL

**Speaker: Fabio Veras Soares [International Poverty Centre, Brazil]**



FABIO VERAS SOARES (BRAZIL)

Examining the evolution of social protection in Brazil in the last century, we note that until 1971, there used to be a protected sector, and an unprotected sector, that was mainly rural and informal. In 1971, income support was extended to rural workers. However, it was difficult to apply for, and it only accounted for one-half of the minimum wage. Also, there was a gender bias. In 1988, two different dimensions were added: (1) a universal rural pension, and (2) a social benefit for the elderly and the disabled.



*Bolsa Familia* started at the municipal government level (around 200 municipalities in Brazil). *Bolsa Familia* has contributed 33% to the fall of poverty in Brazil between 1995 and 2009. However, as a result of *Bolsa Familia*, the tax burden grew too.

Features of the recent growth path in Brazil: it has the lowest growth among the BRIC countries. Unlike South Africa, however, Brazil has been able to reduce both poverty and inequality. There has been a formalisation of the labour market in Brazil. The wage premium of education in Brazil has decreased as the Brazilian population became more educated. This may explain the decline in inequality in Brazil.

Brazil today has the highest interest rate in the world. As a response to the recent crisis in 2008-09, Brazil has seen a fiscal stimulus package and an expansion of *Bolsa Familia*. However, Brazil faces a problem of a lack of domestic savings; a similar problem is seen in South Africa.

New policies: The increases in the minimum wage have reached a limit, new policies will target taxation and improve social protection systems.

#### Discussant: Murray Leibbrandt [University of Cape Town]

We know the main trends in the Brazilian story over the last 20 years with regard to poverty and inequality reduction. It took a while for growth to gain momentum, but then in the 2000s growth got going at 4.5%. This has captured the South African imagination, as this growth was accompanied by poverty and a reduction in inequality. In South Africa, however, we have not witnessed the inequality reduction seen in Brazil.

The key planks of the Brazilian story include: (1) a system of social grants, which were very important for poverty and inequality reduction; (2) educational improvement, and Brazilians with improved education entering the labour market to drive down the returns to schooling, which reduced inequality or the wage gaps that worry people in countries such as Brazil and South Africa; (3) what has happened in the Brazilian labour market, notably the increase in employment that has driven down inequality.

In South Africa, however, the story is different. There is micro-evidence of social grants in improving education and human capital, relationships between the social grants and labour market behaviour, whether social grants are facilitating access of individuals into the labour market or not. We know the three planks; however, what matters and determines labour market outcomes is the interaction of these planks. Why is the whole greater than the sum of the parts in Brazil but not in South Africa? If employment creation had not resulted in Brazil, they would be in a crisis right now. However, the Brazilian labour market played its role.

In South Africa, (1) social grants have assisted in the accumulation of human capital, like Brazil; however, this was not in jobs, and (2) while the grants are large enough in cash terms, they do not seem to be large enough to promote second-round effects, e.g., the creation of spaza shops and small businesses.

So what really happened in Brazil, or, in other words, how does the labour market in Brazil actually function? Some questions arise from the Brazilian presentation:

- 1) Job creation and the interaction of better educated people with the labour market – the story of minimum wages?
- 2) What is the role of the informal sector in all of this?
- 3) What about the spatial allocation of employment?

This requires leadership, as Fabio Veras pointed out, as well as a capacity to run this system at the local level. If you go for a big coordinated strategy at the municipal level in South Africa, this might undermine the poverty reduction strategy. In other words, can we really do this in South Africa?

#### Questions: 1st round

- 1) What is the importance of employment creation in poverty reduction? We cannot put all the pressure on social grants. Poverty and inequality reduction require pro-poor poverty reduction.
- 2) What are the sustainability issues that arise and how were they addressed?
- 3) There are interesting similarities between South Africa and Brazil in terms of racial inequality. We have focused



on BEE in terms of empowerment, not employment creation – maybe this is what is needed.

- 4) Should cash transfers in South Africa be conditional?
- 5) Fabio Veras suggested that Brazil was the lowest in the BRICS in terms of growth rates. South Africa was probably the lowest between 2004 and 2010.
- 6) There is a question we need to unpack in South Africa with regard to policy, as there is an issue of social cohesion in society.

**Response: Speaker**

To the discussant: Firstly, informality rates are still high in Brazil, although it has been decreasing. There has, secondly, been no sectoral re-allocation. There are a number of reasons for this. In the late 1990s and beginning of the 2000s, Brazil saw a decline in informality, that is, a formalisation of the economy. Secondly, institutional reforms to support SMMEs and tax reforms helped to increase formality. There were moves to increase the threshold of firms to qualify for the tax reform. There is evidence to show that there was an impact of enforcement of labour laws, due to the hiring of inspectors within the Ministry of Labour. Furthermore, there is no spatial segregation in Brazil, as opposed to South Africa. Employment creation was seen in all regions, indeed more so in the poorest regions in the north. This may be explained by the role of the public sector, and secondly, government investment in contributing to job growth.

Beyond social protection policies, there have also been policies for the assistance of small family farmers, both credit as well as technical assistance.

As far as the question of sustainability is concerned, the combination of the increase in social transfers and government investment has opened the fiscal space to enable the realization of the Brazilian constitution, which states that Brazil is a welfare state.

There are no good evaluation studies yet to see how the integration policies are working.

There has been a key change in Brazilian policies. There is a cap on child feeding programs, and there has been advocacy to increase the cap. Consequently, it has been raised to five children; however, there were debates about the impact

on fertility. But the government felt that the poorest families were being targeted. Secondly, for extremely poor families, there is also an unconditional transfer for families irrespective of the number of children or if they have any children or not. Cash transfers for children in Brazil are much lower than in South Africa. Following the rule of indexing the minimum wage to inflation and GDP growth next year, the minimum wage will increase by 14-15%. This translates into an increase in the minimum wage of around 8-9% if we discount for inflation. This is not discounted for population growth, so that the real increase is high.

**Response: Discussant**



KARL VON HOLDT (NPC)

Although the informal sector in Brazil is getting smaller, it is much bigger than the informal sector in South Africa, accounting for around 35% of employment. Indeed, there is a huge puzzle in South Africa surrounding the size of the informal sector. In South Africa, however, unlike Brazil, there are no conditionalities for social protection payments. In other words, the social protection policies are simpler. However, the conditionalities of the grants in Brazil contribute to integrating the poor into the development process.

**Response: Chair**

Two questions remain to be addressed. First is the question of BEE. Second is a philosophical question: do social protection systems function by themselves, or are philosophical considerations involved, for instance, social cohesion?



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**Response: Discussant**

The arithmetic of inequality is quite simple. For example, the debate on whether or not higher wages for the formally employed will take away jobs for the unemployed is not valid. If we want to have a significant impact on inequality, the inequality coefficients change very slowly. It depends on societal characteristics. Changes in real wages are marginal.

**Response: Speaker**

When a country decides to have social protection policies, it works due to implicit social contracts, society makes it work.

**Questions: 2nd round**

- 1) There is no questioning of the social protection program in Brazil. However, in South Africa, we have ministers who question social protection. Secondly, the functioning of the labour market raises many questions. In South Africa we do not have growth that is creating jobs. Is this a function of the labour market or of other factors?
- 2) In South Africa, the information local government has is not sufficient when policy decisions are made. What kind of information do you need to make such a system work so that local institutions become real partners in this process?
- 3) How can we avoid the rebound effect, as seen in Brazil – for example, rampant inflation, what lessons were learnt?
- 4) The question concerns fiscal expense. In South Africa, if we examine the budget, there are certain allocations e.g. social expenditure. One of these is the government wage bill. (1) What was the proportion of the increase in the government wage bill to national budget? (2) How much did taxes have to be increased to compensate for the increase in the government wage bill? (3) Were the implications of the reforms visualised prior to implementation?

**Response: Speaker**

The federal government allocates the responsibilities at the federal, central and municipal level, as well as tax allocations. There has been a partnership between the federal government and the municipalities. Much of the social policies have been inherited from the health sector. One of the lessons learned was that the two-tier system,

one for the private sector and another for the public sector, had a fiscal cost. Reform in the educational system was introduced, and teachers earn twice the minimum wage.

**Response: Chair**

A few important lessons arise from the above presentation and discussion:



AGOSTINHO ZACARIAS, ISRAEL DESSALEGNE, AND NII MOI THOMPSON (UNDP)

- 1) In developing economies, irrespective of the trajectory taken, we continue to be faced with the challenges arising from the quality of education, health education, and social protection issues. Social protection policy presents an interaction between social protection, labour market policy and labour market participation.
- 2) Labour market behaviour has a key bearing on social protection measures. Employment creation has an important role to play in enhancing social wellbeing.
- 3) Economic growth for its own sake, however high it may be, is worthless if individuals are excluded from the gains of this growth. It may be worthwhile aiming for lower levels of economic growth if broader participation in employment is achieved.
- 4) Public investment can play an important role in engendering labour market participation and employment.

**SESSION 3. INDIA**

**Speaker: Amita Sharma [Ministry of Rural Development, India]**

Recent GDP growth in India has been high, at 8-9% in many years. The food poverty headcount has halved, from



55% in the mid-1970s to 28% in 2004/05. The World Bank estimates that 42% of the population are still below the \$1.25 poverty line. When India is compared with the other BRICS countries, it does not fare well in terms of either economic or human development (see Table 1). Gross national income (GNI) per capita is lowest among the 5 countries, and India also ranks lowest in terms of the UNDP human development index (HDI).

**Table 1. Human development indicators in BRICS countries, 2010**

Country	HDI *	GNI per capita **	Life expectancy at birth (years)	Mean / expected years of schooling	Inequality (Gini coefficient)
Russia	0.719 (65)	15,258	67.2	8.8 / 14.1	--
Brazil	0.699 (73)	10,607	72.9	7.2 / 13.8	55.0
China	0.663 (89)	7,258	73.5	7.5 / 11.4	41.5
South Africa	0.597 (110)	9,812	52.0	8.2 / 13.4	57.8
India	0.519 (119)	3,337	64.4	4.4 / 10.3	36.8

Source: UNDP Human Development Report (2010), compiled by Amita Sharma for this workshop

\* figures in parentheses = position in 169 countries

\*\* PPP, US\$ 2008

Poverty in India tends to be higher than unemployment. There is a problem of the working poor. The share of manufacturing in employment is low, and there is a limit to which agriculture can absorb labour. High poverty levels in India necessitate a multidimensional approach to poverty reduction – growth plus social transfers. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) offers social protection to the poor, by offering up to 100 days of guaranteed low-wage employment in each financial year to every rural household, while also creating productive assets that facilitate the transition towards greater self-reliance. The MGNREGA is innovative because it is a legally enforceable guarantee – a genuine rights-based approach so social protection. MGNREGA is achieving direct impacts in terms of redistributive equity and consumption smoothing across the year, as well as 2nd round impacts in terms of employment creation

and income multiplier effects. However, implementation challenges are significant and there are differences in performance across states. Administrative capacity and political support are needed to make MGNREGA succeed.

**Discussant: Kate Philip [Trade & Industrial Policy Strategies (TIPS), South Africa]**

There is not a lot of evidence in economic history of a general equilibrium being achieved within a national economy. In the context of globalisation, you would actually need to achieve a global equilibrium.

The key policy question that arises is whether an employment guarantee in South Africa is an instrument we should be considering. A rights-based approach in India holds the government accountable. The right to work has not been part of the rights discourse in South Africa. Also, should we be putting other rights on the table if we still need to ensure delivery of the existing rights?

There are striking differences between India and South Africa. Firstly, 60% of the population of India depends on agriculture, but South Africa is a very de-agrarianised society. Secondly, the composition of the unemployed is different.

Another issue which arises is whether or not public employment – MGNREGA – is a part of social protection. In India it is, but not in South Africa. If a guarantee is a right, then it is social protection, according to the ILO. If not, then it is not social protection.

The unemployed are South Africa's biggest protection gap. There is no social grant support for the unemployed. Only



3% of the unemployed are covered by benefits at any one time (according to Klasen and Woolard).

Two key questions for South Africa emerge: (1) What is South Africa's social protection strategy? (2) What are the costs and benefits of different options?

Employment policy is a social issue. Employment is the missing piece in the South African picture. Why are we not seeing the huge investment in social protection spinning off into the economy? The answer, according to the discussion, is there is a gap in social protection for people of working age. The entire social grant system is currently targeted toward people who are not expected to be economically active, and this is why the system is flawed. The speaker placed a large importance on public employment as an instrument for transformation and inclusive growth in India.

The issue of scale is important: MGNREGA has 55 million participants. For South Africa this seems daunting. However, given the difference in populations, this would translate into 2.2 million people. Therefore, we can achieve a similar scale of impact. A final question: is there a connection between a rights-based approach and the ability to get to scale?

#### **Response: Chair**

Public employment is a necessity, especially in the context of a country like South Africa. People between the age of 15 and 60 are not entitled to any income support from the state.

#### **Questions: 1st round**

- 1) CWP [Community Works Programme] in South Africa focuses on the delivery of public goods. In India, it seems that the rural employment guarantee can be used by individuals to develop the productivity of their own land. This is quite different from CWP in South Africa. Is there a way of using CWP to regenerate productive capacity in South Africa, e.g., involving land reform?
- 2) We are trying to use public employment to deal with structural issues. Can we address the structural nature of employment, without dealing with the hard questions of asset ownership in the country?
- 3) Is the employment guarantee to be phased out over

time, or will it be run parallel to the private sector in India's economy?

- 4) Three themes emerge. Firstly, with regard to the registry and the biometric system India has, how does it work and what problems and challenges are associated with it? Is this something we can implement? Do we have the seeds of something that would work, e.g., in the USA their social security system? Secondly, to what extent or proportion of expenditure ended up with the final recipient as opposed to the village head? Thirdly, to what extent do complementary assistance schemes operate in India, for example, we see evidence of this to some extent in Brazil.
- 5) There are structural differences between the Indian and the South African labour markets. Is there a registry to monitor and coordinate the social grant system in India?

#### **Response: Speaker**

The Act does not specify what type of land ownership it is. The specific intention was to target the programme to small farmers below the poverty line. As for how long will this be in place, it is a demand-based law. It is likely to be in place for a long time. This is emerging in India as a type of substitute for micro-credit. The nature of work is likely to be diversified, however, for example, moving from unskilled manual work to skilled manual work.

Biometrics has proven to be very successful. Biometric hand-held devices or smart-phones are being used. For example, non-literate women are very comfortable with biometrics, smart-phones, and so on. A national rollout is planned within the next few years.

There are corruption issues. Biometric transactions may eliminate corruption. But it is difficult to quantify corruption. The government needs to address this.

#### **Response: Discussant**

With regards to CWP and food gardens, for example, there is an issue in ensuring that you do not create a whole lot of dead assets – like building irrigation tanks that don't get used. Another issue is the capturing of public assets by elites at the local level.

CWP works differently to MNGREGA. South Africa is experimenting with biometrics.



**Response: Chair**

In South Africa, many rural areas are found in areas of land that cannot be farmed. No amount of investment in agriculture would change the fortunes of those individuals. How can we translate the Indian experience in a real way for South Africa?

In South Africa and many developing countries, rural areas signal poverty. In contrast, in developed countries, much of what is eaten is cultivated in rural areas.

**Questions: 2nd round**

- 1) In China, quotas were set that the governments would have to procure agricultural outputs from rural and agricultural farmers. This generated employment in rural areas.
- 2) The distinction between social protection and social security is an important one. We know that the right to social security is a constitutional right. The elephant in the room, however, remains the National Treasury.

**Response: Speaker**

Social activists are focusing on a universal coverage of the food bill. The act has the option of paying part of the wages in grain.

**Response: Discussant**

There is a relationship between skills in the economy and employment creation. The emphasis on skills development was very high in CWP. CWP does not have the policy power to make land reform happen. Two of the four former Bantustans in South Africa have great employment opportunities; however, the remaining areas are not arable.

**SESSION 4. RUSSIA**

**Speaker:** Evgeny Gontmakher [former Deputy Social Protection Minister, Russia]

There are various elements of social assistance in Russia, including social grants for families with children, the disabled, poor families, the elderly, homeless, and unemployed. Unemployment is not a big problem in Russia but it could become problematic in the future. Unemployment in Russia is low, at 4%. The unemployed are mainly disabled people and women with children.

Another feature of the Russian economy is the high level of education of the Russian population.



**EVGENY GONTMAKHER (RUSSIA)**

There are various elements of obligatory social insurance in Russia, including pensions, benefits for incapacity to work, benefits in case of pregnancy and childbirth, benefits in case of accidents at work, and medical insurance. The pension age in Russia is low: 55 for women and 60 for men. Obligatory social assistance in Russia constituted 13% of GDP in 2010.

Social protection expenditure growth in Russia was more than GDP growth. However, was it enough for the eradication of poverty and inequality.

To conclude, social protection in Russia played a strong role between 2000 and 2010. However, the effectiveness of the social protection could be higher. There are three challenges: ageing population, the dependence of the Russian economy on world oil and gas prices, and stability of the economy.

**Discussant:** Joel Netshitenzhe [Mapungubwe Institute (MISTRA)]

It would have been useful if the presentation had reflected on the ebbs and flows of social policy from the period of the Soviet Union to present-day Russia. In other words, the presentation could have explored the role of social assistance in a transforming society. Also, an idea of the cost of living would have been useful.



The relationship between social assistance and demographic policy is an interesting question. Is the social assistance program in South Africa, given the high rate of population growth among the poor, at all related to our population policy? Another element is the question of housing. There are subsidies for housing in Russia, unlike the South African situation. In Russia people get a subsidy to construct their house. Can we learn something from this Russian experience? In South Africa, there is the issue of some people renting out their RDP houses and living in informal settlements in order to get a monthly income.

In China, during the global economic crisis, they were able to deal with the retrenchments occurring, using land as a form of social assistance. There are a few keys points to keep in mind:

1. Definitional issues... for instance, Amartya Sen's approach to dealing with poverty by improving human capability.
2. The adequacy of social security to deal with economic issues. For example, you can have a high rate of employment, but if you have poor social services, the wages from employment are discounted as the employed need to use their wages for social services.
3. In South Africa, the electricity provided is used by the poor only for lighting, as they cannot afford electrical appliances.
4. The relationship between poverty and growth is interesting. Pro-poor growth is needed, and, in addition, pro-growth poverty reduction. Poverty and growth are not mutually exclusive.

#### **Questions**

- 1) How many federal departments in Russia are involved in the dispensation of social benefits?
- 2) Are any problems envisaged in the signing of social contracts, that is, shifting away from a rights-based approach towards a socially-driven approach?
- 3) What proportion of the unemployed are offered this support, and how is this determined and administered?

#### **Response: Speaker**

The federal level in Russia responsible for social protection includes the Ministry of Health and Social Protection and the Ministry of Finance. Administration in Russia is not such a big problem, relative to the problem of efficiency.

In the Russian constitution, there are various rights for citizens, e.g., free healthcare, free education, etc. There is an article in the Russian constitution that says it is a welfare state; however, this is debatable.

On the one hand, immigration in Russia is viewed favourably due to the difference between the death and birth rates, but on the other hand there are immigrants living in isolated areas, and there are problems with crime. Open borders mean that many people are employed illegally.

#### **Response: Discussant**

At the macro-policy level, the challenge to leadership is always one of trade-offs and resources. Studies show that social grants can be very effective in dealing with high levels of poverty.

#### **Response: Chair**

Cash transfer programmes cannot be an end in themselves. Income support needs to have the objective to enable people to escape from the spiral of poverty. We cannot say whether we are a welfare state or a developmental state. Studies show that poverty does impact negatively on economic growth. Economic growth is pointless if it is jobless and people have no social protection. There is also a key question of the link between social assistance and population policy. There is evidence that birth rates in South Africa are falling. Fertility rates are dropping. The population is bulging at the youth sector – what population experts call a youth dividend. It will be a dividend if the youth are well-skilled and they can contribute to the economy. If they are unskilled those youth are a liability. The question is, How do you convert that liability into a dividend?

Another observation is that social assistance is part of social protection, which includes free basic education, free health services, and so on. The trouble in South Africa is that unlike the Brazilians or the Mexicans, we have not taken full advantage of the need to convert all these interventions into a programme like *Bolsa Familia*. An element we have not touched on is the economic inclusion of people in the social protection programme. The ability of people to save from the little that the state gives them is an important concern. If the amount provided is too small, then they are



not able to save. The Child Support Grant is not designed for people to be able to save. Maybe this is possible with the Old Age Pension or Disability Grant, which are also larger. It is important to introduce incentives for people to save. The issue of migrants in South Africa also remains to be dealt with thoroughly, but it presents its own challenges.

### SESSION 5. WHAT CAN SOUTH AFRICA LEARN FROM THE BRIC EXPERIENCES?

**Chair: Virginia Petersen [SASSA]**

How were labour aspects included as part of social protection in terms of labour initiatives? We need to understand what the fiscus is saying. In our own country we have a youth unemployment problem. How can we respond to that?



VIRGINIA PETERSEN (SASSA)

#### Discussant 1: Vivienne Taylor [National Planning Commission]

Brazil, India and Russia have similarities with South Africa. At the policy level, the emphasis Brazil places on the constitutional mandate of social protection is important. In South Africa we also have a mandate of social protection in the constitution. Amita Sharma showed how the right to work was guaranteed in India. The key lesson for South Africa is that when we look at the rights of individuals, we need to be careful not to instrumentalise human beings as being instruments solely for the purpose of adding economic value. Social protection is seen as a stimulus for consumption and economic growth. Income support acts as a stimulus to promote economic growth.

However, economic growth should also have a return for human development. From Brazil, we learn that even with slow economic growth you can still invest in human development and you can still reduce poverty and inequality. So the end to the means must be a decent life for people as opposed to the accumulation of wealth.

In South Africa, we are providing social protection but we are not packaging it efficiently. Brazil has a universal pension, health coverage, primary education and school meals. In other words they have a 'social protection floor'. The design and implementation of social protection systems is important. In Brazil, there is support from the municipal level, in India the Mahatma Gandhi Act, so there is a stimulus from the local level. In South Africa, we have to look at the institutional design of social protection systems. We need a system that has both vertical and horizontal linkages across all spheres of governance that cascades down from the state to the local level. We need to develop a hybrid system, a system represented by national policy, and then implementation at the provincial and local level. The role of civil responsibility in the implementation of this system should be recognised. For us to introduce an institutional system of social protection that links all the spheres of governance will be an incredible challenge. However, we can think long-term, for example 2030. If we think long-term, then this is not an impossible task.

Another lesson that can be learnt from all three countries is the issue of self-selection, notably with the Indian experience, where people voluntarily nominated themselves to participate in the programme. People in South Africa could similarly self-select. The key lesson emerging from the Brazilian experience was that they target the poorest communities. In South Africa we have spatial poverty traps due to apartheid – rural areas, informal settlements, townships. Although access to services is seemingly not an issue, if you don't have a tap for water, toilets, electricity, you will not get the free water, sanitation or electricity that policy says you have access to. These social services are being accessed by the middle and upper classes as opposed to the poorest individuals who need them. How do we in South Africa provide an integrated system of services that not only targets the poorest but also reduces the poverty gap?



**national planning  
commission**

Department:  
The Presidency  
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The Russian experience showed us how subsidies such as cash subsidies are important in creating employment, as well as subsidies for housing and transport. Transport subsidies could be particularly beneficial in the South African context, where many workers lack transport to go to work.

Social protection is not one measure. It is a mix of measures to move people out of poverty. Wealth does not equate with functionality; it is also about social justice.

**Discussant 2: Selwyn Jehoma [Department of Social Development]**



VIVIENNE TAYLOR & SELWYN JEHOMA

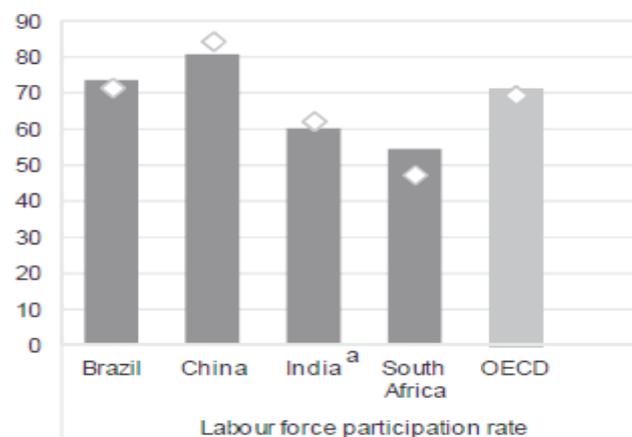
Although relative to Brazil, Russia and India, South Africa has a constitutional framework integrating social protection, the attitude towards the poor in those countries is different. In South Africa, there is a pejorative view of social welfare, betrayed by notions of dependency and perverse incentives (e.g. work disincentives). The poor are blamed for their condition, and this is reinforced by the unaffordability and unsustainability arguments. Another important point is indexing in Brazil and India, or setting the transfer level relative to the minimum wage. In Brazil, the basket of public goods – social grants, health, education, industrial policy – has reinforced each other positively. We can also learn from the idea of a common and inclusive registry. We know who the poor are in South Africa, and where they are located. Therefore, it is not so complicated to implement such reforms. The Department of Social Development is moving towards a National Integrated Social Information System.

**Discussant 3: Luis Frota [International Labour Organisation]**

Increases in social spending in all the BRICS countries in the 2000s have resulted in significant reductions in poverty. In Brazil, one-third of the fall in inequality in the last decade was due to public transfers. The experience from BRICS and other emerging economies confirms that economic growth is not incompatible with expanded social protection.

The new social security framework for South Africa is in line with BRICS approaches. A rights-based framework, building towards a Social Protection Floor (SPF) allows predictability in planning and accountability in delivery. Social protection for older persons, children, and persons with disability will be consolidated within a comprehensive and inclusive social security system, to enhance access, efficiency and impact.

The labour force participation rate is lower in South Africa than in other BRIC countries (Figure 1). There is a need for strengthened programmes and services for the long-term unemployed, ideally in a rights-based framework – extension of UIF guarantees, social assistance, public employment services and employment promotion programmes. There is also a need for policy coherence in active labour market policies to be accessed by insured and non-insured populations: community projects, school to work, vocational training, placements in private employment.



**Figure 1. Labour force participation rates in the BRICS countries**



### Open Discussion – Round 1

#### Comment 1

Are we looking at the issues in front of us from a broad enough perspective? The distinctiveness of South Africa with respect to the economy and society emerges as quite distinct, notably the level of structural employment, and the level of productive capability among the poor. The destruction of agricultural production in the former Bantustan areas is also a key issue. There are large sectors of our population and large geographies outside of the reach of society, and the state. To what extent do our social protection strategies impact on that? How can we rebuild the former Bantustans with non-farm activities?

#### Comment 2

Is social protection the route we want to go in South Africa? Social assistance and social insurance are two elements of social security. Whose responsibility is it to ensure that social wage linkages are implemented well? Regarding the issue in Brazil of a central database to improve targeting, whose responsibility is this, and who will ensure that it happens? Are we as decentralised as Brazil, to ensure that social incentives work? Can the DSD implement a strategy that can address the gaps in these social wage instruments? The institutional context in South Africa is vastly different from the other BRICS countries.

#### Comment 3

Studies show that around 2.9 million children eligible for the CSG are not receiving the grant. How is the DSD dealing with this? Secondly, poor children are still mostly located in the Bantustans, what future do these children have? What are the political challenges in Brazil?

#### Comment 4

1. How is the Brazilian growth path different from that of South Africa? Was growth in Brazil sector-neutral? In South Africa the growth path excluded the informal sector. In South Africa, if we look at the growth part, social grants played a significant role in reducing inequality, as measured by the Gini coefficient. How do you re-engineer the growth path to make it more sustainable and equalising?
2. Why is the percentage of GDP going to social assistance

lower in African countries compared with other countries?

3. Is there a unique identifier, or is there a set of databases used, and how does this compare with Brazil or biometrics in India?
4. Final question: is collaboration between government departments possible? To get small business support to the unemployed you need collaboration among different government departments.



CROSS-SECTION OF PARTICIPANTS

#### Panel Response

- 1) There is a need for the establishment of a mandatory pension system in South Africa. Social insurance is being delinked from work environment. Many workers in other countries are no longer working in formal occupation-based areas. We need to ensure that our pension system is designed to ensure that those working outside of these formal occupation spaces are accounted for. Whether we will reach the ranks of industrialised countries is questionable. In the design of the national pension system, these issues need to be addressed.
- 2) The next issue is minimum wages. In South Africa, if we set a minimum wage at a certain level, this may not reflect the cost of living. This creates a tension between workers' demands for increases and the cost of living. We need to examine how our macroeconomic policies, growth path, and industrial policies are set. We need to examine the initial conditions in the different countries before comparisons are made. Why is our growth path not creating inclusion?
- 3) The interests of policy-makers may not be in the



national interest. Every sphere of government and every individual in South Africa may need to buy into this national vision. Perhaps it means re-thinking the way government operates – a more integrated approach as opposed to clusters. We need to bring labour and social development together. For instance, pension replacement rates require us to look at the system as a whole.

- 4) The Taylor Committee attempted to bring us to think outside of the box, as opposed to an Anglo-American approach where some poor are viewed as more deserving, and gender roles are assumed. The medicine for addressing our social protection needs is a combination of elements. We need to identify the categories of groups of people who need to be addressed, and perhaps link the income support to employment conditions. How do you find the children who are in need of the CSG? There is also an issue of adult poverty; due to adult poverty, children are sharing their benefit with their parents.
- 5) We need to focus on how we can incentivise the supply of social services. If we don't have services at the local level, there is no point in improving transfers to the local population. In Brazil and in some Latin American countries, social transfers provide incentives for teachers to provide education, municipalities to provide services, etc. We need to activate these types of services at the local level.
- 6) Social protection needs to act to stimulate workers to go from poverty to a class somewhere between the poor and the middle-class. We need to stimulate people to start their own businesses. Russia has a Soviet history, and the starting of a business was difficult in the past. Now, Russia has special grants for young people, even students, to start their own businesses. There is a modern system for pension payments. In Russia, 30% of the economy is informal, it is a stable figure.
- 7) The geographic and spatial inequality in South Africa is distinctive. Large parts of the population are excluded from the growth process. Macro-interventions alone are not enough; some micro-interventions are needed. In Brazil, there are not much public works programmes, due to such programmes being associated with the past military regime. People in Brazil do not view public works favourably, and they are not viewed as a part of social protection in Brazil. Land reform is higher on

the agenda. Regarding the Brazilian growth path, it was not restricted to one sector. There was an attempt to bring into social security anyone self-employed and not just the professional self-employed, even if it meant subsidising the pension that was contributory. There is much discussion on minimum wages in Brazil. Three years ago it was decided that the minimum wage increase would be equal to the past year's inflation and the GDP growth of two years ago. However, issues arise due to the high inflation rate.

- 8) Regarding the challenges faced, there are two key challenges. Firstly, incorporating families into the registry. Secondly, the updating of the registry is important.

#### **Open Discussion – Round 2**

1. There is an issue of social audits in India. What are the other countries doing to ensure that there is no corruption in their programmes?
2. The NPC is facing the issue of the development of the National Health Insurance Scheme (NHIS). Currently, we spend 2.8 % of GDP on health. One of the foundations of the NHIS is that there must be a pooling of resources. However, the public sector looks after 84% of the population whilst the private sector has the larger proportion of resources.
3. It is unlikely that huge investments in education and health will produce the results required.
4. The structure of the South African economy makes it difficult to create SMMEs due to various reasons, such as barriers to entry, etc. Regarding Brazil, Bolsa Familia has become a national symbol; how did they achieve this?
5. The Brazilian example made it very clear that the real contribution to reducing inequality is job creation. In South Africa, 30% of the population are nowhere near a crack to fall through; of the other 20% who are near the cracks, 50% of them are in poverty. Social protection alone cannot enhance rural livelihoods. CWP can have a potential here. Social protection defines the recipient as passive; it does not help people excluded to become active participants in the economy of a society. Is there a different way of thinking about social protection that allows for a generative ability within the economy? This concept goes back to the nature of the state as well as to society.

#### **Panel Response**

- 1) One of the problems of social security is that it is



supported by taxes.

- 2) As the economy grows, jobs are created, but can this happen in sufficient numbers? Can this happen on a large enough scale to lift people out of poverty? There are around 6 to 7 million poor people in South Africa, if we give them R350 to take them out of the lower poverty level, we can solve the poverty problem. It will cost us R31 billion in one go but we can roll it out over the next couple of years. Regarding the passiveness of grant recipients, evidence shows that 25% of them do indeed go out and find employment.
- 3) We need to look at what the Indians are doing with regard to social auditing. The DSD is linked to an appeal system that enables recipients to report fraud, etc.
- 4) [Vivienne Taylor:] Social protection in its existing form is not enough; good governance and quality outputs are needed, too. There is a huge gap of the population aged between 15 and 65 years who are not getting the freedom dividend. Post-1994, they have been excluded from economic activity due to an incapacity of the economy to absorb labour, and while growth has been created, it has not been in the sectors that will absorb them. We need to look at sustainable livelihoods, or in other words, the creation of 'employment-based safety nets'. However, this has to be guaranteed by the state, similar to the programmes we have seen in India. However, financial resources are needed. We cannot trade off social assistance with this programme; they both need to work in tandem. Shall we then ask for a dedicated task or freedom dividend just for this purpose? This needs to come from the fiscus. The private sector cannot do this on its own. Do we have the stomach to increase taxes in certain industries?

#### **Closing comments from the Chair: Where to from here?**

The local government should have a database of whom they subsidize. This could be a starting point. Some critical questions arise. Social protection is one strategy but within social protection, there are a number of responses that can be constructed. There are fundamental issues affecting us as a country that have been raised. These require a much more interlinked discussion between labour, economy, the social partners in society, the trade union movement, business union movement, as well as civil players in society. We need to create a broad vision for achieving the goals

of promoting economic growth, reducing poverty and reducing inequality.

#### **ANNEX 1. CONFERENCE PROGRAMME**

High Level Conference on Social Protection, Economic Growth, Poverty and Inequality in South Africa: Lessons from the BRICS  
Hosted by the UNDP and National Planning Commission of South Africa  
20-21 September, 2011  
Indaba Hotel, Johannesburg, South Africa

##### **Day One**

Chairperson: Mr Vusi Madonsela (DSD)  
8:30–9:00  
Welcome and Registration

##### **09.10–09.15**

Introduction of Conference by Chairperson: Mr Vusi Madonsela, Director-General, Department of Social Development. South Africa

##### **09.00–09.30**

Welcome Address: Prof. Vivienne Taylor, National Planning Commissioner

##### **09.30–10.00**

Opening Remarks: Dr. Agostinho Zacarias, Resident Representative, UNDP, and Resident Coordinator, United Nations

##### **10.15–10.45 TEA BREAK**

##### **10.45–12.45**

Social Protection: Experiences from Brazil  
Speaker: Fabio Veras, International Poverty Centre, Brazil;  
Lead-In Discussant: Murray Leibbrandt, University of Cape Town

##### **12.45-13.45 LUNCH**

##### **13.45–15.45**

Social Protection: Experiences from India  
Speaker: Amita Sharma, Ministry of Rural Development, India;  
Lead-In Discussant: Kate Philip, Trade & Industrial Policy



Strategies (TIPS)

**15:45–17:45**

Social Protection: Experiences from Russia

Speaker: Dr. Evgeny Gontmakher, former Deputy Social Protection Minister

Lead-In Discussants: Joel Netshitenzhe, Executive Director, Mapungubwe Institute (MISTRA).

**19:00 - COCKTAIL HOSTED BY UNDP AND NPC**

**Day Two**

Chairperson: Ms Virginia Petersen (SASSA)

**09:00 – 13:00**

South African Perspectives: What Can We Learn from the BRICS Experiences?

**Lead-In Discussants:**

Prof. Vivienne Taylor, National Planning Commission (NPC)

Dr. Selwyn Jehoma, Department of Social Development (DSD)

Mr Luis Frota, International Labour Organisation (ILO)

Note: Each Lead-In Discussant speaks for approximately 10 minutes, after which the chair will moderate a general but structured discussion. It is suggested that the general discussion try and answer the following sets of issues and questions:

- Given the previous day's presentations on social protection in India, Brazil, Russia and China, what are those elements of success in those countries that South African policy-makers can learn from to improve the efficiency and effectiveness of their social protection interventions.
- The relationship between growth-poverty-inequality dynamics and social protection in these countries: South Africa's growth path has been built on a social grant system which has helped reduce poverty, but has been unable to prevent a significant increase in income inequality. What are the lessons from the BRICS?
- Can one conceive of alternative models of social protection management (e.g. own-account, contribution-based systems)? Is South Africa thinking creatively enough about alternative modes of delivery of social protection?

Do the new retirement funding proposals of the National Treasury consider international best-practice?

- Can social protection be utilized to grow employment? Could one utilise conditionalities or other elements of a social protection system to enhance employment prospects? Can one tweak the social grant system to facilitate for example search behaviour or training for the unemployed?
- What are the costs and benefits associated with conditional cash transfers? What does the behavioural evidence suggest here, and what are the cross-country differences?
- What are the fiscal and demographic limits to social protection? When does a country reach the limits of what is fiscally possible and responsible

Can one conceive of alternative models of social protection management (e.g. own-account, contribution-based systems)? Is South Africa thinking creatively enough about alternative modes of delivery of social protection? Do the new retirement funding proposals of the National Treasury consider international best-practice?

Can social protection be utilized to grow employment? Could one utilise conditionalities or other elements of a social protection system to enhance employment prospects? Can one tweak the social grant system to facilitate for example search behaviour or training for the unemployed?

What are the costs and benefits associated with conditional cash transfers? What does the behavioural evidence suggest here, and what are the cross-country differences? What are the fiscal and demographic limits to social protection? When does a country reach the limits of what is fiscally possible and responsible? Is there a common early warning system which countries could share in this regard?

**Annex 2. Conference Participants**



<b>International speakers</b>	<b>Institution (country)</b>
Fabio Veras	International Poverty Centre, Brazil
Amita Sharma	Ministry of Rural Development, India
Evgeny Gontmakher	former Deputy Social Protection Minister, Russia

<b>South African-based speakers</b>	<b>Institution</b>
Joel Netshitenzhe	University of Johannesburg
Kate Philip	Trade & Industrial Policy Strategies
Vusi Gumede	University of Johannesburg
Murray Leibbrandt	University of Cape Town
Vivienne Taylor	University of Cape Town
Mr Luis Frota	International Labour Organisation
Selwyn Jehoma	Department of Social Development
Morne Oosthuizen	University of Cape Town

<b>Other participants</b>	<b>Institution (South Africa)</b>
Goolam Aboobaker	National Treasury
Makano Morojele	National Business Initiative
Mastoera Sadan	The Presidency
Dr Thabane Vincent Maphai	NPC (Commissioner)
Ms Tasneem Essop	NPC (Commissioner)
Dr Karl von Holdt	NPC (Commissioner)
Ms Vuyokazi Felicity Mahlali	NPC (Commissioner)
Prof Malusi Marcus Balintulo	NPC (Commissioner)
Dr Miriam Altman	NPC (Commissioner)
Prof Nick Vink	NPC (Commissioner)
Mr Arnold Michael Muller	NPC (Commissioner)
Ashraf Kariem	NPC (Commissioner)
Prof. Mohammad Karaan	NPC (Commissioner)
Prof Hoosen Mohammed (Jerry) Coovadia	NPC (Commissioner)
Josephilda Nhlapo-Hlope	NPC (Commissioner)
Natasha Mayet	DPRU
Elne Jacobs	DPRU
Marié Kirsten	DBSA
<b>Other participants</b>	<b>Institution (South Africa)</b>



Lawrence Matemba	The Presidency
Engenas Senona	DSD
Ms Dimakatso Moutloatse	DSD
Mr. Brenton Van Vrede	DSD
Ms Moreen Motepe	DSD
Mahlogonolo Moloko	DSD
Mr. Vusi Madonsela	DSD
Chen-wei Tseng	UCT
Martin Wittenberg	UCT
Ernest Fausther	UNDP Regional Centre
Aida Girma	UNICEF
Dr. George Laryea Adjei	UNICEF
Megan Blair	J-PAL Africa, SALDRU, UCT
Mr Thami Hlekiso	Reserve Bank
Haroon Borhat	UCT
Stephen Devereux	IDS
Kgomotso Maditse	UNDP
Agostinho Zacarias	UNDP
Israel Dessalegne	UNDP
Nii Moi Thompson	UNDP
Mr. Khepi Shole	UNDP
Virginia Petersen	SASSA
Ms Raphaahle Ramokgopa	SASSA
Ms Dianne Dunkerley	SASSA
Ms Pat Naicker	SASSA
Mr Simon Netshifhefhe	SASSA
Mr Shaun Kraut	SASSA
Khulekani Mathe	National Planning Commission
Ms Bridgette Gasa	National Planning Commission