

Chapter 15

Social Security Within a Regional Context



15.1 Background

Addressing social needs and problems by way of social protection measures within the region is of paramount importance to achieve the goals and aspirations of economic and social integration and co-operation. As stark differences in the quality of life are the driving force behind human migration, a regional approach on social collectivity and equality is therefore in South Africa's interest. Effective measures should be put in place to ensure compliance with treaties and the protocols.

A distinct social security paradigm is also necessary in order to regulate at a regional level social insurance measures for particular categories (e.g. the employed) and, with this purpose in mind, to develop measures of co-ordination in the region. Finally, it may be necessary to develop baseline standards that apply across the board in the region, but are implemented with reference to the particular socio-economic status of each of the member countries. These baseline standards may rely on either internationally accepted norms and/or generally applicable human rights norms.

Analysis of regional aspects highlights, amongst others, the extent of the inadequacy social security arrangements in the region (table 15). Studies in the region further indicate the apparent failure of domestic social security measures to address poverty alleviation meaningfully. Social inclusion and participation is not an option for large numbers and significant categories of people. This flows from the fact that most country specific social security systems cater exclusively for the whole or part of the formally employed, thereby marginalising the non-employed workforce, the

self-employed, the informally employed, and the unemployed.

In addition, the growing interdependence in the region, and the more extensive migration of the region's workers and residents, suggests the need for a common response.

15.2 Regional implications for South Africa

Provisions in South African social assistance and in some social insurance laws distinguish between nationals and non-nationals.

It is, therefore, necessary, firstly, to consider these distinctions between South African citizens and citizens of other Southern African Development Community member states. Secondly, to develop a common framework and charter on social protection and to ensure a consistent approach is implemented. Thirdly, it will be necessary for South Africa as a SADC member state to engage actively in promoting the social protection dimension of SADC integration and interdependence. Fourthly, active involvement in developing acceptable baseline standards in the area of social protection for the region is required. These standards should be implemented with reference to the particular socio-economic status of each of the member countries, as suggested above.

Finally, it will be necessary for South Africa to adopt measures aimed at co-ordinating its social security system with those of the other SADC member states. This can be done either bilaterally and/or (preferably) multilaterally.

Table 15
Social security systems in Southern Africa, a comparative assessment

Type of Scheme	Contingencies	Bot	Les	Mal	Mau	Moz	Nam	RSA	Swa	Tan	Zam	Zim
Mandatory Savings schemes (mainly by way of National Provident Funds) (being replaced)	Old age								X	X	X	
	Disability								X	X	X	
	Death								X	X	X	
Non-Contributory Schemes	Old age	X			X		X	X				
	Disability				X		X	X				
	Widowhood				X							
	Orphanhood/Children				X			X				
	War veterans	X					X	X				
Social Insurance	Old age				X	X		X		X		X
	Disability				X	X		X		X		X
	Survivorship/Death				X	X	X MSD	X UIF		X		X
	Sickness					X	X MSD	X UIF				
	Unemployment							X UIF				
	Maternity						X MSD	X UIF				
	Adoption							X UIF				

Note: X denotes the existence of a scheme.

15.3 Findings

It is clear from the analyses above that most of the social security schemes across Southern Africa mainly focus on protecting people who are employed in the formal sector. Coverage of targeted populations tends to be narrow, excluding the most vulnerable across the region, in particular those in rural areas, without any form of social protection. The benefits paid by many schemes are inadequate to meet basic needs. In the case of non-contributory schemes, a heavy reliance on general tax revenues strains Government financing, keeping benefits at low levels in most countries. Moreover, the social welfare schemes (or non-contributory schemes) are still in an embryonic stage, and the number of beneficiaries has been low as well as the benefits.

It is also clear that the systems, as is the case with the underlying socio-economic,

administrative and political profiles of the countries, are hugely diverse in nature. This, of course, makes it difficult to develop baseline standards for the region and to adopt measures to co-ordinate the various country social security systems. This is exacerbated by the fact that many of the country systems have not been well researched.

Co-ordination of social security is presently almost totally absent in the region. The few examples that do exist do not function satisfactorily, while attempts to enter into more comprehensive arrangements still have to bear fruit.

Administrative inertia and inefficiency in the area of social security delivery are, with some notable exceptions, apparently major obstacles. And yet it would appear that tailor-made solutions, for example, relying on NGOs and traditional authorities, to assist in this regard, have been relatively successful.

Most of the countries in the region have embarked on restructuring processes. Some of these have already yielded interesting results, such as a clear transition from national provident fund to pension fund systems and the introduction of short-term benefits as a first step towards developing the social security system holistically. More research and policy analysis is required to understand the role and function of informal social security mechanisms and how they link to the formal system in the region as a whole.

The aim of economic integration as is evident in most of the protocols and the resultant movement of labour from one SADC country to another, requires that provisions be adopted to co-ordinate current social security systems in the SADC countries. Although the Charter of Fundamental Social Rights contains more direct provisions in this regard, specific standards still need to be developed to assist the member states to fulfil their duties as expected at a regional level.