

Launch of Lesotho's National Social Protection Strategy

Nicholas Freeland and Bazlul Khondker

On 4 February 2015, Lesotho formally launched its new National Social Protection Strategy (NSPS).

Other governments, in Africa and elsewhere, would do well to take notice, because Lesotho – in the formulation of its NSPS as in many other aspects of its social protection policy – is something of a pioneer.

Lesotho is a small, land-locked, mountain kingdom ranked 158th out of 187 countries in the UN's Human Development Index. It faces many huge challenges. It is characterised by pervasive poverty, low life expectancy, weak economic growth and highly skewed wealth distribution. In 2010, an estimated 57% of households (representing over a million Basotho) lived below the basic needs poverty line of US\$1.08 per day, and 34% (some 650,000) lived below the food poverty line of US\$0.61 per day. Fully 84% of the population are vulnerable to poverty.

The depth of poverty has barely changed over the past decade, suggesting that the poor on average are no better off, in relative terms, than in 2002/03. Furthermore the depth of food poverty has increased, suggesting that the very poorest may, in fact, be worse off now than in 2002/03. Income distribution is extremely unequal, with a Gini coefficient of 0.53 in 2010, one of the worst in the world. Child malnutrition is very high (across the wealth distribution), with 39.2% of children stunted and 14.8% severely stunted. Primarily as a result of the ravages of the HIV/AIDS pandemic, life expectancy has fallen to 48 years.

Yet in spite of (or perhaps because of) these challenges, Lesotho has established itself at the very forefront of enlightened social protection. Some of its many achievements to date in this area include:

- **Old Age Pension:** uniquely among low- and lower-middle-income countries in Africa, Lesotho has a universal old age pension, for 83,000 of its citizens over the age of 70. This has proved to be an excellent example of the political economy of universal programmes. Introduced (against the advice of international financial institutions as being "unaffordable"), the pension has seen its popularity – and hence the value of its transfer – increase dramatically over the past decade: the monthly transfer began at M150 per month, and is now M450 (US\$40) per month, with a further increase to M500 (US\$45) per month announced in the recent budget.
- **Child Grant Programme:** the Government of Lesotho has recently assumed full responsibility for funding all transfers under its more recent child grant programme, and has expanded this to cover a total of 80,000 children, in every district in the country. Adoption by the Government again represents a unique case in Africa of the Government taking over (and scaling up) a donor-initiated pilot, within the space of only a few years of operation.
- **Ministry of Social Development:** in 2012, a dedicated Ministry of Social Development was created by spinning off the Department of Social Welfare from the Ministry of Health. Since then, the Ministry has been further empowered and capacitated, with support from development partners. It has been given responsibility for a number of core social protection programmes (child grant, OVC bursary and public assistance) and is tasked with coordinating all other social protection interventions implemented by other ministries.

- **NISSA:** Lesotho's National Information System for Social Assistance (NISSA), which began as a tool of the child grant programme, now includes information on over a quarter of all households in the country. It has the potential to become a single registry for all social assistance (and social security) programmes, with plans to link it directly to Lesotho's new national identity system which is being rolled out by the Ministry of Home Affairs between now and 2016.
- **Social care workers:** Lesotho is comparatively well-placed in the availability and qualifications of its front-line social care services. It already has over fifty qualified social workers (approximately five per district), with many of them having graduated through the social welfare course offered at the National University of Lesotho. It is in the process of increasing the number of auxiliary social welfare officers from 35 to 75, with the aim of having one auxiliary responsible for each community council in the country.
- **Government expenditure:** The level of fiscal commitment by Government to social protection is unparalleled in sub-Saharan Africa: a 2012 World Bank review calculated that 9% of GDP (or 16% of Government expenditure) was spent on social transfers in 2011, the most recent year for which a complete dataset is available. Even excluding non-core "secondary" programmes, the Government spent over 4% of GDP (or 7%-9% of Government expenditure) on core social protection instruments, and over 7% of GDP if the tertiary bursary is included.

Following on from these notable achievements, Lesotho's NSPS continues to set a benchmark for other countries, both in terms of its conceptualisation, and in terms of its practicality.

In terms of its conceptualisation, one key feature is its adoption of an inclusive life-course approach. The social protection systems of most countries gradually evolve to address the risks and challenges across the life-course, which reflects the reality that all citizens are exposed to different vulnerabilities through the course of their lives, and that social protection has to be responsive to these differing vulnerabilities. The NSPS recognises that, whilst a focus on current destitution may address the symptoms of poverty, a focus on life-course vulnerabilities will address its underlying causes. The NSPS is thus structured around four key life-

course stages (pregnancy and early childhood; school age and youth; working age; and old age), plus the two dimensions of shocks and of disability/chronic illness that may impact at any stage of the life-course.

The NSPS sets out a comprehensive integrated suite of core programmes to address vulnerabilities throughout the life-course, as follows:

- a universal infant grant, phased in over four years, to all pregnant women and mothers with under-2s, linked to a range of complementary health and nutrition interventions;
- a scaled-up, but still poverty-targeted, child grant, phased progressively to all extreme poor households with children (approximately 30% of households);
- first steps towards the implementation of a national seasonal employment guarantee scheme to offer public works to the working age poor who need it, and establishment of a basic set of social security benefits for those in the formal sector;
- a continuation of the universal old age pension, though with a reduced age of eligibility, integrated with a mandated contributory pension for all those in formal employment and a voluntary top-up pension for those who wish to make additional savings for their old age;
- a disability grant, phased in over four years, to all those with severe disabilities;
- a reformed discretionary public assistance grant to vulnerable households requiring short-term, reactive, temporary support, estimated at the current level of approximately 0.5% of the population.

Within its life-course framework, the NSPS also identifies existing complementary programmes in other sectors (such as school feeding, nutrition support, free education and healthcare, etc.) that – while not core social protection – nonetheless have a secondary objective of providing a degree of protection against deprivation and risk, and to which the NSPS will build strong linkages.

Indeed, one practical benefit of structuring the NSPS around the life-course framework is that it facilitates such coordination: it becomes possible to identify a manageable number of key collaborators, both in Government and among development partners and NGOs, whose focal areas, mandates

and expertise correspond to each life-course stage. Thus, rather than relying on one single committee with a cumbersome multitude of members, it would be possible to have multiple sub-committees with just a few relevant ministries and development partners involved: for example the Ministry of Health and UNICEF for pregnancy/early childhood; the Ministry of Education and the European Commission for school age/youth; the Ministries of Labour and Agriculture, ILO, FAO and the World Bank for the working age; and so on.

Another unusual practical feature of Lesotho's NSPS is that it goes much further than simply establishing a framework. Like most such policy documents, it does set out a broader long-term vision for where the country aims to be in 2025. But – crucially – it also establishes intermediary objectives of where it intends to be by 2018/19, and sets out detailed action plans for the next four years specifying the exact steps required to get there.

It is also fully costed. The total cost of these core social protection programmes at full coverage (i.e. at the end of the first phase of the NSPS in 2018/19) is calculated as M1,275 million, representing 3.92% of GDP, essentially below the equivalent cost of social protection as calculated in 2011, but with significantly greater coherence and increased coverage (estimated at some 41% of the population rather than 23% in 2011). Even assuming the continuation of the two main complementary

programmes (school feeding and OVC bursary) at their current levels, this would push the overall cost to M1,559 million, or 4.8% of GDP – still well below the estimated current level of 7.8% of GDP¹.

Finally, the NSPS process also included some micro-simulation modelling to assess the impacts of the different possible intervention scenarios on the poverty rate and poverty gap. It is calculated that the set of core social protection interventions described above (excluding the complementary programmes) would reduce Lesotho's poverty rate by nearly 15% to 51.3% and the poverty gap by an impressive 40% to 14.0% (from the current 59.9% and 23.8% without social protection respectively). Of the different combinations of programmes that were modelled, the one described above was the most cost-effective in reducing the poverty gap. The same package was also the most effective of the three packages modelled in terms of the distribution of benefits to the poorest.

All these practical efforts which have gone into the strategy development process have contributed to the Government of Lesotho's confidence in launching the strategy, and have given development partners clear, detailed and costed action plans of where they might provide funding and support over the short term. As further evidence of its continuing enlightened commitment to social protection, Lesotho's NSPS should be lauded, and perhaps emulated, by other governments in Africa and elsewhere.

¹ As mentioned earlier, the World Bank figure included the tertiary bursary as a "social transfer". This was intended to be a loan, rather than a grant; and the Government has plans to reform it, which would generate significant fiscal space for more progressive transfers: it is reckoned that only 1% of students from the poorest quintile currently gain access to tertiary education.

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About The Authors

Nicholas Freeland and Bazlul Khondker

Nicholas Freeland and Bazlul Khondker are independent consultants in social protection, who had the privilege of being part of the Development Pathways team that was hired by UNICEF and the European Union to help the Ministry of Social Development to develop its NSPS. They greatly enjoyed the experience of working with a fantastic and visionary team in the Ministry, and with the dedicated and knowledgeable staff of UNICEF, the European Union, and the many other development partners who collaborated so enthusiastically in the shared process.

For more information please feel free to get in touch, our contact details are below:

DEVELOPMENT PATHWAYS

Development Pathways
Regus House, Victory Way,
Admirals Park, Crossways,
Dartford, Kent DA2 6QD
United Kingdom

T +44 (0)1322 322213/14
E admin@developmentpathways.co.uk
W www.developmentpathways.co.uk