

# Realizing the Full Potential of Social Safety Nets in Africa

*Regional Study  
Africa Chief Economist  
Office*



# Key Messages



1. Social safety nets expanding as a core part of the social contract in Africa, though coverage remains a challenge in many countries

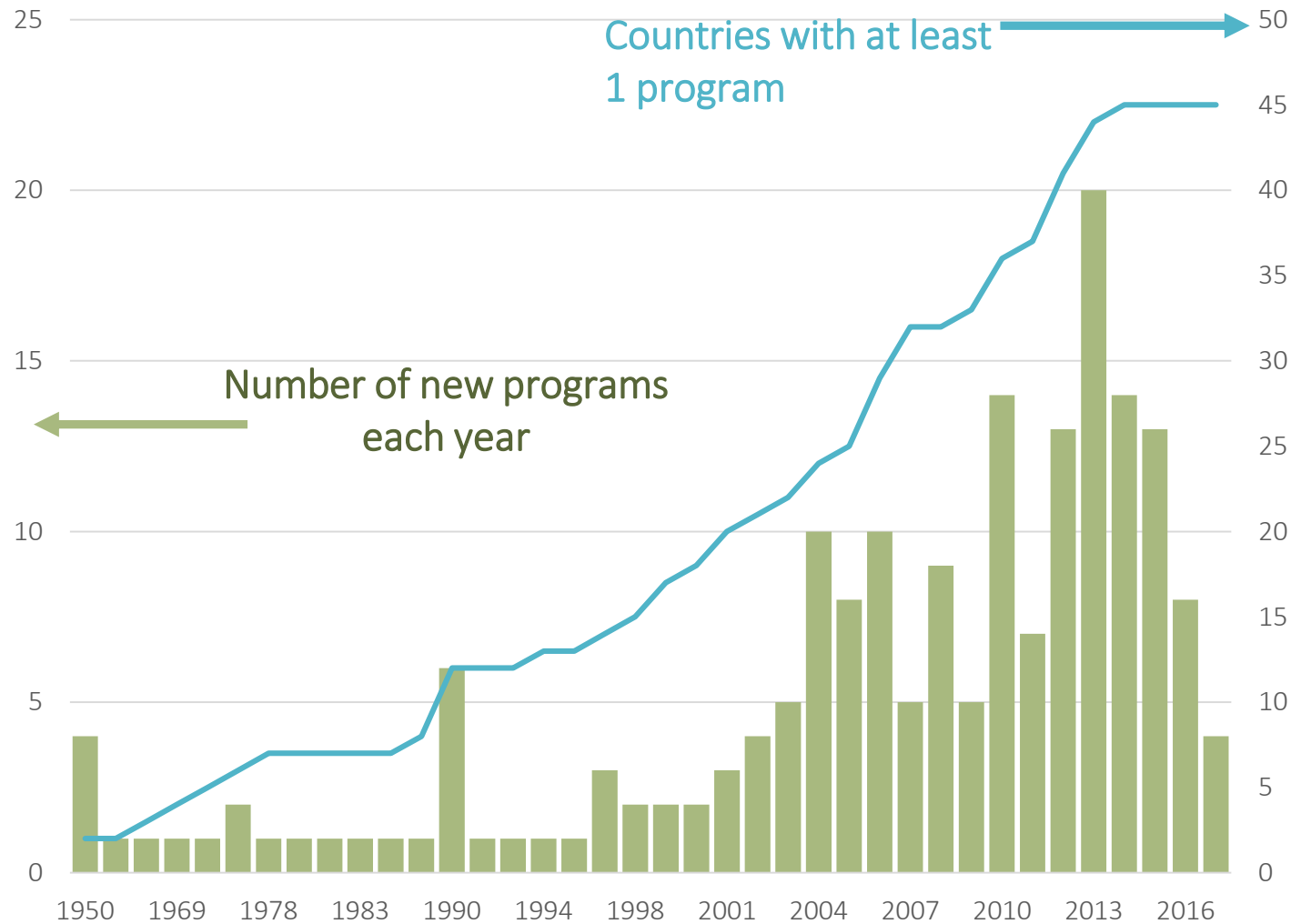
2. A growing evidence base shows how safety nets can reduce poverty, build resilience and increase human capital. Design parameters matter for impact.

3. Reaching full potential means bringing safety nets to scale sustainably. Diverse country experiences show that this requires a focus on **politics, institutions, and financing.**



*Message 1. Social safety nets expanding as a core part of the social contract in Africa*

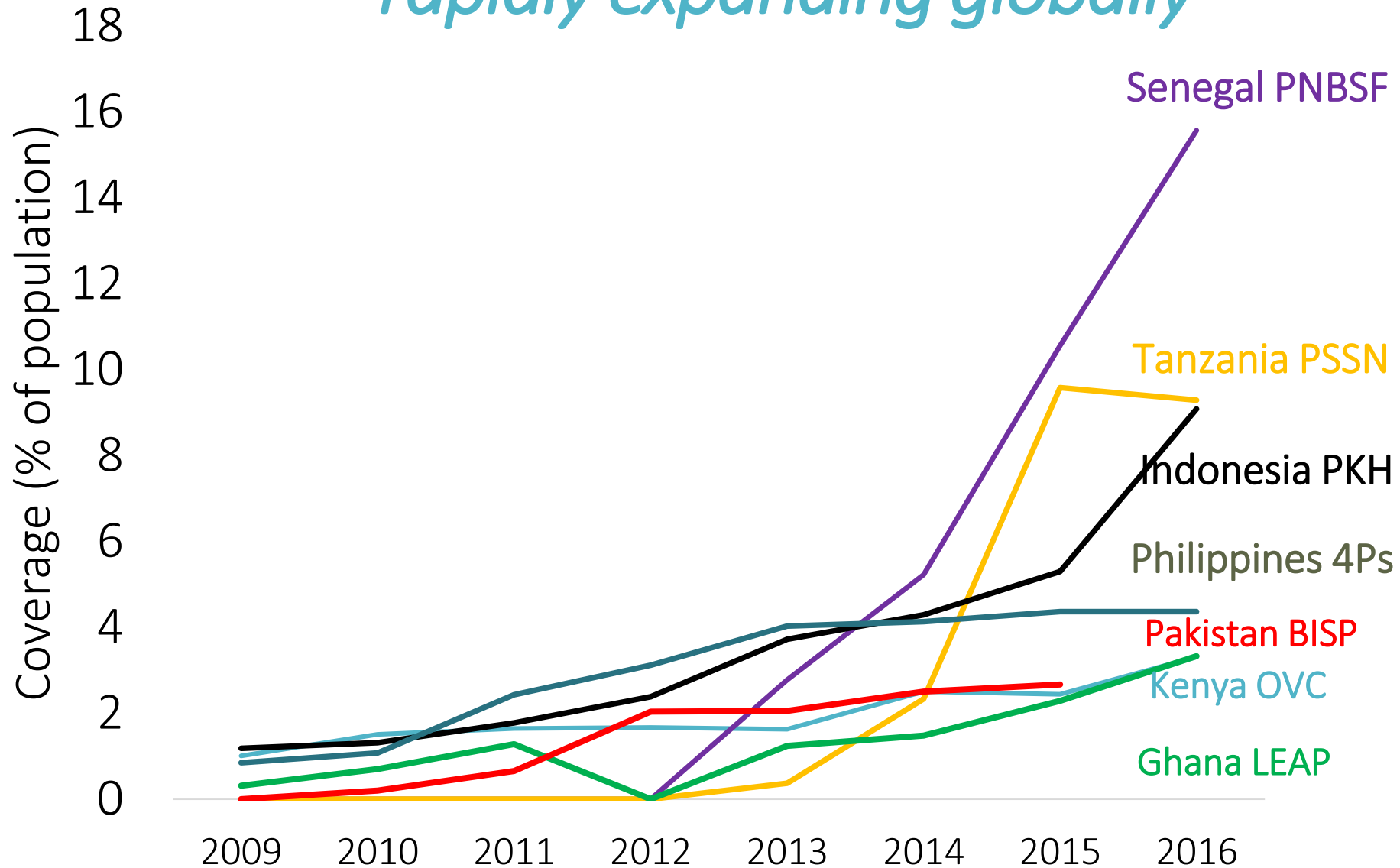
# Rapid expansion in Africa since early 2000s



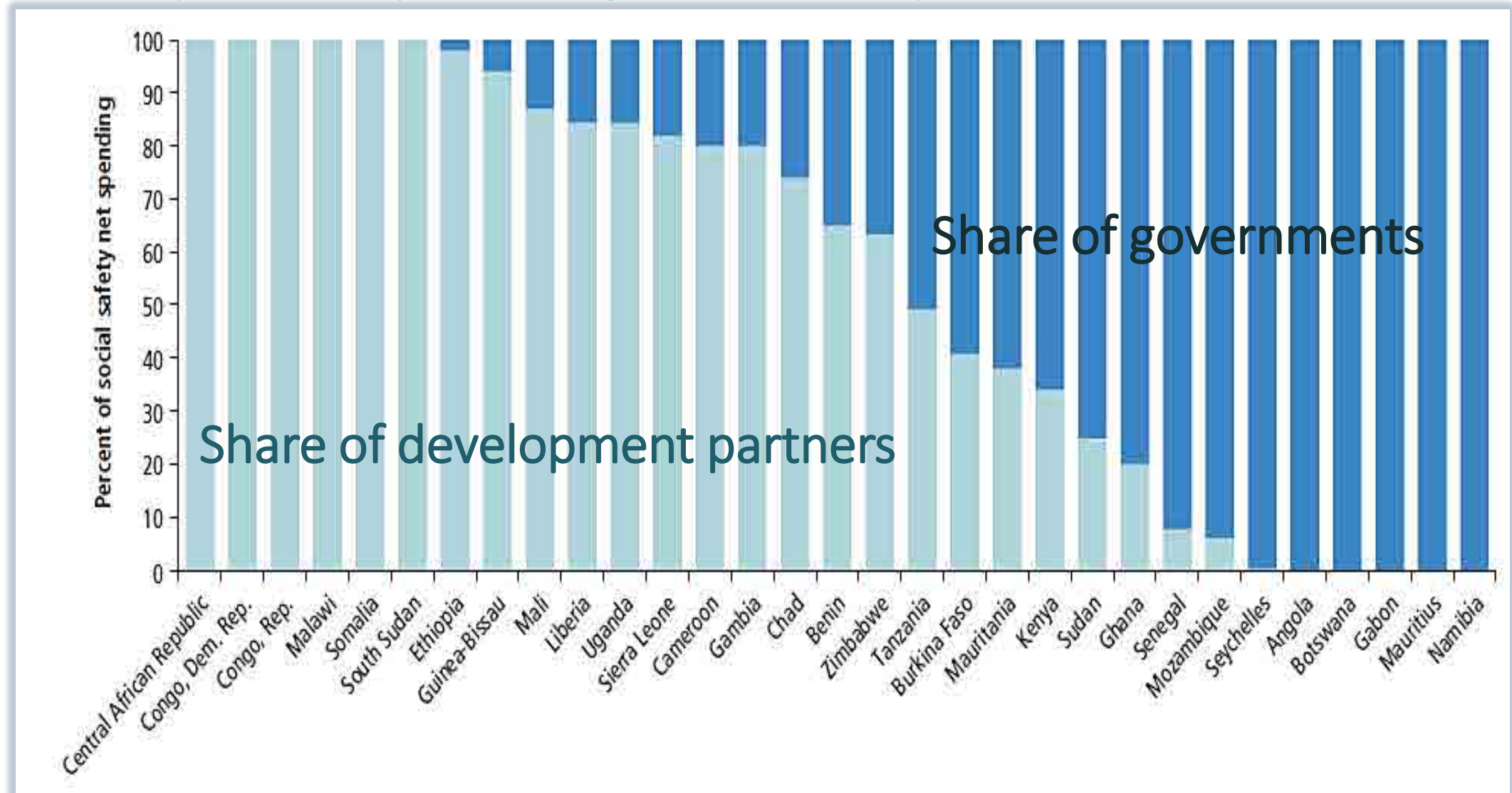
## Growing emphasis on:

- Cash
- Human capital development
- Productive capacity and resilience
- Response to climate or man-made shocks
- Expansion to urban areas

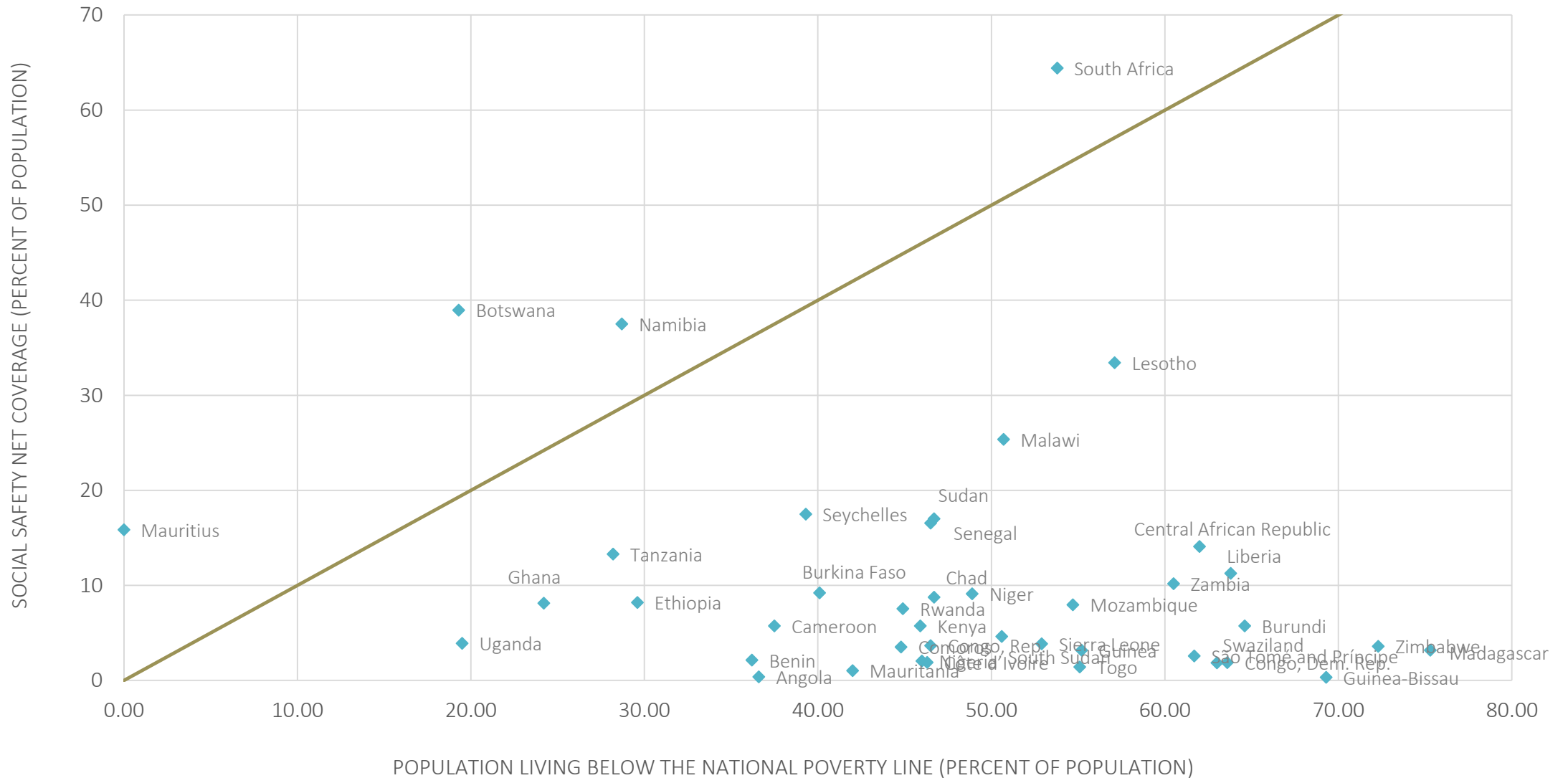
# *Flagship programs in Africa are among the most rapidly expanding globally*



# *National financing is increasing, even if still less than half total spending in most African countries*



# However, coverage not yet proportional to poverty






*Message 2. Growing evidence base shows safety nets can reduce poverty, build resilience and increase human capital*



# 1. Safety nets reduce poverty and empower women

Evidence of role as foundational investment in well being of poorest:

 Consumption increases by \$0.74 for each \$ transferred

 Household do not use the cash on “temptation” goods

 Programs can also boost local economy

 Global evidence on women’s empowerment and reduction in GBV



But impacts depend on design and implementation capacity

## 2. Safety nets contribute to human capital

### Early years

↑ 6% attendance, 7% enrollment  
(esp. upper primary)

↑ 24% increase in health spending

### Youth and adults

↓ Risky behavior

↑ business expansion/own-farm work

↑ productive assets and fertilizer

### Impacts hinge on:

- Comprehensive design and services
- Service delivery
- Behavioral nudges and incentives

➔ Safety nets as entry points to achieve broad range of outcomes

### 3. Safety nets show strong potential to build risk management capacity and boost resilience, even in FCV settings

↑92% in number households who save

↑ 34% productive assets (livestock)

Limited adverse coping strategies (child labor)

Crowding out private transfers limited

Increased design to respond to shocks:

Droughts



Refugees



Build capacity and systems during 'good times'



*Message 3. The path to sustainable social safety nets requires attention to: politics, institutions, financing*

# *Lesson 1: Shifting the social contract is political*

Some events open windows of opportunity

- Droughts (Mauritania), Political crises (Mozambique)
- Economic reforms (Ghana), Health crises (Sierra Leone)

Need to address doubts and misconceptions

- Relevance as instrument of public policy
- “poor are lazy”, “hand-outs”, “money misspent”

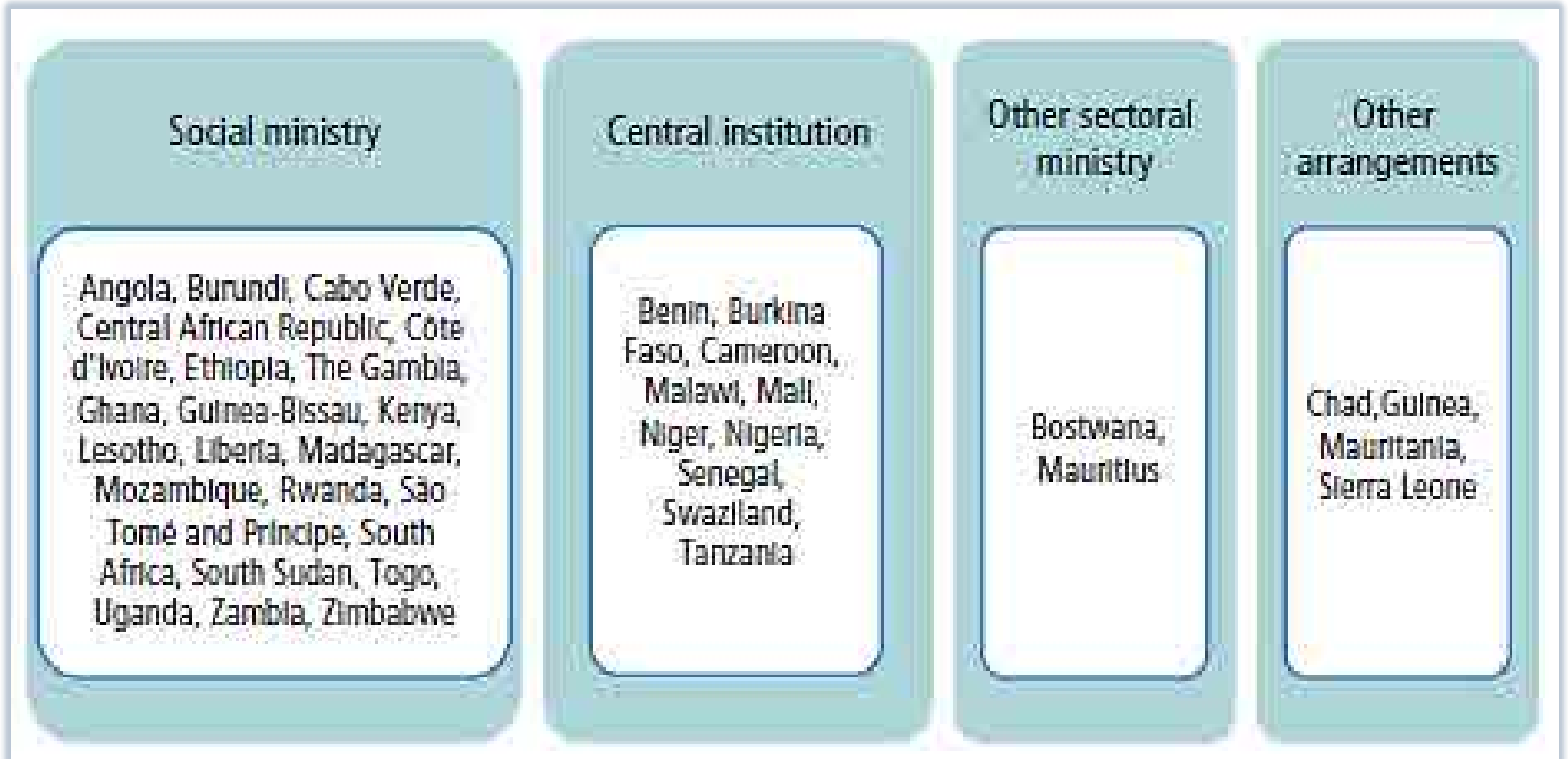
Parameters need to be politically smart

- Conditions/work requirements, time limits/recertification
- Geographic coverage/rollout plan, target population

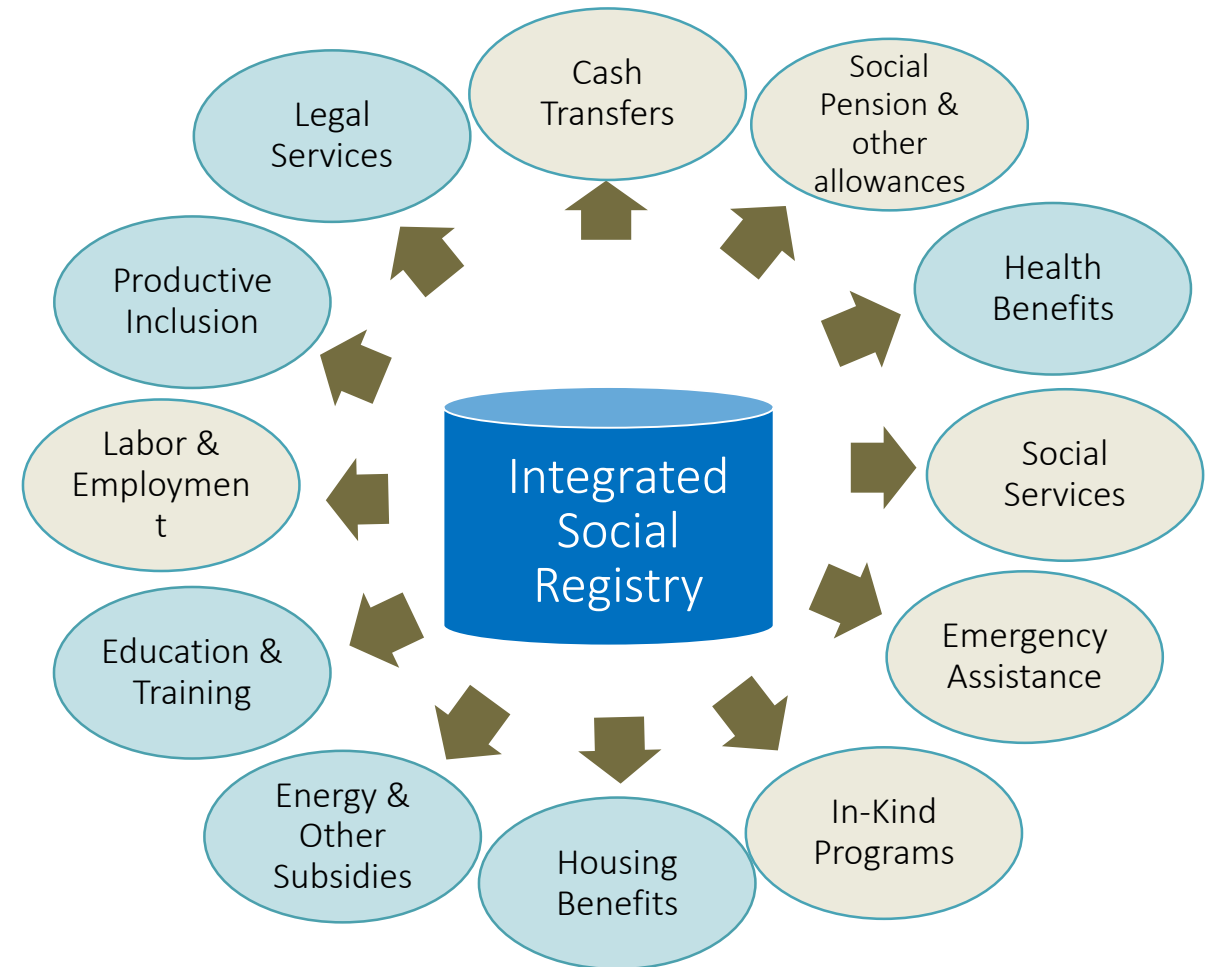
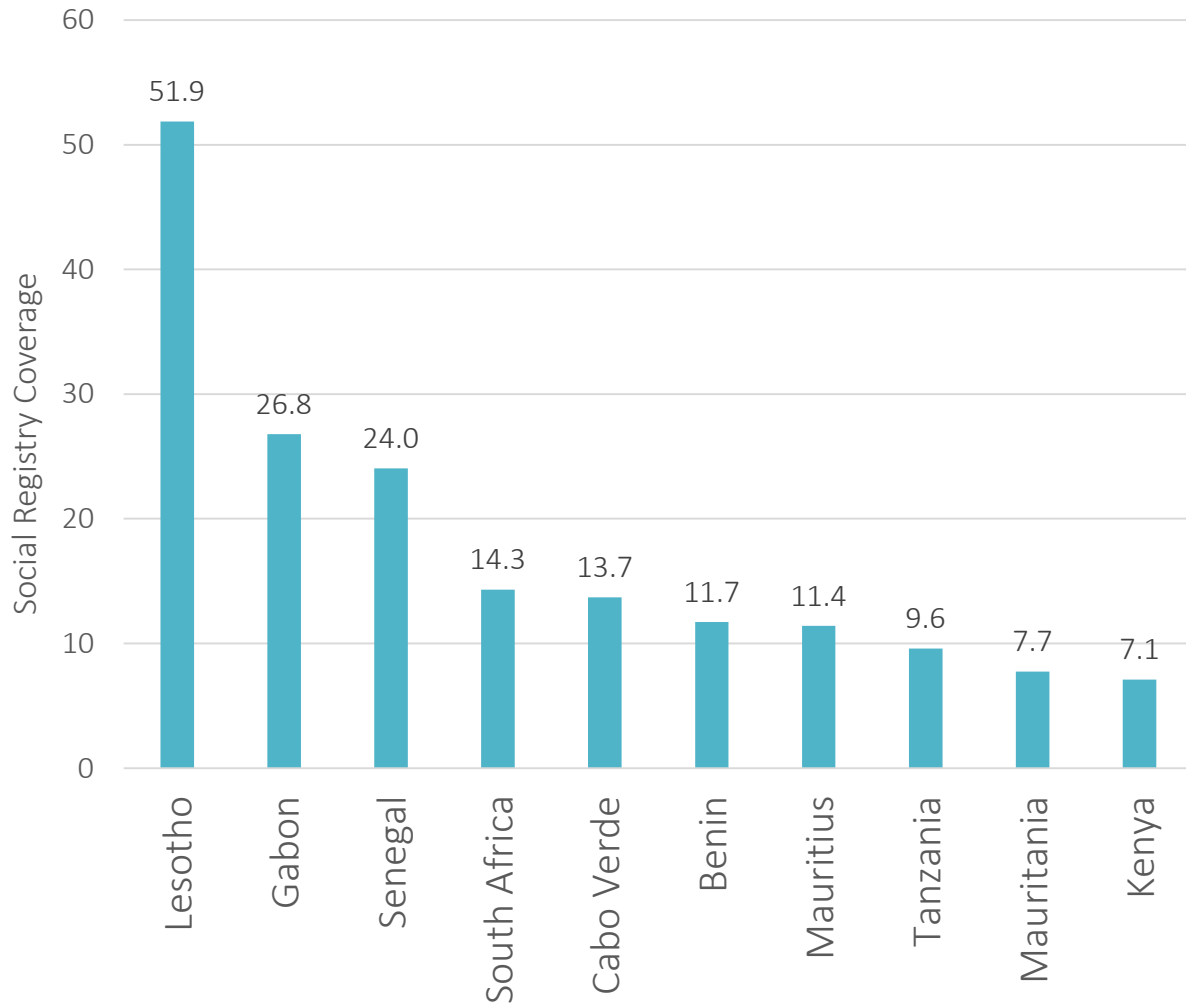
**... voters reward good programs!**

## *Lesson 2: Institutions and systems matter*

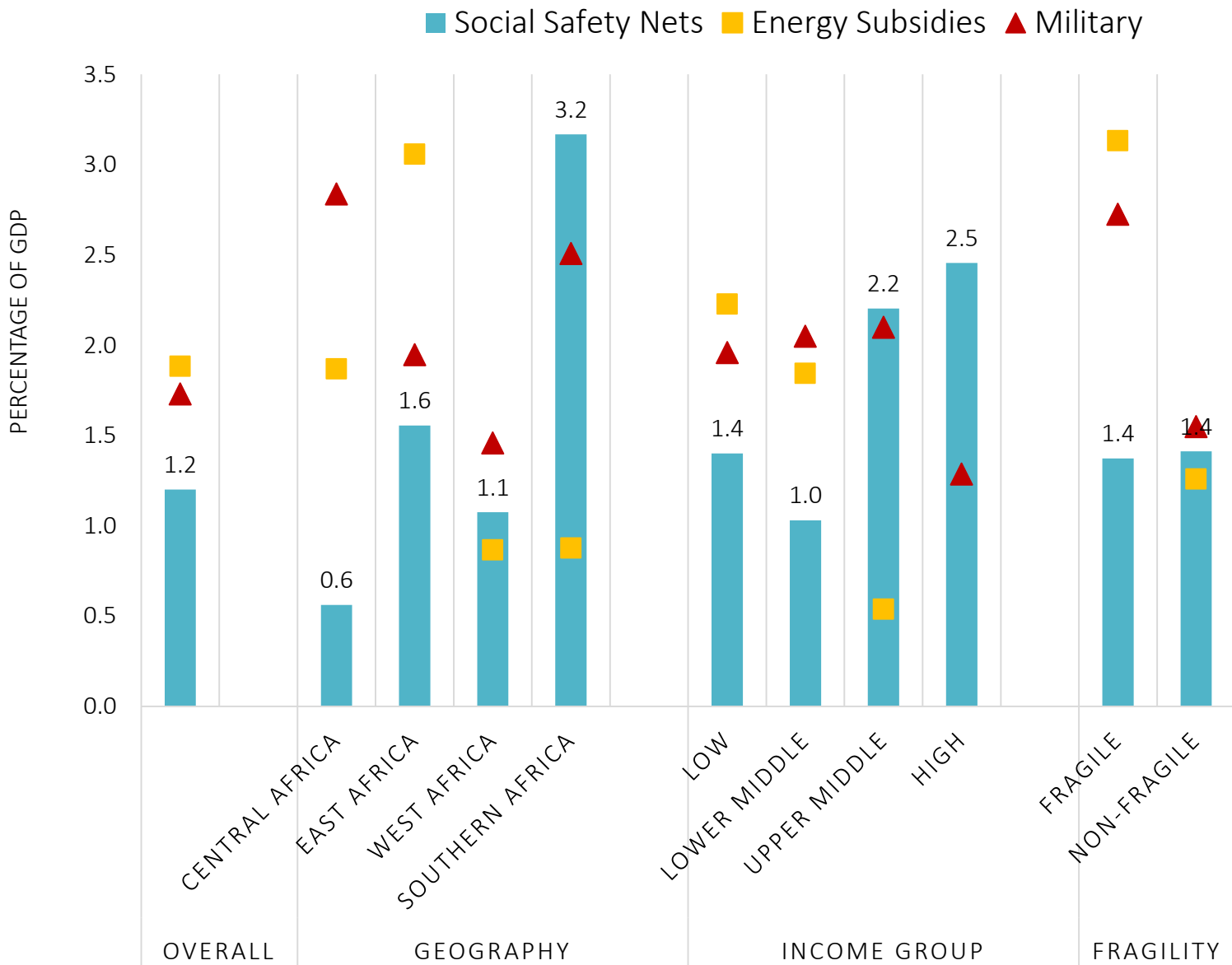
Who leads and coordinates the sector?



# Strong systems for scaling up: registries, payment platforms, providers' network



# Lesson 3: Sustained national resources



## Multiple strategies

- Use resources more efficiently: Scale, targeting, technology
- Allocate (and grow) national budget
- Creative use of new sources: private sector, diaspora, CSR, PPP
- Financing strategy to match the risk profile



# Key Takeaways



Social safety nets expanding as a core part of the social contract in Africa, though coverage remains a challenge in many countries

Evidence shows that safety nets can reduce poverty, build resilience and increase human capital. Design parameters matter for impact.

Reaching full potential means bringing them to scale **sustainably and requires focus on politics, institutions, and financing.**

*Thank you!*

English

<http://www.worldbank.org/en/region/afr/publication/potential-social-safety-nets-in-africa>

French

<http://www.banquemondiale.org/fr/region/afr/publication/potential-social-safety-nets-in-africa>