

Presentation to the HSRC Health Insurance Colloquium:

Framework of Comprehensive Social Protection and Social Programmes

01 August 2007

The Historical Challenge

- The key challenge was to address the legacy of apartheid
- Approximately 60% of Southern Africa's population lived in circumstances of absolute poverty.
- Priority groups affected:
 - Include Children in poverty (in SA) 11 million
 - Caregivers of children in poverty
 - Adults between the ages of 18 and 65 without employment who are not caregivers = 5.6 million
- Access to basic water limited (1994 was 59%)
- Healthcare systems were fragmented with less than 50% having access within 10km of place of residence
- Access to electricity at under 60%
- Less than 10% had both primary and secondary schooling
- Approximately 25% of population was illiterate

Response to Challenge

- The RDP in 1994 outlined the social development policies and programmes to address the legacy of poverty. It comprised five broad programmes: meeting basic needs, human resource development, building the economy, democratising the state and society, and programme implementation through improved coordination and planning.
- In 2000, The Minister of Social Development appointed a Committee of Enquiry into a comprehensive social security for South Africa. Fundamentally, the Committee found that South Africa needed to look beyond social security and adopt a broader framework of social protection.
- The social protection framework resonated with the ideals of the

Response continues...

- In 2003, Govt adopted the concept of a 'Comprehensive social protection' framework in order to *“Provide the basic means for all people living in the country to effectively participate and advance in social and economic life, and in turn to ensure, collectively, at least a minimum acceptable living standard for all citizens.”*
- The comprehensive social protection framework outlines a “package approach” in the context of the three pillars of social security
- The package approach proceeds from the premise that poverty is a multi-dimensional phenomenon, and Govt’s response has to be multi-pronged

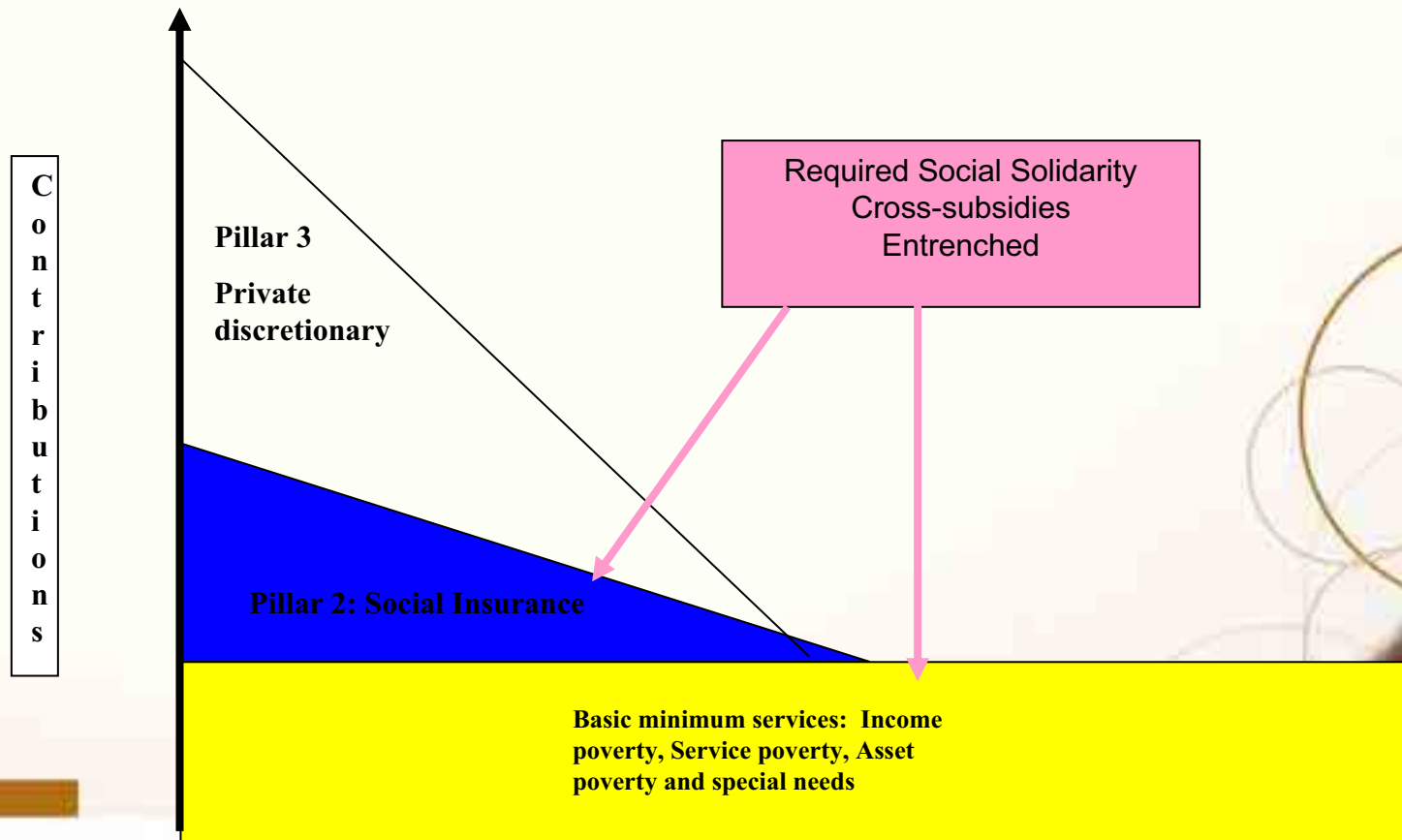
Package of services

- **Income poverty:** the child support, old age are measures to support unemployed & poor households/individuals
- **Service poverty (capability poverty):** Healthcare: Primary & secondary education water and sanitation, electricity, housing
- **Asset poverty:** access to productive and income-generating assets (such as land and credit); access to social assets (such as community infrastructure)
- **Special needs:** measures to assist the disabled, foster care grant, child dependence grant
- **Social insurance:** UIF, RAF, COIDA, etc, private retirement/ life assurance funds, private medical schemes in their regulation (including risk equalization and employer mandates)

Government's 3 pillar social protection framework

- ***Pillar 1:*** social assistance and the social wage
- ***Pillar 2:*** social insurance - those who can afford must contribute in a system based on social solidarity to protect against unemployment, sickness, disability, old age, accidents and death
- ***Pillar 3:*** voluntary contributions for benefits over and above pillars 1 & 2, e.g. additional retirement savings

Three Pillar Concept



Social Programmes: Progress

Social programmes find expression in the following government interventions:

1. Income security – aimed at providing safety nets, both non-contributory and contributory
2. Basic services and other non-financial transfers – what has been termed a social wage, consisting of free basic municipal services like water, electricity, sanitation and other social services such as free education and primary health care for the poor
3. Access to assets – such as Housing and Land

NB: These social programmes are complemented by economic interventions, HRD strategies and Social Cohesion initiatives



social development

Department
Social Development
REPUBLIC OF SOUTH AFRICA

"Building a caring society. together"

Social Assistance

- Govt provides income support to more than 12.7m beneficiaries of which 8,4 million are children. Total cost constitutes 3.2% of GDP
- The majority of eligible target groups are registered
- Govt established the Social Security Agency to ensure efficient and effective delivery of social security benefits
- Govt continues to enhance the integrity of the system and the delivery of beneficiary

Social Insurance

- Expanded UIF coverage to Domestic and Farm workers - more than 1million persons
- Improved UIF governance and service delivery – Accumulated reserves of R19b
- Completed a thorough review of retirement provisions
- Membership to medical schemes has increased through regulation that prohibits risk selection,
- Govt has established the GEMS,
- Cross subsidization has been enhanced and regulatory oversight by a stronger Medical Schemes Council



social development

Department
Social Development
REPUBLIC OF SOUTH AFRICA

"Building a caring society. together"

Social wage

Water & Sanitation:

- 74% of the population has access to Free Basic Services
- Access to water increased from 59% in 1994 to 86% in April 2007
- Access to Sanitation increased from 50% in 1994 to 71% of households by April 2007
- Bucket Eradication on target

Social wage

Health & Education Services:

- Free Health Care for children under 6, Pregnant and for lactating women, and for people with disabilities
- Free Primary Health Care for all
- 1600 clinics built or upgraded since 1995
- 11 New hospitals built since 1998
- 5 996 050 learners in 18 039 schools are benefiting in the Nutrition Programme

- Department of Education is rolling out no School Fees Policy

Acquiring & Building Assets

Housing & Human Settlements:

- 2.35 M houses delivered since 1994
- 59 314 Hectares Of Land Transferred To Households

Community Assets include:

- School sites
- Clinics,
- Community Halls,
- Taxi Ranks,
- Community roads

Conclusion

- Overall, good progress has been made in the delivery of social assistance, free basic services, education, housing, healthcare, etc,
- Social protection in the form of the various social services or programmes are part and parcel of the countries anti-poverty framework and strategy
- The social programmes referred in this presentation account for an estimated at 60% of government expenditure, which constitutes the country's biggest investment in people
- The finalisation of the work in health insurance will be a fitting end to government's efforts of creating a better life for all, and giving effect to the ideals expressed in the

Thank you



social development

Department
Social Development
REPUBLIC OF SOUTH AFRICA

"Building a caring society. together"