

SOCIAL ASSISTANCE BUDGET BRIEF

2018/2019



This budget brief is one of four that explores the extent to which the national budget addresses the needs of children under 18 years in the Kingdom of Eswatini. This brief analyses the size and composition of budget allocations for the fiscal year 2018/19, and offers insights into the efficiency, equity and adequacy of past spending in the social protection sector. The main objectives of the brief are, firstly, to synthesize complex budget information so that it can be easily understood by all stakeholders and, secondly, to put forth key messages which can inform policy and budgeting decision-making processes.

KEY MESSAGES

1

Spending on social assistance is currently negligible. There is a clear need for a more extensive social welfare safety net given the very high rates of poverty and high levels of disaffected populations. As a first step, the government must follow through on its commitment to develop a social assistance and social security strategy. This will require a costing exercise to identify the fiscal outlays necessary to provide adequate protection to the country's most needy.

2

In the current social protection system, benefit levels often vary between programmes and bear little relation to the poverty needs. This situation is exacerbated by the fact that benefit increases are distributed in a discretionary manner. The government must link all of its social assistance programmes to a needs basis. The poorest quintiles must first be prioritized.

3

The OVC grant for children, according to the 2016/17 Eswatini Household Income and Expenditure Survey, only covers 19 per cent of households. Yet 60% of all children in Eswatini are classified as vulnerable and 71% of these are orphans and vulnerable children (OVC). Fiscal resources need to be reallocated from non-priority sectors to cover the full costs of reaching all children in need.

4

The other OVC education grant is education based and is not strictly a social assistance programme. Additionally, the OVC grant needs to be increased to cover the full costs of education for all children and should be extended to also cover early childhood education.

3

Currently there is no social safety net in place for persons who are unable to work but who are of employable age. The government should urgently develop a programme which protects these people as well as providing income generating opportunities so that they may not be dependent on hand outs for their whole adult lives.

4

The elderly grant is a welcome initiative and may undoubtedly indirectly benefit many children. However, it is estimated that 55% of poor children do not live with an elderly person and hence do not benefit from this grant. A programme specifically targeting children is needed to address and contribute towards reducing child poverty.



INTRODUCTION

The social assistance and social security system are currently undergoing reforms aimed at enhancing effective coordination and monitoring. Currently these activities fall under the Deputy Prime Minister's Office (DPMO). These are broadly termed social welfare services. There is no distinction at present between social welfare and social assistance. The government does not currently have plans to develop a social protection system.

There are currently no plans to introduce a social protection strategy; however, plans are in place to develop a social assistance and social security strategy. At present, guidelines for the government fall under the National Development Strategy and the National Plan of Action (NPA). The NPA confirms rightly that economic growth is not sufficient to reduce poverty rates of 58.9% of the population (see Table 1), but that a strong and comprehensive social welfare system should also be in place to protect the unemployed, the injured, the poor and those vulnerable through age or disability.

Current responsibility for social assistance falls under the direction of the DPMO. The DPMO is responsible for providing comprehensive, appropriate and acceptable social welfare services. Welfare services should empower socially and economically disadvantaged citizens to be self-reliant, protected from adverse shocks and able to contribute meaningfully to the socioeconomic development of the country.

However, there are only four current social assistance programmes which are largely underfunded and one of the programmes is for education and not strictly a social assistance programme.

THE NATIONAL SOCIAL DEVELOPMENT POLICY OF THE GOVERNMENT OF ESWATINI (NOVEMBER 2010) CONTAINS THE FOLLOWING MISSION AND POLICY STATEMENT:

Mission: The provision of integrated, comprehensive and equitable social development services, in partnership with key stakeholders, to improve the quality of life of the Swazi nation, particularly its poorest and most vulnerable members.

Policy Statement: It is national policy to support and strengthen families through social services and benefits, to enable all families to meet minimum standards of well-being and livelihood, to strengthen their ability to cope with setbacks and to enable them to rise above poverty and vulnerability.

The above mission and policy statement underline the government's commitment to focus social interventions on the well-being of families and to lift the poorest and most vulnerable population out of extreme poverty. Given that the National Social Development Policy is highly outdated, and the confirmed development of the National Social Assistance and Social Security Policy is still in its infancy, it is difficult to draw conclusions about progress in this area.

THE FOUR SOCIAL ASSISTANCE PROGRAMMES ARE:



THE OLD AGE GRANT



THE DISABILITY GRANT



THE OVC CASH GRANT
(PILOT PROJECT)



THE OVC EDUCATION GRANT

CHALLENGES

The average share of children in all households is 49%, while the share of children in households which are extremely poor and also labour constrained is 66%. At the same time, the share of able-bodied people in the working age (potential breadwinners) is 36% in all households, while the extremely poor and labour constrained households have a share of only 15%. This means that 85% of household members are dependents (children, elderly or disabled persons). The average dependency ratio is as high as 5.7 in poor households, while the average dependency ratio of all households is only 1.8.

It is also significant that the share of children in the age groups 4-11 years and 12-16 years is much higher in the poorest households than the national average. Protection of these most vulnerable populations is urgently required through social assistance interventions.

In addition to monetary poverty, children and people in Eswatini suffer from numerous deprivations that are partly resulting from monetary poverty and partly from the lack of access to basic social services. These deprivations differ with regard to age groups and are overlapping. In 2017, the government and UNICEF commissioned the Social Policy Research Institute (SPRI) to measure multidimensional child poverty in Eswatini using the multiple overlapping deprivation analysis (MODA) methodology and utilizing MICS 2014 to provide the empirical data for analysis. Using a cut-off of deprivation in four dimensions, the analysis found that 56.5% of all children in Eswatini are multidimensionally poor.

Given these alarming statistics, children and other disaffected populations should have a special priority under the new strategy. A total of 60% of the children in Eswatini are classified as poor, with 71.0% orphaned or vulnerable (Table 1). Government is committed to supporting the young – particularly the OVC – the elderly and the disabled. In order to achieve this objective, government's expenditure prioritization needs to take this into account and support a social welfare system that is child-sensitive, equitable, efficient and fiscally-sustainable.

TABLE 1: SELECT SOCIOECONOMIC AND SOCIAL PROTECTION INDICATORS

INDICATOR	VALUE	INDICATOR	VALUE
Total population (2018)	1,139,370	National poverty rate (2017)	58.9%
Population growth rate	1.2%	Child poverty rate (2013)	70%
Children under 18 (2018)	568,656	Extreme poverty (2017)	20.1%
Children as % of population (2018)	49.9%	Multidimensional poverty rate for children (2018)	56.5%
OVC as a share of all children (2018)	71.0%	% of households receiving OVC grant	19%

*Sources: UNICEF (2013) Child and orphan poverty in Swaziland; UNDP Human Development Report (2016); World Development Indicators (WDI) database (2018); UNICEF (2016) State of The World's Children; Eswatini Household Income and Expenditure Survey 2016/17; UNICEF SCO data (2018)**

SOCIAL PROTECTION SPENDING TRENDS

During the Budget Speech for 2018/19, the government made a number of commitments to support social assistance and social protection. These initiatives are not found in the current budget book for 2018/19.

1. Support to over 86,000 *bogogo nabomkhulu*,¹ with a total allocation of E417 million. A portion of this allocation is to cater for new beneficiaries.
2. Government is developing an integrated social protection system with assistance from the European Union and other development partners. This system will ensure sustainability of social protection for all vulnerable groups in the country.
3. Under the Education Fund for Orphaned and Vulnerable Children, government has decided to continue to provide for those children that graduated from Grade VII. E190 million has been allocated for this purpose.
4. Government has allocated an amount of E170 million for the DPMO.²

According to information from the Department of Social Welfare, under the DPMO, Eswatini currently implements four social assistance programmes (see Table 2). The Old Age Grant and the Disability Grant are unconditional cash transfer programmes. The OVC cash grant is a pilot programme, which is donor funded until September 2018. The OVC education grant is a bursary of E1,950 for secondary and high school education that targets poor OVC and is directly paid to the schools.

The Old Age Grant is supposed to be provided to all citizens of Eswatini once they have reached the age of 60 years. With 69,697 beneficiaries and monthly transfers of E400 per beneficiary, the Old Age Grant is by far the biggest social cash transfer programme in Eswatini.

The Disability Grant has only 4,744 beneficiaries, pays a monthly transfer of E180 and stopped registering new beneficiaries some years ago.

The OVC grants should be used to cover the full cost of education. In 260 high schools, the government currently covers the cost of tuition, exams and books for OVC students but does not cover the costs of hostels, uniforms, transport, educational trips and extra learning.

¹ *Bogogo nabomkhulu* is a siSwati term for the elderly.

² As noted, the DMPO has a number of responsibilities such as disaster risk management, gender affairs and the department of administration. It is not clear which portion of the E170 million is actually for the Department of Social Welfare.



©UNICEF Swaziland 2017/Karin



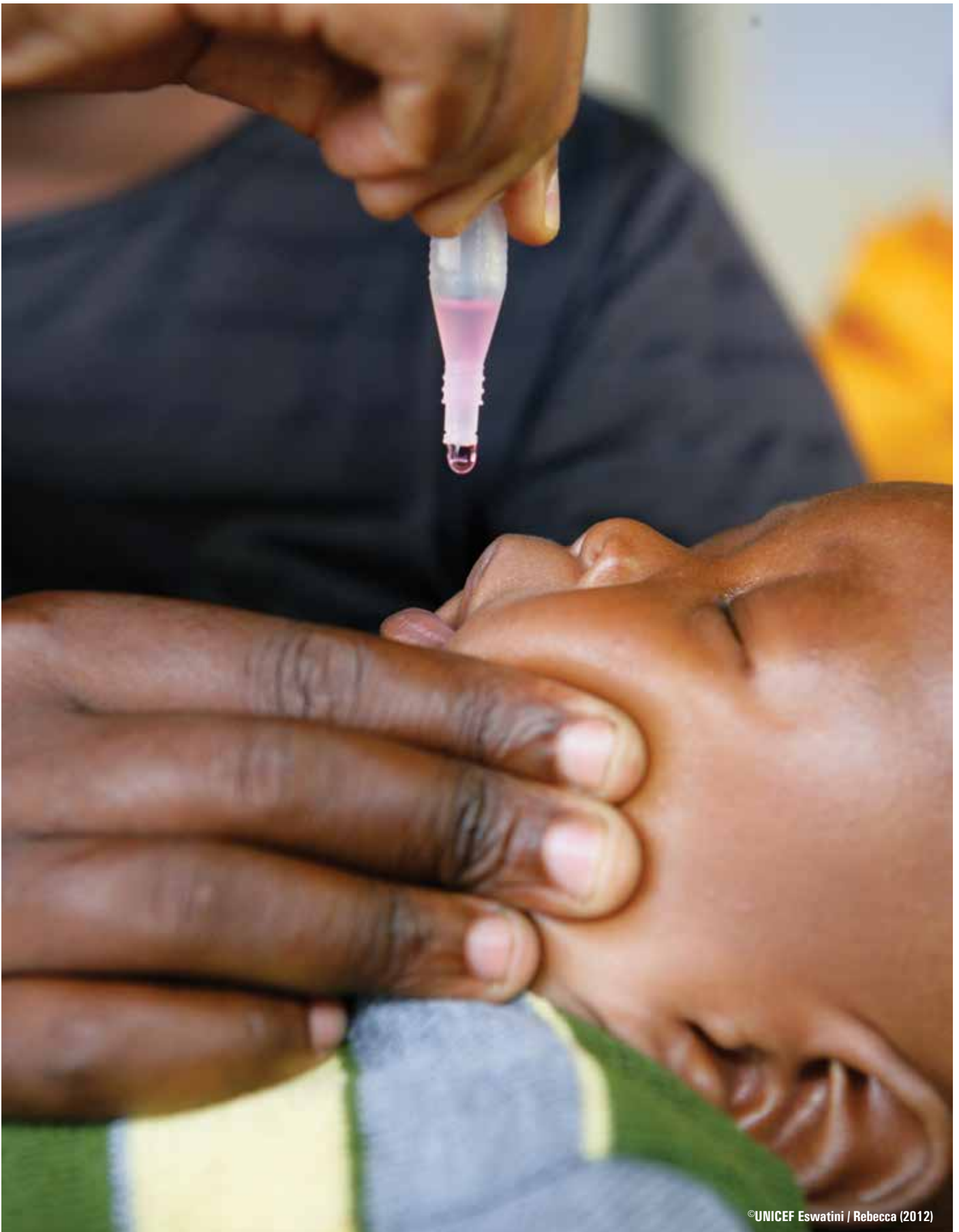
©UNICEF Eswatini / Giacomo 2009

A donor-funded OVC child grant pilot has also been underway in the country since 2016, which provides cash transfers to up to 12,000 children. The amount transferred varies between E100 and E200 depending on the age of the child. This pilot is said to have shown promising results but will expire in September 2018 and there is no plan to extend or expand it.

TABLE 2: MAIN SOCIAL ASSISTANCE PROGRAMMES IN ESWATINI (AUGUST 2018)

NAME OF PROGRAMME	TYPE	TARGET GROUP	TRANSFER VOLUME PER MONTH	NUMBER OF BENEFICIARIES	ANNUAL COSTS IN MILLION E	IMPLEMENTING AGENCY	SOURCE OF FUNDS
Old Age Grant	Universal	People 60+	E400 per month paid quarterly	69,697	350	DPMO-DSW	Government
Disability Grant	Means tested	Poor disabled people	E180 per month	4,744	11	DPMO-DSW	Government
OVC Cash Grant (pilot project)	Means tested	Poor OVC in 4 Tinkhundlas	E100 or E200 depending on age of child	13,506	33	DPMO-DSW	Programme is EU and World Bank funded and concluded in Sept. 2018
OVC Education Grant	Means tested	Poor OVC in 260 secondary and high schools	E1,950 per year	51,000	103	DPMO-DSW	Government

Remark: The data in Table 2 are compiled from DSW statistics. They are not fully comparable with the data from CSO which are based on a sample survey conducted in 2015/16



Financing the Social Assistance Sector

There is no available information on external financing for social assistance in Eswatini at present from the External Assistance Report. The External Assistance Report for 2017/18 does confirm the EU currently has a project worth 6.38 million USD to help develop a social protection system, but this does not fall under social assistance.



©UNICEF Swaziland 2017/Karin

United Nations Children's Fund
3rd floor, UN House
Corner of Somhlolo Road and Madlenya Street
P.O. Box 1859
MBABANE H1000, ESWATINI

unicef 
for every child