

Social Welfare in Africa:
Meeting the needs of households caring for orphans and affected by
AIDS

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SOCIAL PROTECTION INITIATIVES FOR CHILDREN, WOMEN AND
FAMILIES: AN ANALYSIS OF RECENT EXPERIENCES

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ABSTRACT

The dialogue on the necessity for African governments to respond to families affected by AIDS through the provision of social welfare assistance is gaining momentum. The purpose of this paper is to investigate the characteristics of existing codified social welfare policies in countries throughout Africa, and higher orphan prevalence countries in particular, in order to examine how current recipients either include or exclude populations made vulnerable by HIV/AIDS, poverty, and other household shocks. Using multiple sources, the characteristics of government and employer-provided old-age, survivor, and family allowance benefits were examined. Overall, the majority of countries only offer employment-based programmes that are highly exclusionary. Higher orphan prevalence countries have lower per capita GDP, higher unemployment, and the value of benefits appears to be lower in these countries compared to lower prevalence countries. However, four higher prevalence countries have universal old-age pensions, illustrating the growing trend in expanding social welfare benefits. If social welfare assistance is to meet the needs of those who need a safety net, exclusions must be lessened, benefits must be adequate, and a combination of better surveillance, monitoring, and evaluation activities are needed.

INTRODUCTION

Social welfare protection, in the form of insurance and assistance programmes, emerged in Europe in the 1800s in order to provide citizens with an economic safety net during periods of illness, economic hardship, and other shocks (Palacios & Sluchynsky, 2006). Today, nearly every country has some form of social protection developed to provide economic support in times of need (International Social Security Association, 2005). Assistance comes in the form of old-age pensions, survivor benefits, family allowances or other supports. In Africa, social welfare programmes were originally developed in the 1950s and 1960s as a safety net for white workers (Dixon, 1987). Employer-based contributory pensions were the dominant model. Still today, these pensions primarily serve the wealthiest workers who live in urban areas and have secure careers in the public sector (Palacios & Sluchynsky, 2006).

Those who are excluded from these benefits are left to rely upon the traditional safety net of family aid, mutual support, and communal living. For example, in Kenya, the clan system has operated as a labour union would, pooling resources and providing extra support during vulnerable periods (Dixon, 1987). This informal system has eroded however, as countries have developed and urbanized, sources of livelihoods have diversified, family sizes shrunk, and the population aged. Moreover, throughout sub-Saharan Africa, poverty and AIDS have further destabilized households, changed demographic patterns, and orphaned enormous numbers of children (UNICEF, 2006). Consequently, families who are living amidst widespread poverty in AIDS-affected communities struggle to meet the basic needs of surviving children (Miller, Gruskin, Rajaraman, Subramanian, & Heymann, 2006; UNICEF, 2006), with fewer adults able to

provide care. Vulnerable populations face a social protection vacuum when both formal programmes and informal practices fail to provide the safety nets that families need to survive, even though social protection is a proven component in fighting poverty and responding to families overwhelmed by disease or other shocks (Barrientos & DeJong, 2004; Bourguignon, Ferreira, & Leite, 2002; Chronic Poverty Research Centre, 2005; Skoufias & di Maro, 2006). Throughout Africa, social protection programmes could well be mechanisms that enable families to economically survive and help children reach their potential.

The reality that social welfare schemes in Africa exclude more people than they cover has been established (Dixon, 1987; Fultz & Pieris, 1999; Taylor, 2001) and yet there are important reasons to revisit this topic. In last decade, a growing number of countries have expanded or developed new programmes in an effort to reduce poverty and respond to the AIDS epidemic, as well as to invest in human and economic development. Evidence of the growing momentum around social protection schemes include the “Livingstone Call For Action” (2006) where 13 Eastern and Southern African governments pledged to draft costed national social transfer plans within two to three years.¹ In addition, the African Union is driving and supporting efforts to promote the development of better social welfare systems; while heads of states throughout the world, have committed to “building, where needed, and supporting the social security systems that protect [children and caregivers affected by AIDS]” (United Nations General Assembly, 2006).

¹ These countries include Ethiopia, Kenya, Lesotho, Madagascar Malawi, Mozambique, Namibia, Rwanda, South Africa, Tanzania, Uganda, Zambia and Zimbabwe

The purpose of this paper is to investigate the characteristics of existing social welfare policies in countries throughout Africa, and higher orphan prevalence countries in particular, and illustrate how current recipients either include or exclude populations made vulnerable by HIV/AIDS, poverty, and other household shocks. These policies are described and the characteristics of existing social welfare schemes are analyzed in order to facilitate dialogue on how governments, supported by the international community, can improve current welfare schemes and build new systems that are better aligned with the needs of vulnerable populations, in order to provide a meaningful social safety net.

METHODS

Data sources

In order to examine the characteristics of government and employer provided social welfare schemes in 50 African countries; a detailed review of the “Social Security Programs throughout the World: Africa 2005” publication, the International Labour Organization’s NATLEX legislation database, and other sources was conducted.

The SSPTW Africa 2005 publication catalogues the features of social security programmes throughout the continent. The SSPTW is available online at <http://www.ssa.gov/>. The SSPTW is created through a partnership between the United States of America’s Social Security Administration (SSA) and the International Social Security Association (ISSA). The data for the 2005 African version of the SSPTW was collected in January 2005 through the SSPTW survey in which 30 countries responded. It is supplemented by data collected from ISSA's Developments and Trends Annual Survey, the ISSA Documentation Center; the International Labour Office’s legislative database; and publications from social security institutions, as well as from the Organization for

Economic Cooperation and Development, the World Bank, the International Monetary Fund, and the United Nations Development Programme (International Social Security Association, 2005). In all, the SSPTW provides details on programmes in 44 African countries.

NATLEX is The International Labour Office's online database that contains social security and other legislative data for 186 countries and territories. NATLEX is online at <http://www.natlex.ilo.org>. Relevant legislation was searched for using the topics of "Old-age, Invalidity and Survivors Benefit" and "Social Assistance and Services" within the broader "Social Security" category.

In addition, several publications were also consulted, including "Social Assistance in Low Income Countries Database" (Barrientos & Smith, 2005); "Country Program Profiles" from the 'Third International Conference on Conditional Cash Transfers' (Ayala Consulting Group, 2006); "Social Security Schemes in Southern Africa: An Overview and Proposals for Future Development" (Fultz & Pieris, 1999); "Namibia's Social Safety Net: Issues and Options for Reform" (Subbarao, 2000); and finally, "Challenges and Possibilities for Implementation; Policy Choices and Policy Priorities: The old Age Pensions in Lesotho" (Thulo, 2006).

Each of these sources was searched in order to collect pertinent data on the characteristics of existing social welfare programmes. Despite this thorough search, there is still missing information so that the database does not contain data for every category from every country.

Finally, economic and social data was also collected from a variety of sources including the "World Fact Book" (Central Intelligence Agency, 2006); "World Labour

Report 2000”; (ILO, 2000); “2006 Report on the global AIDS epidemic” (UNAIDS, 2006); and “Africa’s Orphaned and Vulnerable Generations” (UNICEF, 2006).

Creating a database and data analysis

A database capturing details on the characteristics of various social welfare programmes was built. These characteristics include: Programme type and level of coverage; information on eligible benefit recipients and exclusions; sources of funding for schemes; the value of benefits; and other programme features.

Using data from all 50 African countries, summary statistics were calculated to obtain averages for the continent as a whole. Next, countries were divided based on their orphan prevalence rate. An orphan is defined as a child aged 0-17 who has survived one or both parents (UNICEF, UNAIDS, & USAID, 2004). Using 2006 orphan model projections from The UNAIDS Reference Group on Estimates, Modeling and Projections (UNICEF, 2006), countries where less than 14% of all children were orphaned were categorized as lower orphan prevalence countries; while those where 14% or more of all children were orphaned were categorized as higher orphan prevalence countries. Social welfare schemes were compared in higher and lower orphan prevalence countries because of the growing childcare burden confronting households, and the particular need for social welfare support in households where an economically productive adult has died or where older persons must absorb caregiving responsibilities. Calculations were conducted using all available values without any procedure for imputing missing data. The SAS Statistical Software Package Version 8.02 was used to calculate t-tests and chi square tests (SAS Institute Inc., 1999). Tests were not conducted when sample sizes were too small to yield meaningful results.

RESULTS

Selected economic, employment, health, and social statistics

On average in 2005, per capita GDP throughout Africa was US\$2,950 (Table 1), which is above the US\$2,268 average among all low-income countries, but significantly below the global average of US\$8,229 (World Bank, 2005). In 2003, GDP per capita in Africa ranged from \$520 in Sierra Leone to \$18,232 in Seychelles (World Bank, 2005). Fourteen countries had per capita GDP below US\$1,000, four of which, Congo Kinshasa, Liberia, Malawi, and Zambia, are high orphan prevalence countries. Per capita GDP was significantly lower in higher orphan prevalence countries than in lower orphan prevalence countries ($p=0.05$).

The unemployment rate in Africa is among the highest in the world, although recent data is only available for 18 out of the 50 countries: 13 lower and 8 higher orphan prevalence countries (Central Intelligence Agency, 2006). Unemployment rates were significantly higher in countries with a greater percentage of orphans compared to lower orphan prevalence countries (44% vs. 17%, $p<0.01$). Throughout Africa, males are consistently more likely than females to participate in the labor force (ILO, 2000). Nearly half of all workers are employed in the informal, rather than the formal sector. As this paper will show, this has important implications for eligibility to receive social welfare benefits.

Among 40 countries with data, the HIV prevalence rate was 7.3% among adults aged 15-49 (UNAIDS, 2006). Higher orphan prevalence countries had significantly higher rates of HIV than lower prevalence countries (3.5% vs. 14.4%, $p<0.0001$) (UNICEF, 2006). The rate of orphanhood was 16.1% in higher orphan prevalence

countries, compared to 10.7 in lower prevalence countries ($p < 0.001$). These statistics

	50 African countries	35 Lower orphan prevalence countries (<14% of all children)	15 Higher orphan prevalence countries ($\geq 14\%$ of all children)
GDP Per Capita (World Bank, 2005)	US\$2950 (50)	\$3145 (35)	US\$2496 (15) *
Unemployment rate (1997-2005) (Central Intelligence Agency, 2006)	30.5% (18)	17.3% (9)	43.7% (9) **
Labor force participation 15-64			
Males	86.7% (48)	86.6% (33)	86.9% (15)
Females (ILO, 2000)	61.8% (48)	59.9% (33)	65.9% (15)
Informal Sector Employment (1990s) as a % of total urban employment (ILO, 2000)	49.9% (21)	48.1% (13)	52.8% (8)
HIV prevalence (UNAIDS, 2006)	7.3 % (40)	3.5% (26)	14.4% (14) ***
Percentage of children orphaned (UNICEF, 2006)	12.6% (42)	10.7% (27)	16.1% (15) ***

confirm that higher orphan prevalence countries have a higher disease and childcare

burden and perhaps greater need for social welfare benefits, particularly for families with

orphans.

Table 1. Economic, employment, health, and social statistics throughout Africa and in lower and higher orphan prevalence countries.

Key: * = $p < 0.05$; ** = $p < 0.01$; *** = $p < 0.001$; The number of countries with available data are in parenthesis.

Social Welfare Programmes

The majority of African countries have an old-age pension scheme, survivor benefits, and to a lesser extent, family allowance benefits. However, higher orphan prevalence countries are significantly less likely to have survivor benefits and family

	50 African countries	35 Lower orphan prevalence countries (<14% of all children)	15 Higher orphan prevalence countries ($\geq 14\%$ of all children)
Have an old-age pension	88%	91%	80%
Have survivor benefits	84%	91%	67% *
Have family allowance benefits	52%	63%	27% *

allowance programmes (Table 2).

Table 2. Social Welfare Programmes throughout Africa and in higher and lower orphan prevalence countries.

Key: * = $p < 0.05$; ** = $p < 0.01$; *** = $p < 0.001$

Social insurance systems (SIS), whereby formal sector workers pay into employer based schemes are the predominant type of social welfare scheme (Table 3).

Alternatively, South Africa has a means-tested social assistance (SAS) system for the poor while Botswana, Namibia, and Lesotho have universal old-age pensions. Morocco and Seychelles have both employment based social insurance systems and a universal old-age pensions. Liberia has a social insurance system and social assistance system.

Kenya, Swaziland, and Uganda have provident funds where formal and informal sector workers can pay into and receive their contributions plus interest. Finally, Nigeria has mandatory individual accounts that public and private sector employees pay into.

Table 3. Type and number of social welfare programmes.

Old-Age Pensions

Eligibility and exclusions

	50 African countries	35 Lower orphan prevalence countries (<14% of all children)	15 Higher orphan prevalence countries (>=14% of all children)
Social Insurance System (SIS)	34	28	6
Social Assistance System (SAS)	1	1	-
SIS and SAS	1	-	1
Universal old-age pension	3	-	3
Universal and social insurance system	2	2	-
Provident fund	3	1	2
Mandatory individual account	1	1	-

Coverage of pension plans throughout Africa is still limited. In 86% or 34 countries, recipients must be employed in the formal sector to be eligible for old-age pensions. In contrast, all older persons are eligible to receive benefits in the six countries that offer universal old-age pensions. In South Africa, eligibility for older persons is based on a means test. In Ethiopia, older persons must have been employed in the public sector to be eligible for a pension. The vast majority of countries exclude agricultural workers, domestic workers, casual workers, traders, sellers, day workers, and the self-employed from old-age and other benefits. Additional exclusions include part-time workers, convicts, institutionalized persons and others.

The age of eligible recipients ranges from 50 to 70 years, with a continent-wide average of 58.8 for males and 57.9 for females. Age of eligibility for pensions is similar in higher and lower orphan prevalence countries.

Throughout Africa, pension recipients only become eligible to receive benefits after an extended waiting period. The average waiting period, or number of years that an employee must work before becoming eligible for a pension, is 13.9 years. Seven

countries require 20 years of employment before gaining eligibility. The duration of the waiting period was similar between higher and lower orphan prevalence countries.

Source of funds

Old-age pensions are largely funded through employee and employer contributions. Among 42 African countries, the average employee contribution is 4.1% of monthly income, but drops to 3% among 9 countries with higher orphan prevalence. The average employer contribution is 7.2% of monthly payroll among 41 countries; however, the average contribution is 4% among 10 higher orphan prevalence countries and increases to 8.2% in lower orphan prevalence countries ($p < 0.01$). Thus, it appears as though pensions would be larger in lower orphan prevalence countries where employees and employers contribute a greater percentage of earnings and payroll respectively.

In the majority of countries, governments contribute only as an employer for public sector workers. In contrast, 6 African governments fully fund the old-age pension. These include Botswana, Lesotho, Liberia, Mauritius, Namibia, and South Africa. With the exception of these countries, the only governments that otherwise contribute to pensions include Congo Kinshasa where an annual subsidy is allocated to pensions, Equatorial Guinea where 25% of annual social security receipts are allocated to pensions, and Libya where 0.75% of covered earnings plus annual subsidies are earmarked for pensions.

Value

The value of pensions varies widely and the manners in which benefits are paid fall into three categories: Benefits are paid (1) as a percentage of the employee's former income; (2) as a flat rate; and (3) as a percentage of the monthly minimum wage.

In 3 countries, pensions are equal to 30% to 40% of the employee's former average monthly income.

In 9 countries, the value of the flat rate ranges from \$9 to \$128, although on average, is US\$46.70 per month. Pensions are valued at \$US23 in two higher prevalence countries and at US\$58 in six lower orphan prevalence countries, however the sample sizes are too small to make meaningful comparisons.

In 22 countries, the average value of a pension is equal to 55% of the monthly minimum wage. Among 17 countries with available data, the average minimum wage is US\$60.79 per month (ILO, 2006), so that the average monthly pension is US\$33.43. While the minimum wage rate was not significantly different between lower and higher orphan prevalence countries, the average pension rate in 5 higher orphan prevalence countries is 41% of the monthly minimum wage compared to 58% in 17 lower orphan prevalence countries ($p=0.10$). Consequently, on average the pension is valued at US\$25.83 in higher and US\$34.68 in lower orphan prevalence countries. Of course the real value of these pensions depends upon the cost of goods and service in each particular country; however, on average they are worth an estimated US\$1.50 to US\$1.64 per day.

Survivor Benefits

Eligibility and exclusions

Among 42 countries with survivor benefits, only Botswana, Mauritius, Seychelles and South Africa offer survivor benefits to all citizens. The remaining 90% of countries require that the deceased be a pensioner in order for surviving family members to be eligible.

In the majority of countries, eligible widows, widowers, and orphans may receive the survivor benefits. Several countries allow recipients of survivor benefits to include adult dependents (such as parents), particularly if they are caring for surviving children. Five countries place age restrictions so that children over the age of 14, 15, or 16 are not eligible for benefits.

The majority of countries require 15 years of formal sector employment before family members are eligible to receive survivor benefits; however, on average, eligibility for survivor's benefits begins after 10.3 years of service. Five countries specify the age that widows must be in order to receive benefits, ranging from 30 to 50 years. In 14 countries the pension must be split among widows if there are multiple marriages.

Value

Survivor's benefits are paid: (1) as a percentage of the deceased's former income (2) as a percentage of the deceased's pension; (3) as a flat rate; or (4) as a lump sum.

In 26 countries, survivor benefits are paid as a percentage of average earnings, from 20% to 50%. In some cases, benefits are paid as a percentage of average earnings plus an additional percentage for more years of service.

Twenty-seven countries pay survivor's benefits as a percentage of the deceased's pension. In these countries, the pension is portioned out to pay survivor's benefits

depending on the number of beneficiaries; however payments may not exceed 100% of the pension. On average, widows receive 51% of the pension, with a range from 30% to 100%, while orphans receive an average 27% of the pension, with a range from 10% to 60%. Full orphans, having lost both their mother and father, receive 43% of the pension. Thus, if the average pension is valued at US\$33.43, the value of survivor benefits is 27% to 100% of the pension or an estimated US\$9.03 to US\$33.43 per month or US\$0.30 to US\$1.11 per day.

Orphans in Botswana, Mauritius, Seychelles and South Africa receive a monthly flat rate of US\$49.79, US\$21.77, US\$115.60 and US\$60.44 respectively.

Seven countries pay a one-time lump sum to survivors, which may be equal to employee contributions plus interest, several years' salary, or a set rate. In Zambia eligible orphans receive a lump sum valued at 20% of national average income. In Gambia children receive a lump sum valued at twice the pensioner's annual salary. In Swaziland and Uganda, orphans may receive a lump sum equal to the value of the deceased's contributions plus interest. In Sierra Leone, adult dependents or parents are entitled to a lump sum equal to one year of the deceased's pension.

Survivor Settlements

Twenty-one countries have survivor settlements that are payable to dependents of pensioners who were not eligible for survivor benefits because of insufficient years of employment. Only five out of the 15 higher orphan prevalence countries have survivor settlements. In most cases, benefits are equal to a lump sum payment calculated at one month of the pension per 6 months of employment. In some cases the lump sum is some percentage of the pension or total contributions.

Funeral Grants

Five countries offer funeral grants that are equal to several months' pay, the actual funeral costs, or a flat rate; however, none of the countries with high orphan prevalence offer this benefit.

Family Allowances

Eligibility and exclusions

Twenty-six countries offer family allowance benefits and the system is employer-based in 80% of these countries. The four higher orphan prevalence countries that offer benefits include Botswana, Central African Republic, Congo Kinshasa, and Cote d'Ivoire. Botswana is the only higher-orphan prevalence country that offers benefits to all orphans, regardless of the deceased's employment history. In contrast, the employer-based systems in the remaining countries only pay families of workers who were employed in the formal sector, thus exclude the families of those who were self-employed or agricultural, domestic, and casual workers. In some cases, families are only eligible if the spouse is not working; the family is poor or has at least 3 children.

In 21 countries, families may receive assistance until children reach the ages of 12 to 18, with 15.4 as the average age for benefits to terminate. Seven countries set a maximum on the number of children that families can receive benefits for. Ranging from 3 to 10, the average is 6 children before families are no longer eligible for additional benefits.

Source of funds

Among the family allowance schemes, 88% are employment based programmes so that only families with formal sector employees are eligible. Employers contribute, on average, 0.08% of gross payroll to fund family allowance schemes. In contrast, the governments of Algeria, Botswana, Burundi, Mauritius, and South Africa cover family allowance benefits in full. Benefits are means-tested in countries where government funding covers costs in part or in full, such as in Botswana, Mauritius, and South Africa.

Value

The average value of the family allowance is US\$13.38 and ranges from US\$0.58 to US\$136.93 per month. In 4 countries with high orphan prevalence rates, the average is US\$21 per month compared to US\$11 in 17 lower prevalence countries ($p=0.68$).

DISCUSSION

Globally, governments agree that all members of society have a right to benefit from social security (United Nations, 1948, 1966, 1989). The demand for a social safety net during times of illness and economic hardship is universal; however, countries heavily impacted by HIV/AIDS are contending with an overwhelming shock, placing them in immediate and urgent need of adequate social welfare programmes. African governments, the African Union, donor nations, and UN agencies are creating positive momentum as they work to improve existing programmes and make plans to build new social welfare systems that respond to families affected by AIDS and poverty (African Union, 2006).

Indeed, 4 out of the 7 universal or means-tested old-age pension schemes are in high prevalence countries—Botswana, Lesotho, Liberia, and Namibia—and the fifth is in South Africa, another country heavily impacted by AIDS. While these universal and social assistance programmes are emerging and gaining popularity, they are still not the norm and are established in relatively wealthier countries where the per capita GDP, on average is US\$4,642 (US\$8,728 including South Africa). Still, beyond these few model systems and despite the pressing need for assistance, social insurance systems are the predominant model for old-age pensions in both higher and lower orphan prevalence countries.

There is a paucity of data on whether older persons with families affected by AIDS and caring for orphans receive old-age pensions. The countries with universal old-age pensions and social assistance systems should have wide coverage; however, one limitation of this paper is that it provides no insights into what percentage of the population that needs these benefits actually receives them. Indeed, the existence of a codified policy does not mean that people actually receive payments and in fact, as other researchers have noted, there is inadequate data on the impact of social policies throughout Africa (Lopes, 2002). While beyond the scope of this analysis, additional data on who is disproportionately excluded from universal old-age pensions and social assistance benefits because of gender, lack of education or literacy, rural residency, race/ethnicity, or other characteristics is needed.

To be sure, the various codified exclusions severely limit coverage. First, employer-based old-age pensions are for formal sector workers, even in countries where unemployment exceeds 30% and less than half the working population is in the formal

sector. Moreover, although evidence is paltry, it is likely that only a small percentage of *orphan caregivers* are working in the formal sector. Orphan households tend to be headed by women. Women are less likely to be in the labor force and more likely to be doing unpaid household and caregiving tasks, such as caring for orphans, people living with AIDS, and older persons (Bennett, 1990; Help Age International, 2004, 2005, 2006; Heymann, 2006). Women who are in the labor force disproportionately work as domestic workers or are self-employed selling goods in markets (ILO, 2000). In higher orphan prevalence countries, 55% of households with orphans are female-headed (Monasch & Boerma, 2004) and in Zimbabwe, the percentage of orphans living in female-headed households grew from 36% in 1994 to 53% in 1999 (Bicego, Rutstein, Johnson, Crampin, Floyd, Glynn et al., 2003).

Another exclusion that limits who receives the old-age pension is the minimum age requirement. For social insurance system recipients, retired workers must be, on average, 57 years for women and 58 years for men, while the age requirement in countries with universal or means tested benefits is 62 years. These requirements exist even though according to household survey data collected around 2000, the mean age of the head of orphan households was 49 years in West and Southern Africa (Monasch, 2004; Monasch & Boerma, 2004). Orphan caregivers would have to wait from 8 to 13 years before receiving benefits.

The waiting periods for social insurance system pensions further exclude possible old-age recipients. Although many formal sector workers who reach retirement age will have worked for 14 or so years, they may not have always been in the formal sector.

Unfortunately, higher orphan prevalence countries are less likely than lower orphan prevalence countries to have survivor and family allowance benefits. In addition, none of the higher orphan prevalence countries offer funeral grants, even though these benefits could significantly relieve household economic pressure following a death.

Survivor benefits, similar to old-age pensions, are not widely available in countries where the informal sector is the dominating source of employment. In addition, maximum age laws that exclude families from receiving benefits if the children are over the age of 14 further decreases coverage. These policies are problematic as in Zimbabwe, nearly 1 out of 5 orphans is 15 to 17 years old (UNICEF, 2005). The age requirement for widows(er), from 30 to 50 years, and the waiting period, in this case 10 years of service before gaining eligibility, also excludes recipients and decreases coverage.

Furthermore, while widows and widowers, children, and parents are entitled to receive survivor benefits, there is no data presented here on how accessible benefits are for eligible recipients. This too may vary based on the recipients' age, gender, place of residency, race/ethnicity, literacy, socioeconomic position or other factors.

Family allowance benefits have great potential to support families affected by AIDS. Indeed, in Botswana, families that received support to care for orphans were less likely to report financial and other difficulties in meeting basic needs (Miller, Gruskin, Rajaraman et al., 2006). However, Botswana's benefit system is still rare and the exclusions in the other employer-based systems are sizeable. Once again, the foremost limitation is the formal sector employment requirement. Additionally, family allowances are only paid for children up until age 12 or 15 in some countries, even though 48% of orphans in sub-Saharan Africa are aged 12 to 17 (UNICEF, 2006). Finally, there are

limitations in the number of children that a household can receive benefits for, which is particularly problematic for the families caring for large numbers of orphans. Of course, caring for more than 6 to 10 children is rare, but these scenarios do exist.

While this analysis found wide variation in the value of social welfare benefits, it did not shed insight into how benefits impact household income, consumption, health, behaviors or other possible impacts. The analysis did show that the value of pensions from social insurance systems are lower in higher orphan prevalence countries, probably because employees contribute a smaller percentage of their earnings and employers contribute a smaller percentage of their gross payroll. In contrast to old-age pensions, the value of family allowance benefits appears to be higher in higher orphan prevalence countries.

Still, another limitation of this paper was missing data. For example, data was not available on all aspects of each country's benefits; descriptive economic data was incomplete with some countries missing data entirely; and not all countries respond to the ISSA survey, which is the most complete catalogue of benefits available.

In most countries, governments have not taken an active roll in delivering social welfare benefits, as evidenced by the number of employment-based systems, which exclude the majority of the population. The formal sector employment, age, and waiting period requirements throughout Africa help explain the fact that only an estimated 5-10% of the working-age population has some level of social security coverage compared to 20-60% of the population in middle income countries and nearly 100% of the population in high-income countries (ILO). Clearly this trend must shift in order for families caring

for orphans and affected by AIDS to be assisted in a meaningful manner. Admittedly, the barriers to building these systems are formidable. For example, in addition to having lower per capita GDP, countries with elevated orphan prevalence rates also have higher unemployment rates and fewer workers in the formal sector so that they have a smaller tax base. Of course, the implications are that governments with fewer resources do not have the means to provide benefits.

Nevertheless, Lesotho is one example of a country that is fighting poverty and the social and economic impact of AIDS by establishing a universal old-age pension in 2004 (Thulo, 2006). Botswana has responded by enhancing benefits for orphans and their caregivers through family allowances (Social Welfare Division, 1999). South Africa has responded by expanding eligibility for childcare grants and working to improve uptake of benefits (International Social Security Association, 2005). These might be important countries to model national systems after and/or pay close attention to evaluations of these programmes.

If social welfare assistance is to meet the needs of those who need a safety net, exclusions must be lessened, benefits must be adequate, and a combination of better surveillance, monitoring, and evaluation activities are needed. Moving forward, the challenges for governments and others intent on building meaningful social welfare systems are manifold and include the following:

- Developing funded, scaled, efficient, and transparent systems to provide social welfare assistance to families in need;
- Determining how new cash assistance programmes can combine with existing schemes to increase coverage;

- Assessing whether benefits smooth consumption patterns and reduce poverty;
- Uncovering and addressing mechanisms whereby vulnerable populations are formally or informally excluded from benefits; and
- Identifying the impact that various policies have on those who access benefits;

Although the cost of assistance and widespread poverty are formidable challenges for lower GDP countries, reorganized budgets and initial donor financing for effective, transparent programmes could help lift the poorest out of poverty. Consequently, families could gain better access to healthcare and schools, and meet their basic needs, thus reducing poverty and improving human and economic development.

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