

Featured SET policy:

Social protection (Chapter 11, NDP)

In a series of articles, the NSTF is unpacking the National Development Plan (NDP). The focus is on understanding it from a science, engineering, technology (SET) perspective. The NDP is seen as a blueprint/guiding document for South Africa. The NDP aims to eliminate poverty and reduce inequality by 2030.

- The complete document – ‘[National Development Plan – vision for 2030](#)’
- The executive summary ‘[National Development Plan 2030, Our future – make it work, executive summary](#)’.

<p>NDP chapter: Overview</p> <p>This considers the context and background of the NDP. See 1 – Understanding the context of the National Development Plan (NDP). It also sets the stage for understanding what makes a developmental state. See 2 – The National Development Plan and the developmental state. There is also a summary of the plan and key targets and actions.</p>	
<p>NDP chapter 1: Key drivers of change</p> <p>The synopsis is called 3 – Science and technology as drivers of development</p>	
<p>NDP chapter 2: Demographic trends</p> <p>The synopsis is called 4 – Demographic trends PLUS the NDPs 5th anniversary</p>	
<p>NDP chapter 3: Economy and employment</p> <p>The synopsis is called 5 – National system of innovation and R&D critical for growing the economy</p>	
<p>NDP chapter 4: Economic infrastructure</p> <p>The synopsis is called 6 – Developing a strong network of economic infrastructure – transport, energy, water resources, and ICT</p>	<p>An economy that will create more jobs </p>
<p>NDP chapter 5: Transition to a low carbon economy</p> <p>The synopsis is called 7 – Transitioning SA to a low carbon economy that responds to climate change</p>	<p>Transition to a low-carbon economy </p>
<p>NDP chapter 6: Inclusive rural economy</p> <p>The synopsis is called Section 8 of the NSTF series – An inclusive rural economy</p>	<p>An inclusive and integrated rural economy </p>
<p>NDP chapter 7: Positioning South Africa in the world</p> <p>The synopsis is called Section 9 of the NSTF series – Positioning South Africa in the world (Chapter 7, NDP)</p>	
<p>NDP chapter 8: Transforming human settlements</p> <p>The synopsis is called Section 10 of the NSTF series – Transforming human settlements (Chapter 8, NDP)</p>	<p>Reversing the spatial effects of apartheid </p>
<p>NDP chapter 9: Improving education, innovation and training</p>	<p>Improving the quality of education, training and innovation </p>
<p>NDP chapter 10: Promoting health</p>	<p>Quality healthcare for all </p>
<p>NDP chapter 11: Social protection</p>	<p>Social protection </p>

NDP chapter 12: Building safer communities	Building safer communities 
NDP chapter 13: Building a capable state	Reforming the public service 
NDP chapter 14: Promoting accountability and fighting corruption	Fighting corruption 
NDP chapter 15: Transforming society and uniting the country	Transforming society and uniting the country 

Chapter 11, National Development Plan – Social protection

‘Social protection’ can be understood as a set of interventions aimed at reducing social and economic risk and vulnerability. Within in the National Development Plan (NDP), social protection is seen in the context of the overarching NDP goals: to eradicate poverty and reduce inequality.

There is also a constitutional right of access to social security and social assistance. (Social security is a government system that provides monetary assistance/benefits to people with little or no income. It also applies to covering retirement, unemployment, and compensation for injury and diseases.) The NDP positions ‘social protection’ as more inclusive than social security.

While there are many aspects to social protection, this chapter focuses on measures for:

- Those unemployed due to their vulnerable status ie children, people with disabilities, and the aged. The NDP notes that there should also be a focus on women.
- Those who are vulnerable to the labour market due to the nature of their jobs, low income levels, or unemployment.

The NDP explains that the “root cause of income inequality is the socioeconomic distortion introduced by apartheid”. This impacted on education and skills and, consequently, labour market participation – keeping the majority trapped in poverty. Other issues included a severe lack of service provision (clean water and sanitation, healthcare, electricity, and safe transport). This legacy takes extensive time and resources to reform.

The NDP focuses on defining minimum social protection or a ‘social floor’. This means providing an acceptable standard of living – below which no-one should fall – over the entire lifecycle. It includes minimum income needed, essential basic services, and the right to access social protection. It’s about measures to lift recipients out of poverty, meet the most basic needs, and provide relief during crisis situations.

South Africa, as a developing country, needs to define a social protection approach that fits its context. An element of this is protecting the vulnerable and those at risk while ensuring economic inclusion. Employment is the best form of social protection. Social protection provides a safety net, but it also needs to encourage economic participation. This includes incentivising individuals to respond to risks and crises.

Social protection is a public and private matter – with government, the private sector, and individuals playing an active role. The responsibility lies with the state (such as grants) and individuals (through regulated voluntary insurance and other forms of savings for potential risks). It includes social partners (for, as an example, delivering social services). Social partners extend to non-governmental entities, business, organised labour and community organisations.

According to the NDP, “Post 1994, South Africa adopted a comprehensive social protection system and established minimum standards linked to a social wage”. (Social wage refers to providing amenities from public funds.) Key elements of the system include:

- Social assistance cash grants for children, the aged, and persons with disabilities
- Access to free basic services
- Free education in 60% of schools in poor communities
- A school nutrition and transport programme
- Free healthcare for pregnant women and children under six
- Statutory social insurance arrangements, ie unemployment insurance fund (UIF), compensation for injury and disease (COIDA) and the road accident fund (RAF)
- Voluntary social security arrangements for those formally employed, ie pensions and provident funds

There are various challenges with the social protection system. These are identified in the NDP and proposals are recommended. The system is fragmented and plagued by administrative bottlenecks and implementation inefficiencies. Following are some of the outlined focus areas:

- **Improving efficiency** in the delivery of services and addressing skills deficits
- **Aligning policies, legislation and institutions** that impact on social protection. This includes better accountability.
- Providing a **coordinated and enabling environment**
- **Addressing exclusions**
- **Reducing the administrative bottlenecks** and challenges that prevent people accessing benefits
- **Potentially increasing social grant amounts** – due to high unemployment rates, the grants often support the entire household
- **Improving access to basic services** – this is still a challenge
- **Social security is largely contribution based and biased towards formal sector workers.** Other issues include: government employees not contributing to UIF; the lack of a saving culture, and private retirement funds focusing on upper- and middle-income earners.
- **Improving labour market policies.** Various labour market activation schemes exist (such as public works programmes and training and skills development programmes). However, their scope needs to be greatly expanded and improved. Other areas to consider are incentives for older workers to stay in employment, and incentives around job creation.
- **Household food security and nutrition is critical.** A good starting point is maternal health and ending foetal malnutrition. The latter causes low birth weight which has long-term impacts, including impaired cognitive ability.
- **Developmental social welfare includes introducing strategies to reduce and prevent social pathologies.** (Examples of social pathologies are the burden of disease, extremely high levels of violence, and extensive poverty.) Social welfare services include homes for the elderly, mental health clinics, child guidance services, and services related to addictions. The NDP says that “There is a lack of coordination and integration of systems, weak and limited effectiveness of funding, and significant capacity deficits”.
- **Pay attention to the sustainability of social protection.** The foundation of future social protection means improving the state of children today.
- **Increasing access for the informal sector to social insurance programmes.** The national UIF assists those who lose their jobs, but also those who stop receiving a salary for a period of time. (This can be due to maternity leave or illness, for example.) The vast majority of the unemployed fall outside this system. There are various proposals to use the fund more comprehensively, such as creating an unemployment assistance fund for all. The informal sector also don’t have access to the COIDA fund.