ORIGINS OF SOCIAL SECURITY IN DEVELOPING COUNTIES THE CASE OF AFRICAN COUNTIES

by

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Abstract: The history of social security in Africa dates back to pre-independence period when civil service pensions and employment injury schemes were introduced. There has been, however, a steady expansion of more modern forms of social security schemes particularly following the accession of independence by many countries. There is at present, however, no in depth study of why these arrangements or schemes have developed in the way they have, nor has there been an in depth analysis of the structure of the current institutions, the range and scope of covers, as well as the process of benefit delivery. The paper attempts such a study.

INTRODUCTION

Relatively little has been written about the development of social security in the developing countries of Africa, and a full account is not attempted here. Although modern forms of social security in Africa are a feature of post independence struggles, some schemes were actually introduced much earlier by the imperial powers, and the new governments decided to continue these schemes. It was realized early on by the imperial powers that unless some form of protection was effected to protect employees they were likely to end up in destitution in the event of inability to earn a living due to any hazards of life.[1] However, protection against destitution or poverty is not entirely new and did not begin with these modern forms of social welfare. Something akin to it dates back to the traditional arrangements of organised kinship relations which were also responsible for the care and help of those in need. The emergence of urban life coupled with commercial trade and industrial development brought with it massive social problems with which the family unit alone could not cope. The state stepped in and introduced social security as a measure of income maintenance to employees, most of whom became entirely dependent on a paid wage labour for their livelihood.

History shows that nearly every country which introduced social security started with programmes which protect workers. The reasons being; first, that employees are more vulnerable to the risk of destitution than their fellow citizens in rural areas who have independent means of livelihood. Second, it is easier to collect contributions through a payroll system and establish a fund out of which benefits become payable than it would be with the uncoordinated rural people. Third, employees form part of an elite class in society and usually are organised in such a way that they create pressure on the authority to act on their demands; whereas the rural people are normally devoid of this machinery, particularly in most of the developing countries.

The purpose of this paper is to examine the historical background of the current arrangements in English speaking African countries by teasing out the factors that influenced their developments. The questions that are being addressed to are: who introduced these schemes? When and how were these schemes built up? To what extent have the present schemes responded to current issues in society?

Social Insurance

Approaches to tackling the poverty problem have differed in different countries due to differences in their history and cultural backgrounds and, there is a vast distinction between the approaches made in traditional African societies and those of the developed European countries. Modern social security in the western world is said to have begun in Germany between 1883 to 1889 when social insurance schemes were introduced. For example sickness insurance that was introduced in 1883 was managed by the then existing mutual aid funds; employment injury insurance in 1884 was operated by employers' trade associations; and invalidity and old age insurance was administered by the provinces in 1889.[2] For many western European countries the need to use the resources and organisation of the state to protect their people against many of the economic hazards of life was obvious. Poverty caused by old age, sickness, unemployment, or death of the bread-winner, was seen to be the result of industrialization which caused most of the working population to move to the cities where they became solely dependent on their wages for their livelihood.[3] Poverty was also caused by other problems some of which were due to the vagaries of the economic system which might at any time leave some employees without a job. Other problems were due to inadequate wages which meant that workers could not manage to have savings of their own.

Social Welfare in Africa

In the developing countries of Africa the relief of poverty before colonisation was confined to two main agencies; the traditional system, and missionary activities. Under the traditional forms of social welfare the social and economic needs of the people were met through the family system based on kinship relations, tribal or clan and the village as a whole. The system was based on communal responsibility by all those who were economically active (Midgley, 1984) supported the young, the handicapped and sick whose productive capacities were limited or impaired.[4] These in-built values of mutual aid and protection still characterise the majority's way of life in African countries, particularly in the rural areas.

These well organised traditional patterns even specified the people and the conditions under which assistance was to be provided. Social rights for minimum subsistence were secured to all members but deplored and sometimes denied help to those who did not work hard, because land abounded on which they could work for a living.[5] The risk of hunger was provided for collectively. It was only under exceptionally adverse circumstances such as wars, epidemics and repeated crop failures that traditional systems of social security may have collapsed and given way to social anarchy characterised by individuals struggling for life[6].

The oganisation of these traditional arrangements and the mechanisms they evolved of hedging against food shortages and of giving help to the needy could be regarded as having a high incidence of redistribution and reciprocity founded on strong moral values. Even so, the process of development has seen a gradual change of the people's culture. Urbanisation and high mobility as well as European influence has caused people to gradually become more individualistic with the consequent weakening of kinship relations.

Missionary Activities

The introduction of Christian religion and the money economy by missionaries and their social welfare activities led to a further deterioration of family ties and traditional help. Missionaries came to spread the Gospel but were also traders which activity was necessary in order to finance their church and other activities. They also introduced schools in order to educate and train local people as their personnel, including evangelists, clerks and semi-skilled workers. Those educated were also employed by the missionaries for a paid wage labour and this actually was the first attempt to detract the allegiance of local people from their communal patterns to that of the employer-employee relationship. Missionaries also introduced hospitals and endeavored to cure the sick. They established a system of care and looked after the elderly, sick, orphans, blind people and disabled as well as the handicapped in institutional care centres. Since traditional responsibilities were beginning to go further into oblivion many people who needed help became helpless as religious bodies and other private charity organisations could no longer cope. At this juncture the state had to step in and assume some of the responsibilities which were in the hands of these private and other religious bodies.

British Influence on Social Security in Africa
The British empire established social welfare in her colonies following the enactment of the 'Colonial Development Act 1940'.[7] The move was prompted by the following emerging social phenomena.

First, deteriorating family obligations had caused many people to become helpless thereby adding to the incidence of poverty and destitution. Second, there was an urban influx of people some of whom came in search of a job as such opportunities could only be found in urban centres. Others migrated into urban centres simply in search of excitement and real satisfaction. Consequently, many social problems emerged. There was also shortage of housing accommodation, problem of unemployment and criminal acts such as stealing. emerged too, all of which called for appropriate action to be taken.

Other reasons which prompted the British Empire to introduce social security in its African colonies, as assessed by a United Nations report in 1964 (MacPherson, 1982) were: first, there was the influence of moral principles. Second, there were practical considerations of industrial efficiency to justify for the provision of social security to employees. Third, pressure in Britain for welfare state provision served to focus attention on the well-being of the people in the colonies. Fourth, social security had come to be regarded as a necessary function of government in Britain and therefore the colonial administrators were obliged to assume social welfare responsibilities previously held by missionaries, tribal structures, voluntary associations, etc. Fifthly, social welfare services were perceived by the British government as a means of preparing the Africans for eventual self rule. Sixth, the doctrines of freedom, equality and democracy, symbolized in the fighting of the Second World War in which Africans fought for Britain, together with numerous African risings, increased the pressure on Britain to assume more responsibility for the well-being of Africans.[8]

In Britain the first attempt to establish modern forms of social security began in 1911 when the contributory sickness and unemployment insurance scheme was introduced. Prior to this, provision was made through the Poor Law system. In 1908 the non contributory old age pension scheme was also introduced. Nevertheless, George (1973) has identified four dimensions which characterize people's attitudes towards poverty each of which would reflect the type of society in which it existed: first, that poverty is an ascribed status in feudal societies; second, poverty as a vagabondage in the immediate aftermath of the collapse of feudalism. Third, poverty is an individual problem of physical subsistence attributable to the individual's personal failing from the mid seventeenth to the beginning of the present century. Fourth, that poverty is a social problem of physical subsistence and social inequality during this century.[9] A quick grasp of these psychological attitudes indicates that the first three were characteristic of European history of the seventeenth century, whereas the fourth tends to fit into the present conditions that are also prevalent in the developing countries. The British who seem to fit into the third dimension in the 19th and early 20th centuries tried to solve the problem of poverty by employing deterrent measures of the work house test and the principle of less eligibility (see for example Bruce 1961, and Marshall 1965), that is, the able bodied were made to work in prison like conditions while the condition of a pauper even after receipt of assistance should still be less attractive than that of the poorest person who had his own primary independent means of sustenance.

Early Social Security Schemes In Africa
The development of social security in the developing countries of Africa began with limited programmes which were introduced by the imperial governments between the two world wars although many schemes were established after the second world war. The schemes which were introduced during that time were civil service pension schemes and employers' liability schemes such as workmen's compensation. These schemes were a first attempt to introduce income maintenance security to cover employees against the contingencies which threaten their ability to earn and sustain a living. Both schemes were non contributory; civil service pension

paying benefits out of general revenue, while workmen's compensation provided employment injury benefits from equalisation funds by employers. Civil service pension though, were designed to provide for expatriate colonial administrators (Midgley 1984) who expected to retire in the metropolitan countries and required levels of benefits sufficient to maintain them in relative comfort in these countries. The provision of these schemes were, therefore, often unusually generous and unrelated to local standards of living. They also reflected the power of civil service elites to secure generous provision for themselves.[10]

While civil service pensions were introduced much earlier in most African countries, workmen's compensation followed almost immediately. The requirement for the workmen's compensation scheme was, and still is, such that in some countries employers were obliged to protect themselves through a private or public insurance against their liability to injured workers. In other countries employers were required by law to insure themselves with a carrier to ensure that claims made against them would be met. Workmen's compensation was, and still is, widely used in Africa to provide for employment injury, sickness, death and, in some countries it includes maternity benefits. In other countries it also provided, and still does, for child benefits, medical services, and employment severance allowance.

The amount of compensation depends on whether the injury results in temporary or permanent disability or the death of the worker. Those who suffer temporary disability receive compensation in the form of a proportion of their earnings until they are sufficiently recovered to return to work. In case of permanent injury or illness, compensation is paid in lump sum form and is calculated from benefit scales which take the worker's loss of earnings capacity into account.[11] There are, however, countries such as Zambia which has replaced its workmen's compensation scheme with insurance funded arrangement since 1963. Seychelles which is a bilingual country has also replaced its workmen's compensation with a social insurance scheme since 1979. The table below illustrates the position of social security in five Anglophone countries before 1960 after which time most African countries gained independence. Ghana received her independence much earlier.

Table I

Country	Year of independence	Employment injury	Scheme introduced
Kenya	1963	W.C.	1946
Ghana	1958	W.C.	1940
Nigeria	1963	W.C.	1942
Uganda	1963	W.C.	1946
Zambia	1963	W.C.	1929
Tanzania	1960	W.C.	1950

Notes: w.c. Means workmen's compensation scheme.

Source: Adapted from Mouton 1975 Pp.2-7.

(The table excluded civil service pension schemes introduced much earlier in some African countries).

POST-INDEPENDENCE SCHEMES

Upon accession to independence new governments of most African countries continued the existing schemes which were introduced before independence, and modified them slightly in order to fit the demands of a new society. At the same time attempts were made to establish new - additional schemes inorder to cover a larger number of the population. The decision was partly inherent in the schemes themselves and partly as a response to the pressure of necessity, of claims from within these countries and of external influences. In doing so, African countries encountered difficulties in their rapid efforts to introduce new social security laws.

According to Mouton (1975) they, African countries, had to set up at short notice, a complex and efficient administrative machinery adapted to entirely new function; a task that was all the more difficult to carry out because the machinery had to be created. To a large degree this was done ex-nihilo, since the African countries, unlike other countries, were not already equiped with a firmly established administrative core of that kind.[12] There were also historical difficulties in some of the countries such as Cameroon, Ethiopia, Somalia and Tanzania. Mouton reports that in Cameroon for instance, at the time of the Federal Republic the system of family benefits existed only in East Cameroon which was under the French rule; while the western part of the country which was under British rule had not yet introduced the scheme. A similar difference was discovered in Somalia between one part of the country which was under Italian administration and that which fell under British administration. In Tanzania, Mouton found a more or less similar problem to that of Cameroon where the mainland had social security schemes while nothing existed in the Isles. He concluded that, these problems were purely residual differences which should gradually disappear. There was also the problems of knowledge and expertise. Due to lack of knowledge and expertise recourse had to be had to the experience of others; consequently use had to be made of foreign models and as Midgley points out, European rather than indigenous conceptions of social security have generally been adopted by the governments of the developing countries including those which were never colonized.[13] Social policy in these developing countries swung in all directions borrowing ideas from different parts of the world, particularly from the advanced western European countries. They even recruited expatriates to work in their social security institutions and sought advice from them on how best to improve and run the schemes. As a result it is not uncommon to find some of the current schemes to be a replica of those in western countries.

Realizing the need to be self reliant in manpower requirément the African governments at first sent their senior social security staff for training in Europe and elsewhere. Few African countries such as Nigeria, Senegal and Egypt have established their own training institutions catering mainly for short courses. Tanzania has a fully fledged tertiary Institute of higher learning offering long term courses in Social Security.

A Popular Scheme

The new additional schemes so far introduced after independence are provident fund schemes, hospitalisation (sickness) insurance in Kenya, and pension schemes. Provident fund schemes have become more prominent, particularly among the countries which were under the British administration such as, Ghana, Kenya, Nigeria, Uganda, Zambia and Tanzania. Seychelles also established a provident fund which has now been replaced by a social insurance scheme since 1979. Tanzania has done the same in 1997. Provident funds as Midgley says, are designed to provide for the payment of lump sum retirement benefits consisting of the accumulated compulsory savings of the members together with the contributions of the employers and the accrued interest.[14]

In African countries which have provident fund schemes their scope has also been expanded by providing under the scheme, invalidity, death and survivor's benefits. Funeral grants are also paid in some schemes. Also, instead of receiving a lump sum payment, especially following a retirement, some schemes permit members to receive annuities if they wish. Still, in some countries there is provision for the full or partial withdrawal of the balance in the

Table - II

Position before 1961		Position after 1971						
		W.C.	W.C.	H.P.	S.K.	O-AGE	INV	SURV
	W. Compensation	(E)	(I)	(I)	(PF)	(PF)	(PF)	(PF)
Ghana	W.C.	X			X	X	X	X
Kenya	W.C.	X		X		X	X	X
Nigeria	W.C.	X			X	X	X	X
Uganda	W.C.	X				X	X	X
Zambia	W.C.		X			X	X	X
Tanzania	W.C.	X				X	X	X

Notes: W.C. means Workmen's compensation
H.P. means Hospitalisation (sickness) benefits.
S.K. means Sickness (cash) benefits
O-AGE means Old-Age benefits.
INV. Means Invalidity benefits.
SURV. Means Survivor's benefits.
E. means direct liability or responsibility of the employer.
I. means social insurance scheme
PF. means Provident Fund scheme.
Source. Adapted from Mouton [1975] and Midgley (1984)

member's account even before retirement or following an invalidity or death. Such possibilities exist when a member of the scheme decides to emigrate abroad permanently, or becomes unemployed for a specified period. Six months is often required before withdrawal is allowed. Withdrawal may also be allowed in order to meet the contingencies of sickness or unemployment and involve only a number of regular payments. The Table below depicts the position of social security in some of the African countries both before 1961 and after 1972.

Occupational Provident Funds

Before the present form of provident fund schemes were established in African countries, private occupational or employers' provident funds were in practice long before the Second World War. They were introduced by foreign firms which owned and controlled large plantations or industrial and mining enterprises. These schemes were privately administered and were often very generous because; first, they were meant to provide benefits for European expatriate staff (Midgley, 1984) and, second, to attract personnel of high caliber. Although such forms of provision or schemes did not exist in Britain, when British administrators became aware of such practice, they encouraged it by offering 'tax concession' to employers so that they could establish and continue such provident funds.[15]

Later the British administrators introduced compulsory provident fund schemes in some African countries but restricted such schemes to local government only. This meant to allow employers, other than the local government, to continue with their private schemes, apparently as a gesture of appreciation by the British administration.

International Agencies

The International Labour Organisation (I.L.O.) and the International Social Security Association (I.S.S.A.] have been, and continue to play a leading role in molding the social security schemes in the developing countries into modern approaches. Such role has taken into account the needs and requirements of these developing countries whose environmental conditions are quite distinct from those of the western industrialised countries. These agencies (I.L.O. and I.S.S.A.) have continuously provided consultancy work or technical assistance, including short term training which has added a much more 'important role in the development of social security in African countries'.[16]

The various I.L.O. conventions and recommendations, for example, have provided an added impetus to the formulation of new laws on social security which also include contingencies not previously covered and persons protected.

The reasons for the development and the particular forms of social security in developing countries does not always stand out clearly, because it is difficult in many cases both to identify the causal factors of a trend and to grasp the reason for them (Mouton, 1975). It can only be noted that the nature of the development is not always identical in the various countries so that, despite clear similarities, the national schemes continue at present to show market differences.[17]

Social Assistance

No social assistance schemes of the same or similar kind to those existing in Europe were introduced in the British colonial countries of Africa. There was, however, institutional care covering very few people which the British administration established in which the elderly, the physically disabled and handicapped people including orphans were looked after. The system did not involve any form of cash benefit. The same practice has been retained by the independent governments and in most such countries provision of social assistance is made directly by the ministries responsible for social welfare, and, as such, it does not form part of social security. Assistance schemes as Midgley (1984) discovered, were not introduced in all the 'British colonies and where they did, they were not always implemented fully or efficiently'.[18] This tends to suggest that although the system of social assistance was, and still is, the life blood of social security in Britain, it was not transported to African countries.

Needs Of Society

Most social security schemes in the English speaking countries of Africa have not adequately responded to the needs of society in different respects; first the schemes are employment oriented and therefore protection is accorded to very few people owing to lack of adequate industrial work and government employment. The scope of cover in terms of the range of benefits is limited due to lack of adequate resources, and inflation is always rising while the benefits paid are not index linked.

Much as African countries would wish to provide for most needs of their society through a social security system, but lack of adequate resources and capital fail the countries in their determined efforts to establish schemes that would cover every individual or substantial part of the population. Adequate knowledge in social security is probably another major obstacle for expansion of social security schemes. Many Institutions of social security in these countries are run by non experts, as a result there is a heavy dependency on consultancy from abroad and I.L.O. when changes are to be made. This also inhibits desirable improvements that would keep pace with the rest of the world.

CONCLUSION

The history of social security in the English speaking countries of Africa has developed in two different stages. There is, on the one hand, the period of the British administrators who introduced social security schemes for the first time in these countries; and on the other, the period following accession to independence at different times in history. The new governments first decided to continue all schemes which were introduced by the imperial power, and secondly to introduce additional new schemes inorder to extend coverage to a much larger population.

The build up of the schemes have been carried out mainly with the assistance of the I.L.O. and U.N.D.P. on consultancy basis and much of what is presently available owe much from these international agencies who have played highly influential role regarding their determination and scope of benefits.

However, the needs of society seem not to have been adequately taken into account in the available schemes as they offer very little in terms of benefits due to inflation and limited resources of their national economies. Economic growth is sometimes also associated with new expectations by the society, especially among the working class who have a variety of demands. These demands relate to provision of adequate benefits. As long as the available resources can support some of these costs many such schemes are likely to be introduced.

Nonetheless, schemes offering lump sum payments such as Provident Funds, viz; NPF, LAPF and GEPF, should be transformed into pensions schemes in order to ensure that they continue to help their retirees until they die. The present practice servers such continuous relationship once the lump sum is paid, leaving a retiree with no further help to depend on which defeats the purpose of social security. Inadequacy of the terminal benefits due to inflation and other macro-economic problems, would be improved if benefit payments were index-linked.

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