



Strengthening Social Protection in the Informal Sector through CBMS: Case of the Communes of Diébougou (Province of Bougouriba), Koper (Province of Ioba) and To (Province of Sissili)

By

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In 2012, with the support of the UK Department of International Development (DFID) and the International Development Research Centre (IDRC)-Canada, the Partnership for Economic Policy (PEP) launched a new program to support and build capacities in “Policy Analyses on Growth and Employment” (PAGE) in developing countries. This brief summarizes the main features and outcomes of one of the projects supported under the first round of the PAGE initiative. The full paper is available at the PEP website.

Burkina Faso has experienced the implementation of several social safety net programs to promote access to basic social services and employment of disadvantaged social strata, and to reduce the effects of exogenous shocks. These programs are based mainly on cash transfers, in-kind transfers, subsidies and exemptions, and labor intensive jobs (HIMO).

The review of social safety net programs carried out in Burkina Faso shows that many actions are being implemented for the most vulnerable and the poor. However, most of these actions are not recorded over time due to lack of

funding. In addition, these programs do not have specific mechanisms for targeting beneficiaries of safety nets.

Based on the 2009-2010 Comprehensive Survey of Household Living Conditions (EICVM) in Burkina Faso, many people still live below the poverty line. The proportion of vulnerable households suffering from chronic food insecurity is estimated at over 20 percent while almost 20 percent of households live in constant threat of food insecurity. This is the reason for the implementation of the Strategy for Accelerated Growth and Sustainable Development (SCADD), 2011-2015, aiming to reduce extreme poverty and

hunger in the country. In particular, it provides social protection for the people. However, one of the main challenges in the implementation of this program is the coverage of workers, including those working in the informal sector.

The development and implementation of the Community-Based Monitoring System (CBMS) under the PAGE-CBMS Program initiative of PEP, in partnership with CEDRES in Burkina Faso, aims precisely to contribute to the effectiveness of the social safety net programs for social protection of the informal sector and to poverty reduction in Burkina Faso.

Moreover, the CBMS initiative aims to empower grassroots communities in their fight against poverty, specifically in strengthening the capacities of the communes to produce relevant and reliable data to pinpoint the major causes of poverty. Relevant and reliable data from the survey could enable local and regional political and administrative authorities to take appropriate measures to improve the targeting of the beneficiaries of social safety net programs within the scope of social protection, especially for pregnant women and children 0-5 years old.

In particular, the CBMS research study on social protection for the informal sector aims to examine the extent of access among workers in the informal sector, including women and children, to social protection in the communes. It also aims to

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analyze the effectiveness of the targeting mechanisms of the social protection program for the poor and vulnerable as well as examine the safety nets or social protection availed of by members of the informal sector to face shocks or to adjust to vulnerabilities. Finally, it also aims to look into the willingness of the informal sector to contribute financially to the use of welfare facilities in the communes of Diébougou, Koper and To.

Context and importance of the study

The informal sector is a phenomenon that arouses the interest of policymakers and researchers. It is recognized that in developing countries, the so-called informal activities constitute an important source of jobs for the rural and urban populations.

In Burkina Faso, at least 50 percent of the Gross Domestic Product (GDP) come from the informal economy which employs about 74 percent of the urban labor force¹.

Although there have been no recent specific studies, the main feature of the informal sector in Burkina Faso is the strong participation of women whose economic activities, among others, include petty trade, manufacturing of millet beer (dolo), selling of fruits and vegetables, and managing kiosks or mini-restaurants.

¹INSD. (2003). Enquête 1-2-3 dans la ville de Ouagadougou, 2001-2003

Other tasks that they are likely to be performing are sewing, hairdressing and aesthetics (INSD, 2003).

Meanwhile, Burkina Faso is one of the countries in the sub-region which has the highest rate of child labor (Boursin, 2002)². Most of these children work in order to survive. It appears that 55 percent of children working in agriculture and livestock are living with their parents. Relatedly, approximately 15.2 percent of working children in urban areas do not live with their parents versus 9.6 percent in rural areas³.

Social Protection

As mentioned earlier, several initiatives of social safety net programs are being implemented in Burkina Faso to improve access to basic social services and employment for disadvantaged social groups and to reduce the effects of shock. Mandatory social insurance programs are organized by the government, allowing households and individuals to be protected against deprivations such as avoiding debt and smoothing their spending through time. It ensures a protective function

²Boursin, Frédérique (2002). *Travail et trafic des enfants versus scolarisation*, UNICEF, MASSN

³Ibid

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covering the risks of unemployment, old age, disability, illness and death.

Social protection in the health sector is a concern of the Burkina Faso government. In August 2009, it implemented a project (national system of health insurance) to integrate the entire population in a single insurance system while developing conventional health insurance. This project will therefore cover the entire country and will benefit informal workers from Diébougou, Koper, and To.

Through the national program called Accelerated Growth Strategy for Sustainable Development (SCADD), the government is trying to address the concerns about the consolidation of human capital and promotion of social protection.⁴ This is done through having a national social protection policy with a set of public interventions that help households and individuals to better manage risk and reduce their vulnerability and poverty by ensuring better access to social services and employment⁵.

In order to provide a strong social protection in the informal sector, the study assumed that the potential beneficiaries of the program, i.e., women, children and members of the informal sector, are willing to contribute financially to access the

⁴ Ministère de l'économie et des finances (MEF) , (2011) . *Stratégie de croissance accélérée et de développement durable (SCADD) 2011-2015*

⁵ Gouvernement du Burkina Faso, (2012). *Politique nationale de protection sociale 2013-2023*

program in the communes of Diébougou, Koper, and To.

Methodology

Primary data collection was done through the conduct of a household census by trained local enumerators using the CBMS methodology in three sites: Diébougou, Koper, and To from April to May 2014. While various surveys on poverty and welfare have previously been done in the area by other institutions, the data have not been disaggregated to the commune level.

In implementing the CBMS, a household census questionnaire was developed and administered through interviews of all the households in the abovementioned sites. Data collection was done by a field team composed of a coordinator and facilitators with investigators (enumerators) from the villages and respective sectors and covered all households in the area.

Meanwhile, a probit model was employed on the CBMS data to further analyze the effectiveness of the targeting mechanisms of beneficiaries of social assistance programs in the informal sector of the municipalities of Diébougou and Koper⁶.

Some Key Research Findings:

⁶ Full details of the study are contained in the CBMS Research Paper by Lassina, K., et al (2016) entitled, "Effectiveness of program beneficiaries targeting mechanisms Social assistance in the informal sector of the communes of Diébougou and Koper "

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Table 1 shows the working population who are part of the informal sector⁷ in the study sites. CBMS census results show that more women workers are engaged in the informal economy with a total of 8,879 compared to the men workers totalling 2,395.

⁷ In the context of the CBMS study, we are using the definition of ILO which defines it as small scale self-employed activities, usually conducted without proper recognition from authorities and escape the attention of the administrative machinery responsible for enforcing laws and regulation. Specifically, the informal sector designates all non-agricultural activities not belonging to the formal sector.

Table 1. Distribution of the population of the informal sector by sex

Municipality	Male	Female	Total	Number of informal sector workers					
				Male		Female		Total	
				Magnitude	Proportion (%)	Magnitude	Proportion (%)	Magnitude	Proportion (%)
Diébougou	18,881	18,683	37,564	1,487	23	4,966	77	6,453	25,56
Koper	12,562	12,684	25,246	675	17,2	3,243	82,8	3,918	15,52
To	23,477	24,358	47,835	233	25,8	670	74,2	903	1,89

Source of data: CBMS Census 2014

CBMS census results in the three communes shown in Table 2 show that in Diébougou, only 7 percent of the informal sector workers receive social assistance. In the commune of To, meanwhile, almost half of the informal sector workers receive social assistance and in Koper, more than half of the workers in the informal sector receive assistance at 77.6 percent.

Table 2. Proportion of informal sector workers who receive social assistance, by sex (%)

Municipality	Source of Social Assistance					
	Government			Charitable Organization		
	Male	Female	Total	Male	Female	Total
Diébougou	1.1	5.5	6.6	0.1	0.3	0.4
Koper	11.1	65.7	76.8	0.1	0.7	0.8
To	5.2	39.3	44.5	0.3	0.6	0.9

Source of data: CBMS Census 2014

The CBMS census reveals that the social insurance system in the communes of Diébougou, Koper and To in Burkina Faso only extends to formal sector workers.

On the other hand, CBMS census results

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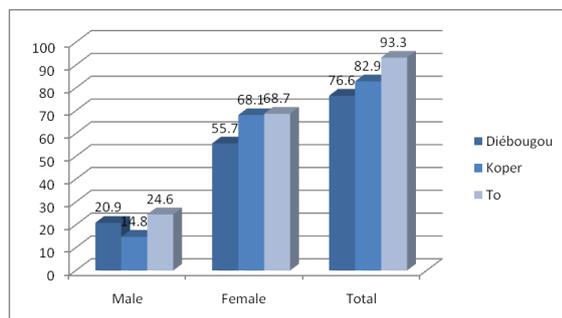
show that social protection can be extended to informal sector workers from these areas since many of them are willing to pay in order to have access to it.

Table 3: Distribution of the population according to the access and their willingness to pay for social protection

Locality and main activity	No social protection	Willingness to pay
Diébougou		
Arts and crafts production	85,4	98,0
Arts and crafts construction	83,7	89,8
Koper		
Arts and crafts production	99,7	73,8
Arts and crafts construction	93,1	96,2
TO		
Arts and crafts production	100	90,3
Arts and crafts construction	93,1	83,3

Source of data: CBMS Census 2014

Figure 1. Distribution of the informal sector workers who are willing to pay monthly contribution for social insurance by sex (%)



Source of data: CBMS Census 2014

CBMS census results show that 76.6 percent in Diébougou, 82.9 percent in Koper and 93.3 percent in To are willing to pay the average monthly amount to avail of the social insurance and its benefits. It was observed that women are slightly more interested than men.

The CBMS data also reveal that in order to cope with shocks or to adjust their vulnerability, the populations of the three communes have some safety nets mainly from the government. These include the following:

(1) the High-Intensive Labor, even though very few people benefit from it: only 1.23 percent in Diébougou, 0,02 percent in Koper and 0,06 percent in To;

(2) social assistance such as food assistance, assistance for non-food needs, assistance for housing, assistance in finance-credit, health assistance, education assistance and assistance in other areas;

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Furthermore, the CBMS census also reveals that children who are under 18 years old receive social assistance, particularly in terms of food, health and education. This indicates that the effort of the government to provide social protection to children exists at the commune level. However, there is a need to strengthen these efforts in order to cover the identified vulnerable children.

Meanwhile, a probit analysis of the data collected from the sites further show that it is not the poorest households in the informal sector that benefit from social assistance programs in the event of a shock⁸. Rather, households whose heads are elderly or households that are large are the ones which have a higher probability of benefiting from social safety nets. Similarly, male heads of households or heads of literate households are more likely to benefit from social assistance programs.

Policy implications and Recommendations

- a) Based on the analysis of the CBMS data in the census sites, the following recommendations could be formulated in order to make social protection accessible to the entire population of Diébougou, Koper and To. There is a real need to provide social protection for all the populations of the three communes since 76.62 percent of the population in Diébougou, 82.86

⁸ Full details are contained in the CBMS Research Paper of Konate, L. et al. (2016) on "Effectiveness of program beneficiaries targeting mechanisms Social assistance in the informal sector of the communes of Diébougou and Koper "

percent in Koper and 93.26 percent in To are willing to pay a monthly fee to benefit from social protection. Women and children should be prioritized since they are considered to be more vulnerable.

On Social Insurance

There is a need to establish mutual social protection in the three communes. Indeed, among the 181 listed health mutuals⁹ in Burkina¹⁰, none exists in any of these three communes. Referring to the operation of mutuals in the country, two criteria are proposed to adequately target areas for the implementation of such mutual health:

1. the communes must have mutuals membership rate higher than 90 percent;
2. the amount of the contribution must be higher than 2000 FCFA (~4\$US).

These two criteria, on the other hand, discriminate many localities of the communes which cannot get any health mutual. To be more efficient, health mutual should cover a high percentage of adult population able to pay contribution that can honor medical prescription for ordinary diseases such as malaria (6000 FCFA or 12 \$us).

⁹ Refers to friendly societies (organization) in health or for health protection.

¹⁰ Jean Baptiste ZETT et BATIONO F., juillet 2011, .Inventaires des mutuelles de santé dans la perspective de l'assurance maladie universelle au Burkina Faso commandité par l'ONG ASMADE [Tapez ici]

With regards to localities where the membership rate is below 90 percent, people need to be educated about the benefits of mutuals in order to increase the adherence rates.

The CBMS team also calls on the government, non-government organizations (NGOs) and associations to subsidize membership fees of the population which has a low potential contribution (with low capacity to pay, i.e., less than 2000 FCFA (4\$ US).

The health insurance scheme which the government aims to set up is very beneficial for the population. It aims to provide the entire population with a basic package focused on public health services and essential generic drugs. However, this warranty should be complemented by supplementary schemes organized by social mutuals or private insurers.

It is also recommended that the population of the informal sector of the three communes subscribe massively to voluntary insurance proposed by the National Social Security Fund (NSSF). Indeed, CNSS allows anyone desiring to ensure his retirement to take out a pension subject to a minimum fee of 3375 FCFA (6,75 \$US) per month.

On Social Assistance

The government and organizations aiming at children protection should try hard to do more in the communes so that children

can benefit properly from welfare. Strengthening school canteens, distribution of school kits and scholarships will increase the enrollment and academic performance.

Social protection is usually unequally distributed between villages. While some hit 100 percent, others have no beneficiaries. The government should therefore improve its strategy of distribution of donations to ensure access of the entire population to social protection. Based on the survey data, it is also recommended that the implementation of social services in Koper and To as well as the strengthening of existing social welfare services in Diébougou be facilitated.

On Program Targeting

The results highlight the inability of adopted social safety net programs to target the poorest households in the informal sector. It is mainly large households where household heads are elderly which have the highest probability of being selected. However, these criteria are not necessarily good criteria of vulnerability and poverty. It is also noted that a household's ability to influence its community, particularly through literacy and the masculinity of its leader, increases its likelihood of being selected for social safety net programs. These factors are not good indicators either of poverty.

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To sum, these results indicate that administrators of social assistance programs for the informal sector should review their mechanisms for targeting beneficiaries. To this end, the use of a multidimensional poverty indicator could make it possible to target the most vulnerable and poorest households more effectively. These social services could effectively be undertaken using data from the CBMS census to target vulnerable groups.