

# Challenges of formal social security systems in Sudan

Mohamed, Issam A.W.

Department of Economics, Al Neelain University, Khartoum, Sudan

2011

Online at http://mpra.ub.uni-muenchen.de/31611/MPRA Paper No. 31611, posted 16. June 2011 / 13:46

# Challenges of Formal Social Security Systems in Sudan

Professor Dr. Issam A.W. Mohamed<sup>1</sup>

The present paper discusses issues of challenges of social security systems in Sudan. Following parameters advanced by ILO and UNCOSOC, those systems are analyzed. The conclusions focus on their applicability that faces axial difficulties mainly presented in the state of institutional interregnum facing the country. Moreover, it is important to revisit aspects of social cohesion that serves greater role in traditional social security in the Sudan.

Published in concurrence with Social Science Research Network pages:

http://ssrn.com/abstract=1728684. Also, recorded in Top Ten Lists for the journal SIRN: International Comparisons Retirement and Income.

http://papers.ssrn.com/sol3/topten/topTenResults.cfm?groupingId=1500187&net orirnl=irnl

Keywords: Social Security, Sudan

### 1. Introduction

Social security is a paramount challenge to many countries much as to concerned organizations around the world. The International Labor Conference, 2001 launched a campaign to extend social security coverage. Similarly, the World Commission (2004), established the declaration of providing a certain minimum level of social protection needs to be accepted as a part of the socioeconomic floor of the global economy. The DFID circulated a White Paper<sup>2</sup> (2006) in the same issue while the UN ECOSOC High level stated in 2006 recognized that in the context of globalization countries need to devise systems of social protection with broader and effective coverage. Moreover, the G8 Labor Ministers' meeting and summit in 2007 recognized that in conjunction with economic growth and active labor market policies, social security is an instrument for sustainable social and economic development.

The multitude crises around the world reinforced the perception that the extension of social security should be a high priority. In many developing countries' SSS were considered unaffordable. However, undeniably they are important investments to support sustainable economic growth. They play an essential role as economic stabilizers. At present, four out of five people worldwide do not benefit from an existent level of social protection that allows them to realize their human right to social security. That is essential to ensure a basic level of social protection and thus a decent life for people struggling just to survive. It is also a necessity and an obligation under the Human Rights Code.

The generated term of *Social Protection Floor* is an initiative to provide a basic level of social protection and means as an access to essential services and social transfers for the poor and vulnerable. Within the scope of its mandate, the ILO is in charge of promoting the social transfer component of the social floor. An example is creating a basic set of essential social guarantees realized through

<sup>&</sup>lt;sup>1</sup> Professor of Economics, Alneelain University, Khartoum-Sudan. P.O. Box 12910-11111. <u>issamawmohamed@yahoo.com</u>

<sup>&</sup>lt;sup>2</sup> The **Department For International Development (DFID)** is a <u>United Kingdom government department</u>. It was separated from the <u>Foreign and Commonwealth Office</u> in 1997. The goal of the department is "to promote sustainable development and eliminate world poverty".

cash transfers that could ensure universal access to essential health services, income support and income or subsistence security.

The SPF-I was adopted by the Chief Executives Board of the United Nations in April 2009 as response to the crisis. The ILO and the World Health Organization lead the Initiative. Many UN agencies and other partners such as development banks, bilateral organizations and NGOs, supported that issue. The improved coordination between these partners is at the core of the Program. The Social Protection Floor subsequently was integrated as a key element of the Global Jobs Pact adopted by the International Labor Conference 2009. The Pact provides an internationally agreed set of policy measures to build an employment-oriented framework for future economic growth. The ILO report to the G20 summit in Pittsburgh found that the employment effects as *automatic stabilizers*, including social assistance and benefits, were just as important as the effect of the stimulus packages. Governments that already had social protection schemes in place were able to cope with the crisis. The stabilizing role that **Social Security Systems** (SSS) play made them universally accepted instruments. Governments were able to use existing social transfer systems for the delivery of stimulus packages to respond to the heightened need for protection. The crisis acted as an accelerator in the social security debate. SSS not only respond to social needs, but they are an economic necessity. Thus, a new understanding of the importance of social security is required, as a condition to growth rather than a burden to society. Comprehensively, there are direct impacts of the crisis on social security financing and increased demand on SSS. The latter faces a number of long-term systemic challenges. The overall challenge they face in industrialized countries is the changing demographic environment. However, developing countries face these challenges with greater pressures. The main challenge, however, is to extend social security coverage by applying sustainable SSS. The start should be with a basic level of protection for all and then gradually build-on that base to provide higher levels of protection.

Financing remains as a key concern for implementing sustainable SSS. ILO studies found that it is possible to finance the Social Protection Floor or some of its components even in low-income countries. For a comprehensive approach, a national social security strategy and a diagnosis of priority needs can help to the implementation of SSS. As countries achieve higher levels of economic development, their SSS should also, in parallel, extend the scope, level and quality of benefits and services provided. This can be done within the framework of ILO Conventions, particularly a wider ratification of its Convention No. 102.

The SPF-I has set up a Global SPF Advisory Network to deliver technical assistance to countries that are committed to building, expanding, or reorienting their social protection systems. The Initiative provides support along every step in the process including policy design, awareness raising, legislation and evaluation. Many developing countries have already successfully taken measures. Among these are Mexico, Brazil and Chile. Argentina, China, India, Thailand, Ghana, Mozambique and South Africa introduced important elements such as family benefits, access to education and health services. Cambodia, Equator, Burkina Faso, Togo and Benin also have committed to start building their own Social Protection Floors.

# 2. The Country's Profile

Sudan embodies the necessity for such schemes. During the past three decades, it has endured exceptional calamities, which ranged from natural disasters to undeniable political turbulences. Those had great impacts on all social security parameters in the whole country.

The following table (1) reflects the country's main features as stated by the World Bank Reports (2009). It is apparent that there are rapid demographic expansion from the year 1993 and 2009 as estimated by 24%. The basic required services only increased by 12% and that only concentrated in urban areas. The country's agricultural base did not similarly expand whereas, the industrial activities diminished. Truly, communications and educational capacities, specifically universities largely expanded though with a lower quality efficiency. Other health and water facilities still do not meet the basic levels. However, even with improvements, rural population at large had little share in the development of social security. That is true in specific regions, which amplified during the conflict in Southern Sudan. Uneven development generated similar conflicts in its Eastern and Western parts. Infrastructure development remained limited to the central parts of the country though recent schemes where launched in the Southern and Eastern regions. The major impacts came with the collapse of irrigated agricultural schemes that played stabilizing role in food security. Privatization policies added shock to patterns of economic production known in the country whereas, irrigated schemes represented and played pivotal role in providing income for seasonal labor markets and refuge at periodic times for drought victims.

Table (1) Sudan Country Profile

rasie (1) sadan dountry rrome	
Parameters	Year 2009
Population, total (millions)	41.3
Population growth (annual %)	2.2
GDP (current US\$) (billions)	55.9
GDP per capita (current US\$)	1,353
GDP growth (annual %)	8.3
Life expectancy at birth, total (years)	58.1
Mortality rate, infant (per 1,000 live births)	69.7
Literacy rate, youth female (% of females ages 15-24)	81.7
Prevalence of HIV, total (% of population ages 15-49)	1.4
World Bank Tables	

According to the *Human Development Report*, 26.6% of the Sudanese population is not expected to survive to more than 40 years of age. Comparatively, in neighboring Egypt the number is only 9.9% and in China 7.7%. The early death of so many Sudanese can be traced to the violence but also to the lack of necessities, as health services, clean water or even food. More than 27% of the population do not have access to safe water whereas in Egypt a lesser 13%. In Sudan more than 30% have no access to health services, while in Egypt, 1%. For children under the age of 5 years, 34% are underweight, while in Egypt, 12%. The *World Fact book* estimated that the **GDP per capita** at **purchasing power parity** in 2000 was less than US\$1,000, which increased to US\$1399 in 2009. All of these numbers underscore the difficulty of most people's lives in Sudan and do not represent the true picture in some disasters ridden regions. Increases in

calculated per capita income, however, does not transfer to all population. Disparities exit between regions, states and urban and rural areas. That translates into income gaps correlated with lack of social security specially in rural areas or civic conflict regions.

# 3. Rural poverty in the Sudan

Poverty in the Sudan is deeply entrenched and that is largely rural. It particularly affects farmers who practice rainfed agriculture. The phenomenon is more widespread in rural areas in Southern, Western and Eastern Sudan and in areas affected by conflict, drought and famine. The incidence of poverty varies considerably according to region. Partly, that is because economic growth is unevenly distributed and the economic and social devastation caused by the conflict in certain parts of the country. There are severe inequalities in terms of access to education, sanitation and clean water, infrastructure and natural resources, income opportunities, justice and political protection. Sustained economic growth was behind as presented in the extreme poverty rates that exacerbated from 77% in the 1990s to an estimated 90% at present. Important regional disparities still exist. The Sudan remains a low-income, food-deficit country. It ranks 147th on the United Nations Development Program's Human Development Index (2007/2008) among 177 countries.

In the country's poorest areas, the rapidly growing population includes displaced people and returnees. That puts significant pressure on already fragile ecosystems. Erosion, loss of soil fertility and damage to watersheds are affecting resources. Agricultural productivity is low. Farmers face the impact of the effects of climate change, such as water scarcity, on their livelihoods. Volatile food prices affect household food security.

In general, small-scale farmers, herders in the traditional rainfed farming and livestock sectors are poorer than those in the irrigated agricultural sector. People who do not have land to farm lead a livelihood by undertaking casual labor such as collecting firewood and making charcoal. Meanwhile, people living in areas that have been or continue to be affected by drought and conflict. The South, Darfur, Kordofan and the Red Sea, are the most vulnerable to poverty.

Isolation is one of the key factors affecting poverty. Isolated settlements have little or no access to social services and markets. Within rural communities, households without assets and labor are the poorest. They include elderly or disabled people, and households headed by women with young dependants. Women and girls are the most disadvantaged members of society, less than one third of them have access to education. The country's poorest areas include, southern Sudan, with the exception of Western Equatoria, the transition area between northern and southern Sudan, the states of Blue Nile, Darfur and Kordofan, the states of Gedaref, Kassala, Red Sea and White Nile.

Inadequate development strategies, slow adaptation to climatic volatility, and erosion of natural resources are causatives of poverty. These causes have also fuelled the prolonged civil conflicts that have had a devastating effect on the rural population. Poor rural people, practice subsistence agriculture, and their livelihoods are based on crop cultivation, herding and fishing, where available. Smallholder farmers are hindered by the limited size of their landholdings, low productivity and an inability to improve their incomes. Because of the lack of rainfall and domestic water supplies, for most farmers the growing season is

brief and crop failures are frequent. Constraints to their livelihoods are represented in the unpredictability of rainfall, water shortages during the dry season, barriers on migratory routes. Those lead to disputes between pastoral and sedentary or between local communities and commercial interests. Access to credit, distribution and marketing channels are limited. Farmers have inadequate technical knowledge and poor skills in production and marketing. They find it difficult to break out of the cycle of low productivity and income. Seasonal migration of rural workers in pursuit of wage labor opportunities on mechanized and irrigated farms and in urban areas is widespread.

The impacts of conflicts on poverty incidence in Sudan are enormous. More than two decades of civil unrest in the Sudan have cost the lives of about 2 million people and had a devastating effect on the well-being of the population. Protracted civil conflict in the Sudan generally has its origin in socioeconomic inequities caused by neglect of the agricultural sector. Instantly, there were misguided land reforms, unfair distribution of resources for development between urban and rural areas. For irrigated and traditional farming, the exclusion of local communities from decision-making had its impacts. These policies have led to the development of an economy based mainly on export and lease of natural resources, to competition over access to scarce land and water and to inadequate nation's building.

#### 4. Causes of Social Instabilities

After decades of internal conflict the Sudan signed a peace agreement in January 2005 and the new Governments of National Unity and Southern Sudan launched a six-year recovery, peace-building and development plan. However, many factors attributed to the social instabilities in the country. The first is expressed in natural disasters, e.g., floods of 1988 and a multitude of droughts that hit many parts of the country.

The second manifests in the recurrent changes in the political regime and hence in the country's institutional structure and the continuation of the Civil War in the southern Sudan that restarted in 1983. Inceptions of rebellions in Darfur region in 2003 was followed by similar movements in the East of the country. The conducted elections in 2010 are supposed to be followed by a ballot to decide for the separation of the south or not in January 2011. The instabilities of the political situation generated institutional interregnum between and with regions and states.

The previous events genuinely affect parameters of social security in the country, e.g., unemployment levels and supporting institutions. Moreover, they had certain impacts on population strata and social formulations all around the country. A certain social formation was generated by civic instability, represented in the internally displaced. Today that is present in considerable portions of the Sudanese demographic formation. Statistically, it is 3 millions in Greater Darfur region, or 36% of its total population, 600,000 of the Eastern Sudan, or 15% of its population and 1.2 Millions in the capital Khartoum or 24% of its urban population. However, the numbers are less than expected and definitely less than 5 years ago. Large portion of refuges in the Sudan's capital refugees settled and housed in newly built towns around Khartoum or returned to the Southern Sudan. However, more refugees flood to the country's largest urban areas. An estimated 600,000 people settle every year in cities. All these

numbers are direly in need for water, hospitals and jobs. The vision for social security are blur with the civil conflicts, economic restrains and dwindling ability of donors to give more for the country's increasing needs.

New phenomenon is represented in the increasing numbers of universities and higher educational colleges due to the High Education Revolution declared by the present regime 20 years ago. Visions for better employment policies are required. Unemployment rates are getting high. Thus, the quality of the provided job opportunities should be amalgamated with social security parameters.

The subsequent analysis will introduce more of the above-mentioned social security parameters and try to implement them with the analysis the concept of Social Floor. Though the selected parameters: economic impacts, health and education and the political impacts, are few but they give some view on the general situation as affected by the pre and post civil wars.

# 5. The Analytic Model

We use a simple regression analysis to fortify the discussion carried out here that depends on statistical data provided from official records. The parameters are comparisons between available resources during peaceful and civil war periods. However, the inception of the conflicts in Darfur that started in 2003 cannot be accounted for in the analysis as no solid peace agreement has been held yet to compare with and dummy representation is not available to cater for possible verifications.

The simple model is based on:

- 1- For the economic impacts, Y represents GDP per capita, GDP per capita growth rate, Investment share, Government expenditure and inflation in the equations 1, 2, 3, 4 and 5 as the first dependable variable.
- 2- Independent variables  $X_2$ ,  $X_2$  are present for Pre-civil war (1972-1982) and Impacts of civil war (1983-2005), consequently.

Table (2) Pre- and post-war comparison
The Economic Impacts

The Economic Impacts				
Dependent	Pre-Civil War	Impacts of Civil		
Variable	(1972-1982)	Wars (1983-		
		2005)		
GDP per capita	0.150**	-0.252**		
	(0.046)	(0.122)		
GDP per capita	2.381*	3.395**		
growth rate	(0.399)	(1.277)		
Investment	0.166	1.387**		
share	(0.022)	(0.232)		
Government	0.957**	2.137		
expenditure	(0.141)	(0.357)		
Inflation	13.048**	10.643**		
	(5.404)	(5.319)		

<sup>\*\*</sup>Significant at 99%.

Table (3) Impacts on Health and Education

Dependent Pre-Civil War Impacts of Civil

 variable
 (1972-1982)
 Wars (1983-2005)

 Infant mortality
 1.211\*\*
 5.314\*\*

<sup>\*</sup>Significant at 95%.

<sup>3-</sup> Impacts on health Y: infant mortality, adult female mortality, adult male mortality, primary and secondary school enrollments is dependant on pre-civil war (1972-1982) and Impacts of civil wars (1983-2005).

	(1.259)	(0.924)
Adult female	2.202**	5.129
mortality	(5.332)	(4.956)
Adult male	11.233**	18.423**
mortality	(4.111)	(3.266)
Primary school	3.117**	5.814**
enrollment	(1.687)	(1.515)
Secondary school	5.853	16.680**
enrollment	(1.235)	(1.343)

<sup>3-</sup> The dependant variables in this model are Political stability and Civil liberties and rights which were treated as qualitative data and utilized in the analysis after having given binary values.

Table (4) The Political Impacts

Dependent Variable	Pre-Civil War (1972-1982)	Impacts of Civil Wars (1983- 2005)
Politic Stability	2.330**	5.128**
Politic Stability	(0.266)	(0.469)
Civil liberties and	0.553**	4.342**
political rights	(0.030)	(0.127)

#### 6. The Current Situation

The intensity of civil war violence relatively faded in the south. However, the conflict escalation in Darfur increased the social disturbances. Early-life exposure to civil wars had impacts and affects labor-market outcomes later in life. The impacts of armed conflict in Sudan gave an experience of a tenacious and brutally effective civil war. That was sensitive to social stability and hence to applying measurements for social floor. That generated social scourge particularly in early-life exposure to civil war violence specially, at the first 36 months of life. On income levels, civil war leads to fall in adult monthly earnings. Heterogeneity in the earnings impacts emerge when considering variation in the types of civil war. Sexual violations affect the wages of women. Meanwhile torture and forced disappearances affects the wages of men. Health and schooling rates are important channel in connecting early-life exposure to civil war and adult earnings. According to scholars like Kriger (1992) violence against and between civilians is the most important attribute of civil wars. A minimum of eight out of ten people murdered in civil wars have been civilians. Civil wars also are associated with mass murder, forced disappearances, sexual assaults, and other types of extreme violence. They are deliberately inflicted with the purpose of intimidating civilians through exemplary terror (Kalyvas 2006).

It is well documented the direct short-run effects of civil wars include the destruction of vital infrastructure, the collapse of institutions, a large number of displaced individuals, orphanage children, and a massive loss of life (Collier and Hoeffler 1998). Abadie and Gardeazabal (2003) reported their negative impacts on economic growth. Justino and Verwimp (2006) showed that one out of five Rwandans moved into poverty after the genocide. That is true in the Case of Sudan that lost years in the strife manifested in the poor infrastructure especially in conflict torn regions. Yet, the long-run consequences of civil wars on human capital development, institutions, and social norms are still unclear (Blattman and Miguel 2009). However, evidence from formerly displaced people of Southern Sudan who stayed long in refugees' camps suggests entrenched

Foreign Aid Dependency Syndrome. Many lost their cattle herds, in case of nomadic herders. Other, sedentary farmers migrated from their cultivable lands. Both turned into aid-handed displaced or marginal jobs takers. Many transformed from de facto or potential producers into camps displaced. Alternative working opportunities where not available and the traditional ways were not available. Their social protection blanket vanished with the loss of their income generating facilities. Similar phenomenon is evident for Darfur population. More petty jobs seekers, homeless or beggars are represented more in the Sudanese urban and suburban areas. Reports of increased numbers of street-children are evident. Probably, early life exposure to civil war had torn or deprived them of their families. That should affect labor-market earnings later in life, following the critical-period theory (Godfrey and Barker 2000). That is the impact of two decades where the country experienced the actions of a tenacious, brutally effective and long civil conflict. The social and economic losses from this spiral of violence were dramatic.

Economic subtractions from development, is evident because of the strife at an estimated economic losses for the civil war in the south (1983-2005) is at the fringe of US\$12 billion dollars in addition to foreign debts of US\$37. The latter was supposed to be used in projects, which feasibly could have provided social havens and income generating institutions if properly used under good governance regimes. The production of violence also led to over 2 millions displaced people as a result of serious acts.

Human capital losses are presented in a body of literature on the legacies of civil wars. They suggest that they affect schooling (Chamarbagwala and Moran 2010, Shemyakina 2010, Leon 2009) and health outcomes (Akresh et al. 2007, 2009, Alderman et al. 2004). Both are negatively impacted by episodes of civil war. The scope of human capital models reveals the inevitable effect on total lifetime earnings of those affected. Direct evidence on the long-run labor-market consequences of civil wars, however, are still a missing gap in the literature. An exception is the work of Blattman and Annan (2007) who reported less schooling and work experience for former child soldiers in Uganda, and therefore, less success in their labor market outcomes as adults. Another view was illustrated by Humphreys and Weinstein (2007). They reported that increases in Sierra Leone combatants' violence exposure was negatively correlated with employability. Such study, however, did not restrict labor-market analysis to former combatants, but rather used a large national representative sample of civilians exposed to civil war at the very beginning of their lives. Moreover, the violence shocks for several periods before and after birth uncover evidence about sensitive or critical period: early childhood, and preschool exposure. Furthermore, data enables us to assess the long-run impacts of civil war violence, which improves over limited time horizons of most civil war datasets. That is consistent with the findings in literature for some conventional or international wars (Hearst and Newman 1986 and Angrist 1990).

Recent research in economics relates conditions in early life to outcomes in later life. This literature help to identify shocks that have long-lasting effects, understanding the mechanisms of underlying shocks' persistence and highlighting potential pathways connecting childhood and adult outcomes. However, the long-run effects on health or environmental shocks in early life on adult health is presented in Strauss and Thomas (1998), Alderman and Behrman

(2006), and Maccini and Yang (2009). The negative impacts on schooling attainment are presented in Glewe and King (2001), Behrman and Rosenzweig (2004) and Alderman et al. (2006).

The civil war in Sudan began in the southern part and spread other regions of the country. Regional variations in the timing and intensity of violence identify its effects on labor-market earnings. Similar strategies were used in other studies addressing the impact of civil war violence on human capital outcomes (Akresh et al. 2006, 2009; Chamarbagwala and Moran 2010; Shemyakina 2010).

Literature review by way of a systematic analysis reveals the impacts of violence. Civil war inherently affected the majority of civil war and that had impacts on the effectiveness of possible launching of social security schemes. Such impacts are described by Blattman and Miguel (2009). The actual intensity of violence does not separate transitory shocks from secular trends in violence conditions. However, distinction between civil war and violence in civil wars is often overlooked in the micro data analysis of civil wars as postulated by Kalyvas (2006). Accounting for civil war violence is primarily based on a single specific measure of violence, including deaths as emphasized by Chamarbagwala and Moran (2010) and abductions (Blattman and Annan 2009), length of exposure to civil war (Akresh et al. 2009, Leon 2009), and damage to household dwellings (Shemyakina 2010).

In literature, the heterogeneity of civil war impacts has five characteristics: violence: sexual violations, forced disappearances, abductions, killings and forced detentions and torture. The most sensitive period to early-life exposure to civil war violence is the first 36 months of life. Early childhood exposure to violence leads to a fall in adult monthly earnings. That is an indicator of strong impacts of the incidence of civil war. Women are more affected by civil war violence than men, which affects the long-run earnings of urban people, as compared to those living in rural locations. The substantial heterogeneity in the impacts of civil war on adult earnings depends on the type of civil war violence experienced. Exposure to torture and forced disappearances yields the strongest negative impacts; sexual violations proportionally affect the wages of women, while torture and forced disappearances negatively affect the wages of men. Focusing only on the most common types of violence, deaths and abductions, may underestimate the overall impact of civil war. The psychological distress that attaches to other types of violence may have stronger long-lasting human capital impacts. The mechanisms connecting adult earnings and violence suggest that health is affected. Armed violence during early childhood is significantly associated with sustainable chances for education. Additionally, schooling attainment is negatively affected by exposure to civil war and adult earnings.

In 1983, Sudan witnessed the re-continuation of one of the world's longest deadliest civil conflict. However, the civil war in Sudan did not follow the conventional prediction in such armed conflicts that flourish in resource rich regions because of the existence of more rents to fight over (Le Billon 2005). Weinstein's (2006) typology of an activist rebellion where grievance trump greed and participation is risky, short-term gains were unlikely. Highly committed militants resemble investors dedicated to the cause of the organization and willing to make risky investments in return for the promise of future rewards (Weinstein 2006). The initial response from the government was ineffective. The operations used strategic force. However, rapid economic

assistance, to bolster local economic conditions in the initially affected areas was not visible. The military forces were reportedly accused of using indiscriminate violence against civilians. This strategy did not cease, but rather fueled the expansion of the civil war. Kalyvas (2006) documents 100 studies and 45 historical cases where state violence against civilians provoked a greater insurgence violence, as a response. The result was the collapse of traditional social security and cohesion systems in addition to all existing infrastructure supporting economic structures in all civil war ridden regions.

## 7. Regional Impacts on Some Social Parameters

The following table (6) illustrates some parameters that give evidence of the condition in the Southern region. Though four years passed since the peace agreement, the numbers of local conflicts kept on rising. Data on displacement reveals that there are 400.000 refugees, which is over 8% of the region's population. Food production is still at the same levels during the civil war years. Illiteracy is at 87% rate and people with no sources for clean water records 48% of the region's population. Acute mal nutrition rates are high and the life expectancy is less than that of Northern parts of the Sudan.

Table (6) Profile of the Situation in Southern Sudan 2009

ie (b) Frome of the Situation in Southern	i Suuaii 2
Victims of Local Conflicts	2500
Number of Refugees	400,000
Number of States Enduring Violance	7
Number of Small Arms (millions	7.2
Number of People in Need for Food Aid	3.4
Number of People Suffering Food Insecurity	5.1
NGO Services to Public Services	85%
Illetracy	87%
Life Expectancy at Birth	42
Acute Mal Nutrition Rate	8.14%
People with no Clean Water Access	48%
Children in Primary Schools	8.15%
UNDP, 2009	

The minimized contribution of the government in providing public services is revealed by the percentage of the NGO participation in services to the people, which are health, clean water and education.

When the civil war expanded to other regions, they were under the siege of political violence. The cycle of political violence worsened even more. It began against the government. However, civilians were most affected. The end of civil war occurred in 2005 when peace agreement was signed. However, the Darfur was different. Though the conflict there seems to fit the activist rebellion typology developed by Weinstein (2006), it does not follow its main prediction. The armed conflict was marked by deliberate indiscriminate violence against civilians. The production of violence was provided by at least many competing parties, with the purpose of matching their opponent's violence to create fear in civilians. The number of serious violence acts, i.e., killings, forced disappearances and sexual abuses. That seriously affected the economic activities, traditional settlement and livelihood of sedentary population. Activist rebellion type predicts that movements that arise in resource-poor contexts perpetrate into

low levels of indiscriminate violence and employ violence selectively and strategically. On the other hand, the rebellion type predicts that civil wars emerging in rich natural resources areas tend to commit high levels of indiscriminate violence (Weinstein 2006). It highlights the limitations of building unified conceptual categories to describe diverse civil war movements. Kalyvas (2000) defined a typology of civil war based on the interaction of two key elements of violence: its purpose and its production. According to this typology, the armed conflict corresponds to civil war violence.

The intensity of early life exposure to the cycle of armed violence depends on where and when the individuals were born. Some places may not experience a single violent act, where others do. The years 1984 and 1985 were extremely violent, while 1987 was relatively peaceful.

The low coverage of social security programs in developing countries is often attributed to the dual nature of their labor markets. Implicit in this view is that workers are rationed out of social security against their will because they are unable to find formal jobs with benefits. Throughout the world, social security programs have been introduced to insure consumption in old age. For salaried workers, participation in these programs is linked to employment; employers are required by law to register workers and transfer a certain share of workers' wages to pension administrators. In practice, however many employers do not enroll their workers in these plans. Some workers may contribute in former jobs and thus accrue some pension rights. However, participation rates are very low, suggesting that a large share of the labor force may not receive a pension or will retire with meager benefits.

Most studies attribute the high rates of non-participation or the informal employment, to the characteristics and regulations prevailing in the labor market or to the characteristics of the firms. Some studies emphasize the importance of wage rigidities caused by labor regulations, unions or efficiency wages, which lead to rationing of formal sector jobs with benefits (Harris and Todaro, 1970; Esfahani, Hadi and Salehi-Isfahani, 1989; Agénor, 2005). Other studies, explain informality as the result of the decisions of firms (Levenson and Maloney, 1998). In this view, firms decide whether to engage in formal institutions by assessing the benefits and costs of doing so, with the outcome of the cost structure and characteristics of firms. Participation in social security becomes exogenous to workers' decisions. Workers with weak preferences for participating in social insurance programs sort into jobs in which social security is easier to evade. The possibility that workers preferences are likely to underlie participation in social insurance is presented in health insurance literature in developed countries (Monheit and Vistnes, 2006).

#### 8. The Social Floor

The broad concepts of Social Floor contain seven pillars we outline and analyze the situation in the Sudan as follows:

The *first pillar* is that social security is a Human Right as postulated in Article 22 of the Universal Declaration of Human Rights. It states that: *Everyone, as a member of society, has the right to social security.* That is difficult to presume under the current conditions with non-participative fact of several regional populations' powers. The successive regimes that controlled the country produced continuous erosion of such concept. After almost 60 years of

independence, that remains a dream for the majority of the country's population. The ILO's Philadelphia Declaration was the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care. Subsequently, the ILO launched a campaign in 2003 to extend social security to all with a proposed set of rights as a social security floor.

That is hardly applicable for the Sudan with an estimated 10% of its population in displaced camps and over 90% under the poverty line globally specified. That makes the task difficult in implementation. Moreover, over 70% of the population is deprived of basic requirements of clean water, basic medical and educational facilities. Therefore, providing the required services which will set the base for building-up SSS essentially call for international help and wider strategic planning to cater for that. That is difficult to achieve with the current civil conflicts in Sudan.

The **second pillar** is that: Social security is a social necessity. There is no solid data set to cater for an achievement of such a parameter. However, with over 90% of the Sudanese people living under poverty and 70% are deprived of basic facilities, it is logical to propose that at least 80% of the Sudanese population lives in social insecurity. Some research data proposed that 40% of them live in utter destitute. Sudan also records the highest infants' mortality less than 5 years of age, due to lack of access to health care and lack of income security. With hypothetical assumptions' social security is expected to reduce poverty. Household surveys show high concentrations of revenues in the urban. Social security systems should reduce income inequality.

The *third pillar* is that *Social security is an economic necessity*. That concept is necessary in order to convince governments and societies to spend on social protection. Thus, they can countries grow with equity. Countries that have been the most successful in achieving long-term sustainable growth and poverty reduction have all put in place extensive systems of social security at an early stage. In Sudan, that is inevitably necessary as differences between urban and rural areas, between states and regions are highly manifested. Most states rely on the Central Government support for subsidies to run their administrative cost and other basic facilities. Moreover, it has been stated in most negotiations, literature and by politicians that unless development is defused in all the country's regions rebellion may expand.

The *fourth pillar* is that *basic social security for all should be fiscally affordable*. Economies cannot develop and grow without a productive workforce. In order to unlock a country's full growth potential one has to fight social exclusion, ignorance, unemployment. Social transfers are most directly and most effectively reach out to the excluded and the poor and those who have to adapt to economic change and thus maintain their productivity. Access to social health protection improves productivity levels. Social transfers also cushion the effects of economic downturns on domestic demand. As expected, in developing countries have multiplier effects on local markets and transfers in kind my have negative effects on prices. Again, the cost of civil conflicts in Sudan makes it impossible to achieve such a parameter. Defense and security consumes over 70% of the GNP. The remains give inadequate sums funds to finance SSS.

The *fifth pillar* we propose here is to support *social cohesion* in the country. That is basically vital in a country that endured civic strife for sixty years. The cohesive relationships traditionally that existed between its societies were

eroded by long conflicts about resources and power. Sudan, as a traditional society, in whole, suffered stigmas of discrimination, elitism, marginalization and destitute. Without applying institutional basis that protect and provide irrevocable constitutional rights for individuals, societies and people building up social cohesion based on social welfare is a delusion. Moreover, such social cohesion is vital to support traditional social systems that long protected economic activities, e.g., rights for nomadic activities and pastures, collective farming and traditional marketing and bartership.

The *sixth pillar* is represented in the *definition of SSS floor per se.* Globally, less than 2% of the Global GDP is required to provide a basic set of social protection benefits to all people that have to live on less than one dollar a day as stated years ago. However, such specified minimum income is unrealistic today with the rife inflation seen in Sudan as much as other parts in the world. Recession adds to the dilemma, with the increasing rates of unemployment and the deteriorating rates of investment in the real economic production sectors. The latter, amplify job generation chances. Both combined produce stagflation, which is the most serious impediment for SSS creation. A minimum package of social security benefits is affordable in even the poorest countries as recent work by the ILO on the cost of a minimum package of social security benefits in sub-Saharan Africa, Asia and Latin America has shown. A basic package of modest pensions and child benefits can reduce the poverty by 40% in poor developing countries at a cost of 3-4% of GDP in some African countries. The case is prevalent in Sudan with high rates of inflation that even conquer the logics of modifying available pensions to meet the required needs. Thereby, investments in a basic set of social security benefits will have minimum cost compared to expected building-up of social networks. Logical hope is to minimize expenditures on armament and divert their funds to SSS, development of infrastructure and means of production.

The vision should not elude the paradox, if Sudan can afford the cost of social security. It should be directed towards what schemes can introduce, where and quickly. The guarantees of access to basic health benefits, through a set of subsystems linked together, e.g., a public health service funded by taxes, social and private insurance and micro-insurance systems. Moreover, income security provided to family/child should produce benefits to facilitate access to basic social services, i.e., education, health and housing. That should guarantee access to basic social assistance for the poor and unemployed in active age groups. Thus income security is guaranteed for the people including those in old age, invalid and survivors through basic pensions. Decisively, it is relative with serious decision-making, planners and those who direct funds. Both are institutionally defined. However, under the prevalent conditions, it seems that an institutional interregnum exist between what is planned and what is executed in reality.

Two essentially things are basically required:

1- A Global Strategy that contains an international standard/instrument that defines minimum benefit benchmarks for defined stages of development. That can be used by national advocacy groups to promote the development of national systems integrated into international development policy agendas. Thus, donors can allocated and focus on funding social floor development plans. The UN, UNICEF and support building a Global Social Floor Coalition campaign for the introduction of a Global Social Security Floor. That should

- aim at creating global political consensus. However, reaching for a finally formula is vital to set an applicable pattern.
- 2- Defining National Action to engulf national action plans and draw-up credible and pragmatic roadmaps for the development of social floor benefits. The mandatory should be that the supporting national social floor development, initiate plans for new pilots. Thereby, it shall be through a full range of financial and administrative analyses and the support of national consensus to build dialogue processes. That requires including such National Action into a constitutional structure to guarantee it implementation.

## Conclusions

Currently, the primary challenge to social security in Sudan is the state of continuous *institutional interregnum* caused by instabilities in parts of the country. Such state detains efforts to establish social protection measures from providing the necessary results. In order to establish any coherent parameters for social floor, it is essential for a comprehensively stabilized system. Subsequent implementation should focus on specific lines institutionally defined and applied. Otherwise, efforts shall be lost.

#### References

- 1- Abadie, N. and Gardeazabal, A. (2003) The Economic Costs of Conflict: A Case Study of the Basque Country. American Economic Review 93(1), 112-132.
- 2- Akresh, R, and D. de Walque (2009) Armed Conflict and Schooling: Evidence from the 1994 Rwandan Genocide. Review of Economics and Statistics.
- 3- Akresh, R., T. Bundervoet and P. Verwimp. (2009) Health and Civil War in Burundi. Journal of Human Resources, 44(2): 536-563.
- 4- Alderman, H. and J. Behrman (2006) Reducing the Incidence of Low Birth Weight in Low-Income Countries Has Substantial Economic Benefits. World Bank Research Observer. 25-48(1)21.
- 5- Alderman, H., J. Hoddinott and B. Kinsey (2006) Long Term Consequences of Early Childhood Malnutrition. Oxford Economic Papers, 58(3): 450-474.
- 6- Angrist, J. (1990) Lifetime Earnings and the Vietnam Era Draft: Evidence from Social Security Administrative Records. American Economic Review, 80(3), 313-36.
- 7- Barker, D. (1998) Mothers, Babies, and Health in Later Life. Edinburgh, U.K.: Churchill Livingstone.
- 8- Behrman, J. and M. Rosenzweig (2004) Returns to Birthweight. Review of Economics and Statistics, 86 (2): 586-601.
- 9- Blattman, C. and J.Annan (2007) The Consequences of Child Soldiering. Review of Economics and Statistics.
- 10- Blattman, C. and E. Miguel (2009) Civil War. Journal of Economic Literature.
- 11- Chamarbagwala R., and H. Moran (2010) The Human Capital Consequences of Civil War: Evidence from Guatemala. Journal of Development Economics.
- 12- Collier, Paul, and A. Hoeffler (1998) On Economic Causes of Civil War. Oxford Economic Papers, 50(4), 563-573.
- 13- Glewe, P., and E. King (2001) Impact of Early Childhood Nutrition and Academic Achievement: Timing of Malnutrition Matter? World Bank Economic Review. (15)81-114.
- 14- Hearst, N., T. Newman and S. Hulley (1986) Delayed effects of the military draft on mortality. A randomized natural experiment. New England Journal of Medicine, 314(10): 620-624.
- 15- Humphreys M., and J. Weinstein (2007) Demobilization and Reintegration. Journal of Conflict Resolution, 51(4) 531-567.
- 16- Justino P., and P. Verwimp (2006) Poverty Dynamics, Violent Conflict and Convergence in Rwanda. HCN WP16.
- 17- Kalyvas S. (2006) The Logic of Violence in Civil War. New York: Cambridge University Press.
- 18- Kriger, N. (1992) Zimbabwe's Guerrilla War: Peasant Voices. Cambridge University Press.

- 19- Le Billon, P. (2005) Fuelling War: Natural Resources and Conflicts. New York, Routledge.
- 20- Leon, G. (2009) Civil Conflict and Human Capital Accumulation: The Long Term Effects of Political Violence in Peru. Working Paper No 245.
- 21- Maccini, S. and D. Yang (2009) Under the Weather: Health, Schooling, and Economic Consequences of Early-Life Rainfall. American Economic Review, 99(3):1006-26.
- 22- Shemyakina, O. (2010) Effects of Armed Conflict on Accumulation of Schooling: Results from Tajikistan. Journal of Development Economics.
- 23- Strauss, J. and D. Thomas (1998) Health, Nutrition, and Economic Development. Journal of Economic Literature, 36 (2): 766-817.
- 24- Weinstein, J. (2006) Inside Rebellion: The Politics of Insurgent Violence. New York: Cambridge University Press.
- 25- Esfahani, H., and D. Salehi-Isfahani (1989) Observability and Worker Productivity: Towards an Explanation of Economic Dualism. *Economic Journal*, 99: 818–36.
- 26- Harris J., and M. Todaro (1970) Migration, Unemployment & Development: A Two-Sector Analysis. *American Economic Review* 60(1):126-42.
- 27- Levenson, Alec R., and William F. Maloney (1998) The Informal Sector, Firm Dynamics and Institutional Participation. Working Paper no. 1988, World Bank, Washington, DC.
- 28- Monheit, A., and J. Vistnes (1999) Health Insurance Availability at the Workplace: How Important are Worker Preferences? *The Journal of Human Resources* 34(4): 770-785.
- 29- Monheit, A., and J. Vistnes (2006) Health insurance enrollment decisions: preferences for coverage, worker sorting, and insurance take up. NBER Working Paper 4402. Cambridge, United States: National Bureau of Economics Research.