

Social Protection in Developing Countries: A quiet revolution?

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Social protection in development: A quiet revolution?

Expansion of social transfer programmes in developing countries

Informed by a renewed understanding of poverty

Multidimensional poverty, poverty persistence, poverty measures and rankings of the poor

...leading to social protection as a policy framework addressing poverty, and an essential component of a development strategy

economic growth + basic services + social protection

Defining Social Protection

Social Protection “...describes public actions taken in response to levels of vulnerability, risk and deprivation which are deemed unacceptable within a given polity or society (Conway, de Haan and Norton 2000)

Main components:

- **Social insurance:** contributory programmes addressing life course and work related contingencies
- **Labour standards:** providing employment protection and workplace rights
- **Social assistance:** tax financed public programmes focused on groups in poverty

...but with a different focus and dynamics in developing countries

Different approaches: risk, rights, needs

World Bank

Social Protection Strategy adopts a social risk management framework consisting of public interventions “to assist individuals, households, and communities in better managing income risks”

ILO sees social protection as

“entitlements to benefits that society provides to individuals and households – through public and collective measures – to protect against low or declining living standards arising out of a number of basic risks and needs” (van Ginneken, 2000)

UN – ESC 39th Session Report of Secretary General, social protection

“is broadly understood as a set of public and private policies and programmes undertaken by societies in response to various contingencies in order to offset the absence, or substantial reduction, in income from work, provide assistance to families with children; and provide people with health care and housing”

A comprehensive policy framework?

Vulnerability = shocks - buffers

Vulnerability = (risk x hazards) - buffers

Saving,
assets,
entitlements,
networks

A comprehensive policy framework?

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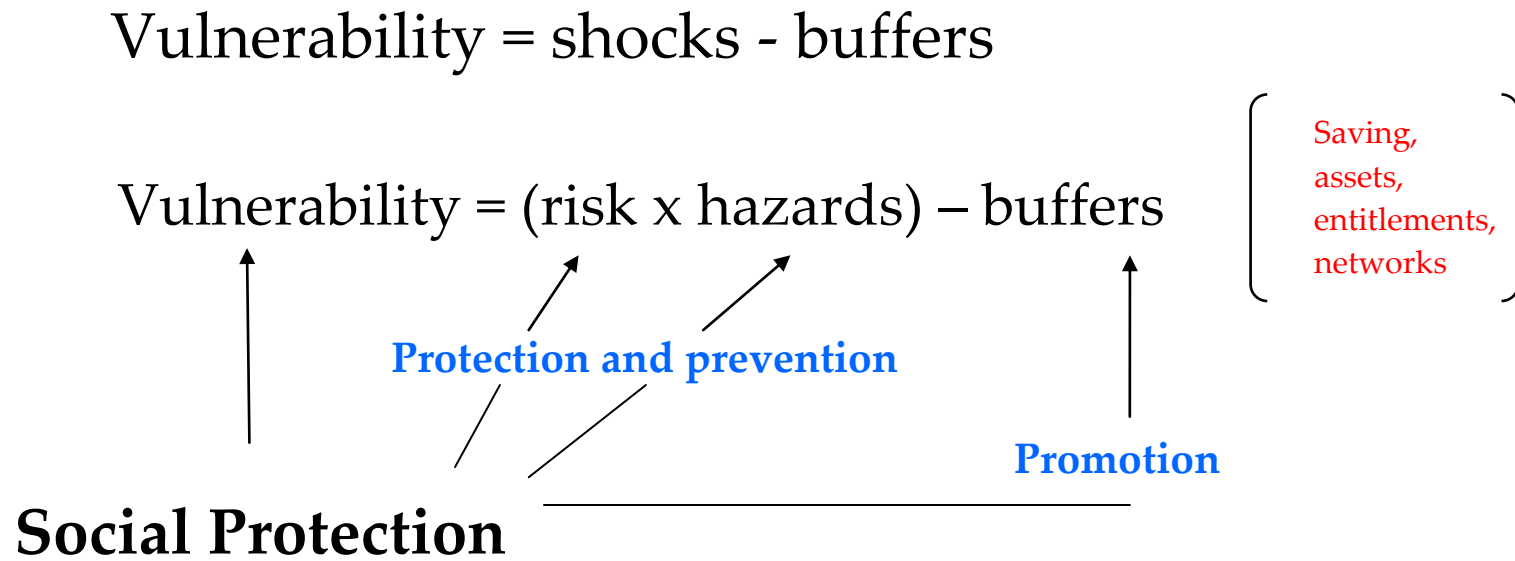
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Protection and prevention

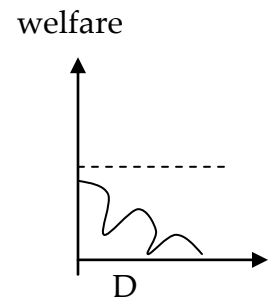
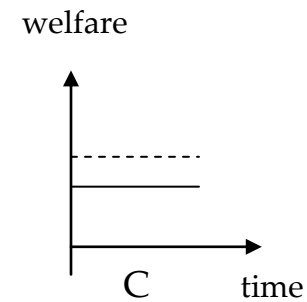
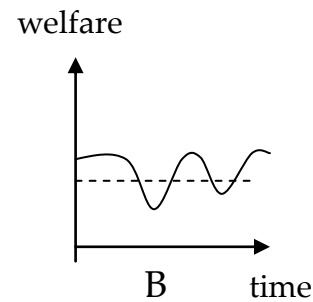
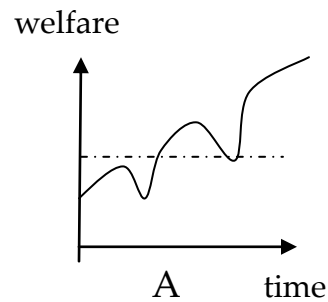
Promotion

Social Protection

A comprehensive policy framework?



different household trajectories



Poverty analysis and social protection

Programmes informed by developments in poverty analysis:

- depth and severity of poverty, not just headcount
- ranking of the poor
- poverty is multidimensional,
- duration is extremely important (poverty traps)

Focus on **households** (because of agency and productive capacity)

Aim to reduce **current poverty and future poverty**

...with **regular and reliable** transfers over an appropriate period of time to enable household investment

New Forms of Social Assistance

- **pure income transfers**
Social pensions, child grant, family allowances
- **income transfers and services**
Human development (Oportunidades, Bolsa Familia),
Infrastructure (National Rural Employment Guarantee)
Assets (Productive Safety Net Programme)
- **integrated poverty reduction programmes**
Chile Solidario

Diversity, Scale, Scope, Dynamics

...and a focus on extreme and persistent poverty

*Social Assistance in Developing Countries database, version 4, at www.chronicpoverty.org

Design issues

Programme objectives

Beneficiary selection: categorical; geographic; community; means test; proxy test; self-selection

Conditionalities and co-responsibilities – links to basic service utilisation

Level of the transfer

Duration and exit strategies

Child Support Grant in South Africa

Introduced in 1998, means tested monthly benefit of around US\$25 per child per month, aimed at reducing child poverty

Extended to children under the age of 18, reaching over 11 million children; the grant 'follows the child'

Together with two other grants focused on children (Foster Care Grant and Care Dependency Grant) absorb 0.7% of GDP

Absence of impact evaluation, but studies focused on incidence find programme reaches target groups, but insufficient coverage of the poor (the absence of the mother greatly reduces the probability that children receive the grant); improved child nutrition

Concerns about the level of the benefit, and child headed households

PROGRESA/OPORTUNIDADES in Mexico

PROGRESA was introduced in 1997 aimed at reducing rural poverty, especially intergenerational poverty persistence, through strengthening household investment in human development: schooling, health, and nutrition,

In 2002 scaled up and renamed OPORTUNIDADES

Cost of PROGRESA is 0.5% of GDP, reaches 5 million households, or 20% of population

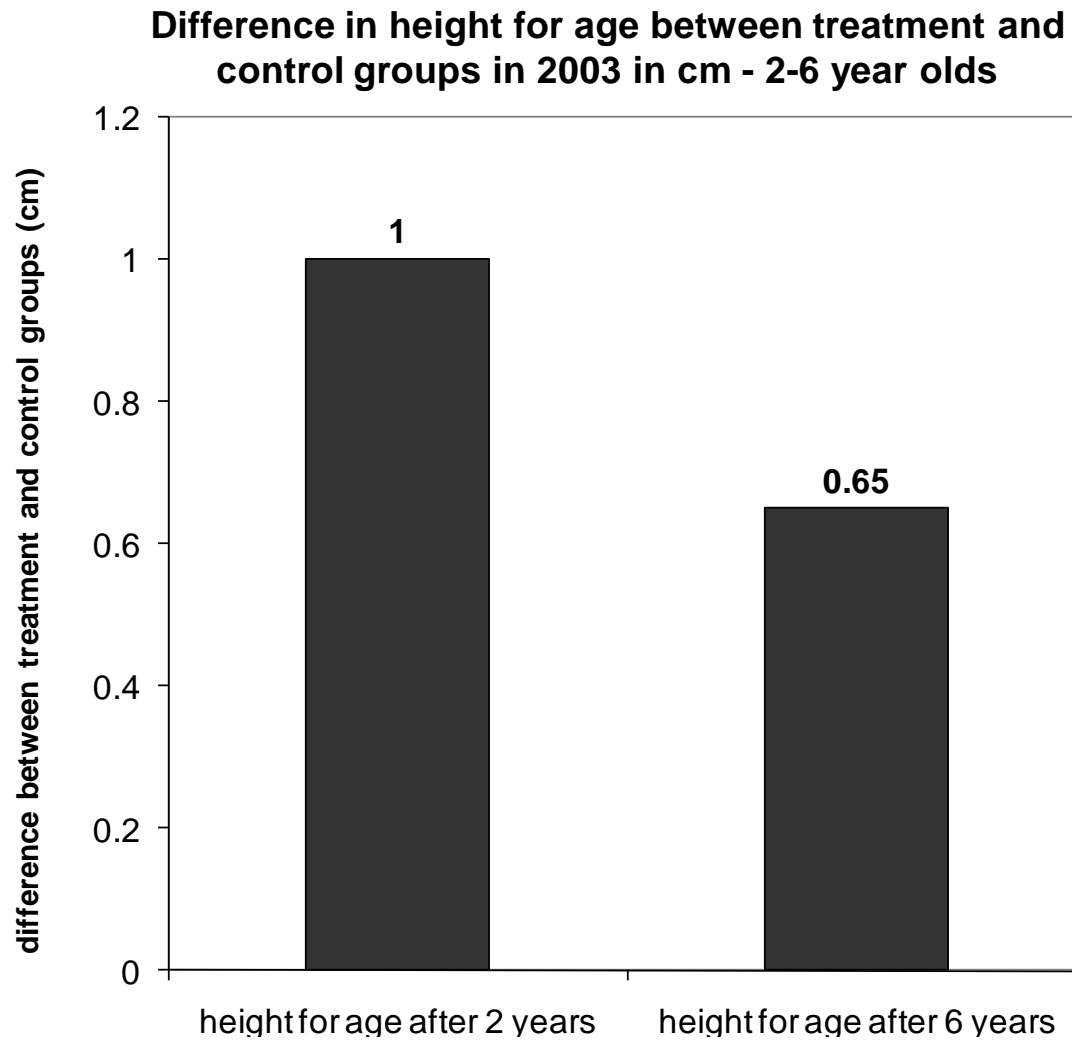
Selection and evaluation important due to Mexico's political environment

Transfers are paid to the mother and are conditional on children attending school, and on regular visits to health centres

Impact observed two years from the start of the programme

- Improved enrolment and attendance at school:
 - secondary school enrolment rates low, improvement by 2000 larger
 - boys' enrolment rates up by 3.5 to 5.8 pps, from a base of 73%
 - girls' enrolment rates up by 7.2 to 9.3 pps, from a base of 67%
- Large improvements in health status and nutrition
 - Utilisation of primary health care units doubled
- Large reduction on the poverty gap: around 30% in first two years

Medium term impact on child nutrition



Neufeld et al (2006) Vol. III; Ch.1 Impacto de Oportunidades en el crecimiento y estado nutricional de niños en zonas rurales

Chile Solidario

Introduced in 2002 by the Chilean government with the aim of eradicating extreme poverty

Targets extreme poor – indigents – 5% of households

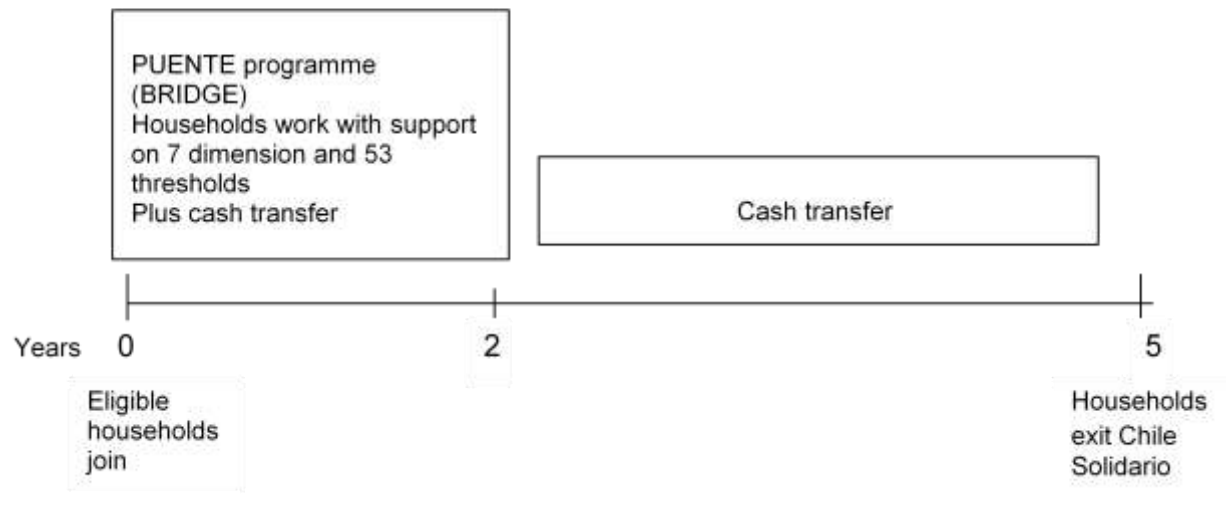
Integrated anti-poverty programme

Multidimensional – seven dimensions: housing, education, health, employment, income, household dynamics, registration

Focus on social exclusion – extreme poor and their rights

How does it work?

Figure 3. *Chile Solidario*: timelines and outcomes



Impact: one year after the start of the programme, 75.3 percent of households entering the programme had achieved all 53 thresholds

Remaining challenges: Low income countries

...introducing social assistance programmes in **low income countries** remains a challenge;

...where programmes have been implemented their **institutionalisation and financing are weak**, and **coverage** is limited;

...in many low income countries, demand for social protection is muted: **reluctant political elites**

...capacity to design, implement and evaluate programmes is very limited

What is the role of development cooperation?

Key role in facilitating the implementation of social protection programmes – large set up costs are a barrier
...but need for domestic financing in the medium run

Aid modalities and donor harmonisation are also important – budget support provides stable financial framework

Capacity development: programmes usually located in weak Ministries with limited resources

Generating and sharing knowledge on poverty reduction is a global public good, and a natural domain for international aid ...especially evaluation of social protection programmes

In conclusion

Social protection has become a policy framework for addressing poverty and vulnerability: with **social assistance the main component in developing countries**, and an essential pillar of an effective and inclusive development strategy

There has been a very rapid growth in large scale social protection programmes in developing countries

They show diversity in design and objectives, but a shared focus on extreme poverty and on strengthening the productive capacity of poor households

Important challenges remain, especially in low income countries: politics, finance and capacity

International cooperation has an important role in facilitating the extension of social protection, especially initial **financing, capacity building, and in generating and sharing knowledge**

The dynamics of social policy in developing countries will be different than in European countries, but North-South cooperation can be productive

Resources

A.Barrientos and David Hulme [2008] 'Social Protection for the Poor and Poorest: Reflections on a Quiet Revolution', Working Paper 30/2008, Brooks World Poverty Institute, Manchester, available from <http://www.bwpi.manchester.ac.uk/resources/Working-Papers/bwpi-wp-3008.pdf>

A.Barrientos [2007] 'Introducing basic social protection in Low Income Countries: lessons from existing programmes', Working Paper 06/2007, Brooks World Poverty Institute, Manchester, available from <http://www.bwpi.manchester.ac.uk/resources/Working-Papers/bwpi-wp-0607.pdf>