Social Protection – towards a systems approach

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Date: 20th March 2018
Social Protection towards a system’s approach
Social Protection System
What is Social Protection?

- There is **no universal definition** of what social protection is, and what programs it would **comprise**, and what would be left out of its **scope**.
- In **developing countries** there is some overlapping and confusion between social protection and social development policies.

There are basically **two approaches** (Barrientos, 2010):

- **Social policy/public finance approach** – focus on the SP components: social insurance, social assistance and labour market policies.
- **Social protection functions** (developmental approach) focus on SP functions: protective, preventive, promotional and transformative.

There is **overlap**, but the latter tend to be **broader in scope** – more diverse type of programmes - but with a clear focus on the **poor and vulnerable** and the former tend to be **narrower in scope** but more universal on the approach.
Social Protection System

Why is it important to have clarity on what social protection is?

1) For sectoral budgeting, programming and accountability (including monitoring the SDG indicators), and

2) To improve sectoral coordination with a view to ensuring that social protection instruments progressively cover existing gaps in a coherent manner – **within-system coherence**
e.g. how to combine non-contributory and contributory.

3) To improve cross-sectoral coordination with a view to ensuring that social protection instruments can contribute to other developmental outcomes (health, education, employment) and jointly foster the development process – **between-system coordination**.

- Moving towards a **Social Protection System** with within-sector coherence and between sector coordination (e.g. education, health, agricultural sector, labour and employment)
Social Protection Controversies
Social Protection Controversies

Targeting
By addressing risks over the life-cycle, different social protection interventions necessarily select/target beneficiaries using at least a categorical targeting approach based on age (child allowance - children, unemployment benefit - working age, pension – old age).

What is really controversial is poverty-targeted social assistance transfer and, in particular, those that use (proxy) means test and the level of exclusion and inclusion errors that they entail. This is inevitable as:

a) Poverty is a dynamic phenomenon;

b) Existing tools have large exclusion errors, specially among the poorest, in Subsaharan Africa, which reduces the PMT-targeted SP programme impacts on poverty. There is evidence for that universal demographic/categorical approaches have similar impacts to PMT with the advantage of being simpler and more transparent (Brown et al., 2017).
Social Protection Controversies

Conditional *versus* unconditional (1)

CCTs can be implemented in different ways and conditionalities can be classified as:

- **Strict**: requires immediate fulfilment to receive transfers;
- **Weak**: sanction is followed by a series of alerts before it is applied;
- **Nudge/labelled**: no sanctions, just information sharing and costless linkages with supply side

In a systematic review of education-related CCTs (35 programmes), Baird et al. (2014) found that both UCT and CCT lead to higher enrolment and attendance rates with differences not statistically different. But when CCTs are further disaggregated by level of enforcement, those more strict do have larger impacts.

In any case, such results seem to be largely context specific. The evaluation of Tayssir programme in Morroco, for instance, found higher impacts for the labelled CCTs in comparison to the enforced CCT (Benhassine et al, 2015).
Impact on Enrolment in Secondary education

Note: Bars represent percentage point impacts
Source: Transfer Project (https://transfer.cpc.unc.edu/)
Social Protection Controversies

Contributory versus non-contributory

One of the challenges of building SP systems is to find the right balance between contributory and non-contributory systems in order to achieve universal coverage.

The historic pattern in developing countries tends to follow some sub-optimal pattern for universal coverage:

(1) Build contributory tri-partite contributory systems – sometimes heavily subsidized – for public sector workers and formal private sector

(2) Expand social assistance for the poor and vulnerable (very limited in coverage in most cases)

(3) This process tend to leave a missing middle – largely overrepresented among the non-poor informal sector workers - that has no incentive to join social security schemes, including health insurance.

In general level of government budget transfers to (1) tend to limit the expansion of (2) and delay the introduction of more inclusive schemes as in (3). Finding the right balance is crucial to build social cohesion and political support for comprehensive social protection systems.
Social Protection Controversies

Individual entitlement versus family entitlement

The fact that poverty-targeting focuses on family does not mean that all social protection programmes, or even social assistance ones, should be a family entitlement.

Eligibility to old age pension for example is a clear case of an individual entitlement.

However, individual entitlement does not mean that the family composition or its well-being should not be taken into account to determine eligibility or the level of the benefit.

Family/child allowance schemes that have decreasing values to account for economy of scale within a family and, in some contexts, to address demographic concerns despite the lack of evidence of substantial impact of that dimension.

Finally, having an individual benefiting from one programme in a household should not prevent other members of touching other benefits, if eligible. This is not a case of “double dipping’ as different programmes address different risks.
Social Protection Controversies

How to solve this trade-offs?
There is no blueprint.
Different countries have made different options, on how to finance their social protection schemes, including access to health.
However, policymakers need to be aware of the existing trade-offs – conditions and non-conditions, poverty-targeting or not, individual or family entitlement – when analyzing policy options as this may make it harder to achieve universal coverage in the medium term.

Note of caution: when general taxation is used to finance most of the system, particularly with a more universal approach and when formal sector workers enjoy access to a tripartite scheme, it is necessary to improve the progressiveness of the tax system. Otherwise, the SP system as a whole will reproduce existing inequalities, instead of fighting them.
Social Protection coverage as per SDG indicators
Social Protection and the SDGs

- Only **45%** of the world’s population is covered by at least one social protection scheme (**35%** of children and **68%** of the elderly).
- Only **29%** of the world’s population is covered by comprehensive social protection schemes;
- Coverage is **lower** in Africa (**13%**) and Asia (**16%**)

Population Covered by at least one social protection benefit (%)

Social Protection and the SDGs

Coverage of Social Protection and Labor in Total Population (%) - ASPIRE

Country's most recent value between 2008 and 2016.

- More than one SPL benefit
- Only social assistance programs
- Only social insurance programs
- No transfer

Regions:
- Europe & Central Asia
- Latin America & Caribbean
- East Asia & Pacific
- Middle East & North Africa
- South Asia
- Sub-Saharan Africa
Evidence of SP impacts in SSA – Transfer Project
Social Transfers in SSA

Social Assistance programmes in SSA has been expanding: number of countries, but also coverage of beneficiaries: Kenya, Zambia and Tanzania have scaled up their social assistance programmes. Focus on those living in extreme poverty AND who are unable to work and families in charge of orphans and vulnerable children: **Limits its expansion and coverage...**

**Evidence:** Kenya, Ethiopia, Ghana, Zimbabwe Malawi, Lesotho and South Africa summarized In the Transfer Project Book:

Source: The State of Safety Nets 2015 (World Bank)
Myth 1 – Cash is wasted on alcohol and tobacco

- No positive impacts observed on alcohol and tobacco
- Consistent impacts on food consumption and security

<table>
<thead>
<tr>
<th>Spending on food &amp; quantities consumed</th>
<th>Ethiopia</th>
<th>Ghana</th>
<th>Kenya</th>
<th>Lesotho</th>
<th>Malawi</th>
<th>Zambia</th>
<th>Zambia</th>
<th>Zimbabwe</th>
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</thead>
<tbody>
<tr>
<td>Per capita food expenditure</td>
<td>✓</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Per capita expenditure, food items</td>
<td>✓</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Kilocalories per capita</td>
<td>✓</td>
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<td>✓</td>
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<thead>
<tr>
<th>Frequency &amp; diversity of food consumption</th>
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<tbody>
<tr>
<td>Number of meals per day</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Dietary diversity/nutrient rich food</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td>✓</td>
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<tr>
<th>Food consumption behaviors</th>
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</thead>
<tbody>
<tr>
<td>Coping strategies adults/children</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Food insecurity access scale</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td>✓</td>
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</tbody>
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Note: Red check (cross) marks represent positive (negative) significant impact, black are insignificant and empty is indicator not collected.

Source: Transfer Project
Myth 2 – Unconditional transfers do not have impacts on education

- Impact are similar to the ones observed in LAC CCT
- Significant increase in the share of households who spend on school-age children’s uniforms, shoes and other clothing

Source: Transfer Project.
Note: Solid bars represent significant impact, shaded not significant. Lesotho includes shoes and school uniforms only, Ghana is schooling expenditures for ages 13-17. Other countries are shoes, change of clothes, blanket ages 5-17.
Myth 3 – Cash creates dependency

- Productive impacts – individuals and household have invested more in their economic activities.

<table>
<thead>
<tr>
<th></th>
<th>Zambia</th>
<th>Malawi</th>
<th>Kenya</th>
<th>Lesotho</th>
<th>Ghana</th>
<th>Ethiopia</th>
<th>ZIM</th>
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</thead>
<tbody>
<tr>
<td>Agricultural inputs</td>
<td>+++</td>
<td>++</td>
<td>-</td>
<td>++</td>
<td>+++ (1)</td>
<td>- -/+++</td>
<td>NS</td>
</tr>
<tr>
<td>Agricultural tools</td>
<td>+++</td>
<td>++</td>
<td>NS</td>
<td>NS</td>
<td>NS</td>
<td>+</td>
<td>+ (6)</td>
</tr>
<tr>
<td>Agricultural production</td>
<td>+++(2)</td>
<td>++</td>
<td>NS</td>
<td>++(3)</td>
<td>NS</td>
<td>++ (2)</td>
<td>++ (7)</td>
</tr>
<tr>
<td>Sales</td>
<td>+++</td>
<td>+</td>
<td>NS</td>
<td>NS</td>
<td>- -</td>
<td></td>
<td>NS</td>
</tr>
<tr>
<td>Home consumption of agricultural production</td>
<td>NS</td>
<td>+++ (4)</td>
<td>+++ (4)</td>
<td>NS</td>
<td>NS</td>
<td></td>
<td>NS</td>
</tr>
<tr>
<td>Livestock ownership</td>
<td>All types</td>
<td>All types</td>
<td>Small</td>
<td>Pigs</td>
<td>NS</td>
<td>-- Small</td>
<td>Most types</td>
</tr>
<tr>
<td>Non farm enterprise</td>
<td>+++</td>
<td>NS</td>
<td>+FHH</td>
<td>MHH</td>
<td>-</td>
<td>NS</td>
<td>++</td>
</tr>
</tbody>
</table>

Source: Transfer Project.

Myth 4 – Cash causes increase in fertility

- No impacts on total fertility in Zambia; Reduction in early pregnancy in Kenya (-6pp) and (-11pp) in South Africa
- Reduction in sexual debut among youth:

![Bar chart showing percentage reduction in sexual debut among youth across different countries and populations.](chart.png)

Source: Transfer Project.

1) Note: Kenya and Zimbabwe impacts driven by girls, Malawi driven by boys. Zambia no impacts
Myth 5: Transfers cause inflation

- No inflationary effects found – enough supply to meet increased demand
- Multiplier effect in local economy:

Amount generated in local economy for every $1 transferred (LEWIE)

Source: Transfer Project.
Transfer Project

However, cash transfers cannot replace other social policies...
And there are instances where this is even clearer...

<table>
<thead>
<tr>
<th>Domain of impact</th>
<th>Evidence</th>
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<tbody>
<tr>
<td>Food security</td>
<td></td>
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<tr>
<td>Alcohol &amp; tobacco</td>
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<td>Subjective well-being</td>
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<td>Productive activity</td>
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<td>Secondary school enrollment</td>
<td></td>
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<tr>
<td>Spending on school inputs (uniforms, shoes, clothes)</td>
<td></td>
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<tr>
<td>Health, reduced morbidity</td>
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<tr>
<td>Health, seeking care</td>
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<tr>
<td>Spending on health</td>
<td></td>
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<tr>
<td>Nutritional status</td>
<td></td>
</tr>
<tr>
<td>Increased fertility</td>
<td></td>
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</tbody>
</table>
Transfer Project

• Young child health and morbidity
  ➢ Positive impacts on reducing morbidity and expenditures, but less on care seeking
  ➢ Why? Supply of services typically much lower than for education sector

• Few impacts on young child nutritional status (anthropometry)
  ➢ Kenya CT-OVC, South Africa CSG, Zambia CGP, Malawi SCTP, Zimbabwe HSCT
  ➢ Why? Determinants of nutrition complex, involve care, sanitation, water, disease environment and food; poor supply of health services in rural sector
Back to Systems
Back to social protection systems

Thus besides the need to improve the comprehensiveness and coordination of social protection...

it is also necessary to think about the coordination of the social protection system with other sectoral areas with a view to reaching broader developmental outcomes and other SGDs...

In Sub-Saharan Africa this implies, in particular, working with livelihood livelihoods, natural resources management and the broader agriculture sector... and...

...Given the high levels of malnutrition, better coordination with health, nutrition and sanitation policies to ensure that supply goes hand in hand with social transfers, particularly those targeted at children or households with children.

Evaluation from TMRI in Bangladesh show that cash plus behaviour communication change was able to reduce stunting in a way that cash alone did not...
THANK YOU FOR YOUR TIME