

GOVERNANCE FOR RESULTS IN SOCIAL PROTECTION POLICIES

Initiatives Governments Take in Social Protection

Protecting vulnerable groups should be considered a priority to any government. Any government should provide social protection within the available resources.

It is generally accepted that there are five main forms of social protection to-day:

1. Social assistance and welfare service programs for the most vulnerable groups with no other means of adequate support, including single mothers, the homeless, or physically or mentally challenged people;
2. Labor market policies and programs designed to promote employment, the efficient operation of labor markets and the protection of workers;
3. Social insurance programs to cushion the risks associated with unemployment, ill health, disability, work-related injury and old age;
4. Micro- and area-based schemes to address vulnerability at the community level, including micro-insurance, agricultural insurance, social funds and programs to manage natural disasters;
5. Child protection to ensure the healthy and productive development of children.

All these policies are quite often implemented in different packages, at different times and in different countries. Nonetheless the United Nations system, as an organization and through its various agencies, has tried to promote policies and programs which could speed up the implementation of these programs and policies in all its member states. The most comprehensive package ever developed by the UN system is the Millennium Development Goals (MDG) committed to eliminating extreme poverty, hunger and ill health by the year 2015. In order to meet the MDGs various development countries have, since the initiative was launched by the UN, come up with “Visions” or “National Development Strategies” that seek to embrace various aspects of social protection. Quite often, such policies are reflected in how government is organized: ministries of gender, women affairs, youth or even social protection have emerged in the structure of governments.

Social protection is multidisciplinary: it includes public service dimension (*inter alia* - institutional aspects of public administration) and fiscal and macroeconomic dimension. Social assistance programs are implemented either as emergency responses to social deprivation and extreme poverty or as permanent features of government policy to respond to the plight of the poor. Social assistance programs may be designed to provide broad universal coverage. One of the most complex policy issues facing many developing country governments, particularly in sub-Saharan Africa, concerns the problem of providing the impoverished sections of urban populations with adequate food at prices they can afford, while both meeting the fiscal requirements of adjustment programs and promoting domestic agricultural production. Zambia, one of the most urbanized countries in Africa, has faced this dilemma since the eighties.¹ And so far, market liberalization and structural adjustment programs have not helped ease inadequate

¹ See Richard Pearce, “Urban food subsidies in the context of adjustment: The case of Zambia”, *Food Policy*, Vol. 16, Issue 6, (1991): 436-450.

food supplies and growing poverty among the urban poor. Increased agricultural productivity and more affordable food prices still need to go hand in hand with effective food subsidy for the poor.²

Governments and international organizations are trying to improve effectiveness and efficiency of social assistance programs by using various approaches. Targeting is one of them. It includes a broad variety of techniques such as means-testing, indirect targeting by proxy indicators, community-based assistance, and self-targeting.

Many social protection programs such as conditional cash transfers (CCT) tend to provide incentives to beneficiaries to encourage socially desirable behavior. Thus, they are expected to achieve broader range of outcomes.

In developed countries where the working class is huge and the middle class very expansive, issues of working conditions, salaries, employment benefits and unemployment are extremely important factors in daily politics and a preoccupation of policy makers. In developing countries, while these issues are no doubt important and cannot be ignored, they are not really the pre-occupation of policy makers. On top of the agenda of politicians and policy makers are farm gate prices of agricultural produce, the vagaries of the weather that affect agriculture, public security and access to education.

The issue of labor markets is, however, rapidly emerging as one that public policy makers in developing countries can only ignore at their own peril since the educated are rapidly becoming part of the unemployed. Aware and vocal as they are they tend to bring the issues forward particularly as governments are compelled more and more to be accountable due to gains that the democratic struggles have made. Hence the issue of labor markets and its role in formulating social protection programs can no longer be treated simply as “a developed countries problem”; it is genuinely of a universal concern.³

Improving labor market operations is also an important element of strategies to develop human capital, address gender discrimination and enhance welfare and productivity.

The particular role of labor market policies is that they allow social policy to be linked to productive activities, not just to public spending. Last resort and activation policies and other enabling programs play an important role in stimulating economic activity and labor market participation. Such policies tend to become more widespread because they are aimed not just at job creation and employment but also at incentives to insure sustainable economic activity.

Social insurance mitigates risks by providing income support in the event of illness, disability, work injury, maternity, unemployment, old age, and death. Specific programs, can be implemented (and/or legislated for) singly or in combination.

Micro- and area-based schemes provide the same sort of social protection to small-scale agriculture and the urban informal sector that more traditional, social insurance programs supply to the formal labor force. These schemes address vulnerability at the community level.

² Jonathan M. Chizuni, “Food Policies and Food Security in Zambia,” *Nordic Journal of African Studies* 3(1):46-51 (1994).

³ In the constitution of the Second Republic in Kenya promulgated on August 27, 2010, work is designated as a basic human right; so are access to housing and affordable and quality healthcare (See Article 43 of the *Constitution of the Republic of Kenya, August 2010: Nairobi, Government Printers*).

All over the world, children and women have emerged as the most vulnerable groups in society. Children, in particular, suffer a triple disadvantage in society.

Public policies to provide social protection for children, and the packages that make such protection accessible to children through public financing, vary from country to country and at times from one issue or problem to another as they are encountered by governments, international agencies, NGOs and community organizations. However, the *United Nations Convention on the Rights of the Child*, states that society, through good governance, must provide measures to ensure that the child is protected from forms of abuse and exploitation. These include child labor, child prostitution, or the adversities faced by the girl child, street children, physically challenged children, and children under armed conflict.

In this regard, the United Nations Children's Fund (UNICEF) has mounted several programs and initiatives which address themselves to these concerns. It is noted that the plight of children directly affects the social well being and development of all societies, and there is an urgent need to develop public policies and mount programs aimed at addressing the plight of children in the short, medium and long term perspectives.

In general some of the programs funded by governments, international agencies and the private sector which are now well known are the following.

1. Early child development (ECD) which ensures the balanced psychomotor development of the child through basic nutrition, preventive health and educational programs. In Kenyan primary schools, ECDs are now becoming a common feature. Unfortunately, facilities for EVD programs are still largely provided by NGOs, a rather unfortunate sign that the government has not yet put its money where its mouth is.
2. School feeding programs, scholarships or school fee waivers.
3. Waiving of fees for mothers and children in health services.
4. Programs to protect street children by putting them in homes and/or providing foster parents.
5. Child rights advocacy and awareness programs focusing on substance abuse, child labor, child trafficking, sexual abuse and pornography.
6. Youth programs to avoid marginalization of teenagers, criminality (like using children as decoys in carjacking), sexually transmitted diseases and child marriages tolerated and even advocated in certain cultures.
7. Family allowances through means-tested cash transfers or coupons/stamps for accessing food and/or services to assist families with young children to meet their livelihood. The Brazilian cash transfer program has been hailed as one of the major successes of the Lula government.

Social Protection Strategies and Rationale: How and when do governments choose to socially protect?

The questions worth asking are the following:

1. What makes certain governments embrace social protection policies while others do not?
2. When a government initiates social protection as an important plank of public policy, what aspects of social protection are given emphasis and for what reason?
3. How effective are certain sets of social protection policy in improving general social welfare, alleviating poverty and meeting MDGs?
4. How do governments deal with resource allocation in implementing social protection?
5. Which are the social forces that tend to more successfully influence the effectiveness of social protection in public policy making and resource allocation?

The strategy to implement a social protection agenda, or a regime of social protection programs, will depend on the level of development of an economy (i.e. what the government can possibly afford within its budget to allocate to social protection programs), the influence or strength of social forces advocating a certain type of social protection, and what appears to be a *pressing matter* given the intense competition among public priorities that government quite often face in allocating resources through budgetary provisions. The “global picture” or ideology to which a government is committed can also be an important factor. It has been argued that social democratic regimes are more prone to drive social protection agenda than conservative or more “pro-market” regimes. Regimes which must seek their electoral mandate from the popular masses and labor movements will also be likely to promote social protection.⁴

The following profiling approach can help to understand the broad variety of social protection frameworks adopted by different countries:

- Developing countries with very limited formal or institutionalised social protection
- Poor countries with a range of social protection mechanisms in place – largely in South Asia (the need to grow and universalize these schemes)
- Middle-Income countries, which have started down the welfare state road either through social insurance (common in Latin America) or social assistance (common in Southern Africa and East Asia). These countries have normally achieved a limited extension of formal social security mechanisms to the poor
- Transitional and post-transitional countries with a good institutional infrastructure, a strong constituency for social protection, but facing difficulties in maintaining previous standards of provision
- High-income countries with mature systems of social protection

⁴ The issue of how governments, particularly in capitalist societies, pursue social welfare has been discussed for long, and typologies of “welfare capitalism” debated in many books and journal articles. It cannot possibly be broached here even in summary. (See, for example, G. Esping-Andersen, *The Three Worlds of Welfare Capitalism*, Oxford: Polity Press, 1990; and for an exhaustive review of this book with an equally exhaustive bibliography, see Wil Arts and John Gelissen, “Three Worlds of Welfare Capitalism or More: A State-of-the-art Report,” *Journal Of European Social Policy*, London: Sage Publications, 2002). Our concern, however, is to focus on social protection more with reference to developing countries than developed ones.

The design of social policy may be considered as three-dimensional. The first dimension: who is considered a vulnerable person or group. Should it be categories – e.g., women, retirees, children, elderly, disabled, unemployed, migrants? Or other criteria as income, well-being or health status should be applied? The second dimension: what sectoral breakdown is adopted (infrastructure, education, health, social housing, labor market etc). The third dimension: space - rural, urban, central, local.

The problem which critically affects the social policy design is how socially acceptable outcomes are defined in different societies. Usually, this is a political issue and many misperceptions are underpinned by special interests.

Social policy design is often driven by assessment of risks and contingencies (for example, learning how costly it is to have a setback, e.g., natural disaster, but also learning that these costs can be insured, even reduced). Risk itself can be induced by policies (for example, bad macroeconomic policies can cause unemployment).

Criteria which may be applied to social protection strategies include: (1) affordability; (2) vertical and horizontal equity; (3) ethic of social solidarity – acceptance or rejection; so, national values are extremely important; (4) support from non-state actors; (5) gender issues; (6) sustainability over time; (7) the possibility of phasing out when appropriate; (8) administrative efficiency.

The Challenges of Results-based Approach to Social Policy

To make social protection programs acceptable to the people its rationale needs to be clear to both the beneficiaries and the tax payers alike. Quite often its initiation may solicit strong resistance from certain privileged social strata in society who may even defeat certain of its crucial aspects. But history shows that countries which have managed social protection programs well—in emerging markets as well as developed economies—have always done well in terms of development in general and human index development in particular.

Governments need to make choices about how much of resources to allocate towards economic growth and how much – towards social protection. Economic growth has biggest impact on poverty. For example, in Bangladesh most of poverty reduction during last two decades is attributed to fast economic growth. In Brazil employment growth contributed more to poverty alleviation than targeted social assistance.

But in slow growth environment social assistance could provide a decisive contribution to poverty reduction. Even relatively low income countries like Lesotho and Nicaragua can achieve remarkable improvements by combining social transfers with universal access to basic health and education services.

Governments which seek to promote social protection must first and foremost establish whether such policies are sustainable over a long period of time. Hence whether there are resources to sustain them.

The first resource base that is at the disposal of governments is *taxation*. Beneficiaries of social protection programs are usually not necessarily those who bear the biggest burden in paying tax to the government. Tax policy is not neutral. It often serves as a redistributive tool, not only

progressive (pro poor) but, as is the case in some of the Latin American countries, regressive as well. Quite often it is the salaried people, business community, farmers—who may not necessarily be the majority in developing countries—who contribute the biggest fraction to government revenue through tax, whereas many recipients contribute little or nothing at all. Therefore, tax and social protection policy should be closely coordinated.

The political economy of social protection also involves an issue of debt financing. The governments, particularly in the aftermath of global financial crisis, face tradeoffs between raising taxes, increasing public debt or downsizing social programs. Social policies need to be linked to productive activities, not just to public spending. As we now learn from the experience of Greece and other countries of Southern Europe, overambitious social programs can be enormously costly. By bankrupting the state they can trigger a vicious circle of macroeconomic instability and declining living standards.

High taxation and lavish social spending may provoke tax evasion, corruption and leakages. Anti-corruption measures may include such measures as introduction of unique identity numbers (currently introduced in India) and using transfers to banking accounts of beneficiaries instead of cash payments or in kind benefits. Yet government needs to make known to tax payers that abject poverty which impedes the development potential of an economy also impedes the prosperity and security of the tax payer in the long run (at times even in the short run). Doing something to mitigate abject poverty through social protection—i.e. seeking to “push” the poor into the market—is good to both the economy in general and the taxpayer in particular.

The second base of resources that is available to the government is the people themselves. People existing outside main economic activities in a society are not a resources but a burden: crime, diseases and dependency burden. People engaged in economic activities through such programs as social protection is a resource: they become part of the consumer market for the economy, hence boost the home market; they pay taxes through value added taxation, hence boost the tax kitty.

Social policy a key instrument to build social capacity of the people to decide on their personal futures. For example, Bangladesh made remarkable progress relying on civil society and targeted transfers. Voluntary associations, faith-based organizations, NGOs, international organizations and donor agencies are some of the very important actors in shaping the social protection strategies and agenda in developing countries. They very often play “larger than life” roles in public policy formulation because of their funding powers: he who pays the piper calls the tune! Also bigger companies, corporate social responsibility is still at symbolic stage; big universities, big hospitals, etc. need to be partners. Many developing countries still lack legal and institutional framework for private charity. With time charitable activities could become a significant element of social protection systems. To achieve this, developing countries should pay attention to the appropriate incentives for the private sector.

However, civil society is often funded by mainly by donors, outsiders. It lacks domestic community roots and counterparts in public administration. Within such limitations it is often unable to expand and becomes unsustainable.

International law is not always enabling to civil society. For example, 102 ILO convention ratified by many governments emphasizes the dominant role of the state and its formal social security institutions in social protection but tells little on how governments can mobilize private sector, civil society and local communities in caring for poor and vulnerable. There is a clear

need not just to universalize and institutionalize an access to public services but also ensure a broad public ownership of social policy agenda.

Social policy should embrace the idea of people's ability to protect themselves. Many inefficient social programs tend to be self-perpetuating and addictive. By providing broad coverage, they create incentives to continue status quo rolling on for decades even if everyone is aware of their irrelevance (non-targeted categorical benefits in Emerging Europe and Central Asia are an example of such policy trap).

New generation of enabling social policies should combine emphasis on social equity and social inclusion with particular attention to the hazards of dependency culture and the need to facilitate exit from social assistance programs.

Public administration capacity is a critically important issue. The most typical challenges in social protection are policy discontinuity and fragmentation, institutional stress, skills mismatch, lack of cohesion, substitution of accountability by accounting. Efficient social protection often involves sophisticated design and management. Lack of sophistication may incur financial losses. But in the low income countries, where effective social assistance may be needed most, capacity constraints and inefficiencies may be the particularly pronounced. These constraints are also notable in very large countries like BRIC where universal outreach represents enormous managerial challenges.

Targeted programs have problems of their own: they are administratively costly and complex; may sacrifice horizontal equity; lack public support. Due to administrative and political constraints targeted programs tend to be:

- over targeted or not targeted enough
- too low in value
- crowded out by pensions or by categorical benefits
- assuming “deserving” and “undeserving” poor
- lacking tools to support vulnerable middle class during crisis periods against housing market collapse, deteriorated access to quality social services and to professional training, restrained territorial labor mobility.

Special attention should be paid to a widespread problem of exclusion of certain vulnerable groups from the mainstream social protection programs. The vulnerable groups often affected by such exclusion may be labor migrants, displaced individuals, certain ethnic minorities, in particular if they do not obtain the citizenship of the country of residence. Tensions between these minorities and local population could sometimes arise to open social confrontation.

Political economy of social reforms should always be kept in mind. On demand side – the poor often lack voice and influence to attract enough attention of politicians to their cause. On the other hand, politicians may not always feel to be electorally rewarded by promoting programs for the most vulnerable. Instead, they often opt for the programs which support relatively better off and more influential social groups. But Latin American experience provides cases, when success of certain programs designed to assist the most vulnerable was helping to win popular support during elections. Politicians may have many reasons to opt for short-term benefits (avoiding

costs politically in short-term) that create long-term risks (and higher costs). For example, lack of enforcement of correct land use patterns creates risky settlements (fires and other hazards, subjecting population to impoverishment and health risks).

It should also be remembered that physical security is precondition of any other kind of security. The governments in low income countries should have to avoid privatization of public security, so that rich people can buy security like a market product while poor are exposed to violence.

On the contrary, in labor market policies governments are unlikely to succeed as direct creators of enterprises. They need to provide enabling environment for labor participation and entrepreneurship. For developing countries strategies to avoid brain drain should become an important element of social policy strategy.

It should always be remembered that sound design of results-based social policy is a try and error process which combines cost awareness with innovation and facilitation. Such process may include:

- Regular review, reporting on delivery and evaluation process to consider reforms if needed
- Costing of reforms and emphasizing changes that can be introduced without much additional cost
- Financing and sustaining innovation – related to the role of the state as regulatory and system creative function
- Shift of expenditure to channels of innovation (towards NGOs; role of state as regulatory, not provider)
- Decentralization – too often the central budget does not create an incentive for reform and innovation at the local level
- Addressing scaling up problem for innovations
- Design of timely exit strategies to avoid post-reform policy traps
- Effective budget allocation and clear conditionalities for delegation of responsibilities to local administrations
- Partnerships between national governments and international agencies in design, implementation and evaluation of results based social policies
- Case studies and best practice dissemination.

In response to challenges of traditional forms of social protections innovative instruments are being developed, such as CCT. Asymmetric responses to social challenges can also be considered. For example, in Australia prompt introduction of cash transfers helped to restore market confidence and to avoid substantial loss in employment during global financial crisis. Flexible adaptation of Central Provident Fund in Singapore for a variety of targeted welfare programs deserves special examination. Evaluation techniques are also improving (for example, controlled experiments to eliminate comparative biases).

Conditional Cash Transfers as the case of innovative result-based social programs

CCT programs are a fast growing part of safety net policy. CCT programs offer qualifying households cash in exchange for commitments such as taking babies to health clinics regularly or sending children to school.

The first generation of conditional cash transfers (mostly in Latin American middle income countries) proved to be successful in terms of targeting and other outcomes, such as improved nutrition, access to preventive health care and higher school enrollment. Impact on poverty was also considerable. According to the World Bank, in Pakistan, a CCT program increased the number of 10- to 14-year-old girls in school by 11 percentage points, thus helping to reduce the gender gap, and in Nicaragua poverty declined by up to 9 percentage points.

One of the drawbacks of the first generation of CCT was that improved access to services was not always accompanied by such outcomes as better performance in learning tests and improved health status. This means that not just universal access to basic health and primary education but also quality of services should be given a priority. Considerable opportunities here are related to public-private partnership.

CCT can also be administratively demanding. Both household targeting systems and the monitoring of compliance are data intensive, and the programs involve extensive coordination across agencies, and often levels of government. Challenges for governments:

- clarity in respective roles and responsibilities
- clear performance indicators and targets
- global mechanisms for sharing what works when and why.

CCT could be more effective if they become part of integrated social protection systems. Social protection needs to be coordinated with other development agendas. Example: in Jamaica employment and small business support policies were combined with the focus on environmental issues. Not only they helped to increase employment but also allowed to achieve considerable improvements in protecting forest ecosystems.

Another problem for CCT: lack of community voice which can lead to community tensions. This implies a more comprehensive task of moving towards citizen's-centered policies:

- reshaping accountability arrangements
- aligning structures and processes
- building policy capabilities and cultures (public servants as facilitators)
- empowering public servants at the front
- identifying community capacity builders
- evaluating what works, when and why.

The Need for Closer International Collaboration

International solutions in social policy become ever more important. They are driven by:

- Cross-border social services (services to migrants, capacity swaps, cross-border services to the elderly, medical tourism, education and training)
- Increasing international labor mobility
- Green solutions and impact of climate change
- Scaling up experimentation and innovation and the need to analyze innovations and vulnerability on a global scale.

Why should UN be concerned? UNDP, UNICEF, WHO are all involved in some aspects of social protection. But poverty continues to be pervasive on a global scale and this is breeding ground for social inequality and social conflict. UN has set targets that seek to eliminate poverty and inequality but to achieve them we need to pay particular attention to more marginalized sections of society. MDG's should be taken up not just by governments but as a global agenda for social protection well beyond 2015. Areas which demand continuous UN involvement include:

- global dialogue on social policy, its objectives, outcomes, institutional setting and strategic leadership in social policy
- global dialogue on state of the planet and sustainable development
- gender equality and empowerment of women
- HIV/Malaria/other diseases that dislocate families and intensify poverty
- environmental sustainability
- elimination of slums
- public administration capacity building at international, national and local level and enabling citizens in achieving the goals of social protection
- global knowledge management in social policy and related areas.

In April 2009 the UN System Chief Executives Board for Coordination launched a global initiative for a universal social protection floor. This was subsequently endorsed in several international documents and forums. At least 30 developing countries have begun to introduce elements of a social protection floor. Studies by ILO showed that it is possible to finance the social protection floor or some of its components even in low income countries. The value of the social protection floor has been demonstrated by the impact of this tool on the achievement of the Millennium Development Goals related to poverty reduction, education and health. This shows that with the necessary political will, adequate resources for capacity building and sound implementation process, supported by strong national consensus in favor of the social protection floor such policies can be created and expanded.

In promoting results based social policy an international reference toolkit based on cases, comparative studies and evaluations of programs could play a major role. Such a toolkit could help to build a stronger case for more international aid to the poor countries in the area of social protection. MDG AID as a global partnership could play a significant role in this regard. International network on e-services for disabled and the elderly could be anchored in UNPAN.

Conclusion

In this paper we have reviewed in general what social protection is, what kinds of policies and programs governments seek to implement as social protection, under what circumstances such policies and programs are or can be implemented and their likely impact on social welfare (particularly of the poor and vulnerable) and the MDGs.

While history is full of examples of successes and failures in social protection programs, their relevance to the alleviation of poverty, improvement of social welfare and economic growth can hardly be challenged; what remains problematic is why governments fail to socially protect even when they are capable of doing so resource wise. The answer will more likely lie in the alternative interests that governments seek to serve and how these interests can be “undermined” or “deflected” from undermining and deflecting the use of public resources for social protection.

In many developing societies, leadership—at the national and ministerial levels—can quite often play critical positive roles in promoting and implementing social protection programs. Malawi, a poor country for a long time assumed to be perpetually food dependent, became a net food exporter following the aggressive agricultural and social protection policies under President Mbingu wa Mutharika. Brazil’s Lula da Silva’s government initiated social protection programs which have had tremendous positive social welfare outcomes as well as economic growth.⁵ Where leadership is not up to the mark, social protection is quite often not paid much attention and not prioritized in government programs. This may simply be a function of ignorance or of an ideology that assumes that government cannot be responsible for the welfare of individuals however poor. It is assumed that there are specific social welfare functions, such as education and health, which are routinely provided as “public goods” however inadequate and ineffective. These cases require strong local and international pressure on governments to implement MDGs in deeds and not simply by signing international resolutions and conventions.⁶

⁵ See, for example, *Transcript of Statements by Luiz Inacio da Silva, President of Brazil, to the High-Level Meeting for Foreign Investors*, Geneva: 29th January 2003. (www.unctad.org/sections/edm_dir/docs/Lula_statement290104_en.pdf). In this address, President da Silva said, *inter alia*, “Today the most important program of social protection that our country has ever seen is underway. From October 27 to December 27 we included 3.6 million people who are covered by the Family Stipends Program. By the end of my government we intend to reach 11 million families—that means almost 50 million Brazilians who today are in need. But we need much more than that. It is fundamental that we create opportunities and economic options for all our population.”

⁶ See, for example, R.S.R. Kasim and S. Che Din, *The Relationship between Knowledge Management Practices and Performance of Government Agency in Malaysia*, MANAGEMENT 08, The Eight International Conference on “Knowledge, Culture and Change in Organizations, 5-8 August 2008, Cambridge University, UK.