

# Social and Financial Protection for Vulnerable Groups

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# Purpose and Context

*Introduce and stimulate discussion on:*

- how best to focus social and financial protection on the most vulnerable
  - to reduce their poverty; and
  - improve on their life chancesso the most vulnerable have the opportunity to function fully in society.

# Purpose and Context (cont.)

*This raises two key questions :*

- How much SP expenditure is to occur  
- the GFC puts social protection under pressure, given economic and other priority expenditures; and
- How are limited resources available for SP to be distributed most effectively?

# Purpose and context (cont.)

*The answers depend on another set of questions:*

- To what extent are economic and SP goals seen as interrelated?
- What trade-offs are to be made between competing SP objectives
  - such as coverage, adequacy, efficiency?

# Purpose and Context (cont.)

- What is to be the balance between rights and responsibilities of SP recipients?
- To what extent will citizen-centred policies be implemented? And
- What is the capacity of the public sector and its partners to deliver SP effectively?

# Outline

*Set questions relate to:*

- Dimensions of social protection (SP)
- Innovative targeting mechanisms
- Implementing citizen-centred policies
- Key governance challenges

# 1. Dimensions of Social Protection

*Who are the most vulnerable?*

- Unemployed, sick, poor families, older without insurance, people with disabilities
- Also (particularly post GFC) self-employed (especially in rural areas), migrant workers, refugees and
- Informal economy workers
  - majority of whom are women.

(ISSA 2009b; UN 2007; ADB 2003)

# 1. Dimensions of Social Protection (cont.)

*What are the main forms of SP?*

- Cash or in-kind benefits (education, health etc)
- Social assistance or social insurance
  - Tax financed or contributory
- Universal or categorical (targeted)
  - targeted by group, means or place
- Unconditional or conditional



# 1. Dimensions of Social Protection (cont.)

*When is targeting most useful?*

- when want :
  - Quick expansion of coverage
  - To address needs of special groups
  - To provide minimum level of benefits at lower cost than universal approach (e.g. aged)
- Where adequacy is paramount

# 1. Dimensions of Social Protection (cont.)

## *When to use what form of SP?*

- When available resources cannot cover needs, target most vulnerable using distributional analysis: e.g.
  - If vulnerability analysis shows high child/adult ratios, target children; or
  - If most vulnerable in rural areas, decentralise resources to that group

([http://www.adb.org/Documents/Policies/Social\\_Protection/social302.asp](http://www.adb.org/Documents/Policies/Social_Protection/social302.asp), p.4)

# 1. Dimensions of Social Protection (cont.)

## *Problems with targeting* (UN 2007:33-34)

- Administratively costly and complex
- Incentive distortions
- May sacrifice horizontal equity
- May lead to lack of public support

*“Benefits meant exclusively for the poor often end up being poor benefits”* (Sen 1995)

# 1. Dimensions of Social Protection (cont.)

*What are the trade-offs in objectives?*

- Coverage
- Adequacy
- Gender issues
- Sustainability
- Equity
- Administrative efficiency

*Which Instrument?*

- *Also depends on who: (e.g. aged versus young)*

## 2. Innovative Targeting Mechanisms

### *Range of Innovative Mechanisms:*

- Australian examples
  - Income Contingent Loans
  - Mandatory quarantining of payments
- Numerous local country examples
- Conditional Cash Transfers (CCTs)
  - focus on CCTs for children
  - found in over 30 countries

## 2. Innovative Targeting Mechanisms (cont.)

*What are CCTs?*

- Provide cash payments to poor households provided they meet certain behavioural requirements such as
  - children's health (e.g. immunisation)
  - and
  - education (e.g. school attendance)

## 2. Innovative Targeting Mechanisms (cont.)

*Have CCT worked?*

- Evaluations show significant effect on outputs and also (less so) on outcomes
- Valuable where households otherwise would under-invest in human capital
- Usually paid to the mother
- Public opinion more likely to support
- Flexibility (e.g. targeting girl students)

But

## 2. Innovative Targeting Mechanisms (cont.)

*Have CCTs worked (cont.)?*

- Need adequate coverage/quality to work
  - “runs counter to social inclusion goals”
    - lack of community voice
    - can lead to community tensions
  - Cannot deal easily with transient poverty
- so
- Cannot work in isolation
    - need to be part of integrated SP



## 2. Innovative Targeting Mechanisms (cont.)

*Some key CCT questions:*

- What is the right balance between citizen rights and responsibilities?
- What would be the costs/benefits of different forms of conditionality?

## 2. Innovative Targeting Mechanisms (cont.)

*If CCTs are used, some other questions:*

- Should focus be on quality as well as coverage?
- Should there also (or instead) be rewards?
- How should CCTs be integrated into wider reforms?
- How can communities be more involved?

(see World Bank 2009:8 ).

# 3. Implementing Citizen-Centred Policies

*Risk-management framework:*

- *Why* involve citizens?
  - Information, consultation or engagement?
  - Importance of expectations (rhetoric only?)
- *When* to involve citizens?
- *How* to involve citizens?
- *Who* to involve?

(Edwards 2008)

# 3. Implementing Citizen-Centred Policies (cont.)

## *Fundamental Challenges:*

- Strong Leadership
- Building and maintaining trusting relationships
- Willingness to share decision-making power
  - empowering citizens
  - empowering civil society organisations

(Edwards 2008)

# 3. Implementing Citizen-Centred Policies (cont.)

## *Practical implementation challenges:*

- Reshaping accountability arrangements
- Aligning structures and processes
- Building policy capabilities and cultures
  - public servants as facilitators
  - empowering public servants at the front
  - “community capacity builders”
- Evaluating what works, when and why.

(Edwards 2008)

# 4. Key Governance Challenges

*Some surmountable and practical challenges:*

- Clarity in respective roles and responsibilities
- Clear performance indicators and targets
- Global mechanisms for sharing what works, when and why

# 4. Key Governance Challenges

*Hard governance challenges:*

- Strong steering role of the State in implementation (ISSA:2009b)
- Coordination across agencies and levels of government
- An active participatory approach to SP policy, delivery and evaluation
  - genuine voice from civil society

# Tying the Threads Together

- SP needs to be integrated with:
  - economic policies
  - other social policies ( universal and targeted)
  - various levels of government
  - citizens in policy development
- Dynamic learning process as effective SP instruments are tested and evolve
  - requires attention to governance challenges



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