

Professional Development Reading Pack

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Social Protection Systems

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A social protection system, in an international development context, is broadly understood to be an integrated national portfolio of interventions which aims to serve four basic functions for households and individuals: protection of a minimum standard of living, prevention of deprivation through increasing resilience to shocks, and promotion of sustainable livelihood improvements. At a societal level, it may aim to bring about transformation towards improved equity, reduced exclusion and realization of the human right to social security. (Devereux & Sabates-Wheeler 2004). Social protection systems can provide one of the most direct means for the achievement of SDG1 ('to end poverty in all its forms everywhere'), with a potential to contribute to several other SDGs too.

Common system components are social assistance (non-contributory transfers in cash or kind to individuals or households in need), social insurance (contributory schemes providing compensatory support in the event of contingencies such as illness, injury, disability, death of a spouse or parent, unemployment and old age), and social care services for those facing social risks such as violence, abuse, exploitation, discrimination and social exclusion. Labour market programmes may also be included, whether active (promoting labour market participation) or passive (ensuring minimum employment standards).

The last decade has seen a growing consensus among development actors on the need to shift focus from individual social protection programmes, often donor-funded pilots with minimal government buy-in, to the establishment of sustainable national systems under government ownership and coordination. A system-level approach allows resources to be channelled to social protection policy and strategy development, potentially avoiding gaps and overlaps in programme coverage and improving overall coherence and cost-effectiveness. This involves strengthening institutional capacities for coordinating management across multiple programmes, building integrated management information

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systems and beneficiary registries, and system-wide assessment and evaluation. To this end, development partners have established a Social Protection Inter-Agency Cooperation Board (SPIAC-B), chaired by the ILO and World Bank, to support international efforts in system promotion, policy coherence, coordination, and knowledge sharing. SPIAC-B is developing a set of Inter-Agency Social Protection Assessment (ISPA) tools to help countries analyse and improve their social protection system.

Related to this has been recognition on the part of development partners of the need to move beyond support for fragmented, time-bound 'safety nets' tightly targeted to the 'extreme poor' and often conditioned on prescribed beneficiary behaviours, towards the broader goal of universal, legally guaranteed entitlement to a minimum level of social protection. This generally envisages access to essential health care, including maternity care, and basic income security for children, for persons of active age who are unable to work (e.g. through sickness, maternity, disability, or unemployment), and for older persons, as specified in the 2012 ILO-adopted Social Protection Floor Recommendation (No. 202). Nevertheless, debates continue on the relative merits of these two approaches. On the one hand concentrating limited resources on the extreme poor can, in principle, maximise cost-effectiveness in reducing poverty and inequality but it is subject to high inclusion and exclusion errors, manipulation by elites and social divisiveness. On the other hand, a more universal approach that addresses lifecycle vulnerabilities across categorically-defined population groups involves higher overall costs, but avoids targeting drawbacks, providing more secure entitlements and excluding fewer vulnerable people. While many low and lower-middle income countries aspire to a universal social protection floor, in practice most have yet to identify revenue generation to cover the 2.5-5% of GDP that would make it fiscally sustainable. However, a social protection floor can potentially deepen the 'state-citizen contract', engendering wider political support both for extending social security provision and for its financing through domestic taxation.

Ultimately, the effectiveness and cost-effectiveness of a social protection system will depend on the integrity of its institutional arrangements and implementation systems, and, it is often argued, on its ability to generate positive growth, productivity and employment spinoff effects. While attempts to reduce caseloads by 'graduating' beneficiaries into productive enterprises often fail to take account of shocks and labour constraints, evidence is accumulating that social protection can, over the longer term, boost household livelihood investments, improve resilience and enhance the life-chances of future generations, as well as generate significant multiplier impacts in the local economy.

Key readings

Reading 1: Bastagli, F. (2015). *Bringing taxation into social protection analysis and planning*. ODI working paper 421. London: Overseas Development Institute.

<https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9700.pdf>

Reading 2: Devereux, S. & Sabates-Wheeler, R. (2004). *Transformative social protection*. IDS working paper 232. Brighton: Institute of Development Studies. <http://www.ids.ac.uk/files/dmfile/Wp232.pdf>

Reading 3: Hickey, S. (2011). *The politics of social protection: what do we get from a 'social contract' approach?* CPRC working paper 216. Manchester, UK: Chronic Poverty Research Centre, University of Manchester. http://www.chronicpoverty.org/uploads/publication_files/WP216%20Hickey.pdf

Reading 4: Kidd, S. (2015). *The political economy of “targeting” of social security schemes*. Pathways’ perspectives on social policy in international development 19. Orpington, UK: Development Pathways. <http://www.developmentpathways.co.uk/resources/the-political-economy-of-targeting-of-social-security-schemes/>

Reading 5: Robalino D., Rawlings, L., & Walker, I. (2012). *Building social protection and labor systems: Concepts and operational implications. Background paper for the World Bank 2012-2022 social protection and labor strategy*. World Bank discussion paper 1202. Washington D.C.: World Bank. <http://siteresources.worldbank.org/SOCIALPROTECTION/Resources/SP-Discussion-papers/430578-1331508552354/1202.pdf>

Reading 6: White, P., Hodges, A. & Greenslade, M. (2015). *Measuring and maximising value for money in social protection systems*. London: DFID. http://r4d.dfid.gov.uk/pdf/outputs/ChronicPoverty/61479_ValueForMoneyInSocialProtectionSystems_24Nov2015.pdf

Questions to guide reading

1. What specific objectives have motivated governments to build and expand social protection systems in different low and lower middle income contexts, and what main challenges do they face in each case?
2. What is the state of evidence on the different impacts ascribed to social protection in low and lower middle income countries? How important is evidence of impact and cost-effectiveness in social protection policy processes?
3. What are the advantages and risks associated with moving from a programme to a system focused approach to social protection?
4. How can social protection systems be sustainably financed in the medium to long term?
5. How can functional linkages between social assistance and social insurance best be established in low to lower middle income countries, so that social insurance is extended beyond formal sector employment?
6. What are the most appropriate roles for development partners in social protection system development?

Further reading

Browne, E. (2015). *Social protection topic guide*. Birmingham, UK: GSDRC, University of Birmingham. <http://www.gsdrc.org/topic-guides/social-protection/>

Hinds, R. (2014) *Defining social protection systems*. (GSDRC Helpdesk Research Report 1085). Birmingham, UK: GSDRC, University of Birmingham. <http://www.gsdrc.org/docs/open/hdq1085.pdf>

The Transfer Project. (2014). *The broad range of cash transfer impacts in sub-Saharan Africa: Consumption, human capital and productive activity*. Research brief. Chapel Hill NC: UNC Carolina Population Center. https://transfer.cpc.unc.edu/wp-content/uploads/2015/09/TransferProjectBrief_2014-01_BroadImpactsofSCT.pdf