

Social Protection for the Poor and Poorest: Reflections on a Quiet Revolution

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Social protection: the quiet revolution

- Emerging consensus that social protection is an essential component of national development strategy – along with economic growth and human capital development
- Shift from concept of temporary social safety nets, to meeting basic needs and raising capabilities
- Massive expansion of coverage – more than 100 million households, half a billion people
- Quiet revolution – national policies, incremental, pilot programmes, gradual conceptual shifts

What is social protection?

- ‘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)
- Food aid, old age pensions, disability grants, sick pay, child grants, cash transfers
- Until recently a rich world idea
- ILO has been a leading proponent

Three main forms

1. **Social insurance** – provides protection against lifecycle and work-related contingencies (old age, maternity, sickness, unemployment). Financed by workers and employers.
2. **Social assistance** – provides support to those in poverty. Tax-financed and also by charities and NGOs.
3. **Labour and employment standards** – ensures basic standards at work, and extends rights to organisation and voice. Costs met by business and consumers.

Social protection: conceptual underpinnings

- **Social Risk Management** – World Bank, ‘managing income risks’. Short-term social safety nets.
- **Basic needs** – National governments and bilateral donors, meeting minimum levels for income, nutrition, health and education services, shelter, water and sanitation.
- **Human rights** – ILO, ‘entitlements that society provides to individuals and households...to protect against low living standards arising out of...basic risks and needs’. From policy option to state obligation.
- Last 10 years – Gradual shift from social risk to basic needs and perhaps human rights thinking.

The rise of social protection in development policy

Massive increase in scale last 10 years:

- South Africa, Child Support Grant - 7.2m
- China, Minimum Living Standards Scheme (MLSS) – 22.4m
- Mexico, Oportunidades/Progresas – 5m
- Brazil, Bolsa Familia/Escola – 11m
- Indonesia, Safety Net Scheme – 15m
- India, National Rural Employment Guarantee Scheme (NREGS) – 26m target for 2008
- Malawi, Kenya, Zambia, Uganda and others

Why this Rise? (1)

- Failure of structural adjustment and social funds
- Rising global insecurity and vulnerability – globalisation promotes rapid economic transformation (former Soviet Union, China)
- Economic and financial crises – 1997
- HIV/AIDS pandemic
- Violent conflict – sub-Saharan Africa, Afghanistan, Iraq
- Climate change

Why this Rise? (2)

- The costs of *not* having social protection
 - Human suffering
 - Slower economic growth/reduced productivity
 - Reduced agricultural production
 - Reduced human capital (health, nutrition, education)
 - Higher mortality
- Millennium Development Goals and the process surrounding them

Evolution of Social Protection (1)

- **Latin America** has been a leader and innovator – Progresa/Oportunidades (Mexico), Bolsa Escola/Familia (Brazil), Chile Solidario. Conditional cash transfers (CCTs) of cash + child development. Now capability enhancement strategy in Chile.
- **South Asia** is experimenting. Old age pensions across the region, ultra-poor programmes in Bangladesh. Now major initiatives of NREGS and Unorganised Sector Worker's Social Security Bill (USWSS) in India.

Evolution of Social Protection (2)

- **South East and East Asia** – responding to 1997 financial crisis and transformation in China. Very important for rural population in China.
- **Sub-Saharan Africa** – a ‘Southern Africa’ model is emerging (old age pensions and child support grants financed by tax). Elsewhere donor experiments with cash transfers and CCTs.
- **Globally** - More often social assistance rather than social insurance (reverse of European evolution).

Roles of External Actors (1)

- **ILO** historically the lead, but has been challenged by growth of informality and decline of trade unions. 'Decent work' has become its focus.
- **World Bank** has become a major player since late 1990s. Internal debate/war about whether social risk management or basic needs approach.
- **IMF**'s role remains constraining social expenditure – little sign of understanding the economic costs of not having social protection.

Role of External Actors (2)

- **Other UN** family – various positions but they lack the coherence/intellectual credibility of other actors
- **Bilaterals** – DFID and GTZ very active in Africa. USAID taking an interest. What's JICA/Japan doing?
- **NGOs** – very important for humanitarian work, but less so longer term social protection (except HelpAge International and Save the Children Foundation)

Embedding Social Protection – Key Issues

- Scale, scope and integration in national plans
- Programme design, client selection and implementation
- Financing – can they afford it, versus the costs of not having social protection
- The politics of social protection – building coalitions to support social protection

Conclusions (1)

- Evidence growing that social protection reduces vulnerability, improves welfare of the poor, raises socio-economic mobility and supports economic growth.
- Quiet revolution is underway – integrated strategies of economic growth, human capital development and social protection.
- Impacts, at a basic material level – reducing the suffering of the world's poorest people.
- Impacts, in terms of ideas – helping to shift national and international debates from safety nets and charity to citizenship and solidarity

Conclusions (2)

- Analyses based on self-interest (how can I make the world a good place for my children?) also recognising social protection – national social cohesion and international security
- But two major knowledge frontiers for researchers to focus on:
 1. Scaling up programmes – raising implementation capacities and stopping donors from making them a development fad
 2. Social protection models for fragile states/ regions and difficult environments