

Social Protection and Social Inclusion

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- There is no consensual definition of social protection, ...but plenty of working definitions.
- At IPC-IG we have been working with a definition that helps us to link social protection with inclusive growth
- It seeks to emphasize that social protection is not only a “quick and ex post fix” for inequities generated by the growth process, but it has the potential to be an important component of the growth process itself.

Social protection for inclusive growth in this approach comprises a set of **publically** funded actions that serve to :

- 1) support individuals and families in addressing **vulnerabilities over their life course**;
- 2) to help, especially **the poor and the vulnerable**, **build resilience to respond to crises/hazards/shocks**, including environmental threats.
- 3) to foster **social inclusion** and to assist people, especially those more vulnerable to poverty, to build **human and social capital** through facilitating income/consumption smoothing and **encouraging/ensuring access to basic social goods and services**;
- 4) to foster **productive inclusion** through enhancing the capabilities, rights and opportunities of the poor and marginalized/excluded as well as those in formal sector jobs to benefit from growth.

Such a definition incorporates traditional features of social protection/security definitions, namely:

- social insurance;
- social assistance;
- and active labour market policies,

... but broadens the scope of these interventions in order to encompass some developmental objectives through direct links with access to social goods and services...

... as well as with productive inclusion, especially, for those with no (or weak) links to the formal labour market.

Social protection systems **can** have productive impacts...
... at the **macro** level by stimulating aggregate demand and working as **automatic stabilizers**;

...at the **meso** level by fostering the local economy and improving local assets; and

...at the **micro** level by increasing household and individual productivity and decreasing their vulnerability to negative shocks (See Yemtsov, 2011).

Design matters... **Flagship** programmes are not magic bullets...

- Despite different levels of robustness with regard to the available empirical evidence, social protection **can** contribute to make the growth process more inclusive (and **not** only as a **compensatory measure**).
- This is clearer when one analyzes social protection programmes that have a **productive component** with strong “economic” spillover effects...

... but also with simpler cash transfer programmes that can have **second-round effects** at the macro and meso level, and direct effects at the household level.

The recurrent concern about dependency seems misplaced...

The discourse around “graduation” is never clear whether one is talking about graduation from poverty or...
or graduation from the programme due to budget considerations.

In general, graduation concerns come with very scarce (if any) empirical evidence on beneficiary dependency.

Eyal and Wollard (2011) shows that **Child Support Grant in South Africa** has enabled young mothers to send their children to school or child care, freeing their time so that they can participate more in the labour market.

Design matters – incentives – unintended effects – what is the size of these effects?

- This does not mean that social protection programme should not consider “activation” policies for their beneficiaries.
- However, in order to facilitate this “activation” process it is necessary to have more comprehensive information on the needs of the beneficiaries and on the potential of the local labour markets and the needs of the communities.
- Actually, the dissemination of singles registries/ unified databases or interconnected databases seems to be one important innovation that even if initially was linked to some flagship programme were able to be implemented in a much broader manner.

- In Latin American, such systems became quite popular and proved its utility and multipurpose potential during the recent financial crisis.
- If on the one hand, establishing these systems can be cumbersome and expensive, on the other hand the synergies and gains in terms of potential improvement in the effectiveness of the social protection programmes are clear.

➤ Without denying the importance of cross-checking databases to avoid **duplications** and identifying **inclusion errors**...

... the information systems could be used to broaden **the set of opportunities** available to families, decreasing exclusion errors and improving **coordination** and the **impact** of programmes and...

... also to serve as inputs for process and impact evaluations whose results could feed back into a continuous process of programme re-design and re-focusing objectives of the different programmes of the system.

- It is important to recognize, nonetheless, that **countries have different capacities in implementing social protection and employment programmes.**
- Middle Income Countries (MICs) tend to have more **fiscal space** to develop such policies, unlike Low Income Countries (LICs) that have a tighter fiscal space and are highly dependable on grants (ODA).

- In such circumstances, the move towards a more comprehensive social protection system needs to be careful in identifying clear **priorities** and choose programmes that have **stronger synergies** with the **productive side** and potential for integration with other locally identified priorities in the development agenda.

- Most of the knowledge sharing among countries still revolves around “components/instruments” more linked to specific programmes than looking at how to broaden social protection system in order to ensure that families/individuals are protected throughout their life-cycle.
- A move toward a more comprehensive approach will require a greater effort from practitioners and researches in order to develop appropriate tools to assess systems and identify lessons (including the negative ones) that could be shared.

Many Thanks