

# Table of Contents

<b>I. Introduction</b>	1
A. Background and Objectives	1
B. General Approach and Study Milestones	3
C. Objectives and Structure of the Book	4
D. Acknowledgements	5
<b>II. The Definition of Social Protection</b>	7
A. ADB's Definition of Social Protection	7
B. Country Definitions of Social Protection	10
C. The Study's Definition of Social Protection	12
D. How to Treat Basic Health Programs	19
<b>III. Formulation of the Social Protection Index— Approach and Methodology</b>	19
A. General	19
B. Social Protection Expenditure (SPEXP)	23
C. Coverage of Social Protection Programs	24
D. The Distributional Effect of Social Protection	35
E. Social Protection Impact	39
F. Potential New SPSI	40
G. Formulation of the Social Protection Index	41
H. Overview of SPSI and SPI Formulations	46
<b>IV. Social Protection Summary Indicators—Results</b>	49
A. General	49
B. Social Protection Expenditure (SPEXP)	52
C. Social Protection Coverage	60
D. The Distributional Effect of Social Protection (SPDIST)	65
E. Impact of Social Protection Programs on Household Incomes/Expenditures	67
F. Analysis of SPSI Results	70
G. Another Potential Indicator: the Social Protection Poverty Expenditure Ratio	80
H. Overview	82

<b>V. The Social Protection Index for Asian Countries</b>	<b>85</b>
A. General	85
B. Country SPI Values and Rankings	85
C. The Relationship between the SPI, the SPSIs, the HDI, and GDP per Capita	90
D. Overview	94
<b>VI. How Policy Makers can use the Social Protection Indices</b>	<b>97</b>
A. General	97
B. Some Practical Applications of the SPI and the SPSIs	98
C. Some Interpretation Issues	108
D. Policy Dialogue and Awareness Raising	113
E. Overview	113
<b>VII. Conclusions and Recommendations</b>	<b>117</b>
A. General	117
B. Conclusion—Social Protection in Asia	117
C. Conclusions—Policy Implications	121
D. Conclusions—the Social Protection Index	124
E. The Study Messages	125
F. Recommendations	126
Annex 1: Base Data	129
Annex 2: Derivation of SPCOV using Country-Specific weights	135
Annex 3: Cluster Analysis—Methodological Note	136
Annex 4: TA 6120 Country Updating Reports	139
Annex 5: Including Health Care in the Definition of Social Protection	140
A5.1. Background	140
A5.2. Methodology	141
A5.3. Results	142
A5.4. Conclusions	146
Annex 6: References	153

### List of Tables

Table 2.1: ADB's Components and Subcomponents of Social Protection	9
Table 2.2: Inclusion/Exclusion of Social Protection Programs	14
Table 3.1: Characteristics of Summary Indicators	20

Table 3.2:	Social Protection Summary Indicators—Data Requirements	21
Table 3.3:	Relationship between Social Protection Programs and Key Target Groups	27
Table 3.4:	SPCOV Reference Populations	31
Table 3.5:	Alternative Weighting Methods for Deriving the Overall Coverage Indicator	33
Table 3.6:	Implications of Alternative Weighting of Coverage Ratios	34
Table 3.7:	Alternative Scaling Methods	42
Table 3.8:	Minimum and Maximum Values of the SPSIs	43
Table 3.9:	Weighting Social Protection Indicators	45
Table 4.1:	Regional Grouping of Countries	50
Table 4.2:	Developmental Grouping of Countries	51
Table 4.3:	Color Coding	52
Table 4.4:	SPEXP Values by HDI Group	55
Table 4.5:	Social Protection Expenditure by Category of Program—Regions	58
Table 4.6:	Social Protection Expenditure by Category of Program—HDI Groups	59
Table 4.7:	Social Protection Expenditure in Countries with Minimal Social Insurance	60
Table 4.8:	Target Group Coverage Ratios—All Countries	61
Table 4.9:	Values of Coverage Indicator (SPCOV) by Region and HDI Group	69
Table 4.10:	Values of SPDIST by Region and HDI Group	67
Table 4.11:	Social Protection Distribution Indicator (SPIMP) by Region and HDI Group	70
Table 4.12:	Pair-Wise Correlations between SPSIs and HDI	71
Table 4.13:	Summary Characteristics of Scaled Values	73
Table 4.14:	Groupings of Countries Based on Cluster Analysis	75
Table 4.15:	Country Values of SPPER and Statistical Indicators	81
Table 5.1:	SPI Values—Summary Statistics and Variation by Region and HDI Group	86
Table 5.2:	Country SPI Rankings	89
Table 5.3:	SPI, SPSI, and HDI Correlations	90
Table 5.4:	SPI, HDI, and GDP per Capita Correlations	90
Table 5.5:	Variations in SPI and HDI Rankings	92
Table 5.6:	Countries with Divergent SPI and HDI Rankings	93
Table 6.1:	Changes in SPI and SPSI Values	98
Table 6.2:	Countries with High and Low SPI Values	103

Table 6.3:	PRC—Urban and Rural SPI and SPSIs	105
Table 6.4:	Potential Uses of the SPI and its Constituent Information	115
Table 8.1:	Potential Uses of SPI and the SPSIs	122
Table A1.1:	Country SPSIs Values—Actual and Scaled	129
Table A1.2:	SPSI Subcategories	131
Table A1.3:	Basic Statistics	133
Table A.2.1:	SPCOV Values using Average Country and Country Specific Weights	135
Table A.4.1:	TA 6120 Countries—Summary of Results	139
Table A5.1:	Impact of General Health Expenditure and Coverage on SPSIs	143
Table A5.2:	Impact of General Health Expenditure and Coverage on SPI Values	144
Table A5.3:	Health Expenditure Data for Asia	149
Table A5.4:	Country SPSI Values, With and Without Health Expenditure	150
Table A5.5:	Country SPSI Values, With and Without Health Care	152

### List of Figures

Figure 3.1:	Diagrammatic Representation of the Derivation of the Social Protection Index	22
Figure 3.2:	Derivation of SPCOV	26
Figure 4.1:	Social Protection Expenditure as % of GDP (SPEXP) by Regional Grouping	53
Figure 4.2:	Average SPEXP Values by Regional Grouping	54
Figure 4.3:	Average SPEXP Values by HDI Grouping	55
Figure 4.4:	Social Protection Expenditure by Category of Program—Central Asia	56
Figure 4.5:	Social Protection Expenditure by Category of Program —South Asia	56
Figure 4.6:	Social Protection Expenditure by Category of Program—East Asia	57
Figure 4.7:	Social Protection Expenditure by Category of Program—Pacific States	57
Figure 4.8:	Target Group Coverage Ratios—Regional Averages	62
Figure 4.9:	Target Group Coverage Ratios—HDI Groups	63
Figure 4.10:	Overall Coverage Indicator (SPCOV)	64
Figure 4.11:	Values of SPDIST (Poverty Targeting) by Regional Groups	66

Figure 4.12: Values Social Protection Impact Indicator (SPIMP by Country	69
Figure 4.13: Scaled Values of SPSIs	72
Figure 4.14: Star Charts of Country SPSIs (A)	77
Figure 4.14: Star Charts of Country SPSIs (B)	78
Figure 4.15: Star Charts of Regional SPSI Values	79
Figure 4.16: Star Charts of HDI Group SPSI Values	79
Figure 5.1: SPI Values for Asian Countries	87
Figure 5.2: Variation in SPI Values between Regional Groupings	88
Figure 5.3: Variation in SPI Values between HDI Group	88
Figure 5.4: Distribution of SPI Values	88
Figure 5.5: Country SPI and HDI Values	91
Figure 5.6: Country SPI and GDP per Capita (PPP\$)	91
Figure 5.7: Differences of SPI and HDI Rankings	93
Figure 6.1: Changes in SPI and SPSI Values for Selected Countries	99
Figure 6.2: PRC—Star Charts of Urban and Rural SPSIs	104
Figure 6.3: Social Protection Expenditure by Category for Countries with Similar Values of SPEXP	106
Figure 6.4: Social Protection Expenditure by Social Protection Category, Selected Countries	106
Figure 6.5: Variations in Target Group Coverage Ratios for Selected Countries	107
Figure 6.6: Country Target Group Coverage Ratios, Selected Countries	107
Figure 6.7: Similar SPIs but Very Different SPSIs	109
Figure A3.1: Hierarchical Cluster Analysis of SPSIs Based on Complete Linkages	137
Figure A3.2: Hierarchical Cluster Analysis of SPSIs Based on Average Linkages	138
Figure A5.1: Country SPI Values With and Without Health	145
Figure A5.2: Comparative SPI Rankings With and Without Health	146



# Abbreviations and Acronyms

ADB	Asian Development Bank
DMC	developing member country
GDP	gross domestic product
HDI	Human Development Index
HIES	household income and expenditure survey
ILO	International Labour Organization
Lao PDR	Lao People's Democratic Republic
MCF	microcredit finance
MDG	Millennium Development Goals
PNG	Papua New Guinea
PPP	purchasing power parity
PRC	People's Republic of China
PTR	poverty targeting rate
SPCOV	social protection coverage indicator
SPDIST	social protection distribution indicator
SPEXP	social protection expenditure indicator
SPI	social protection index
SPIMP	social protection impact indicator
SPPER	social protection poverty expenditure ratio
SPSI	social protection summary indicator

