

I. Introduction

A. Background and Objectives

Recognition is growing around the world that the Millennium Development Goals for poverty reduction, as well as equitable and sustainable growth, cannot be achieved purely through the promotion of economic growth and the development of physical and social infrastructure. Interventions are necessary to directly address the needs of the poorest and to prevent members of vulnerable groups from falling into poverty following community-wide or household-specific shocks.¹

As a result, the Asian Development Bank (ADB) and other development agencies have developed and implemented social protection strategies and programs and produced a number of projects, publications, and reviews of social protection activities in different countries.² As of 2004, however, there had been relatively few attempts to quantify the impact of social protection activities in terms of expenditure, beneficiaries or the impact of the programs, and to assess social protection schemes following a standard methodology. Even within many countries governments and stakeholders have no complete picture of their social protection arrangements, and their quantity and performance. To remedy this situation, ADB commissioned a pilot study³ in order to develop a methodology for assessing and comparing social protection efforts of countries.

1 Based on this, ADB and other organizations formulated their social protection strategies (see ADB 2001).

2 See for example Ortiz I., ed. (2001 and 2002), Guhan (1994), and Holzmann and Joregensen (2000). The UK's Department for International Development and the German Technical Cooperation Agency currently have social protection strategies in preparation.

3 Regional Technical Assistance (TA 6120) for Developing a Social Protection Index for Committed Poverty Reduction. The research was financed by the Poverty Reduction Cooperation Fund (Department for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland).

The objectives of this study were:⁴

- To explore variations in perceptions and definitions of social protection between countries;
- To describe social protection activities in the six participating countries: Bangladesh, Indonesia, Mongolia, Nepal, Pakistan, and Viet Nam;
- To compile statistical information on social protection activities in these countries;
- To develop a Social Protection Index (SPI);
- To prepare an SPI handbook that sets out the procedures for calculating SPIs in other countries; and
- To raise awareness on the need for social protection policies and programs.

Of these objectives, the most important was the construction of an internationally comparable SPI that provides a realistic and acceptable summary of the overall level of social protection activities in a country. The SPI provides a summary measurement tool of the extent to which Asian and Pacific countries provide welfare, labor market, social security, health insurance, microcredit, child protection, and targeted education and health support programs to their citizens, and especially those living below the poverty line. The SPI was designed to be a starting point for diagnostic evaluations of national social protection programs to enable the monitoring of changes in social protection provision over time, and to facilitate international comparisons of social protection provision. The SPI, conceptually based on the human development index, was derived from four social protection summary indicators (SPSIs), namely, social protection expenditure (SPEXP), social protection coverage (SPCOV), social protection distribution/poverty targeting (SPDIST), and social protection impact on incomes of the poor (SPIMP).

The study⁵ was completed in 2005 following an international conference in Manila in April 2005 attended by consultants and government officials from each of the participating countries, members of the international team who coordinated the study, ADB personnel, and outside experts. In addition, an article⁶ and a book were published.⁷ The book, published in 2006, contains

4 ADB, 2003. RETA 37104-01: Social Protection Index for Committed Poverty Reduction, Background Information and Terms of Reference for Consultancy Services.

5 The project reports can be found at www.adb.org/Documents/NPRS/REG/TA6120_REG.asp.

6 Baulch B., Wood J. and Weber A., 2006, *Developing a Social Protection Index for Asia*, Development Policy Review, Volume 24, no. 1, Overseas Development Institute/ Blackwell, Oxford, UK.

7 Weber A., ed., 2006, *Social Protection Index for Committed Poverty Reduction*, ADB, Manila. This publication contains the individual reports on social protection in each of the six countries.

county reports of the six pilot countries and a comparative multi-country chapter.

A follow-up study was commissioned based on the encouraging results of the pilot. It had as its primary objective the replication of TA 6120 (footnote 3) work in another 23 Asian and Pacific countries⁸ to enable the calculation of SPIs and the creation of a database of social protection programs throughout the region. Thus, both TAs cover almost all Asian countries with few exceptions and there is an expectation that also the remaining countries will join the effort in near future.

The study supports social protection activities in Asia, within ADB's overarching goal of reducing poverty. This book now summarizes the key findings and results of both studies, as well as updates of the information gathered during the pilot studies. Thus, this publication can be regarded as the first summary of the effort to develop an SPI for Asia.

The study also comprised the creation of a website containing the data collected for the country reports and the indicators used in calculating the SPIs. This website will soon be accessible.

B. General Approach and Study Milestones

The general approach and methodology adopted for this study replicate that used to prepare the country reports for the previous study and set out in the SPI Handbook.⁹

Work started in July 2006. Documentation from the previous study was distributed to the local consultants in each country¹⁰ and a series of training sessions were held in August and September 2006 to brief the local consultants.

The local consultants undertook their field work from August 2006 to January 2007 and prepared drafts of their country reports, which were submitted to the international team from December 2006 to February 2007.

8 Afghanistan, Armenia, Azerbaijan, Bhutan, Cambodia, People's Republic of China, Cook Islands, India, Japan, Kazakhstan, Kyrgyz Republic, Lao People's Democratic Republic, Malaysia, Maldives, Nauru, Papua New Guinea, Philippines, Republic of Korea, Sri Lanka, Tajikistan, Tonga, Tuvalu, and Uzbekistan.

9 Halcrow China Ltd., 2005, *TA6120: Social Protection Index for Committed Poverty Reduction, Final Report, Volume 2: the SPI Handbook*. The research was financed by the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies (Government of the Netherlands) and the Poverty Reduction Cooperation Fund (Department for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland).

10 Local consultants were appointed for all countries except the Cook Islands, Nauru, Tonga, and Tuvalu, where the research was undertaken directly by the international team.

These draft reports were reviewed by the international team, and the revised reports were finalized from April to July 2007.

A multi-country report was developed, followed by a TA 6120 Updating Report and the TA 6207 Countries' Report in September 2007. An international workshop was held jointly with the International Labour Organization and the Organisation for Economic Co-operation and Development in Seoul in December 2007 to publicize the results of the study.

C. Objectives and Structure of the Book

The primary purpose of this book is to provide the synthesis and analysis of the SPSIs and SPIs for the great majority of Asian and Pacific countries. In addition, to provide a self-standing document, this book includes some of the discussions and issues related to the definition of social protection and the formulation of the SPI, including any methodological changes made to the original TA 6120 methodology as a result of its replication to 25 more countries with such diverse characteristics as, for instance, Japan and Tuvalu.¹¹ Accordingly, the book is structured as follows:

- Chapter II contains a description of the issues surrounding the concept and definition of social protection. This chapter also sets out the types of social protection programs which have been included in this study and which provide the base data for the formulation of the SPI.
- Chapter III presents the general approach adopted in the formulation of the SPI and its component indicators.
- Chapter IV presents the summary SPSIs calculated for 31 Asian countries,¹² the analysis carried out, and cross-country comparisons. It includes a discussion of technical issues in the formulation of the SPSIs which arose during the course of this study.
- Chapter V presents and analyzes the country SPI values derived from the SPSIs presented in the previous chapter.

11 The TA 6120 methodology for the formulation was adopted without amendment in the preparation of the country reports. To have done otherwise would have prejudiced one of the key study objectives, which was to ensure cross country comparability of the SPI and its component indicators.

12 Despite the best efforts of the consultants, it did not prove possible to obtain adequate information for Solomon Islands. This report therefore presents results for 31 Asian countries—22 countries participating directly in this study, six countries from TA 6120 and three from TA 6207. It should also be noted that the Indonesian information relates to 2002/03 as it was not possible to obtain an updating report for this country.

- Chapter VI provides some examples of how the SPI and its component indicators can be used by policy makers.
- Chapter VII contains the study's conclusions.
- Annex 1 contains each country's SPI, SPSIs, and the data used to derive them. Annex 2 compares the values of SPCOV derived using country-specific weights with those derived using an average country series. Annex 3 is a technical note on the cluster analysis. Annex 4 summarizes the results of the updating reports for the TA 6120 countries. Annex 5 presents an analysis of the impact of, including all, health care within the definition of social protection. Finally, Annex 6 contains a list of key references.

D. Acknowledgements

This book was written by Joe Wood,¹³ Bob Baulch,¹⁴ and Axel Weber.¹⁵ It would not have been possible without the diligent work of the local consultants: Aharon Adibekian, Armenia; Elchin Maharramov, Azerbaijan; Prom Tola, Cambodia; Zhong Bing Fang and Xiulan Zhang, People's Republic of China; Shanta Venkatraman, Bimal H. Vyas, and Laveesh Bhandari, India; Kozo Ishii and Yoko K. Komatsubara, Japan; Tatiana Otenko, Kazakhstan; Youngsik Chang and Kyeong-Hwan Gho, Republic of Korea; Raya Osmonalieva, Kyrgyz Republic; Inthasone Phetsiriseng, Lao People's Democratic Republic; Paguman Singh and Jothi Kandan, Malaysia; Ahmed Salih, Maldives; George Wrondimi, Papua New Guinea; Victoria De Villa and Ofelia Cantos, Philippines; Ravindar P. Rannan-Eliya and Tharanga Fernando, Sri Lanka;¹⁶ Dilorom Rakhmatova, Tajikistan; and Yakov Asminkin, Uzbekistan. The work of the two research assistants, David Crosbie and Emily Owen, also deserves due recognition for their efforts in reviewing and cross-checking the initial drafts of the country reports. Ms. Owen also undertook the field research for the Cook Islands, Nauru, Tonga, and Tuvalu.

It is understood that any errors and mistakes in the book remain the exclusive responsibility of the authors.

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16 Dr. Rannan-Eliya and Ms. Fernando were also responsible, with Mr. Salih, for the preparation of the Maldives country report.

