

Social Protection for the Poor

Orientation

Dieter Bucher

Social protection schemes always existed

- Informal Systems: embedded in most societies
- Formal Systems started to emerge in the later part of the 19th century

Why is social protection still important?

Economic growth will not be able to cover the various social risks

Caring for the vulnerable, poor and needy

Avoidance of social conflict

Maintaining a healthy and strong labor force

Reducing poverty

Protecting against various risks that may impact on the well being of an individual or a group

What are Chinese most concerned of?

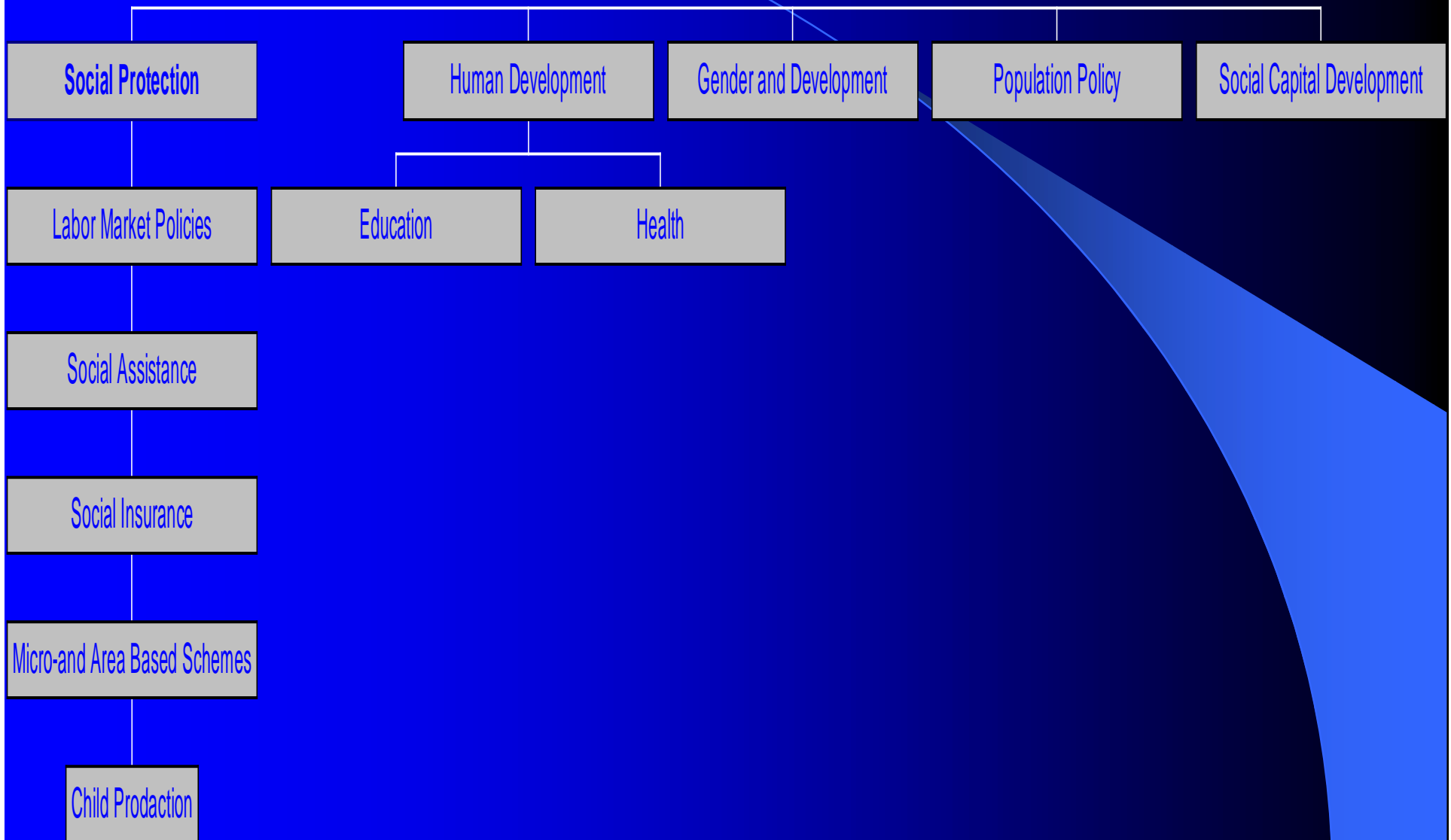
- Social welfare
- Unemployment
- Medical reform

Based on a survey done by Lingdian, a private research firm (IHT/Asahi Shinbum)

Key Challenges for Social Protection

- Most programs reach only a small part of the population
- Sustainability of programs (in particular of Social Assistance)
- Formal programs are not suitable for the informal sector
- Inefficiently run programs
- Economies and societies are changing. Social protection needs to be adjusted accordingly
- High and sometimes rapidly increasing cost of programs (unaffordable to many people)
- Many programs do not reflect the priorities of people

Social Development



ADB's Definition of Social Protection

- Social Protection is a set of policies and programs designed to reduce poverty and vulnerability by promoting efficient labor markets, diminishing people's exposure to risk and enhancing their capacity to protect themselves against hazards and interruption/loss of income

Five Elements of Social Protection

- Labor markets (F. Fluitman, H.J. Kwon, C. Aedo)
- Social Assistance (Subbarao, C. Bouillon)
- Social Insurance (H. Inductivo, C. Banchuin, C. Mesa-Lago)
- Micro- and area based schemes (M. Loewe, R. Aseron, J. Chacaltana)
- Child protection (J. Parry-Williams, C. Sardana, D. Coady)

Labor Market Policies

- **Active Labor Market Programs:**
 - direct employment generation
 - labor exchanges or employment services
 - skills development programs
- **Passive Labor Market Policies**
 - unemployment insurance
 - income support (severance pay, early retirement)
 - labor legislation and labor standards

Social Assistance

- Welfare/social services to highly vulnerable populations, institutionalized or community-based, such as the physically or mentally disabled, orphans, substance abusers, etc,
 - Cash or in-kind transfers to vulnerable groups, for instance, food stamps, family allowances
 - Temporary subsidies, such as energy life-line tariffs, housing subsidies, or support for lower prices of staple food in times of crisis

Social Insurance

- Unemployment - Work injury - needs to be accompanied of appropriate health and safety at Micro-insurance: voluntary contributory schemes for the community, handling small-scale cash flows to address major community risks
- Disability/invalidity - normally linked to old-age pensions
- Sickness/Health
- Maternity insurance - pregnancy and lactating period
- Old age
- Care/survivors - normally linked to old-age pensions

Micro- and Area Based Schemes

- **Micro-insurance:** voluntary contributory schemes for the community, handling small-scale cash flows to address major community risks
- **Agricultural Insurance:** pooling a number of risks that impact on agriculture (storms, floods, drought, hail, frost, earthquakes, volcanic eruptions, plant pests) so that the burden of loss can be distributed. Reinsurance critical.
- **Community-based Social Funds/Public Works (area based)**
- **Disaster Preparedness and management to assist communities in risk coping and mitigation.**

Child Protection

- **For the adequate development of the Asian workforce (40% of Asian population below 19)**
- **Early child development to ensure a balanced psychomotive development of the child through basic nutrition, preventive health and educational programs**
- **School feeding programs**
- **Mother and child fee waivers in health services**
- **Scholarships or school fee waivers**
- **Street-children programs**
- **Child rights advocacy/awareness programs**
- **Youth programs**

Seminar Concept

- The seminar will primarily discuss these five pillars.
 - Theoretical Background
 - Case study from Latin America and Asia

Learning Objective

- Understanding of the role of the five pillars of social protection in addressing social risks
- Knowledge and skills of the policies relevant to the five pillars
- Knowledge and skills to contribute to the development of social protection strategies in the participants home countries

What can the seminar contribute

- Social protection systems in most DMCs are at an infant stage. Such systems need to be developed and strengthened. We will discuss how this can be done.
- Discuss practical approaches and the experiences made in developing social protection
- Learning from other countries, in particular Latin America

Please be interactive

- You all have a strong background in social protection. Let's learn from each other
- Speakers will also benefit from participants contributions
- Group work will be one central aspect of the seminar