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Risk and Vulnerability: The Forward-looking Role of Social Protection in a Globalizing World

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Abstract

The paper outlines a forward-looking role of social protection against the background of increasing concerns about risk and vulnerability. These concerns are exemplified by the recent East Asian crisis, the concerns of the *World Development Report 2000*, the need for a better understanding of poverty dynamics, and the opportunities and risks created by globalization. These considerations and the need for a more proactive approach to lasting poverty reduction have led to the development of a new conceptual framework that casts social protection as social risk management. The paper highlights the main elements of the new conceptual framework and its main strategic conclusions for attacking poverty before addressing crucial issues for its implementation. These elements are: the need for an operational definition of vulnerability; the use of social risk assessments as an operational entry point for a new policy dialogue; the undertaking of social expenditure reviews to enhance the effectiveness of government intervention for addressing risk and vulnerability; and economic crisis management and the lessons for social protection. The pilot experience with some of these elements yields cautious optimism that a promising road for addressing poverty in the new millennium has been found.

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