

Social Assistance in Asia and the Pacific

Armin BAUER and Axel WEBER

Social Assistance in Asia and Pacific -
ADB July 2009

Disclaimer: The views expressed in this paper/presentation are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank (ADB), or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequence of their use. Terminology used may not necessarily be consistent with ADB official terms.

Structure of the Presentation

- Background
- Typology of Assistance Programs
- Examples in Asia
 - Philippines
 - Pakistan
 - Indonesia
- Conclusion (and implications for crisis discussion)

Background

- Variety of social assistance programs in the past
- Recently: especially cash transfer programs emerging in many parts of the World.
 - Mainly conditional and means tested
 - Mexico, Brazil, Nicaragua, Honduras, Jamaica, Chile
 - Bangladesh, Pakistan, Philippines, Indonesia, China.
 - Africa
- This presentation mainly deals with monetary cash support programs. We are not talking about in kind support including housing, clothing, food, services etc; but especially food support (and subsidies) comprise a major share of public expenditures

Typology

- Conditional or non-conditional
- targeted and means tested or universal
- Household based or individual based
- Tied or non-tied
- Temporary or unlimited

Examples – Philippines

Pantawid Pamilyang Pilopino Program (4P)

- Regional and household targeting
- a household with three children can receive PhP 1,400 per month
 - Up to PhP 6,000 (US\$ 130) per year per household for health and nutrition expenses;
 - PhP 3,000 (US\$ 65) per school year (10 months) per child for covering educational expenses. A maximum of three children is eligible.
- Families have to comply with a certain number of conditions: pre- and postnatal care. Birth attended. Parenthood sessions. Health check-up, vaccines. 85% school attendance.
- Budget of PhP 10 Bn per year for 700,000 families.
- World Bank, (ADB)

Examples – Pakistan

The Benazir Income Support Programme, 2008

- Pakistan ranked very low on the ADB Social Protection Index. Rising food price and living costs
- Non-conditional means tested program.
 - Eligible families with household income less than Rs. 6000 (67 US\$) per month – through Pakistan Post.
 - “substantial” Benefit Rs. 2,000 (about 22 US\$) every alternate month; for families earning Rs. 5,000 per month, the Rs. 1,000 given is 20 percent increase in purchasing power. Rs. 1,000 a month amount will be sufficient to finance 20-25 days of flour needs for a 5-6 member family
 - Payment only to female head of family.
- Rs. 34 billion for the year 2008/09; 0.3 percent of GDP (third largest allocation in public budget); Target is 5 million households (15% of population)

Examples – PRChina

various cash transfer systems under “dibao”

- Urban dibao: total allocation of 15.31 billion CHY (about USD 2 bio) for 22.46 million beneficiaries
- wubao (2005)
 - The 3 NOs: no ability to work, no source of income, no supporting family member
 - 10.7 million people in 6.5 million households received CHY 2.8 billion (\$190 mio) = \$14 per capita per year
 - Five guarantees for the elderly: housing, food, cloth, medical care, burial expenses → assistance is mainly in kind
- Rural dibao (2005): 8.25 million persons receive CHY 306 (about \$21) a year

Examples – Indonesia

Program Keluarga Harapan

- In 2005-2007 non-conditional: Rp.100,000 per month (US\$10) paid all three months to households of 70 million poor and near poor people (19 million households)
- In 2007 replaced by a conditional means tested cash transfer programme
 - Targets 6.5 million households with pregnant women and children between 0-14
 - Households receive cash (IRs 200,000-800,000 per child) for a maximum period of six years: average per household USD 140 per year
 - 12 conditions on health and education, including parental care visit for pregnant women, taking iron tablets during pregnancy, delivery assisted by trained professional, postnatal care visits, childhood immunization, monthly weight increase for infants

Social pension (THA, NEP)

- Thailand: social pension
 - Social pension of monthly 500 bhat (\$14) for citizens above 60 since Apr 2009
 - National poverty line however is 1453 bhat (\$41); THA works on increasing benefit
 - This and other pension systems cover 71% of the elderly in Thailand
- Nepal: social pension
 - Universal, non-means tested, non-contributory social pension for those older than 70 (widows older than 60)
 - 500 Rs (\$6.5) per person per month; 0.23% of Nepal's GDP
 - In 2007 about 76% of eligible population received pension

Social assistance (BAN, JAP)

- Bangladesh:
 - Old age allowance of \$2.9 per month for 1.6 million people
 - In kind transfers
 - Food for education: covered 30% of primary schools and 40% of children aged 5-10, at a costs of \$0.10 per student per day; children must attend 85% of classes each month; not food in school but grain for parents
 - Many other schemes
- Japan: social assistance
 - Elaborated system covering livelihood assistance, housing assistance, education assistance, medical care, nursing care, childbirth assistance, occupational assistance, funeral assistance, others (school entrance fees, diaper assistance)
 - In total 1.5 million people receive such benefits, costing JPY 2.63 trillion in 2005

Conclusion

- Nearly all types are represented
- Increasing interest in social protection in Asia. Most schemes created in the last decade. But there are still a majority of countries in Asia that hardly have any social assistance program
- Still a lot of room for improvement targeting, conditions, administration and benefit levels

- Impact
 - Are they addressing the core problem of poverty and vulnerability?
 - Do they achieve the right outcomes ? Social / poverty ?
- Does the crisis change the design and conditions for financing?
- Why is ADB not much involved?
- Is Social Protection a potential business for ADB? (loans for capacity and institutions)