

# WHAT ARE SOCIAL SAFETY NETS, WHAT DO THEY ACHIEVE AND WHERE DO THEY FIT INTO COMPETING DEMANDS ON GOVERNMENT'S FINANCES



Social Safety  
Nets Global  
Solutions  
Group

Social Safety  
Net Core  
Course

May 2018

SOCIAL PROTECTION & JOBS **CORE 2018 COURSES**  
WORLD BANK GROUP APRIL 30 to MAY 11 | WASHINGTON, D.C.

	MONDAY, April 30	TUESDAY, May 1	WEDNESDAY, May 2	THURSDAY, May 3	FRIDAY, May 4
8:15 - 9:00 am	9 30 – 10 30 REGISTRATION	LIGHT BREAKFAST	LIGHT BREAKFAST	LIGHT BREAKFAST	LIGHT BREAKFAST
	<b>Joint Learning: SSN, Labor Migration&amp;Pensions</b>	<b>International Workers’ Day – meaningful reflections</b>	<b>Daily Overview and Evaluation</b>	<b>Daily Overview and Evaluation</b>	<b>Daily Overview and Evaluation</b>
9:00-10:30 am Session 1	10 30 – 11:45 Welcome and Introduction –SPJ Senior Director Michal Rutkowski  <b>Framing for Social Protection and Jobs- Senior Advisor Margaret Grosh</b>	<b>Lecture</b>  <b>Social Safety Nets Around The World: What they Are, and What they Achieve and at what Cost?</b> <b>SSN Course Agenda</b> <i>Ruslan Yemtsov</i>	<b>Lecture</b>  <b>SSN Interventions: Putting the Food First. The Evolution of In Kind Assistance Programs</b>  <i>Ugo Gentilini</i>	<b>Lecture</b>  <b>SSN Delivery Systems Framework &amp; the Dual Challenges of Inclusion and Coordination</b>  <i>Kathy Lindert</i>	<b>Lecture:</b>  <b>Social Registries &amp; Integrated Social Information Systems</b>  <i>Phillippe Leite &amp; Tina George</i>
10:30 -11:00 am	11:45 – 1:00 pm Panel	<b>COFFEE / TEA BREAK</b>	<b>COFFEE / TEA BREAK</b>	<b>COFFEE / TEA BREAK</b>	
11:00-12:30 pm Session 2	<b>Global Trends and Challenges in Social Protection and Jobs</b>  <i>David Robalino, Robert Palacios, Ruslan Yemtsov</i>	<b>Lecture</b>  <b>SSN Interventions: Overview of Cash Transfers</b>  <i>Margaret Grosh</i>	<b>Lecture</b> <b>Panel of experts:</b>  <b>SSN Interventions: Public Works</b> 🌐  <i>Suleiman Namara, Sarah Call Black, Endeshaw Tadesse, Colin Andrews</i>	<b>Lecture &amp; Interactive Exercise</b>  <b>Delivery Chain Process Mapping</b>  <i>Kathy Lindert &amp; Tina George</i>	<b>Lecture</b> <b>Institutions &amp; the Challenges of Horizontal &amp; Vertical Coordination</b> 🌐 <i>Tina George, Yoonyoung Cho, Ines Caillava. Remote Participation – Kenichi Nishikawa &amp; Changqing Sun.</i>
12:30 – 2:00 pm	<b>1:00 – 2:00 Lunch Session</b> <b>Interactive fun session: Quiz on social protection around the world/ APP for the course</b> <i>Samah Mohammed Badawi; Yaprak Servia; Maniza Naqvi; Mark Dorfman</i>	<b>LUNCH SESSION</b> <b>The Power of Data: ASPIRE</b>  <i>Oleksiy Ivaschenko, Claudia Rodriguez Alas</i>	<b>LUNCH BREAK</b> <i>Meetings with country delegations by PMs/ informal discussions with participants</i>	<b>LUNCH SESSION</b> <b>Making your case: Topics and Working Groups for Participants’ Country Presentations</b>  <i>Ruslan Yemtsov; Maniza Naqui</i>	<b>LUNCH SESSION</b> <b>Finalization of Topics and Working Groups for Participants’ Country Presentations</b>  <i>Ruslan Yemtsov; Maniza Naqui; Participants</i>
2:00-3:30 pm Session 3	2:00- 3:45 <b>Lecture</b>  <b>Foundation of SPL System: Identification</b>  <i>Robert Palacios</i>	<b>Lecture</b>  <b>SSN Interventions: Key Design Consideration for Cash Transfers</b>  <i>Margaret Grosh</i>	<b>Lecture / Panel discussion</b> <b>Mainstreaming programs and services for disabled in SSN</b> 🌐  <i>Aleksandra Posarac (via WEBEX)</i>	<b>Lecture/panel discussion</b>  <b>Key concepts and Practice of Targeting</b>  <i>Phillippe Leite, Ruslan Yemtsov, Patrick Premand / Colin Andrews</i>	<b>Lecture/Interactive Exercise</b> <b>How to Evaluate SSNs? How to carry out and how to interpret evaluations?</b>  <i>Phillippe Leite, Ruslan Yemtsov, Patrick Premand / Colin Andrews</i>
3:30 – 4:00 pm	<b>3:45- 4:15COFFEE / TEA BREAK</b>	<b>COFFEE / TEA BREAK</b>	<b>COFFEE / TEA BREAK</b>	<b>COFFEE / TEA BREAK</b>	<b>COFFEE / TEA BREAK</b>
4:00 - 5:30 pm Session 4	4:15- 5:30 <b>Lecture</b>  <b>The First Mile of Delivering SPJ: Human Centered Design (HCD)</b>  <i>Tina George</i>	<b>Interactive Exercise and discussion</b>  <b>Weaving the Safety Nets: Insights from Experience</b> <i>Ruslan Yemtsov, Oleksiy Ivaschenko, Claudia Rodriguez Alas</i>	<b>Lecture</b>  <b>Cash transfers and early years investments</b>  <i>Emanuela Galasso, Laura Rawlings, Julieta Trias, Melissa Zumaeta</i>	<b>Interactive Exercise</b> <b>Assessing targeting performance with ADEPT</b>  <i>Phillippe Leite, Ruslan Yemtsov, Oleksiy Ivaschenko, Claudia Rodriguez Alas</i>	<b>FREE</b>
6:00 pm		<b>OPENNING RECEPTION</b> <b>MC ATRIUM</b> Group Photos & Reception			

8:15 - 8:45 am	LIGHT BREAKFAST	LIGHT BREAKFAST	LIGHT BREAKFAST	LIGHT BREAKFAST	LIGHT BREAKFAST
8:45 – 9:00 am	What is ahead of us this week?	What do we celebrate in XXI century on the Victory day?	Daily Overview and Evaluation	Daily Overview and Evaluation	What are we taking home?
9:00-10:30 am Session 1	<b>Lecture</b> <b>Overview of Payments of SSN with case studies/ ISPA</b>  <i>Laura Rawlings, Emily Weedon, Yoonyoung Cho, Suleiman Namara</i>	<b>Lecture/ Case Study</b>  <b>SSN Programs for Resilience Building and Productive Inclusion</b>  <i>Carlo Del Ninno/ Sarah Call Black/ Aude De Montesquiou/ Janet Heisey</i>	<b>Panel Discussion</b>  <b>How SSNs can help to empower women?</b>   <i>Carine Clerf, Cornelia Tesliuc, Samira Hillis, Josefina Posadas</i>	<b>Participants' Country Presentations</b> <b>Presentation by Teams</b> <ul style="list-style-type: none"> <li>Feedback</li> </ul>	<b>Panel Discussion</b>  <b>Adaptive Social Protection and the Goal of Universal Coverage: Implications for Social Safety Nets</b>  <i>Panel comprising SPJ Directors, Michal Rutkowski and Steen Jorgensen, participants, experts from global practices and partners</i>
10:30-11:00 am	COFFEE / TEA BREAK	COFFEE / TEA BREAK	COFFEE / TEA BREAK	COFFEE / TEA BREAK	COFFEE / TEA BREAK
11:00-12:30 pm Session 2	<b>Lecture</b>  <b>Integration and Intermediation Case Management in SSN Programs and Social Services</b>  <i>Veronica Silva Villalobos</i>	<b>Lecture</b>  <b>Activation of SSN beneficiaries: building links between SSN and ALPMs</b>  <i>Maria Laura Sanchez Puerta/ Matteo Morgandi</i>	<b>Lecture/ Case Study</b>  <b>Subsidy reform: tools for SSN practitioners</b>  <i>Ruslan Yemtsov, Amr Moubarak</i>	<b>Participants' Country Presentations</b> <b>Presentation by Teams</b> <ul style="list-style-type: none"> <li>Feedback</li> </ul>	<b>Participants' panel: What have I learned? How this is going to affect my work?</b>  <b>Course Evaluation</b>  <b>Official Closing and Certificate Distribution</b>  <i>Participants, SSN Course Team</i> <b>1:00 PM - LUNCH BREAK</b>
12:30 - 2:00 pm	<b>LUNCH BREAK</b>  <b>Meet the experts: Individual on demand consultations with SPJ staff</b>	<b>LUNCH BREAK</b>  <b>Meet the experts: Individual on demand consultations with SPJ staff</b>	<b>LUNCH SESSION</b>  <b>Discussion: Universal Basic Income: Crazy Idea or New SSN Tool?</b>  <i>Ugo Gentilini +Jamele Rigolini</i>	<b>LUNCH SESSION</b>  <b>Human Capital and SSNs: Insights from World Bank Human Capital Index Project</b>  <i>Roberta Gatti, HD Chief Economist</i>	
2:00 - 3:30 pm Session 3	<b>Lecture</b>  <b>Communication &amp; Outreach in Social Safety Nets</b>  <i>Surat Nsour</i>	<b>Lecture and panel discussion</b>  <b>New frontiers of SSNs: Bridging Humanitarian Crisis Response and Safety Nets System Building</b>  <i>Ugo Gentilini</i>	<b>Group work</b>  <b>Overview of ISPA tools for SP assessment and case studies</b>  <i>Luz Rodrigues, Marco Shaffer, Ruslan Yemtsov</i>	<b>Participants' Country Presentations</b> <b>Presentation by Teams</b> <ul style="list-style-type: none"> <li>Feedback</li> </ul>	
3:30 – 4:00 pm	COFFEE / TEA BREAK	COFFEE / TEA BREAK	COFFEE / TEA BREAK	COFFEE / TEA BREAK	
4:00 – 5:30 pm Session 4	<b>Working Groups</b> <b>Preparation of Participants' Presentations</b>	<b>Working Groups</b> <b>Preparation of Participants' Presentations</b>	<b>Working Groups</b> <b>Preparation of Participants' Presentations</b>	<b>Participants' Country Presentations</b> <b>Presentation by Teams</b> <ul style="list-style-type: none"> <li>Feedback</li> </ul>	

# WHAT ARE THE SOCIAL SAFETY NETS?

# DEFINITION

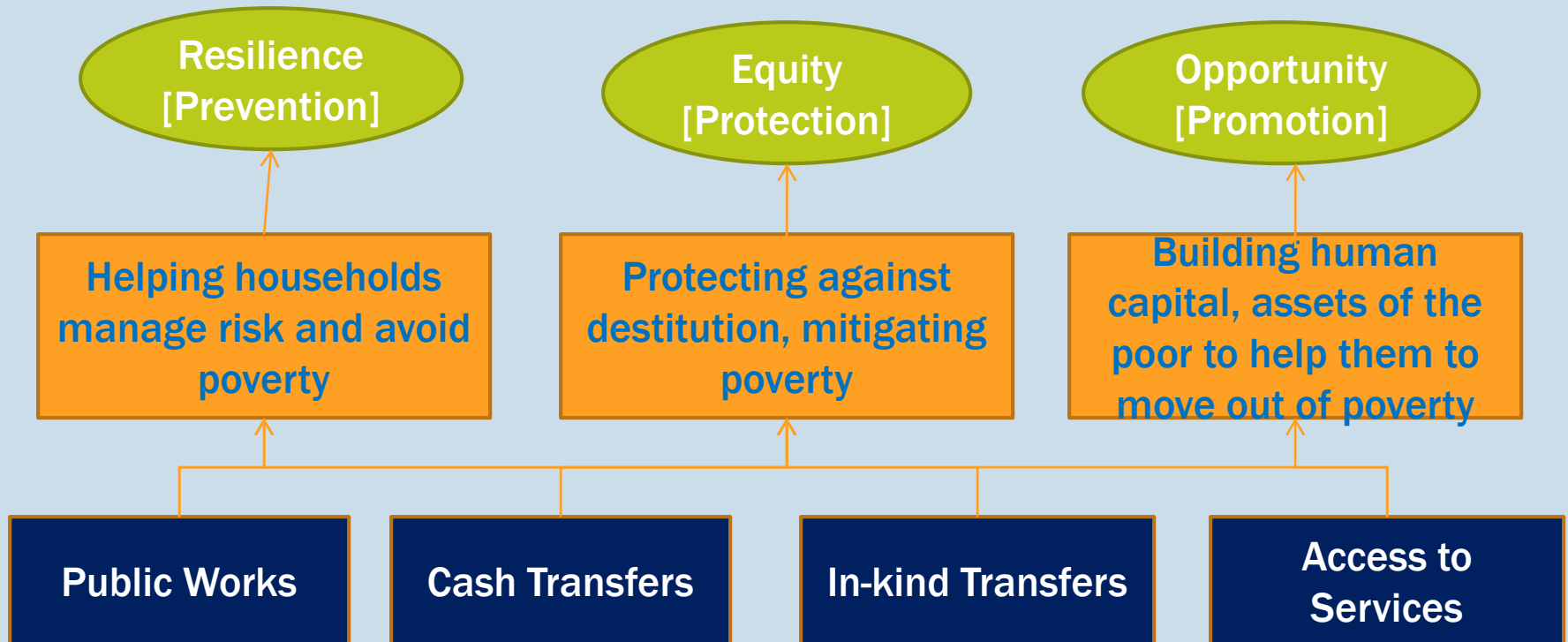
Social safety nets are non-contributory transfer programs generally targeted to the poor or those vulnerable to shocks, eg:

- Cash transfers, targeted or not, conditional or not;
- Food or other in-kind distribution
- Public workfare jobs
- General price subsidies, eg for food or fuel
- Fee waivers for essential services such as health or education

Similar concept to what is called social assistance in Europe.

This definition excludes *contributory* social insurance as a whole. But the boundary is increasingly fuzzy. SSNs often complement other aspects of what is termed social policy (including health and education).

# A Framework for Social Protection: Place for Safety Nets



## COMMON ANALYSES AND ACTIONS

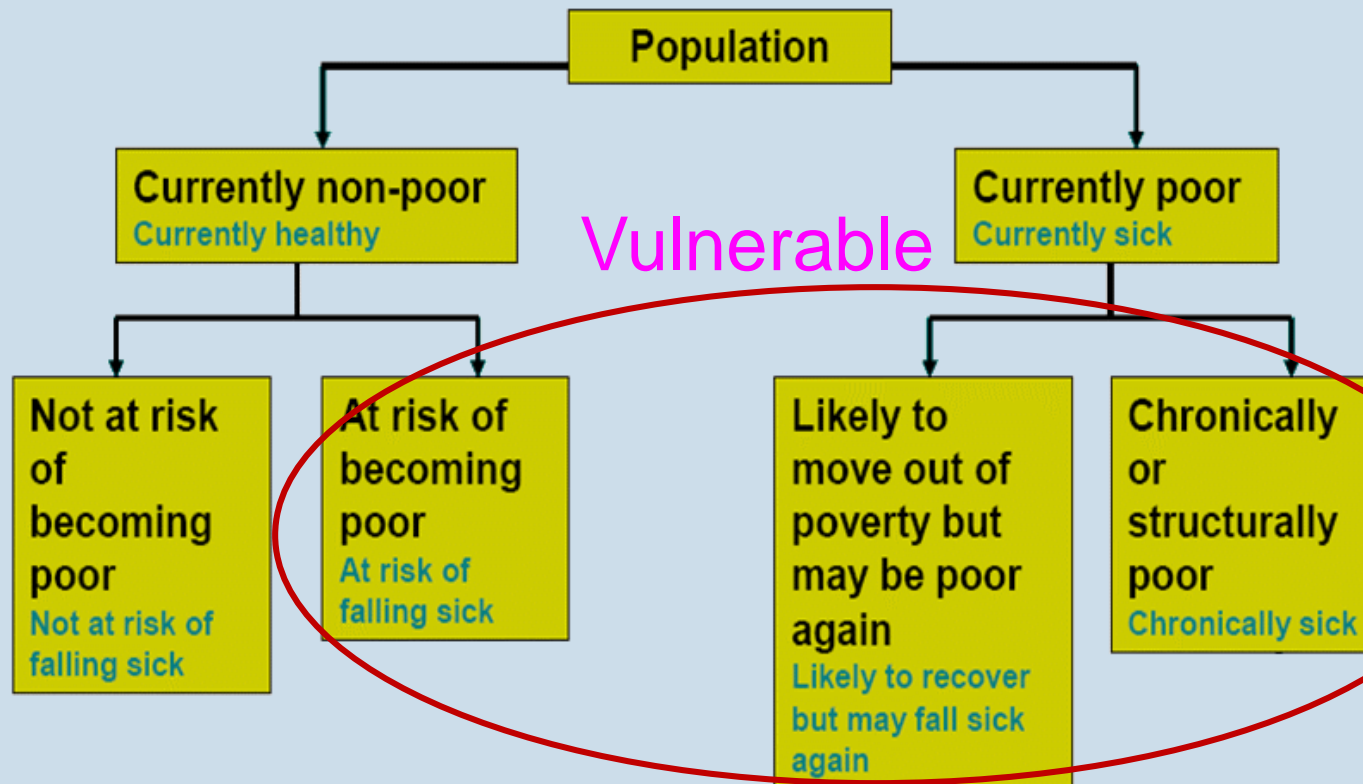
- Delivery systems
- Impact evaluations/Behavioral model
- Monitoring
- Financing
- Communication and outreach
- Good governance, transparency

# WHY SO MUCH FOCUS ON POVERTY?

- Poverty is "unacceptable deprivation in well-being"
- Poverty has long term consequences for human being in terms of their ability to participate in society, provide access to opportunities to their children
- Material poverty is also associated to insecurity, poor health, low education attainment or achievements, lack of freedom & voice/ lack of empowerment
- Therefore societies aim to eliminate that state or at least reduce its prevalence and negative consequences
- They do it via various means, among which social safety nets are the most direct.
- Poverty reduction /equity enhancing objective of Social safety nets often is mistaken with "poverty targeted" parts of SSNs
- In fact, human rights view of SSNs are aligned with poverty reduction/equity objective



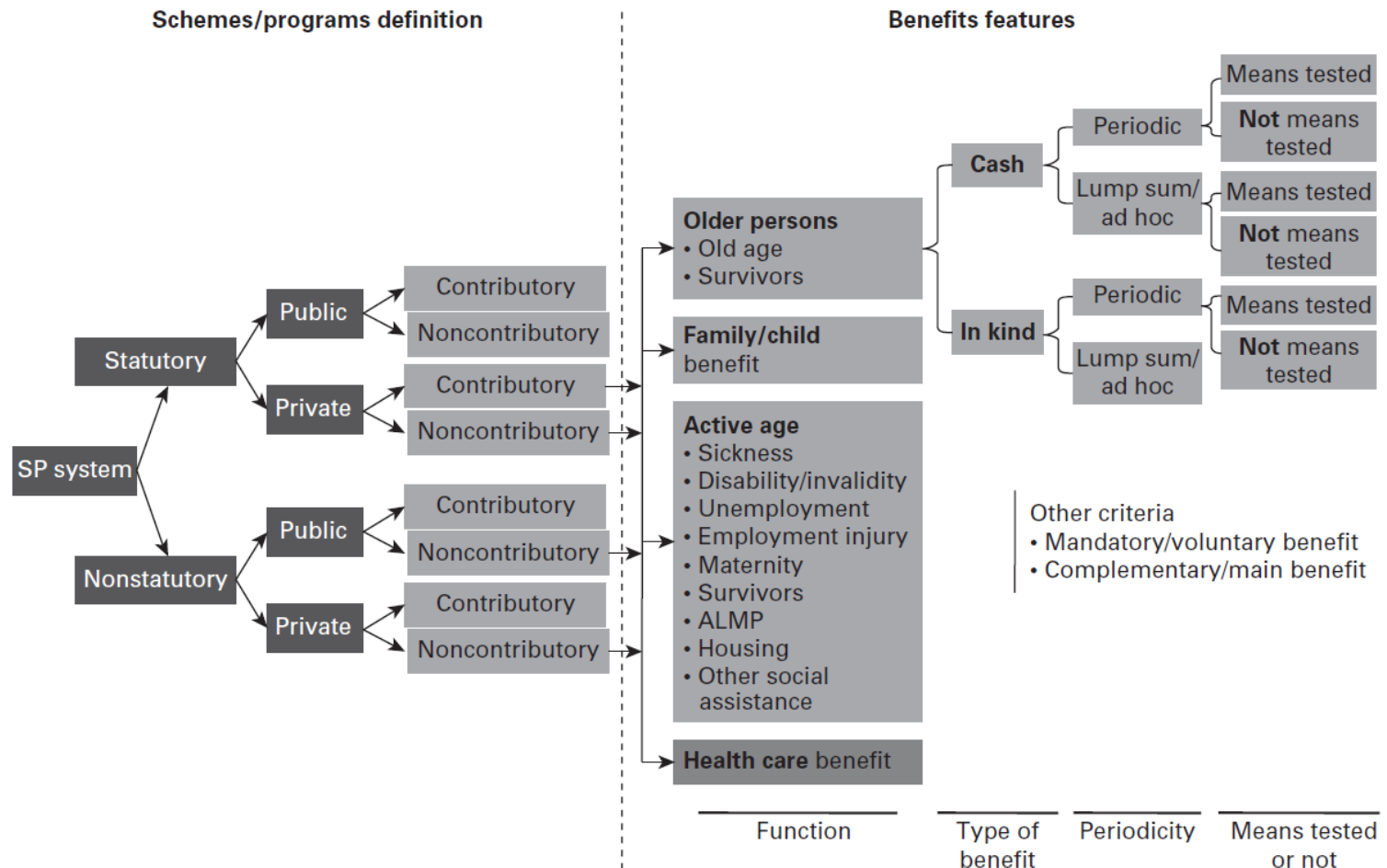
# VULNERABILITY TO POVERTY AND WHO NEEDS THE SSNS



The problem with this definition is that easily 60-80 % are becoming eligible for assistance=> Policy choices



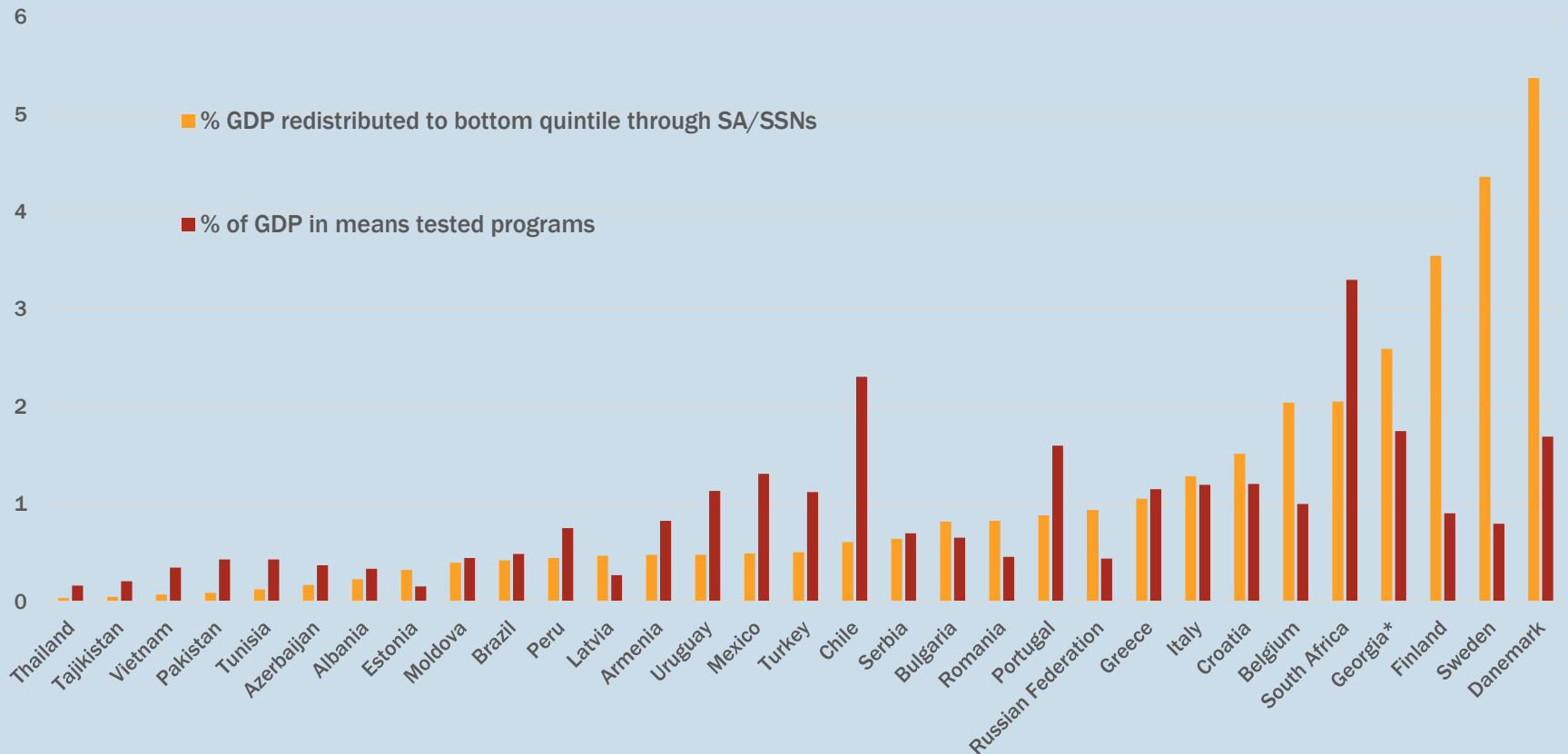
# SOCIAL SAFETY NET FITS INTO A COMPLEX WEB OF SOCIAL PROTECTION



Source: ILO 2013.

Note: ALMP = Active labor market program; SP = social protection.

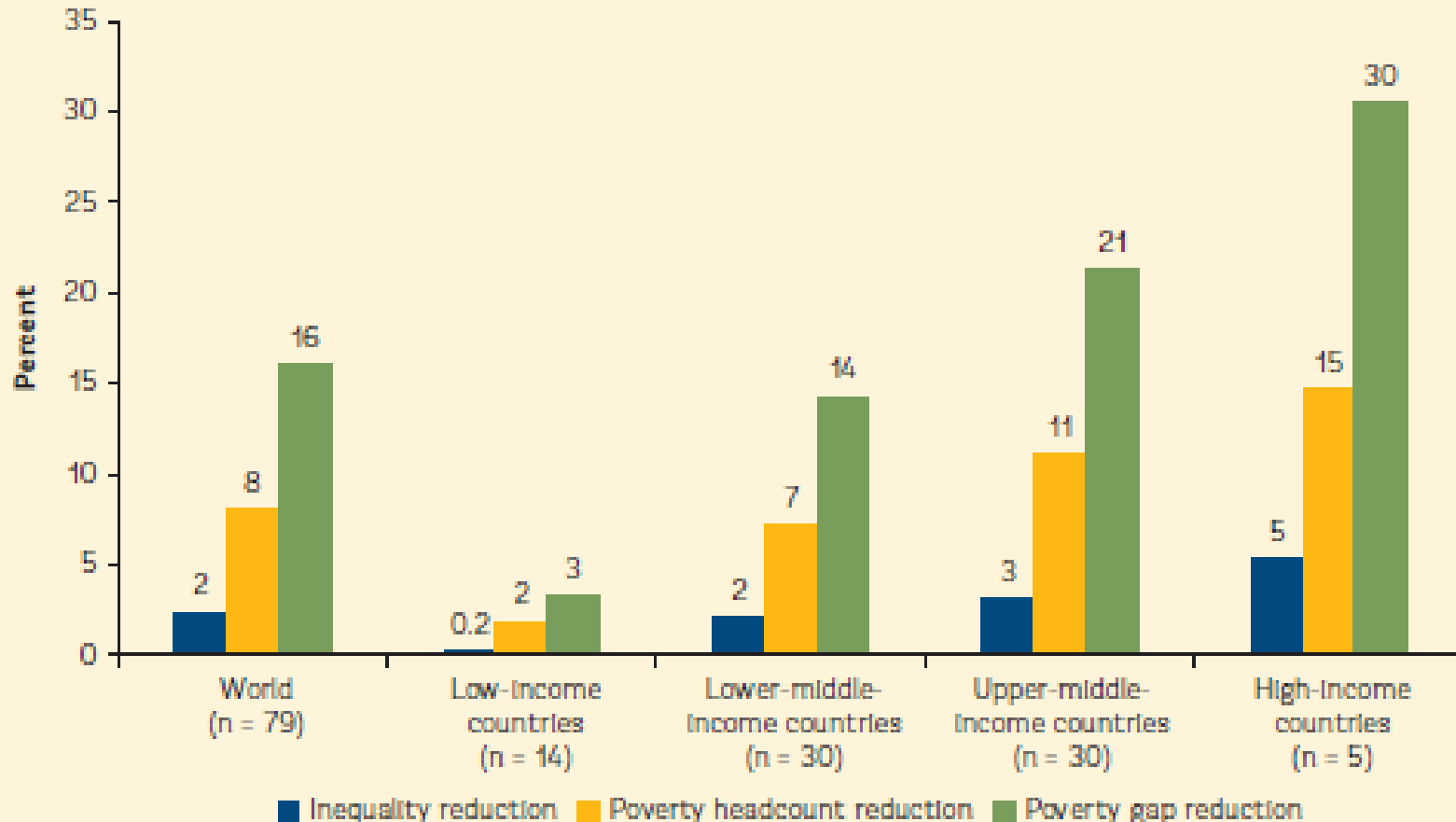
# DESIGN CHOICES VARY TO ACHIEVE SAME OBJECTIVES



Sources: ASPIRE and SPEED

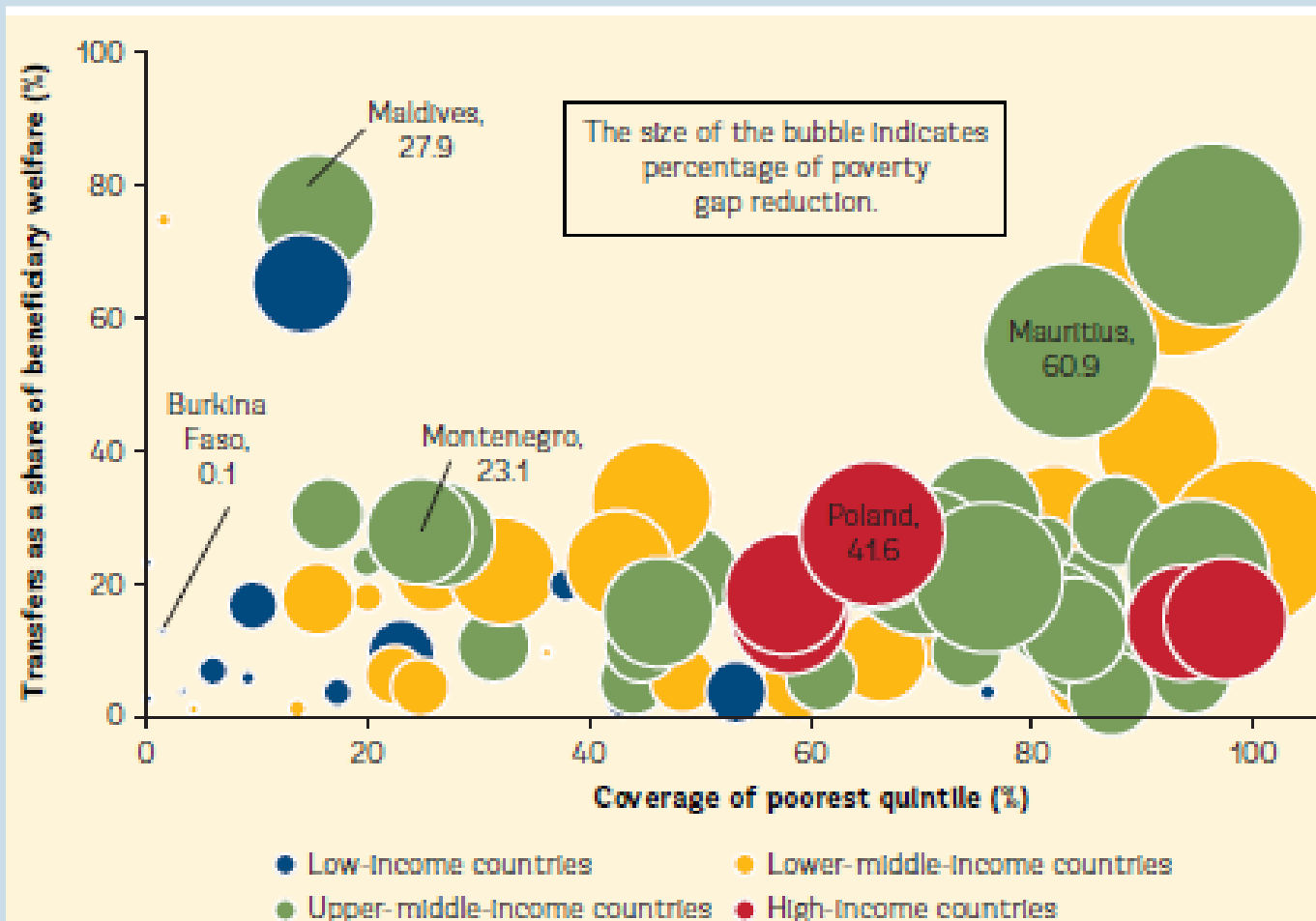
# WHAT SOCIAL SAFETY NETS ACHIEVE AND HOW?

# IMPACTS: POVERTY REDUCTION AND ENHANCED EQUITY



Source: ASPIRE database

# SOME COUNTRIES ARE ACHIEVING MORE THAN AVERAGE BY EXPANDING COVERAGE AND INCREASING ADEQUACY



# SSN: LONG TERM POVERTY REDUCTION THROUGH SPURRING ECONOMIC GROWTH

1. Safety nets enable households to make better investments in their future.
2. Safety nets help households manage risk
  - Ex post: Avoiding hard to reverse losses
  - Ex ante: Allowing higher risk/higher return strategies
3. Safety nets help communities create assets
4. Safety nets help governments make beneficial reforms that improve growth prospects.

The first 2 are generally viewed from an individual (or household) perspective; the 2<sup>nd</sup> pair are assessed from a public (economy –wide) standpoint.

# WHY SHOCKS MAY CREATE PERMANENT DAMAGE FOR POOR HOUSEHOLDS?

Household well-being



- Disproportionate impact on the poor
- Ability to push vulnerable and non-poor into poverty
- Long term negative impact on human development outcomes
- Particularly for children – nutrition, ECD, education



# WHAT THE SSNS CAN DO TO PREVENT IT?

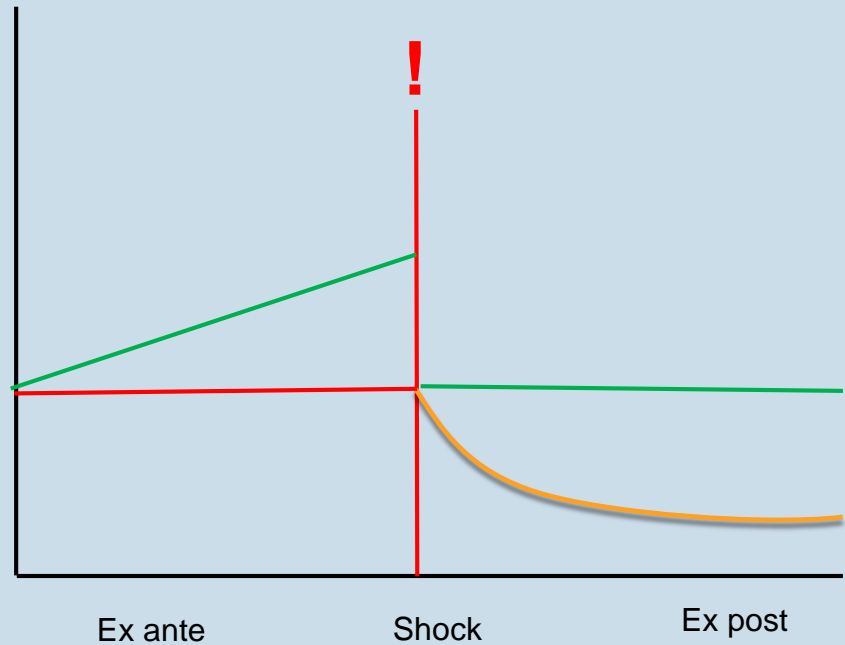
**1) Build household resilience, ex ante**



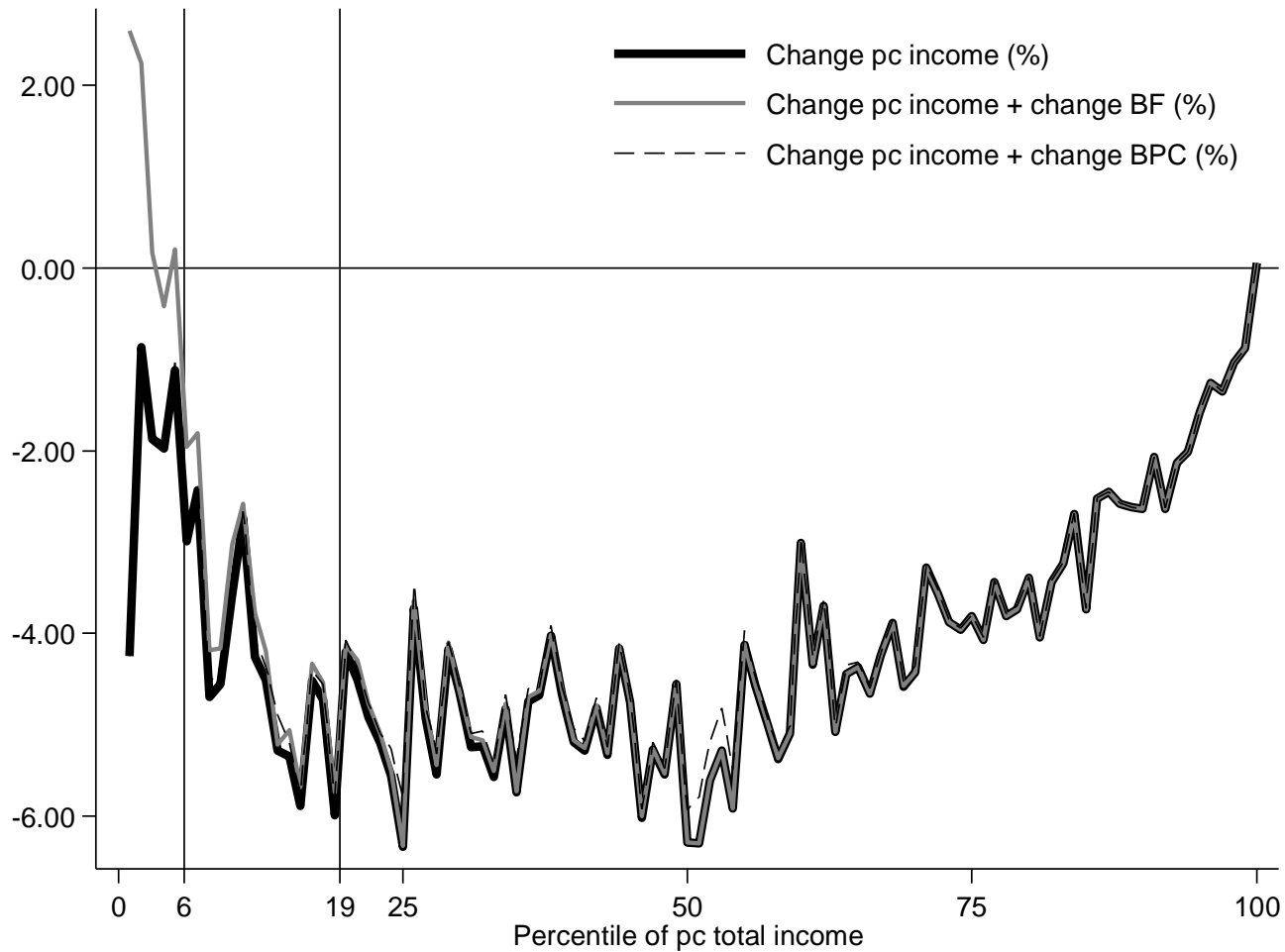
**2) Protect wellbeing, ex post**



Household Wellbeing



# EXAMPLE: BRAZIL BOLSA FAMILIA PROTECTED POOREST AGAINST FOOD PRICE INCREASES



# IMPACTS: THE RESULTS AS SUMMARIZED IN BASTAGLI ET AL 2016\*

- Detailed systematic review, of English language literature; journals (42%) and grey literature; 58% RCTs; 60% of studies on Latin American programs; 33% African, rest elsewhere; 56 programs – 57% CCTS, most in LAC; 20% UCTs, mostly in Africa

% in following is for share of studies reported on the phenomenon, not share of programs with results

- **In poverty:** 72% of studies show reduction in poverty; 76% show increase in food or total expenditure;
- **In education:** 53% of studies show increased attendance; 32% increased test scores
- **In health:** 67% show increased health use; 58% increased dietary diversity, 23% improved anthropometric outcomes
- **In production:** 69% show increase in agricultural assets, inputs or livestock; 47% improved savings and borrowing; 56% for business/enterprise indicators
- **In employment:** 74% show reduction in child labor, adult labor force participation increases in over half of cases
- **In empowerment:** 71% show effects on contraception or multiple sexual partners; 75% on female decision making, marriage, pregnancy; 85% on abuse

# HOW DO SOCIAL SAFETY NETS FIT INTO A LIMITED BUDGET?

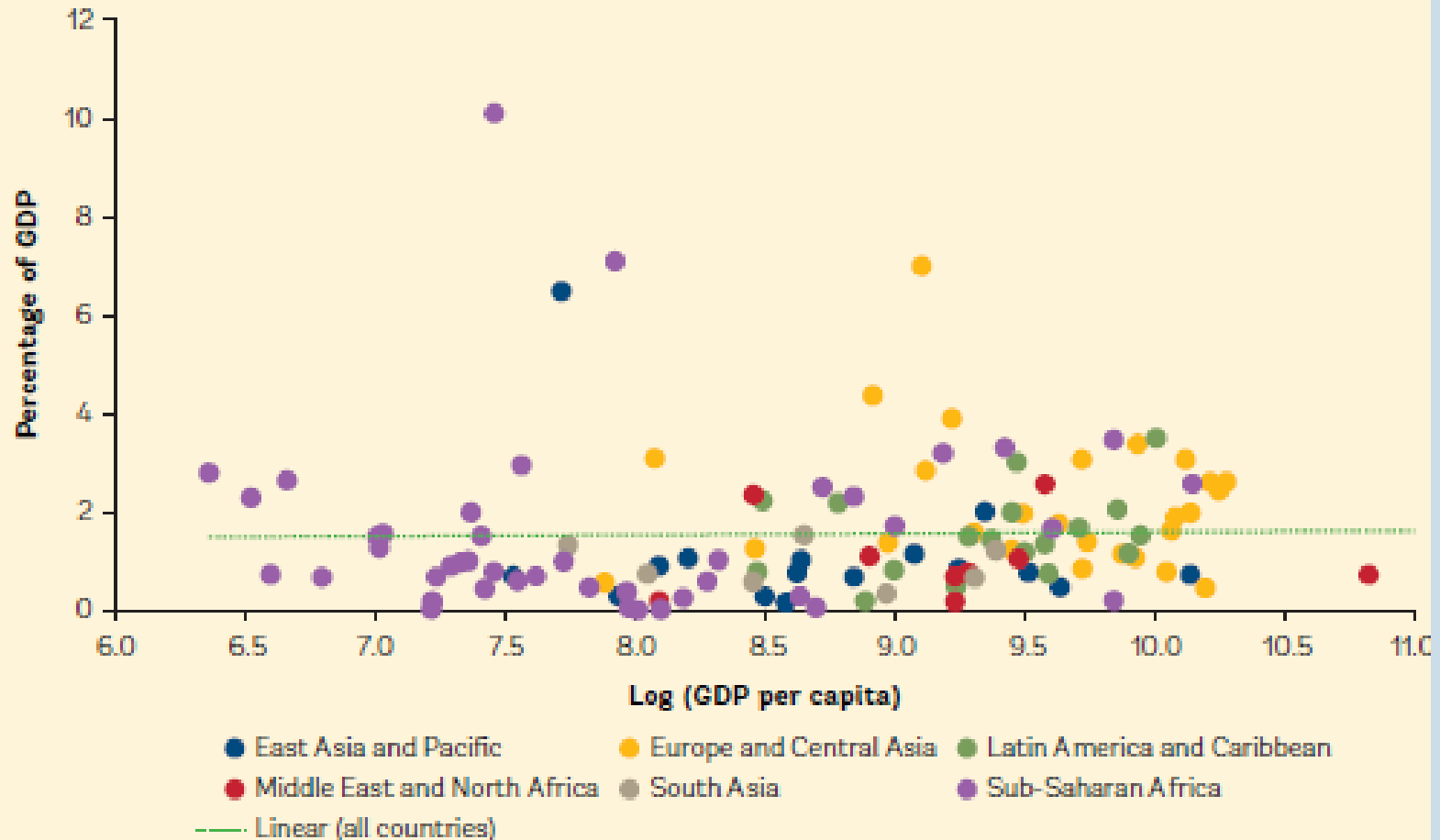
# PLACING SSN WITHIN LARGER DEVELOPMENT STRATEGIES

There are, of course, other programs that also enable households to improve their incomes, invest in children and to manage risk. How, then does one place SSNs programs in the broader context of the wider range of investments?

The remainder of this session will look at this question by:

- Presenting global patterns of SSN budgets
- Presenting the investment case for SSNs
- Discussing the financing of SSN

# HOW MUCH IS SPENT ON SSN DOES NOT SEEM TO DEPEND ON INCOME LEVEL, BUT ON OVERALL DESIGN CHOICES



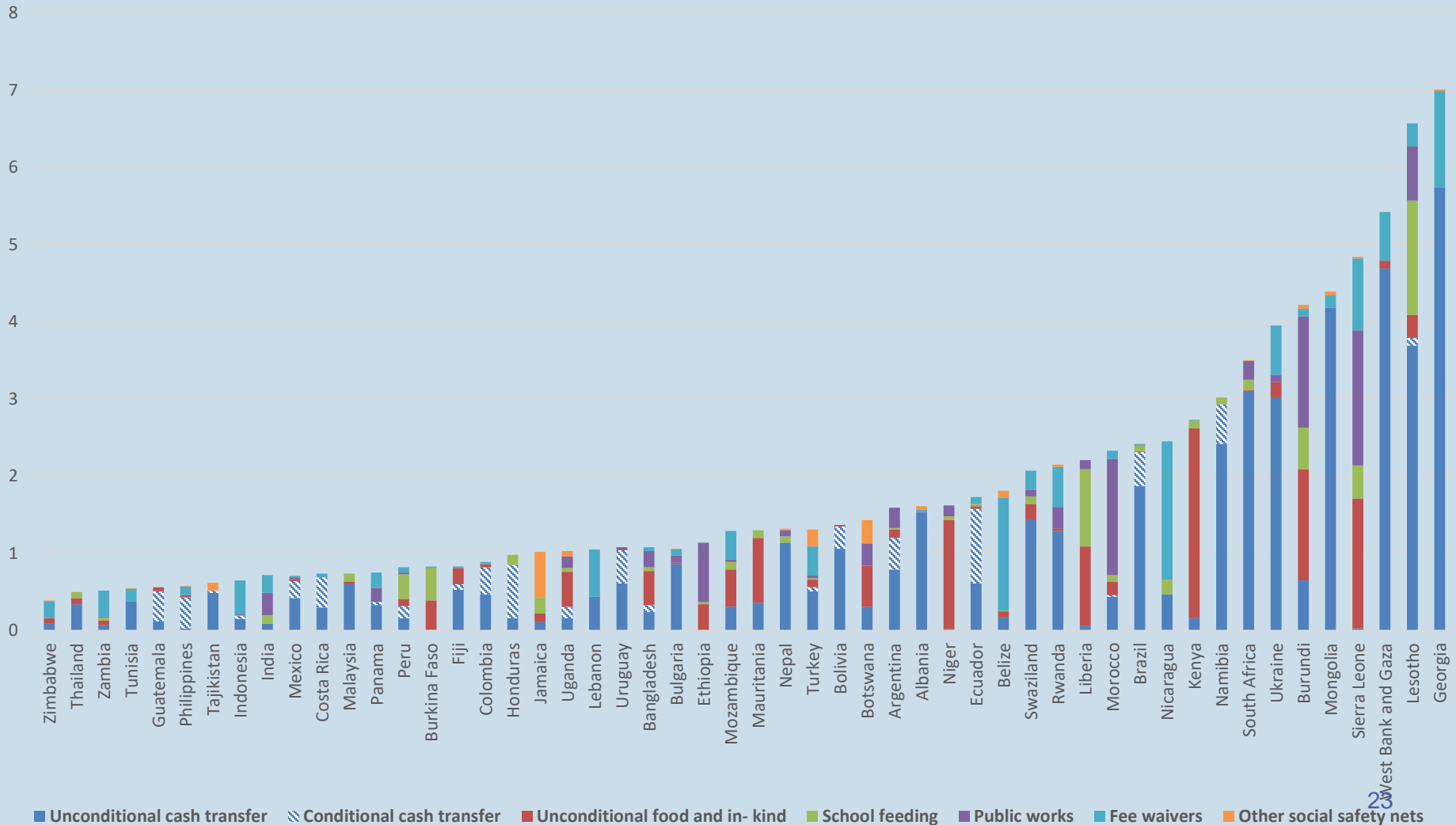
Source: State of SSN 2018

**GROSH ET AL (2008) HIGHLIGHT SOME CORRELATES OF SAFETY NETS SPENDING, WITH NO STATISTICALLY SIGNIFICANT LINKAGES**

<b>Factor</b>	<b>Safety Net Spending as % of GDP</b>	<b>Social protection spending as % of GDP</b>	<b>Social sector Spending as % of GDP</b>
<b>Per capita GDP (PPP)</b>	<b>0.0768</b>	<b>0.5045**</b>	<b>0.5460**</b>
<b>Gini coefficient</b>	<b>-0.1104</b>	<b>-0.3410**</b>	<b>-0.2686*</b>
<b>Voice</b>	<b>0.0678</b>	<b>0.2294**</b>	<b>0.2607**</b>
<b>Ethnic fragmentation</b>	<b>0.1628</b>	<b>-0.0204</b>	<b>-0.0972</b>
<b>Democracy</b>	<b>0.1733</b>	<b>-0.0533</b>	<b>0.1907</b>
<b>Attitudes about inequality</b>	<b>0.1234</b>	<b>-0.1694</b>	<b>-0.1559</b>



# SPENDING ON SSN, % OF GDP BY TYPE OF SSN PROGRAMS



# CAN ONE MAKE AN INVESTMENT CASE FOR SOCIAL SAFETY NETS?

In principle, yes. In practice, it is very difficult.

It is not hard to assess the impact of a SN for increasing enrollment or improving nutrition, nor even to place an economic value on such an improvement.

But this is only one outcome of a safety net. The value of the redistribution from a transfer may be the dominant component of the total benefits but this is harder to estimate.

Yet to exclude this component of societal value is to bias benefits down. Asking is a SSN the best way to increase schooling will give a different answer than asking does the combination of improved schooling *and* increased equity compare to other investments.

# WHAT ARE THE CRITERIA TO ASSESS PERFORMANCE OF SSNS?

1. Inclusiveness – are those in need covered? This entails ensuring non-discrimination, gender equality, responsiveness to special needs,
2. Adequacy – what benefits/services are provided? Programs provide regular and predictable benefits and quality services that are adequate to meet the needs of the population .
3. Appropriateness – do benefits and services reflect social preferences/contract? Do they match capacity? This requires policy decisions to be guided by evidence.
4. Respect for Rights and Dignity
5. Governance and Institutional Capacity
6. Financial and Fiscal Sustainability
7. Coherence and Integration – internally and across
8. Responsiveness – to shocks and long term changes
9. Cost-Effectiveness
10. Incentive Compatibility

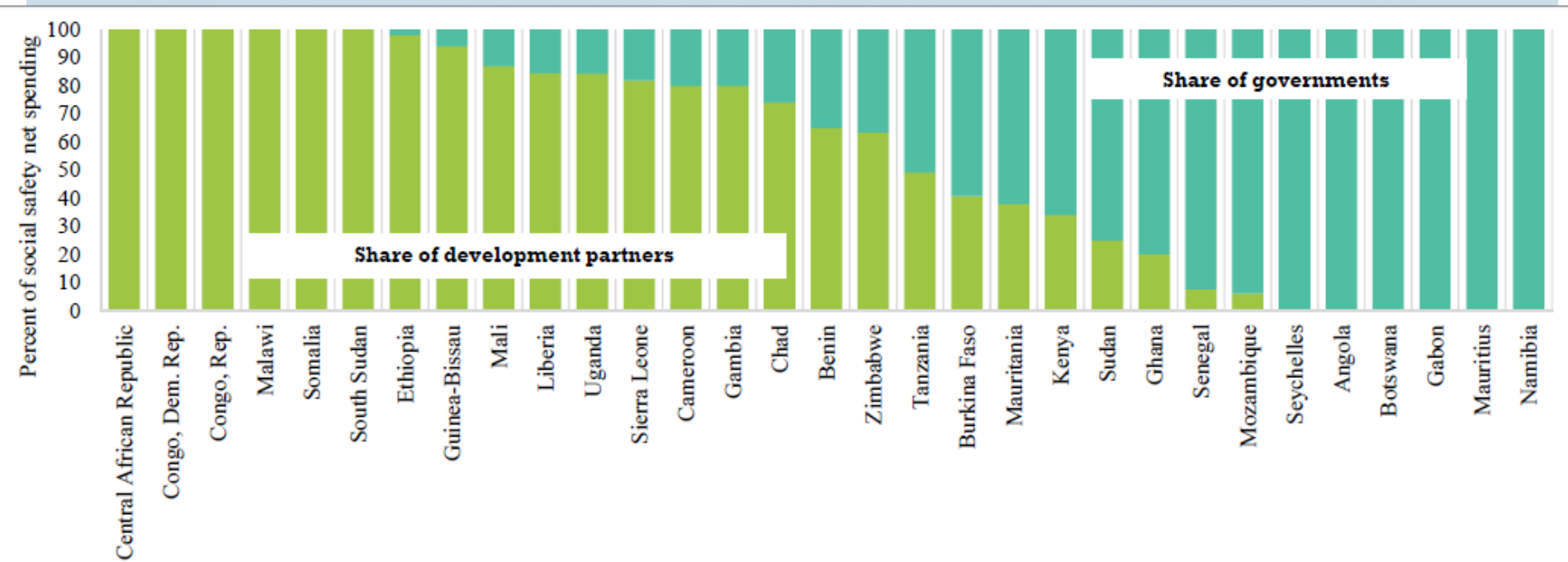
# BUDGETARY ALLOCATIONS ARE A WEAK STARTING POINT

In decentralized systems donor supported and NGO programs may be the main form of SSNs, and their cost are not directly reflected on the national budgets, and are driven by different considerations.

Moreover, the nature of the overall system is not conveyed by budgets. A well integrated systems may look rather different than an uncoordinated set of small programs even if the expenditure levels were the same.

What has been spent or what is being spent is not a strong argument for what should be spent.

# EXTERNAL/DONOR SUPPORT FOR FINANCING SSN REMAINS ESSENTIAL FOR MANY COUNTRIES



Source: Beegle, Coudouel, and Monsalve, forthcoming.

# FINANCING SAFETY NET PROGRAMS

Basic economic theory argues that financing is separate from expenditure decisions. While all taxation involves economic distortions – ‘deadweight’ costs to the economy – revenue collection should seek to minimize these costs as a share of revenue.

But from a political perspective, a *dedicated* revenue source may provide ring-fencing of a program as well as make the taxation more politically acceptable

Ex: The Indian state of Maharashtra financed public works from an earmarked tax of payrolls

Similar protection of a program may come from declaring an “entitlement” in which the government commits to providing a benefit to any individual or household that qualifies. Such entitlements have *first claim* to revenues

# CONSIDERATIONS FOR LEVELS OF SPENDING

- Considerations for the overall budget envelope include:
  - Financing and set up other social protection schemes (Social insurance!)
  - Tax base (informal sector...)
  - Institutions for private provision
  - Quality of public service delivery
  - The nature of shocks affecting the country
  - Politics



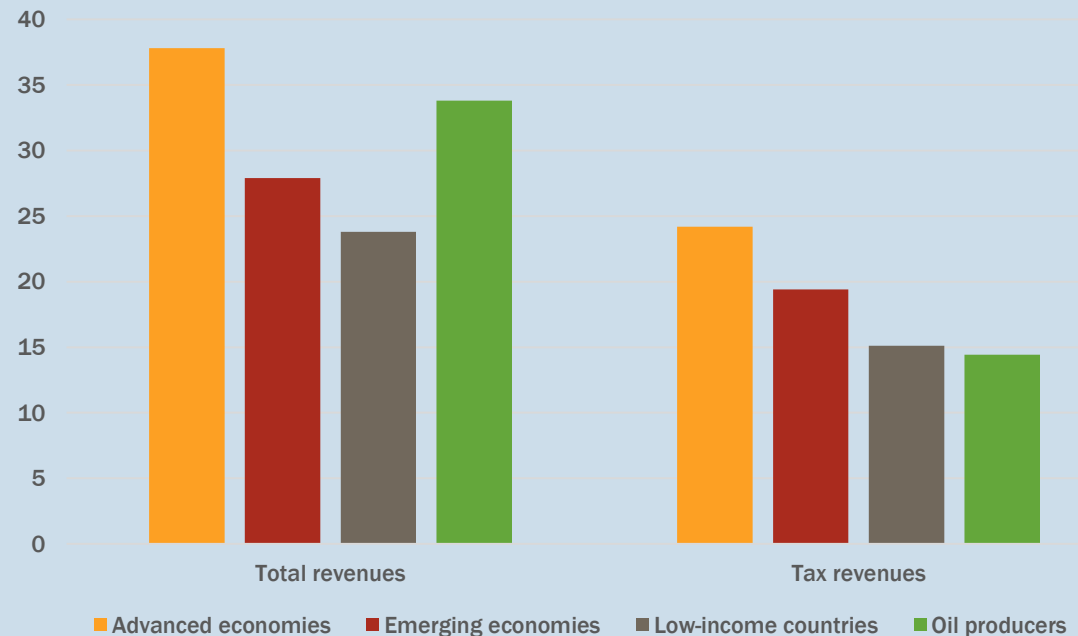
# SOURCES FOR FINANCING SAFETY NETS

Reallocation across different expenditure categories (e.g. removal of subsidies and use of the savings to finance direct transfers)

Revenue raising measures

- Personal income taxes
- Corporate income taxes
- General consumption taxes
- Excises
- Property taxes
- SS contributions
- “Green” taxes
- User fees
- Royalties

Government revenue/GDP ratios %



Source: IMF fiscal database

# HOW TO FINANCE ACROSS LEVELS OF GOVERNMENT?

- Financing should be all or mostly from national level general revenues
- Because of equity – the poorest districts need the most social assistance but are the least able to afford it
  - Illustration:
    - Latvia, a small unitary state, where local government finances the minimum income guarantee program
    - Poverty 4% in Riga, 12% in Latgale
    - But 40% of expenditures on program are in Riga where there is least poverty
  - Illustration:
    - Romania: minimum income guarantee program was originally national financed, when financing was decentralized, caseload fell by nearly half and most in poorest districts, eventually national financing resumed
- To prevent concern over immigration based on generosity of benefits
  - Evidence on such migration quite thin in US and Canada, though some suggestion that state legislatures act as though it were real; similarly in the EU little hard evidence but much political heat
- Qualifiers – often richer subnational actors will ‘top up’ benefits or run supplemental programs. Can be useful if not out of proportion, especially if:
  - National benefits/eligibility are not differentiated by local cost of living which are usually higher in richer areas
  - If major cities present more complexity in nature of poverty problem and social services

# MAKING PROGRAMS SUSTAINABLE

- **Factors contributing to FISCAL sustainability:**
  - Efficient, lower cost programs
  - Consolidation of piecemeal programs
  - Funded by tax rather than debt or donors
  - Link programs to asset creation
- **Factors contributing to POLITICAL sustainability**
  - Design is concordant with public attitudes about poverty, redistribution; does the public view poverty as individual weakness or bad luck?
  - Established record of transparency, effectiveness, impact
  - Considers both demand for inclusion by middle class as well as demand for fairness (tied to transparency)
- **Factors contributing to ADMINISTRATIVE sustainability**
  - Appropriate set up of institutional responsibilities and incentives
  - Adequate administrative budget and capacity development

# ANNEX

# WHAT TYPES OF PROGRAMS ARE INCLUDED INTO SSN?

Unconditional cash transfers	Poverty targeted cash transfers and last resort programs
	Family/ children/orphan allowance (including orphan and vulnerable children benefits)
	Non-contributory funeral grants, burial allowances
	Emergency cash support (including support to refugees/returning migrants )
Conditional cash transfers	Public charity, including zakat
	Conditional cash transfers
Social pensions (non-contributory)	Old age social pensions
	Disability benefits/war victims noncontributory related benefits
	Survivorship
Food and in-kind transfers	Food stamps, rations and vouchers
	Food distribution programs
	Nutritional programs (therapeutic, supplementary feeding and PLHIV)
	In kind/non-food support (education supplies, free texts and uniforms)
School feeding	School feeding
Public works, workfare and direct job creation	Cash for work
	Food for work (including food for training, food for assets etc.)
Fee waivers and subsidies	Health insurance exemptions and reduced medical fees
	Education fee waivers
	Food subsidies
	Housing subsidies and allowances (and "privileges")
	Utility and electricity subsidies and allowances
Other social assistance	Agricultural inputs subsidies
	Scholarships/education benefits
	Social care services, transfers for care givers
	What is left out from above categories

# How much is known about equity role and about productivity impact?

Role	Strength of Evidence	Required elements	How good is current practice?
Reduce poverty and inequality via redistribution	★★★★ ★	Progressive net benefit	★★★
Enable households to invest –In children’s human capital –In their livelihoods	★★★★ ★ ★	Transfers to those with unrealized opportunities	★★★ ★
Help households to manage risks –Avoid irreversible losses –Allow higher risk/return activities	★★★★ ★	Reach hh in time; Meaningful guarantee	★★ ★
Help create assets/social cohesion - Build infrastructure - Spillover economic effects - Greater cohesion	★★★ ★ ★	Local involvement	★★
Provide governments room to carry out complicated reforms		Credible promise/ capacity	★★