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**Review of regional trends and emerging issues in the
field of social development, particularly social
protection for the most vulnerable social groups**

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social development, particularly social protection for
the most vulnerable social groups**

Note by the secretariat

Summary

Social protection is increasingly setting the agenda for social policy and poverty reduction in the region. The economic and natural crises that have affected most member countries have resulted in the introduction of programmes and schemes aimed at protecting the most vulnerable groups from the impacts of these crises. The measures adopted in most countries have been encouraging, but there are still areas that need to be strengthened, including increases in coverage; promotion of interventions tackling not only the symptoms of each crisis but also dealing with the root causes of poverty and vulnerabilities; adoption of more systematic approaches to the formulation of social protection strategies so as to align them with other social and economic development policies, and ensuring the institutional arrangements needed to make social protection sustainable and truly effective.

The present document examines the most common forms of social protection, i.e. contributory and non-contributory, being implemented in the region and identifies some of the challenges and gaps in the implementation of such schemes. It suggests that the development of “social protection systems”, which includes not only instruments but also institutional arrangements, can enhance the effectiveness of such policies and provide a platform for long-term development focused on the symptoms and the causes of vulnerabilities. It also suggests that links can be built between existing social protection systems so that countries can take advantage of what they have already done.

The Committee is invited to review the issues raised in the present document and provide guidance on further work in this area, particularly in preparation for the Commission’s review, at its sixty-seventh session, of the theme topic “Beyond the crises: long-term perspectives on social protection and development”.

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I. Introduction

1. In the last two decades, the Asian and Pacific region has witnessed a number of economic crises that threatened the progress towards reducing poverty (and achieving the Millennium Development Goals) in the region. These crises reflect the increase in risks and hazards linked to a more globalized and thus interdependent economy. Not only were risks transmitted between economies but they also affected all levels: the income security of a poor person working in a garment factory in Cambodia could be affected by the state of the housing market in the United States of America.

2. In addition to the economic upheavals, the last two decades also saw a number of high-impact natural disasters which led to increased insecurity of livelihoods, in particular for poor households located in rural areas. The Indian Ocean earthquake and tsunami, Cyclone Nargis and the current floods in Pakistan cost an incalculable number of lives and destroyed assets and sources of livelihoods for millions more.

3. Similar crises are likely to occur again; hence, measures to enhance and protect the income of vulnerable households are needed more than ever. Traditionally, social security has been defined as all measures providing benefits, whether in cash or in kind, to secure protection from: (a) lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member; (b) lack of or unaffordable access to health care; (c) insufficient family support, particularly for children and adult dependants; and (d) general poverty and social exclusion.

4. The need for social security measures was particularly recognized in the aftermath of the Asian financial crisis in the late 1990s. The focus of many poverty reduction strategies during the early 1990s was on pro-poor growth as well as providing productive assets to the poor. With the 1997 financial crisis, aspects of risk and vulnerability and their impact on transient but also chronic poverty started to appear as additional key components of poverty reduction strategies. This was reflected in the World Bank's revised poverty reduction strategy presented in the *World*

Development Report 2000/01, which mentioned opportunity, empowerment and security as the three key ingredients.¹

5. Many countries have recognized the importance of social protection and stepped up their efforts but gaps remained. Generally, measures adopted in most countries have been encouraging, but there are still areas that need to be strengthened: (a) increases in coverage; (b) promotion of interventions tackling not only the symptoms of each crisis but also dealing with the root causes of poverty and vulnerabilities; (c) adoption of more systematic approaches to the formulation of social protection strategies so as to align them with other social and economic development policies; and (d) ensuring that the institutional arrangements needed to make social protection sustainable and truly effective are in place.

6. The purpose of the present document is to examine some of the efforts and issues surrounding the extension of social protection in Asia and the Pacific and to discuss the feasibility of developing full-fledged social protection systems.

II. Implementing social protection interventions: Challenges and solutions

7. Social protection can be examined from a number of different perspectives, including types of vulnerabilities, instruments and scope.² The International Labour Organization lists the following conditions:

- (a) Protection in sickness, including (i) medical care and (ii) income support in the form of cash sickness benefits;
- (b) Protection in disability, including income support but also medical care, rehabilitation and long-term care;
- (c) Protection in old age, including income support and long-term care;
- (d) Protection of survivors in case of death of a family member (“breadwinner”), including income support;
- (e) Protection in maternity, including medical care and income support;
- (f) Protection from insufficient family support, including the provision of food, clothing, housing, holidays or domestic help and child benefits;
- (g) Protection in unemployment, including income support in the form of unemployment benefits, and other labour market policies promoting employment;

¹ World Bank, *World Development Report 2000/2001: Attacking Poverty* (Washington, D.C., World Bank, 2001).

² Rebecca Gross, *Definitions of Key Social Protection Terms from Other Donors*, USAID: Knowledge Services Center, United States Agency for International Development, 2007 (available from http://pdf.usaid.gov/pdf_docs/PNADL904.pdf).

(h) Protection in case of employment injury, including medical care, rehabilitation and income support in the form of sickness, invalidity or survivors' benefits;

(i) General protection against poverty and social exclusion through social assistance that must provide protection for all residents without sufficient means of income from work and who are not covered (or not covered sufficiently).³ By including poverty and social exclusion as recognized conditions, social protection aims to address both deficits in basic needs (basic social security) and protection in times of adversity (contingent social security).

8. Providing its citizens with a comprehensive social security package is a major undertaking for any country. Furthermore, it is a process which needs to be developed over time. A common starting point has been to guarantee access to a basic social security package, which could include the following:⁴

(a) All residents have access to basic health-care benefits, with the State accepting the general responsibility for ensuring the adequacy of the delivery system and for financing the scheme;

(b) All children enjoy a level of income security equal to or above the national poverty line through family/child benefits aimed at facilitating access to nutrition, education and care;

(c) The poor and unemployed in active age groups receive targeted income support; and, all residents in old age and disability enjoy a level of income security equal or above the poverty line through pension grants.

9. With respect to the instruments needed to address the above contingencies, social protection benefits could be understood as transfers of income or services, either in cash or in kind.⁵ The transfer recipients are entitled to these benefits because they contributed to the scheme for a prescribed period (contributory schemes, such as social insurance) or met certain criteria (non-contributory schemes), including age, gender (categorical schemes), resource conditions (social assistance schemes) and citizenship (universal schemes). Moreover, some schemes require beneficiaries to perform specific tasks, such as public works (employment guarantee schemes) or to adopt certain behaviours (conditional cash transfers).

10. Contributory schemes are funded by payments from employees and employers and from government tax revenues. Often, the government will delegate the administration of contributory schemes to quasi-governmental entities that are either publicly or privately managed. There have also been many privately run institutions which can complement and/or substitute the role traditionally played by contributory social security schemes.

³ International Labour Organization, *World Social Security Report 2010/11: Providing Coverage in Times of Crisis and Beyond* (Geneva: International Labour Office, 2010).

⁴ International Labour Organization, *Social Security for All: Investing in Social Justice and Economic Development* (social security policy briefings; paper 7) (Geneva: International Labour Office, 2009).

⁵ See note 3.

11. In the case of non-contributory schemes, no direct contribution from beneficiaries or their employers would be required as a precondition for receiving benefits. In those cases, financing would come from tax or other State revenues.

A. Contributory schemes

12. Contributory schemes are commonly used to provide old-age pensions and benefits in case of ill health. They have been used extensively in most developed countries and have achieved large coverage in those countries. In developing countries, however, they have been less effective in achieving broad population coverage. These schemes work best in systems where people have reasonably stable cash incomes and thus the capacity to contribute on a regular basis. However, the majority of workers in Asia and the Pacific do not have stable employment contracts and, hence, do not have the status of “employees” (table 1). Most of them are engaged in informal sector enterprises or in informal employment within formal sector enterprises.

Table 1
Employees as a percentage of all employed, 2006

<i>Geographic area</i>	<i>Total</i>	<i>Men</i>	<i>Women</i>
South Asia	20.8	23.4	14.6
South-East Asia and the Pacific	38.8	41.5	35.0
East Asia	42.6	46.0	38.3
World	46.9	47.4	46.0

Source: Asian Development Bank, *Social Assistance and Conditional Cash Transfers: The Proceedings of the Regional Workshop* (Mandaluyong City, Philippines: Asian Development Bank, 2010), p. 33 (available online at <http://www.adb.org/documents/conference/social-assistance-cct/proceedings-social-assistance-cct.pdf>).

13. Consequently, most of the existing contributory schemes in Asia and the Pacific only cover civil servants and workers in the formal sector, mainly in large enterprises. This means that, in most countries, social security provisions against certain well-defined contingencies are confined to only about 10 per cent of the work force, including from public, quasi-public and large private enterprises. The following groups are usually excluded from formal contributory schemes:

- Persons working in the informal sector in urban areas
- Persons working in the agricultural sector in rural areas
- Domestic and international migrants

14. Some countries have made efforts to extend their existing social security schemes. In Cambodia, for example, firms with more than eight formal employees have to enrol in contributory schemes that provide their employees with employment injury insurance, health insurance and old-age pensions. The Government of Cambodia has made plans to extend this type of scheme. As of February 2009, approximately 400 firms and 300,000 workers were covered by the employment injury scheme, with health insurance and pension schemes scheduled to follow in 2010 and 2012. However, the extension of coverage has faced some barriers, including: (a)

insufficient funds; (b) inefficient cooperation between the government and the private sector; and (c) lack of efficient coordination among ministries.⁶

15. Other countries have introduced schemes that extend social protection to the informal sector by providing contributory schemes on a voluntary basis. For example, the Government of Viet Nam introduced a social insurance law in 2006 that stipulated the step-wise introduction of a compulsory social insurance scheme, a voluntary scheme, and an unemployment insurance scheme from 2007 to 2009. The voluntary social insurance scheme targets workers in the informal economy, especially farmers, and consisted of an old-age pension and survivors insurance. A ground-breaking feature of the system is that periods of contribution to the voluntary and compulsory schemes can be added to calculate the amount of benefits granted. This is beneficial for workers who turn to the informal economy during economic downturns while seeking employment in the formal economy.

16. Similar efforts have been undertaken by Indonesia and the Philippines. Indonesia developed a policy that allowed informal workers to voluntarily join a social security scheme and let them choose which type of insurance to join based on the workers' needs and financial capacity. However, due to high contribution rates and complex administrative processes, only few informal sector workers joined the scheme.⁷

17. In recent years, micro-insurance schemes have started to play a role in providing social protection.⁸ In these schemes, the insurance is independently managed at the local level, and local units are sometimes integrated into larger structures that enhance both the insurance function and the support structures needed for improved governance. The majority of these schemes were aimed at helping their members meet unpredictable out-of-pocket medical expenses through an affordable contributory scheme. While they did not usually aspire to provide comprehensive health insurance or income replacement benefits, these schemes could be an important element in a broader strategy to extend social protection coverage. Future options for schemes could include pooling of existing organizations, promoting reinsurance and fostering private-public partnerships.

⁶ Asian Development Bank, *Social Assistance and Conditional Cash Transfers: Proceedings of the Regional Workshop* (Mandaluyong City, Philippines: Asian Development Bank, 2010).

⁷ Sarah Cook, "Social protection in East and South East Asia: A regional review", Social Protection in Asia (SPA) working papers, 2009 (available online at <http://www.socialprotectionasia.org/pdf/Sarah-Cook-SPA-WP02.pdf>).

⁸ An International Labour Organization inventory in 2006 found 71 microinsurance schemes covering 6.8 million people in India and 240 schemes covering 25 million people in eight Asian countries. Health, life and crop insurance appear to be those most in demand, although the demand varies by country context. Another International Labour Organization inventory of microinsurance schemes, conducted in 2004, found, for example, that 70 per cent of schemes surveyed in the Philippines provided health insurance, life insurance was most common in Bangladesh (72 per cent of surveyed schemes), and pension schemes were provided in only 4 per cent of schemes surveyed in India (see Asian Development Bank, *Social Assistance and Conditional Cash Transfers: Proceedings of the Regional Workshop* (Mandaluyong City, Philippines: Asian Development Bank, 2010)).

18. Despite efforts to expand the coverage of contributory schemes, a large number of people do not benefit from any such scheme. Contributory schemes have faced substantial challenges in reaching workers in the informal sector, and solutions that have been tried have met with limited success. As an alternative, non-contributory schemes would seem better suited to providing social protection in a developing country context as they are attached to households or individuals in need rather than employment contracts.

B. Non-contributory schemes

19. Non-contributory schemes are increasingly being used to cover those contingencies that are not insured through contributory schemes, or for vulnerable people that may need benefits in addition to the benefits available under existing contributory schemes. Social assistance and public works schemes, for example, have become particularly popular in the wake of the multiple crises that hit Asia and the Pacific starting in the late 1990s, as an effective way for the government to support the purchasing power of vulnerable households. Apart from income support, non-contributory schemes are also used to provide old-age pensions, family allowances and health-care benefits.

20. Non-contributory schemes could be broadly classified into universal and targeted programmes, which may or may not be linked to specific behavioural conditions. Under universal schemes, every citizen is entitled to receive benefits. Under targeted schemes, only certain groups are eligible to receive benefits based on specific criteria, such as their age or the fact of having children (categorical benefits) or their level of income (means-tested benefits).

21. While universal schemes, by definition, are expected to cover the entire population, in practice they are rarely used in Asia and the Pacific. Most non-contributory schemes involve some form of targeting instead. Conditional targeted cash transfers have become increasingly popular following a number of success stories from Latin America. They are not only targeted at poor households (that is to say, they are means-tested) but also require the beneficiaries to exert certain behaviours, such as sending children to school, satisfying certain nutrition requirements, accessing health services or supplying work.

22. The Program Keluarga Harapan (PKH) implemented in Indonesia is an example of such a conditional transfer scheme. It provided cash transfers to chronically poor households conditional upon certain behaviours, including attending health clinics and sending children to school. Originally, to be eligible, poor households were required to have a child aged 0-15 years, a child under 18 years who had not completed primary school, or a pregnant/lactating mother. In response to high infant and maternal mortality rates and widespread malnutrition, particularly in rural areas, the following health and nutrition conditions were added: (a) pregnant women must have four prenatal visits; (b) pregnant women must take iron tablets; (c) deliveries must be assisted by trained health professionals; (d) after delivering, women must have two postnatal care visits; (e) all children younger than 6 must be fully immunized; (f) growth of children under age 1 must be monitored monthly, and that of children 1-6 must be measured quarterly; and (g) children under 5 must receive vitamin A doses twice a year.

23. Educational conditions were also added with a view to lowering the number of school dropouts between primary and lower secondary schools: (a) all children aged 6-12 were to be enrolled in primary school and those aged 13-15 in secondary school; (b) those enrolled must attend classes on at least 85 per cent of school days. Following a pilot period, the programme has been continually expanded to cover more households with benefits ranging between Rp 600,000 and Rp 2.2 million per year, depending on household characteristics, such as age of children and family size (see table 2). A female head of household receives the benefit on a quarterly basis through the post office for six years.

Table 2
Benefit payments: Program Keluarga Harapan

<i>Annual benefits</i>	<i>Rupiah</i>	<i>United States dollars</i>
Fixed transfer amount	200 000	20
Additional amount for poor families with:		
Children under 6 years	800 000	80
A pregnant/lactating mother	800 000	80
Primary school children	400 000	40
Junior secondary school children	800 000	80
Average transfer per poor family	1 390 000	139
Minimum transfer per poor family	600 000	60
Maximum transfer per poor family	2 200 000	220

Source: Asian Development Bank, *Social Assistance and Conditional Cash Transfers: Proceedings of the Regional Workshop* (Mandaluyong City, Philippines: Asian Development Bank, 2010), p. 181.

24. In addition to PKH, Indonesia implemented the Program Nasional Pemberdayaan Masyarakat Generasi Sehat dan Cerdas (PNPM Generasi), or “national community empowerment programme for a healthy and smart generation”, which is a conditional cash-transfer programme targeting communities instead of households. Grants are provided to communities, which can then decide how best to use the funds as long as they are used for improving health and educational conditions. Communities have, for example, bought education materials for children or built roads to education and health facilities, thereby addressing supply-side constraints, such as lack of education and health infrastructure, which cannot be addressed through household-targeted cash transfers.⁹

25. Despite a number of success stories, challenges remain with respect to targeting the households in greatest need while still maintaining targeting costs at an affordable level. Targeting techniques used in many countries have been error-prone except for cases in which substantial analytical work went into the process that identified the target group and separated the vulnerable from the non-poor. The problem has been further exacerbated by the sheer number of transfer programmes, most overlapping with programmes involving highly complex targeted conditions. This multitude of programmes has led to an increasingly fragmented set of social protection measures and a loss of oversight and transparency regarding who is still in need and who is not.

⁹ See note 6.

26. A promising approach to addressing the challenges of targeting is “self-targeting”, in which beneficiaries are encouraged to enrol in a certain scheme when in need and drop out when better opportunities arise elsewhere. Public works programmes and employment guarantee schemes are examples of such a mechanism. Offering a salary sufficient only to cover a household’s basic needs ensures that only those households in real need will find it worthwhile to register for employment under such schemes.

27. One such example is India’s National Rural Employment Guarantee Scheme, which offers 100 days of work per family in rural areas at the minimum wage for agriculture. It has been complemented by a social security scheme in the informal economy and the national health insurance scheme for unorganized workers. In 2007-2008, the scheme provided jobs for almost 34 million households at a cost of only 0.3 per cent of GDP.¹⁰ The National Rural Employment Guarantee Scheme, with its varying economic cycle, has the potential to act as an automatic stabilizer in rural areas: people enrol in the scheme when they need a job and income support and they leave it when economic upturns bring better opportunities. In this regard, introducing employment guarantee programmes in urban areas could provide some security for urban informal sector workers affected by the crisis.

28. Universal schemes have started to become more popular across the region. These schemes avoid the above-mentioned problems of targeted social assistance schemes, including the poor targeting performance and the high administrative costs. Thailand’s universal health-care scheme, which replaced the old targeted health-care schemes in 2001, offers universal coverage and includes people in the agricultural sector as well as the unemployed. The scheme provides people with free access to primary health-care services in their district, and, if necessary, referral for specialist treatment elsewhere. The scheme is financed mainly from public revenues, with annual funding allocated to contracting providers for primary health care on the basis of the size of the population in the district where the provider operates. With the success of the universal health-care scheme, Thailand has embarked on universal coverage of old-age pensions.

C. Towards an integrated approach

29. Many countries have responded to the need for expansion of social protection coverage with more and more schemes targeted at specific groups or contingencies—often under the pressure of emergencies, including food shortages, civil unrest and economic shocks. This practice has led to the proliferation of narrowly targeted interventions often administered by different government agencies and increasingly difficult to coordinate.¹¹ China, for example, is in the process of consolidating its social protection schemes, which, until now, had been offered through an estimated 17 different government agencies, each one competing for programmes and resources. Indonesia is reviewing the implementation of its social protection approach, as it has been operating four programmes for four different social insurance funds offering insurance schemes to civil

¹⁰ International Labour Organization, *Tackling the Global Jobs Crisis: Recovery through Decent Work Policies*, International Labour Conference, Ninety-eighth Session, 2009, Report I (A).

¹¹ See note 7.

servants and military and private sector employees, among others, for health, pension, employment injury, disability and death benefits. In less developed countries, the situation is even more difficult, with most social protection programmes being operated by large numbers of non-governmental organizations on small scales. Many of their larger programmes are donor-funded, and the influence of donor priorities often causes further fragmentation among programmes. Finally, there is also a problem of sustainability. Budgetary provisions for the schemes in developing countries are often dependent on political negotiations, and the terms of many of these schemes are altered each time there is a change of government. Furthermore, institutions are ill prepared to deal with the complexities of many social protection programmes.

30. The above trends have made it increasingly difficult for policymakers to keep track of those who are covered and those who still need protection. As mentioned above, the current approach includes, mainly, formal social security schemes for a minority of the workforce employed in public and large private enterprises, and targeted schemes providing social assistance for the very poor part of the population. However, for the vast majority of the working poor, i.e. employees and self-employed in the informal sector, there is neither social assistance nor social security. If at all, they may benefit from temporary poverty reduction programmes intended to promote livelihoods. In order to prevent certain groups from being left behind in such a way, there is a strong need for countries to move from the current fragmented approach towards a more integrated system of social protection. Such an approach would facilitate the implementation of a guaranteed basic social security package for all and should be prioritized over an ad hoc addition of new programmes for different conditions and population groups.

31. To introduce a comprehensive approach, countries first need to take stock of all existing social protection programmes and centralize all the relevant information, including a mapping of scheme types, eligibility criteria, beneficiaries and implementation arrangements as well as monitoring and evaluation systems. In many cases, this exercise may be challenging and may require the development of appropriate information management systems to compile the required information. To achieve its full potential, it is important that these reforms cut across all responsible line ministries. Viet Nam, for example, is piloting e-cards (smart cards) and the one-stop-shop model to facilitate the administration of their social security scheme. Studies suggest that the smart cards have enhanced transparency and reduced fraud in accessing benefits and making payments. It also lowered the administrative costs and reduced the time needed to collect premiums, keep records and communicate with participants.¹²

32. Based on the information compiled, the effectiveness of existing programmes should be reviewed and unexploited synergies between them should be explored. Countries with more centralized government structures and stronger fiscal capacity have already started consolidating their programmes, particularly in the areas of health care and basic income

¹² World Bank, *Vietnam Development Report 2008: Social Protection* (Joint Donor Report to the Vietnam Consultative Group Meeting, Hanoi, 6-7 December 2007), available online at www.ilo.org/gimi/gess/RessShowRessource.do?ressourceId=18377.

transfers, moving away from a large number of small, fragmented programmes towards fewer but larger programmes with broader coverage.

33. More decentralized countries with a larger presence of community-based organizations or non-governmental organizations, such as the Philippines, are still struggling to link local initiatives to national schemes. Facilitating the necessary reforms requires sophisticated technical management systems, but accomplishing such a move carries a huge potential, as it can bring more equitable access to benefits, greater pooling for insurance schemes, and easier portability and access.¹³

34. In many countries, a move towards consolidation will require a change in the political discourse to address weaknesses in the institutional setup as well as imbalances in the allocation of funds for social protection. In doing so, governments need to be prepared to deal with competition over the ownership of schemes and resources between government agencies and between central and local government units, as local units will lose their power to administer targeting in the wake of a move towards universal schemes. Pakistan, for example, has started to make its spending pattern on social protection more pro-poor. The issue was that less than a quarter of the poor received some form of benefits, mostly in the form of microcredits. Only about 7 per cent of expenditure on social protection was for social assistance and 6 per cent for child-related social protection interventions. About 50 per cent of social protection expenditure went to social security for formal workers and a third went to microcredit.¹⁴

35. While there is a need to consolidate and develop systems that tap the synergies between the various social protection schemes, it is also important to align social protection schemes with other economic and social policies. More attention needs to be paid to the developmental potential of social protection in a broader sense, building policy linkages that go beyond traditional social security schemes.

36. Some countries have already recognized labour market interventions as part of their social protection strategy since they can be a powerful tool for securing livelihoods by promoting employment and income opportunities. Conditional cash transfers have been shown to be effective in promoting school attendance or reproductive health services which traditionally fell within the domain of social policy.

37. Similarly, where such conditional cash transfers are offered, the required social service infrastructure must be provided in order to implement social policies. For example, conditional cash transfers for children to go to school will not be effective if schools are not properly staffed or the quality of the teaching is poor. In fact, such schemes may have adverse development effects because mothers or children will be faced with high compliance costs, such as a requirement to travel long distances through insecure areas. Some countries have successfully used public works programmes to address the provision of both benefits and social infrastructure through an integrated approach. Such schemes have been shown to facilitate trade alongside newly built roads, but they also lead to

¹³ See note 7.

¹⁴ Naila Kabeer (2009) in United Nations Children's Fund Regional Office for South Asia, *Social Protection in South Asia: A Review* (Kathmandu, UNICEF, 2009) available online at www.unicef.org/socialpolicy/files/social_protection_in_south_asia_-_a_review_-_unicef_rosa_2009.pdf.

higher levels of agricultural productivity as well as greater mobility of women and children in accessing services. The need not only to provide transfers for those in need but also to ensure that a basic social service infrastructure of sufficient quality is within reach has been emphasized in the post-crisis Social Protection Floor Initiative led by the International Labour Organization and the World Health Organization.¹⁵

38. Some countries have regulated certain markets to guarantee the supply of essential goods. India, for example, operates a public distribution system that ensures food grains are available at a “fair price”. The system originally had a strong urban bias, but there have been attempts to extend it to rural areas since the 1980s. It has become the country’s most far-reaching programme, distributing wheat, rice, edible oil, kerosene and sugar at subsidized prices through a network of 400,000 shops. To reduce costs and focus on the distribution to poor households, a targeted version of the system was introduced in 1997. State-level allocations (that is, the public distribution system subsidies) have been given according to each state’s share of the population living below the poverty line, and poor households are provided with 10 kilograms of cereals every month at half the prevailing cost. Subsidies to households above the poverty line have been gradually removed.¹⁶

III. Conclusions

39. For countries in Asia and the Pacific, variations in conditions and in their histories make it impossible to identify any one particular approach that would work for all of them. Furthermore, it is important to recognize that almost every country already has some form of social protection in place. Thus, it is clear that each country may need to develop its own systems based on its particular strengths and circumstances. It is also important to recognize that countries do not need to start from zero when developing their own system. A great deal could be achieved by reviewing the way existing schemes are managed and structured. As examples, the conditional cash transfer system in Indonesia provides a clear demonstration of a progressive expansion and incorporation of lessons from existing experiences, while health insurance in Thailand shows how different existing programmes can be linked in order to increase their effectiveness.

40. It is also clear that the institutional context is a major determinant not only of the success of social protection schemes and interventions but also of their long-term sustainability. Thus, the establishment of effective social protection systems includes not only identifying the right policies but also putting in place the proper institutions. A comprehensive system would inevitably have to deal with risks, needs and rights as closely related issues. Most countries have tried to address risks through social safety nets and social protection schemes. Needs have commonly been the target of poverty reduction programmes. Rights are rarely considered in the context of

¹⁵ International Labour Organization and World Health Organization, “Social Protection Floor Initiative: The sixth initiative of the CEB on the global financial and economic crisis and its impact on the work of the UN system: Manual and strategic framework for joint UN country operations” (Geneva: International Labour Office and World Health Organization, November 2009), Version 01a, available online at <http://www.ilo.org/public/english/protection/spfag/download/background/spfframework.pdf>.

¹⁶ See note 14.

development strategies. A system of social protection must provide a framework where all these elements are linked and where legal empowerment and the forms of citizenship ensure the protection of those who are deprived or at risk.¹⁷

41. Social protection systems shield the most vulnerable groups from shocks and minimize the risks emerging from poverty and exclusion. In addition, social protection systems have proven to support economic growth, political stability and social cohesion. However, in order to fulfil these functions, countries need to stop viewing social protection as a short-term remedy or a handout. It is an investment in the future of a nation and its people. In addition to targeting risks and vulnerabilities associated with crises and upheavals, the enhancement of social protection must tackle the structural elements that place social groups in a situation of vulnerability in the first place. By addressing root causes instead of only symptoms, it can help reduce the inequality that has undermined development efforts in many parts of the region and, thus, produce a true transformation of our societies.

¹⁷ Blandine Destremau and others, “Analysis and comparison of social protection systems in the developing world: Elements of typology and method”, IMPACT Network working paper, pre-final version of the translation (April 2006) (available online at http://www.reseau-impact.org/IMG/pdf/4.Social_protection_Eng.pdf).