



UNICEF
REGIONAL POLICY
MAKERS' SYMPOSIUM
ON
SOCIAL PROTECTION
IN SOUTH ASIA

Dhaka
April 2008

SYNTHESIS REPORT

Kathmandu
August 2008

unite for
children



ACKNOWLEDGEMENTS

The Symposium, and this Report, were conceptualised and prepared by Gabriele Köhler, Regional Advisor on Social Policy, Mariana Stirbu, Social Policy Project Officer, Ulrike Madengruber, Assistant Programme Officer, Social Policy, under the overall guidance of Daniel Toole, Regional Director, Unicef Regional Office for South Asia (ROSA). The Report is based on the contributions, presentations and interventions made by the distinguished government officials and experts from the UN family and academe who participated in the Symposium.

The Unicef Bangladesh Office provided much appreciated programme assistance.

Generous financial support from AusAID has been enabling much of the social policy work underway at ROSA since 2005. A grant from DFID sponsored high-level participation at this Regional Symposium. We are grateful for this support.

Cover art by Ragini Upadhyay Grela © Ragini

TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
PART ONE: Opportunities for introducing and expanding the space for social protection.....	7
Innovations in social protection in South Asia and beyond: stocktaking and outlook	7
The case for universal social protection	10
PART TWO – Challenges to social protection systems	11
Tenacious social challenges to universalising social protection: social exclusion, gender and the “youth bulge”	11
❖ Social exclusion	11
❖ Gender	12
❖ Youth	13
Design challenges in achieving universal social protection	14
❖ A history of social protection approaches	15
❖ Rights based versus paternalistic “philosophies”	15
❖ Conditionality in social protection transfers.....	17
Financing challenges	18
PART THREE – Emerging policy ideas and moving towards transformative social protection.....	20
Towards child-sensitive social protection systems.....	21

EXECUTIVE SUMMARY

Half a billion children and young people live in South Asia, comprising 40% of the population. In the region, social disparities and economic inequality are increasing, despite rapid growth and economic development. Over half of South Asia's children live in poverty, and several key MDGs – nutrition, child mortality, maternal mortality, sanitation - are at extremely low levels and not on target for 2015. There is therefore a case for looking at social protection as an enabling policy to address these pressing issues and to underpin the efforts for MDG achievement. Moreover, besides having an instrumental value, social protection is a right on its own, and the overarching vision driving the call for universal social protection is anchored in a notion of social justice. These issues were highlighted at the Regional Social Protection Symposium 2008, which culminated in a set of conclusions of relevance to improving the situation of children through social protection in South Asia summarised below.

The normative argument is key in promoting child-sensitive social protection in South Asia.

- The rights of the child are universal.
- If the rights to development and to food and nutrition, health, education and water and sanitation are not met, the damage to a child's development and potential is often irreversible.
- There are direct links between human rights and human development.
- It is imperative to use the language of "rights" to tackle discrimination, stigmatisation and social exclusion.
- There is a compelling case for a minimum social floor – a basic system of social security or social protection which is universal.
- Social protection must not displace existing public services in health, education and water and sanitation but instead be additional and complementary – one might speak of 4 essential public goods or services – health, education, water and sanitation and social protection; or 5 if one includes basic care services.
- The regional normative framework - the SAARC Social Charter – can provide regional direction since it makes a strong case for social protection.

Supplementing the normative argument is the development argument with its focus on long-term social and economic benefits.

- There is an interdependence among the social sectors, and between employment and livelihoods and social protection; these are often referred to as the 'economics of interdependence'.
- A rationale for social protection also comes from its impact on economic growth and productivity and its role for creating capabilities.
- There is at this time an opportunity to seize the demographic dividend by investing into the social protection of children, youth, and families raising children.
- There are long-term economic, political and social costs of *not* introducing social protection schemes.

Financing social protection is no longer a matter of resource constraints but rather of political choice.

- There is a call to fundamentally rethink financing strategies and financing advocacy for social protection
- Financing social protection – affordability of social services and social protection - is a question of political and societal choices.
- Affordability and sustainability are also a function of various forms of finance - ODA, borrowing, as well as domestic resources through new forms of taxes for example, India is using a supplement on income tax earmarked for education and considering a similar instrument to finance social protection; and there is a new global financing facility which could be used for social protection.
- Fiscal space is defined by institutions – the share of GDP devoted to fiscal budget, and the share of fiscal budget devoted to social services and to social protection varies largely across regions and countries.

There are numerous innovations and discussions in social protection in South Asia to build on and improve towards child-sensitive approaches.

- Examples of social protection initiatives from across the region include:
 - The Afghanistan National Development Strategy 2008 contains a Social Protection Strategy building on assessments of poverty, social exclusion and other vulnerabilities in the country;
 - Bangladesh is introducing an employment guarantee scheme from next year and numerous other social protection interventions;
 - India's Unorganised Sector Workers Social Security Bill 2007 is pending approval by Parliament, and the National Rural Employment Guarantee Act 2005 has a good record of success despite the short implementation period. India is also proposing an extension of old-age pension to all persons over 65 living below the poverty line; implements maternity grants; and has many other schemes in place or under development.
 - Nepal, an LDC, has a universal social pension which is currently under review to be enhanced and expanded.
 - Pakistan is starting to implement a Social Protection Strategy to Reach the Poor and the Vulnerable, adopted by the Cabinet in 2007.
- There is an emerging discussion on "mobile" or "portable" forms of social protection across state and country borders and at the right to social protection for migrants.
- There also discussions exploring the idea of a tri-fold approach to social protection, combining:
 - Enhanced, inclusive social services delivery (education, health, water and sanitation, etc.)
 - Minimum income guarantees in the form of cash transfers to individuals / households, and
 - Provision of trained and salaried care services by government or the non-profit sector.

The challenges of design in social protection can be overcome if the normative principles retain their key positions in design and are translated into non-discriminatory and enabling implementation mechanisms.

- It is necessary to avoid stigmatisation and discrimination in the design of social protection strategies, address the issue of "policy as the site of exclusion".
- Boundaries or forms of vulnerability vary by country context and social protection needs to be responsive.
- There is a need for tailor-made difference-based approaches within universalism to address vertical (poverty) and horizontal forms of exclusion.
- Examples for this can be area-based universalist approaches, combined with monitoring and evaluation of delivery, to ensure that the most vulnerable and socially excluded claim their rights and access social protection.
- Conditionalities have mixed results – one can argue for unconditional social transfers from a rights-based position, as well as in terms of administrative costs – but there is a case for "good conditionalities" which could support behaviour change, address power relationships in the household or community, and empower communities to claim and receive better services delivery.

And finally, some outcomes of the social protection discussions could make a difference in particular for children.

- The need for inclusiveness in social protection.
- The case for a citizens' or social compact for social protection.
- The case for a "generative" or transformative social protection model embracing a plurality of models.
- Consensus on the shift towards universalising social protection, even if progressively or gradually as institutions and resources in each country permit.
- The need for a child-sensitive social protection which emphasises the key rights and development needs of children.
- Opening policy space (including fiscal space) and opportunities arising from political change in South Asia.

There are a number of immediate next steps to pursue in close partnership with government, donor, development agencies and regional bodies.

- Create an informal network of social protection focal points from among the participating governments and agencies – a South Asia social protection network or ‘community’ for knowledge sharing.
- UNICEF ROSA could serve as a research hub to:
 - Continue analysis of budgets in South Asia using the Unicef Devinfo network, including examining outcomes of social expenditures;
 - Explore needs for strategically commissioned research for evidence on processes and impact of social protection schemes in South Asia;
 - Ensure systematic sharing of ongoing social protection research on design, implementation, challenges and outcomes relevant to South Asia;
 - Provide capacity building including technical advisory services to governments, using South-South knowledge transfer - conceivably funded by a consortium of donors. There is a specific request from Afghanistan, for example, for support in formulating social protection and employment generating policies for youth;
 - Advocacy for a global social floor or minimum social protection among UN agencies (ILO, DESA, UNICEF, UN-ESCAP) and regional partners (SAARC).
 - Awareness raising and advocacy at forthcoming regional and global fora on social protection; maternal, neonatal and child health; migration; aid effectiveness; financing for development; and the SAARC Ministerial Meeting on the Rights of the Child.

In summary, based on the above, a strong case can be made for igniting a political process at high level for the region – perhaps through a regional, senior-level meeting to discuss action on universal and child-sensitive social protection for sharing, learning and planning. It could explore opportunities for a South Asian framework on a ‘social floor’ of universal child sensitive social protection.

PART ONE: Opportunities for introducing and expanding the space for social protection

Opportunities

In recent years, South Asia has seen some impressive and **unprecedented economic growth rates** – some of the highest in the world. In 2007, GDP grew by 17% in Bhutan, 14% in Afghanistan, 9% in India, and 7% in Bangladesh, Maldives, Pakistan and Sri Lanka. India now features among the five largest economies globally, and Maldives has reached a per capita income of \$2700. Over the past few years, the countries have also been recording outstanding export performance, although recently trade deficits have been increasing due to increased imports of intermediary and consumption goods, higher oil prices, and in some cases a loss of export competitiveness, partly in relation to the dollar depreciation. Nonetheless, the region records strong domestic demand, which has served as a cushion against recent external shocks, and its economies are poised to grow at relatively stable macroeconomic levels, although at slower rates over the next period.¹ In several countries, tax revenues have increased in response to better tax administration, and from capitalising on the strong economic growth.

But it is not only economic performance that is creating opportunities; it is also a **renewed interest in social reform** that is observed across the region. There is a visible move in South Asia to revise social protection strategies and introduce systems of social protection with the explicit purpose of addressing poverty, and in some cases with an eye on social exclusion and disparities. This interest is in part driven by the increasing economic inequality and the lack of genuine progress in poverty alleviation: while poverty ratios have declined, over 400 million people remain under the \$1 per person per day line, and almost 80% of the population live with less than \$2 per person per day (World Bank South Asia data). Gini coefficients, as per the most recent HDR 2007/08² look distressing: India 36.8, Pakistan 30.6, Sri Lanka 40.2, Bangladesh 33.4, Nepal 47.2.

Social reform is also driven by a climate of political change across South Asia. Five out of eight countries – Bangladesh, Bhutan, Maldives, Nepal, and Pakistan - are in the process of revising their constitutions, or have held or are poised to hold elections. Electorates are demanding more accountable government, and governments are having to respond to the wind of change.

Specifically in the domain of social protection, a number of countries in the region are revisiting and retooling existing social protection schemes, or introducing such programmes for the first time. Internationally, social protection is heavily debated, as a response to the disillusionment with the neoliberal paradigm; the growing recognition of the downsides of globalisation; and the search for new policies, stimulated by the Latin American cash transfer experience. The 60th anniversary of the Universal Declaration of Human Rights is an occasion to review the vision for social justice which the international community embraced in the wake of the second world war.

Together, these emerging trends in political and social reform are addressing the first of the “disconnects” observed in the Symposium: in South Asia, economic growth has not delivered a commensurate improvement in the Millennium Development Goals and human development outcomes.

This Report, then, is an attempt to summarise the key information and arguments exchanged at the Unicef Regional Symposium. Its purpose is to help shape the roadmap towards transformative social protection in the region. It provides information on legislative change, and presents the case for universal social protection. It then examines the specific challenges of social protection in South Asia, including those deriving from social processes; design issues; and financing. It closes where the next discussion needs to begin, presenting an outlook on new questions, notably whether there is a case to develop a child-sensitive approach to social protection, and to sketch out some of its constituent elements.

Innovations in social protection in South Asia and beyond: stocktaking and outlook

Several countries in South Asia are in the process of introducing or enhancing provisions for social protection.

¹ See i.a. Asian Development Bank, Asian Development Outlook 2008.

² UNDP, Human Development Report 2007/08: Fighting climate change; human solidarity in a divided world, UNDP, 2007

India and Sri Lanka have comprehensive and extensive systems of government-based social protection which were introduced at independence and have hence seen a long evolution.

In India, recent innovations include the National Rural Employment Guarantee Act (2005) and the Bill for the Social Security of the Unorganised Sector Workers. Regarding the latter, a case was made for social security for the un-organised sector workers living below the poverty line (consisting of an old age pension, a maternity benefit, health insurance and death/disability benefit) it would only amount to 0.33% of the GDP (in 2007) compared to total costs of NREGA (0.39% of GDP), total health costs (1.39% of GDP) and total education costs (2.87% of GDP). Regarding financing this social security scheme, there are a number of ideas. They include a levy in the form of a surcharge on income taxes, finding resources from existing tax revenues, and/or using earmarked product group/trade based taxes. If the scheme is extended to workers above the poverty line, beneficiaries could contribute to services as they move up the income ladder.³

In Sri Lanka, education and health care is free; a National Child Development Fund has recently been set up. Sri Lanka has a dedicated Ministry for Child Development and a National Plan of Action for Children 2004-2008. Social protection examples include the largest scheme in the country, the "Samurdhi" grant to low income families, as well as initiatives such as the "Poshana Malla" (bag of nutritious food) for pregnant mothers, or the "glass of milk" initiative for malnourished children in low income families.

Pakistan recently adopted the 'Pakistan Social Protection Strategy to Reach the Poor and Vulnerable'. The strategy is conceived within the overall framework of 'Justice and Balanced Development' envisaged in Pakistan's Medium Term Development Framework (MTDF 2005-2010) and "Vision 3000", a long term perspective document highlighting the strategic directions that need to be followed for a "developed, industrialized, just and prosperous Pakistan".⁴

It proposes a combined package of conditional and unconditional cash transfers, along with skills development, and employment generation through labour intensive cash for work programmes, complemented by additional interventions covering schooling, nutrition, micro-finance, and social care services. It targets among others vulnerable groups like single headed female households and the landless poor. Its innovation lies in looking at the life cycle, and at health, employment, livelihoods, environmental and natural hazards comprehensively and co-ordinatedly, in order to improve the efficiency, coverage and impact of the various instruments. The ultimate goal is to have a unified, simplified and highly effective protection system.⁵

Afghanistan has drafted a Afghanistan Social Protection Strategy, which aims to operationalise the various guarantees provided in the Constitution, e.g. support to orphans, the elderly, women without family support, descendents of martyrs, to reinforce the commitments under the MDGs and Afghanistan Compact.⁶ The Afghanistan strategy has a strong element of targeting, with a focus on the "poorest of the poor", i.e. people at risk and war survivors. It is drafted from a welfare approach, rather than from a rights-based notion. The strategy aims to prevent the poor from falling into deeper poverty, help them exit poverty, reduce unemployment and food insecurity, provide special support to families with small children, as well as introduce financing innovations, while also experimenting with a Zakat-based tax earmarked for financing the system. Ultimately, the strategy and its programmes would empower the poor, decrease inequality and enhance social inclusion. Given that 42% (14 million) of the population is below the cost of basic needs line, the strategy would in fact cover almost half of Afghanistan's population.

The **Nepal** Interim Government also aims to use social protection as a means of achieving further poverty reduction, reducing inequality and disparities, and closing the gap between opportunities and access, as well as increasing social cohesion. It is argued that social protection needs to be "responsive, affordable, sustainable and effective".⁷ Nepal is the only country in South Asia with a universal social pension, introduced in 1995 (Senior citizens above 75 years and widows above 60 years and for persons with disabilities receive a pension, i.e. living allowance) and it has recently institutionalised and expanded its

³ Santosh Mehrotra, Government of India, *Costs and financing of a social insurance in India*, presentation at the Symposium

⁴ Ashraf Ali Khan, Government of Pakistan, *Pakistan Social Protection Strategy to reach the poor and vulnerable*, presentation at the Symposium

⁵ Ashraf Ali Khan, Government of Pakistan, *Pakistan Social Protection Strategy to reach the poor and vulnerable*, presentation at the Symposium

⁶ Wasil Noor and Zalmi Allawdin, Government of Afghanistan, *Social protection strategy*, presentation at the Symposium

⁷ Bimal Wagle, *Social protection financing in Nepal*, presentation at the Symposium

maternal birth grant (involving cash incentives to health institutions and health workers, transport services, free delivery services and cash incentives for mothers) nation-wide. The government is considering to further institutionalise recent innovations – e.g. the “One Family One Employee” Employment Scheme in the Karnali zone, trainings in employment related skills for Dalits and other disadvantaged communities and school stipends for dalit and girl children. It is noted that for social protection to be expanded and strengthened in Nepal, there is a need to explore new institutional arrangements, such as the possibility of one single implementing agency, as well as new funding arrangements (such as a SWAp approach for instance). There is also the issue of assessing the current delivery mechanisms and exploring new ones.

In Bangladesh, social protection is largely situated in the non-state sector, relying largely on NGOs such as BRAC and on microcredit and micro insurance schemes, such as those piloted by the Grameen Bank in the early 1980. The Bangladesh PRSP 2010 – 2015 is making a case for a holistic rethinking on safety nets, and social protection in general. It is now exploring innovations such as a guaranteed public employment scheme, modelled on the employment schemes in India’s Maharashtra State and the National Rural Employment Guarantee Act (NREGA).

At the regional level, the **SAARC** offers a comprehensive framework and facilities within which social protection is situated. They include the Social Charter and the Convention on the Regional Arrangements for the Promotion of Child Welfare. The SAARC Social Charter (2004) makes a strong case for social protection as a right and calls for access to basic education, adequate housing, safe drinking water and sanitation, and primary health care guaranteed in legislation, in addition to ensuring an adequate standard of living, including adequate shelter, food and clothing. It is highlighted that budgeting for the SAARC Development Goals would also mean more fiscal resources for social security. The Charter and the Child Welfare Convention most recently formed the basis for the SAARC Regional Framework on the Care and Protection of Children affected by HIV/AIDS⁸, which puts emphasis on universal approaches to the social protection of children affected by HIV/AIDS⁸, and promotes a universal approach to ensure children affected by HIV/AIDS have access to the same public and social support systems that are available to other children, rather than being separated or singled out. Within this universal approach the Regional Framework calls for additional and specific measures in relation to overcoming the stigma that surrounds HIV/AIDS and for interventions on behalf of children discriminated against as a result of this stigma.

At the **international level**, there is intensified interest in universal social protection provision, pushed perhaps by a revisit, after ten years, of the Copenhagen Social Summit in 2005, and the recognition that the MDG agenda until recently lacked attention to livelihoods – be it through employment or through protection. The ILO and UNDESA, along with international NGOs have therefore been advocating for an expansion of social protection, and making a case for a basic set of social protection benefits – a global “social floor” - that derives from the right to social security as expressed in Article 22 of the Universal Declaration of Human Rights, and aims towards achieving growth with equity. The *global social floor* proposes a *four-component benefit package of old-age pensions, family/child benefits, unemployment assistance and essential healthcare*.⁹ These four elements are seen as key in addressing the four main risks and vulnerabilities – old age, unemployment, family responsibilities, and the risks created by uninsured illness. It is a radical approach – albeit one that is limited (deliberately) to monetary transfers and does not a priori look into services delivery.

Comparing the government legislative innovations with the international debate points to a second disconnect: that between “philosophical” ideas on universalism on the one hand, and the thinking, and action, on the ground (see Kabeer 2008 p 2). There is a long way to go before South Asia across the board designs and implements universalist approaches to social protection and systems of social protection.

⁸ Hassan Shifau, SAARC, presentation at the Symposium

⁹ Isabel Ortiz, (UN DESA) and Michael Cichon (ILO), *A global social floor*, presentation at the Symposium <http://www.un.org/esa/socdev/csd/>

The case for universal social protection (rights based, political, social compact, economic growth and investment, development, transformation)

At the conceptual level, a number of **arguments** can be made to support and encourage the introduction of new, and expansion of existing, social protection measures and mechanisms towards full-fledged systems. The first argument is the **human rights argument** which rests on the fact that the countries in South Asia are committed to the realisation of human rights, as witnessed by their adoption of a number of international human rights instruments, including the Universal Declaration of Human Rights, which under Article 22 enshrines the right to social security; the International Covenant on Economic, Social and Cultural Rights, which provides for the same right in Article 9; and the Convention on the Rights of the Child, which secures the right of children to social security in Article 26, to name just a few.¹⁰ The rights of the child are universal and the damage inflicted on a child due to the lack of a protective environment, which includes access to food, health care, education and water and sanitation, can be irreversible. Under Article 27 of the Convention on the Rights of the Child, States Parties “recognise the right of every child to a standard of living adequate for the child’s physical, mental, spiritual, moral and social development” and commit themselves to taking “appropriate measures to assist parents and others responsible for the child to implement this right and shall in case of need provide material assistance and support programmes”.¹¹

Secondly, there is the **moral argument** of a ‘social justice’ nature - “No one should be poor”. A third argument is the **political one** - e.g. social protection can contribute to a politically stable society which will result in sustainable development over the long-run via lasting social returns on the investment.

The last two arguments are related. One is the **economics argument** that posits that social protection transfers could help boost economic growth by raising domestic demand and consumption. This is linked to the fifth and often most difficult-to-win argument – a **developmental one** - which asserts that social protection is about investing in and enhancing human capacity and productive employment. In this light, social protection becomes a critical underpinning of economic progress itself. The “*economy of interdependence*”¹² comes into play: none of us live in isolation and whatever we do has known and unknown effects (or externalities, multiplier effects, synergies). If the state invests in its citizens through social protection measures, impoverished people will eventually be able to “jump out” of poverty and consequently their generative potential in economic terms can be captured. Social protection is not only a means to generate growth and human development, but it is furthermore an opportunity to seize the demographic dividend. Last but not least, the investment versus cost debate also prompts a revisiting of the financing argument.

Social protection has multiple developmental impacts, contributing significantly to the achievement of inclusive growth. It addresses the immediate imperative of tackling poverty while contributing to the long-term development of human capacity. In the long run, the most sustainable growth is one that includes the poor and marginalised. Moreover, the impact of social transfers on poverty reduction could be an instance of what some analysts call the *positive feedback loops* or synergies between macroeconomic and social sector policies.¹³ The macro-level synergy between interventions (including social protection) results in economic growth and poverty reduction and access to basic social services. These are inked to the expansion of human functionings. At the micro-level, the synergy results from interventions that

¹⁰ Articles 22 and 25 of the Universal Declaration of Human Rights (“Everyone, as a member of society, has the right to social security”), the Convention on the Rights of the Child (art 26), the ILO Convention no. 102 (Minimum Labour Standards), the International Covenant on Economic, Social and Cultural Rights and others all talk about elements of social protection and social security to be a human right. SAARC provides a regional normative framework through the SAARC Social Charter which makes a strong case for social protection as a right and argues for social security as a human right.

¹¹ See also other articles: Article 18. 3. States Parties shall take all appropriate measures to ensure that children of working parents have the right to benefit from child-care services and facilities for which they are eligible; Article 26. 1. States Parties shall recognize for every child the right to benefit from social security, including social insurance, and shall take the necessary measures to achieve the full realization of this right in accordance with their national law; Article 26. 2. The benefits should, where appropriate, be granted, taking into account the resources and the circumstances of the child and persons having responsibility for the maintenance of the child, as well as any other consideration relevant to an application for benefits made by or on behalf of the child.

¹² Naila Kabeer, IDS, *Bridging the disconnect: Towards a ‘generative model’ of social protection*, keynote address at the Symposium, p. 14

¹³ Sudarshan Ramaswamy, UNDP, *Policy implications of systematic convergence of human development and human rights*, presentation at the Symposium

expand the provision of basic social services – themselves leading to the expansion of functionings.¹⁴ Thus, social protection could be one effective way of achieving *economic growth with equity*, as it addresses the stumbling blocks to achieving full-scale *capabilities and functionings*. In fact, evidence from South Africa shows that while a comprehensive approach to social protection was adopted, the population and analysts identified that tackling income poverty – through e.g. social transfers – should be a first priority before rolling out programmes that address asset deficits, for instance, as the latter were anyway compromised by unsustainable levels of income poverty.¹⁵ Finally, long-term economic, political and social costs of *not* introducing social protection must be taken into account.

None of the above-mentioned arguments are stand-alones: What one is aiming for is social protection systems that are human-rights based and empowering as well as sustainable by stimulating growth and development. In this sense, social protection can be viewed as an investment with high social, economic and political returns.

PART TWO – Challenges to social protection systems

Tenacious social challenges to universalising social protection: social exclusion, gender and the youth bulge

Social exclusion

South Asia is characterised by social diversity. Often, however, this diversity becomes a vector of social exclusion – excluding individuals and groups from livelihoods, from social services, from social protection, or from political participation, on the basis of their ethnicity, language, religion, their health, age and ability status. In most of South Asia, caste and gender are central vectors of social exclusion. Moreover, location and situations of emergency exacerbate social exclusion. In this complex universe of diversity and exclusion, poverty is both a result of and a trigger for social exclusion.

Social exclusion is one key reason why in South Asia, despite high aggregate levels of achievement of the Millennium Development goals, relative disparities remain. Socially excluded groups are left behind. The gaps between groups in terms of MDG achievements are increasing, as is the time-lag for achieving the MDG targets.¹⁶ Social theory suggests that status, ascribed identities etc. should not influence equality of opportunity, as everyone is entitled to the same basic rights, but in reality it does.¹⁷ In this sense, ‘diversity’ poses a particular challenge to the concept of universal provision of social protection, as universalism would not in itself be able to alter the power structures and relationships of disadvantage even if it were to ensure *inclusiveness*, for instance, by lifting everyone simultaneously up the income ladder.

On the other hand, if social protection mechanisms include an element of *special inclusiveness*, the challenge is to ensure it is not stigmatising or disempowering. Monitoring and evaluation of *equality of outcomes*¹⁸ could be such an element, as it would not require that the disadvantaged and excluded be specially singled out during the design and implementation of social protection programmes per se, but rather their situation monitored in relation to other groups receiving the benefits or utilising the services. More action research and consultation with the excluded groups is required before a better answer is available.

There is, however, also the inverse question of how to ensure that universalism and inclusiveness do not distort one’s unique identity within a context of diversity. It is felt that any universal and rights-based system of social protection would still need to be accompanied by various parallel provisions to enhance

¹⁴ Sudarshan Ramaswamy, UNDP, *Policy implications of systematic convergence of human development and human rights*, presentation at the Symposium

¹⁵ Naila Kabber, IDS, *Bridging the disconnect: Towards a ‘generative model’ of social protection*, keynote address at the Symposium, p. 9

¹⁶ Abusaleh Shariff, IFPRI, *Designing social protection policies for specified groups: case of minorities in South Asia*, presentation at the Symposium

¹⁷ Abusaleh Shariff, IFPRI, *Designing social protection policies for specified groups: case of minorities in South Asia*, presentation at the Symposium

¹⁸ Abusaleh Shariff, IFPRI, *Designing social protection policies for specified groups: case of minorities in South Asia*, presentation at the Symposium, and Jasmine Rajbhandary, DFID, *Social protection as part of inclusive growth for Nepal*, presentation at the Symposium

capabilities and empower, such as incentives, reservations, etc., in order to fully capitalise on the *generative potential* of social protection. Which ones are applied and how these are applied, would largely depend on context and local specificity. Numerous examples are available in the region itself, including for example, with quota systems in education and training for minorities and marginalised groups in place in all countries; social audits and similar redress mechanisms as essential components of public schemes (e.g. public employment schemes in India); special capacity building efforts for women and marginalised groups to enable them to join public service and advocate from within for policies and resources affecting the social protection of the groups they represent (e.g. for women members of local government in India, Nepal).

Universalism in social protection implies reaching all without exception. Besides being an instance of realising one's universal right to social protection, universalism is often, administratively at least, the preferred approach in situations where identifying the excluded groups is difficult. For instance, in discussions of extending social security to the unorganised sector workers in India, it was realised that, while not all unorganised sector workers are below the poverty line (BPL), the application of the traditional BPL criterion could be administratively impossible because of the large scale and the informality of economic relationships in the sector.¹⁹ This aside, the question remains, how can universalism be effective in a context where large sections are excluded, i.e. how to empower the excluded within a universal approach? How could a universal social protection mechanism take account of the specific nature of the risks that the excluded face which prevents them from breaking the cycle of exclusion? After all, a general rise in incomes for all – through e.g. social protection transfers – might not be able to change the initial structure of inequality and exclusion. For that, the *social dimension of inequality* needs to be understood and addressed²⁰ comprehensively as part of a universal rights-based social protection system.

Gender

Discrimination and exclusion on grounds of gender is widespread and pronounced in South Asia. Girls and women are systematically or by neglect excluded from accessing their rights like health care, education. Gender discrimination often starts from before birth in the form of female foeticide, and, for those who survive, continues into childhood with a girl's limited access to education, protection, health services and even to nutrition. Discrimination often affects the very survival of girls in South Asia, with under-5 mortality in some countries being double that for boys. Particularly disadvantaged are the women and girls from traditionally marginalised or so called low caste groups, who face *double exclusion*, e.g. by virtue of being both a Dalit and a woman. Despite progressive legislation and policies promoting gender equality adopted in recent years, progress has been slow. There is thus a role for social protection in accelerating – through its enabling character - gender equality and empowerment by building and strengthening the capacities and abilities of women to exercise their other social, political and economic rights.

Social protection measures can, if designed well, lead to gender and social equity, the empowerment of women and strengthening of their role within the household and communities. The gender of those targeted by a social protection intervention is also crucial in terms of outcomes of child development and the empowerment of girls, women and children²¹:

- In Bangladesh, Brazil and South Africa, transfers provided to women proved to have a large positive impact on school attendance by girls;
- In South Africa the impact of cash transfers on women's labour market activity is close to twice as great as the impact for men.

Social exclusion points to that need to take account of the socio-cultural and economic environment – physical, institutional, social etc. - in which women live and that affects them, so that women would be able to benefit and further develop their potential and capacities. Research by UNRISD²² shows that existing social protection mechanisms – insurance and assistance – can actually be disempowering for women and children and could even defeat their purpose, which, among others, is improving capabilities,

¹⁹ Santosh Mehrotra, Government of India, *Costs and financing of a social insurance in India*, presentation at the Symposium

²⁰ Naila Kabeer, Social Exclusion and the MDGs: The Challenge of 'Durable Inequalities' in the Asian Context.

²¹ Sheshangai Kaniki, EPRI, *Social Protection and Inclusive Economic Growth*, presentation at the Symposium

²² Shara Razavi, *Social protection, paid work and the care economy*, presentation at the Symposium

productivity and participation in opportunities. Thus, for instance, social insurance schemes (e.g. health insurance, old age insurance) that are directly linked to employment (formal, long-term) can penalise and exclude those who attend to care responsibilities in the household. This is, in most societies, women, who then do not acquire direct social security entitlements, as they do not contribute into the system. Or when they contribute, the benefit levels tend to be lower because of the gender wage gaps, or because of fewer years of contribution. Social assistance programmes – e.g. family benefits and other cash transfers – which are not designed to support those who provide care but rather provide financial assistance towards meeting the costs of raising children, are usually a fraction of the actual costs. While such benefits are associated with many positive results for children, e.g. increased school enrolment, improved nutrition, or reduced household poverty, they present several drawbacks. One of them from a gender equality point of view is that such social transfers tend to reinforce the provision of care by family members – usually women and girl children - and pay them very little without any links to social security or employment rights. Moreover, much of the responsibility for social assistance in the form of conditional cash transfers places a burden on mothers and older girl children who are expected to ensure compliance with conditions in the transfer, and to shoulder the responsibility for documenting and meeting the administrative requirements, without any compensation for the added time needed.²³ They are thus disempowering economically.

A cash incentive could also disempower by further stigmatising the woman if she has to fulfil requirements that expose her to other and new forms of discrimination which the planner did not take into account (e.g. check-ups by discriminating doctors), and a disbursement modality could further entrench the unequal power relations in the household (e.g. by giving the cash to the husband or the man in the household). Any social protection mechanism or instrument could have potential regressive effects or outcomes. The lesson learnt is that any social protection scheme needs to be designed in such a manner that it would in fact empower women economically and structurally and help change the power relations within families and communities. This means that specific attention must be paid to the local context, such as intra-household and intra-communal gender power relations, caste, ethnicity and the broader social and economic environment to detect any possible disempowering elements or effects and account for those in the design phase. At the higher end, health/education and other policies need to be coordinated with gender policies.

A reproductive health project by the Indian Government on implementing a birthing grant scheme²⁴ in India illustrates some of these challenges and substantiates the need for child and gender-sensitive social protection systems. In this project, women were provided with a cash incentive to complete three ante-natal check-ups, deliver their baby in an institution and remain as an in-patient for another three days to receive post-natal care. Impact evaluations done by JICA have shown that, despite expectations the cash incentive was a necessary but not a sufficient condition. Women could not benefit from the scheme due to lack of transport infrastructure, so that they could reach the hospital, and due to the poor quality of services and the discriminatory nature of service provision, esp. to women from lower-caste and ethnic minorities.

Unintended policy tradeoffs – An example

In India, an effort to improve maternal health and decrease the risks of child deaths led to the introduction of training programmes for skilled birth attendants. In one such fully government funded scheme, trained birth attendants offered services which women need to use to qualify for the birthing grant. The programme however led to the displacement of village midwives who have been practising their occupation for years, are not paid, and traditionally come from so-called low caste communities (“Dai”). They found themselves disempowered and displaced by the scheme. A more socially and economically just option would have been to train and equip them in addition to the skilled birth attendants – an idea that was not considered during the design phase.

Youth

In discussions of social protection, one group which appears “invisible” is youth. Among the many reasons for that is that the youth population overlaps the age groups of children and of adults, blurring the line between the young dependency age and the active labour force age, which qualify for different social

²³ Shahra Razavi, UNRISD, *Social protection, paid work and the care economy*, presentation at the Symposium

²⁴ Yumiko Tanaka, JICA, *Gender and Empowerment – Social Protection Policies for Reproductive and Child Health*, presentation at the Symposium

protection forms. Thus, in a social protection system it is often difficult to categorise them as either *net* beneficiaries or contributors of social security or assistance. Moreover, the youth age group is often not well captured in statistics, and development response strategies are not sufficiently tailored to meet their priorities and rights.

Why is youth relevant to a discussion of social protection, especially in the South Asian context? The Asian region as a whole and South Asia in particular are undergoing demographic transitions (fertility/mortality declines) creating a *bulge* in the age distribution, which is concentrated on youth. Over time, this bulge will produce a large working age population, which could potentially provide a boost to investment and growth and thus create a *demographic dividend*.²⁵

In South Asia, the youth labour force will be continuously increasing over the period 2005-2020, although at a slower pace than before, with individual countries recording rises of 30% to 70%. (e.g. +29% in Nepal, +33% in Pakistan, and +70% in Afghanistan). Thus, the region will be 'accruing' a large working age population, expected to peak by 2050. Decent employment opportunities and guarantees of social protection become crucial under this scenario.

In reality, the youth bulge and demographic dividend is accompanied in South Asia by growing unemployment and disaffection on the background of high jobless growth. Youth register much lower levels of employment than adults, ranging from twice in Bangladesh to eight times in Sri Lanka, with youth representing between 1/3 to 2/3 of the total unemployed.²⁶

These youth's experience of severe income and human capital deficits could however be effectively addressed through social protection measures. A comprehensive and youth-responsive social protection system could enable the countries to capitalise on the demographic dividend and benefit from human capabilities and resources and help avert possible social disaffection or risky behaviours. It thus could create further potential for development, and feed into self-sustaining social protection systems. A life-cycle approach to social protection with a proper emphasis on skills development, income support, and employment generation, could help ensure a smooth transition of youth from school to work and gainful employment and equitable, adequate and secure incomes.²⁷ Moreover, youth could also be a potential source for (temporary and comparatively lower-cost) care service provision, and thus help bridge the divide between social protection, the care economy and employment, while offering them entry point employment and experience.

Design challenges in achieving universal social protection

Social protection takes various forms, each with its own features. Design questions matter for many reasons, including the ones illustrated under the gender discussion which shows that social protection measures could be both empowering and disempowering. The potential to identify the potential adverse effects early in the design phase is crucial in South Asia, precisely because of exclusion and discrimination. Some lessons learned and solutions include:

- It is necessary and possible to avoid stigmatisation and discrimination in the design of social protection strategies through consultation with the rights-holders.
- Boundaries or forms of vulnerability vary by country context and social protection can and needs to be responsive to various degrees of vulnerability.
- It is necessary and possible to avoid the dilemma of 'the moving target' when universal approaches only ensure inclusion but not necessarily reduction of gap in development outcomes between groups through great attention to local context and specificity that determines the vulnerability. Thus, tailor-made difference-based approaches within universalism to address vertical (poverty) and horizontal forms of exclusion prove useful. Examples for this can be area-based universalist approaches and monitoring and evaluation of delivery to ensure that the most vulnerable and socially excluded claim their rights and access social protection.

²⁵ Thelma Kay, UNESCAP, *The youth bulge and youth unemployment – Opportunities and challenges for social inclusion and for social protection strategies*, presentation at the Symposium

²⁶ Thelma Kay, UNESCAP, *The youth bulge and youth unemployment – Opportunities and challenges for social inclusion and for social protection strategies*, presentation at the Symposium

²⁷ Thelma Kay, UNESCAP, *The youth bulge and youth unemployment – Opportunities and challenges for social inclusion and for social protection strategies*, presentation at the Symposium

- Conditionality have mixed results – one can argue for unconditional social transfers from a rights-based position, as well as in terms of administrative costs – but there is a case for “good conditionalities” for behaviour change and addressing power relationships in the household or community and for empowering communities to claim better services delivery.

A history of social protection approaches

Social protection in the sense of a universalist coverage of citizens is not new. Early, post-colonial development discourse emphasised the role of the state, and made arguments for planning and economic and social policy. This included universalist social policies in the sense of social services and social protection, modelled on different forms (Beverige vs Bismarck) as part of the nation-building project. When social protection efforts degenerated because of lack of accountability, bureaucratic inefficiency and elite capture and fiscal pressures, they became ‘fodder’ to a neo-liberal critique – limiting the state in terms of responsibilities and resources; putting social services including social security into the hands of communities; requiring individual and community co-financing; reducing the role of the state to a “residual” effort for the worst off – sometimes called “new social policy”. Critics see its safety net character as palliative.²⁸ Typical interventions include social funds at the community level, which are often short-term and projectised because they are based on donor funding rather than government fiscal resources.

In effect, in many cases, decentralised forms of social protection exacerbated the situation, as social services were under-resourced on the supply side, not necessarily professionally designed and led, and the poor could not access or demand access because of persistent poverty and/or because of social exclusion and lack of voice.

This led to a third generation in social policy, re-instating the role of the state to deliver basic social services including social protection. It integrally contains a changed role or prescription for the state to be accountable – accountable, by definition, as led by and responsible to its citizens and in substance by ensuring that governments hear and respond to voices of its citizenry – in an inclusive fashion – including those who are politically, economically and socially excluded. Social policy, in this approach, needs to be properly and sustainably resourced, with sufficient and predictable long term funding for social policy interventions – both social services and social protection. It may include a move to invest the resources now going to commercial or NGO sectors (back) to the state, so as to create the critical mass of public

History of a global social floor

- ❖ **Brazil.** The 1992 proposal for a cash transfer to all persons living below the poverty line and over 25 was eventually adopted for older cohorts and with a small amount Bolsa Familia, introduced in 2003, unifies 4 earlier cash transfer programmes. The 2004 Law of Citizens’ Basic Income establishes the right to receive an annual cash transfer regardless of socio- economic status, with priority accorded to the most vulnerable based on gradual fiscal expansion to finance the programme. Conditions are maintained on behaviours around health and education. (Kabeer p 8)
- ❖ **South Africa.** Basic Income Grant, a citizen’s grant, at a level sufficient to reduce the poverty gap by 80%, is a broader package of social protection including income benefits, health, education, water & sanitation, transport, housing, and access to jobs, skills, assets, and starting with income poverty. It was advanced because public works programmes were not generating enough jobs. (Kabeer 2008 p 9)
- ❖ **India.** The 2005 National Rural Employment Guarantee Act (NREGA) secures the right to work. It is informed by campaigns for the right to food and the right to information and for social security for the informal sector and it guarantees 100 days work on public work sites, with additional provisions for child care. If work is not available, an entitlement for a compensatory transfer at a minimum wage rate is applied. (Kabeer 2008, p. 10 f).

service capacity and institutions.

Rights based versus paternalistic “philosophies” (Kabeer)

For some time, design debates in social protection have revolved primarily around perceived dichotomies of **universal versus targeted** and **conditional or unconditional** modalities. However, revisiting this debate reveals that actual fault lines would move between a rights-based approach as compared to a welfarist or paternalistic approach, and around financing from a tax basis versus contributory systems. There is no blue-print on social protection programmes as the social, economic, political and financial

²⁸ Naila Kabeer, Keynote address to the Symposium, p 2, 16

context influences the design. Moreover, forms and boundaries of vulnerability vary by country context, and social protection measures must therefore be responsive to each specific context.

A rights based approach would need to meet several criteria. Firstly, whether universal or targeted, conditional or unconditional, social protection needs to avoid creating or reinforcing social exclusion, for instance via elements of stigmatisation and discrimination. It is important to be sensitive to the processes whereby a policy becomes “the site of exclusion”.²⁹ Thus, revealing one’s income status can be a traumatising and stigmatising experience, let alone revealing or accepting a transfer on condition of disclosing one’s ascribed status or social status, such as so-called low caste or occupation group, and thus silently further internalising a condition of ascribed inferiority and disadvantage.

Given that a universal approach is impossible to implement instantaneously, an **incremental or progressive approach** is suggested. Regardless of the approach selected, one must overcome the large number of different targeted, scattered and unrelated programmes and move towards a **comprehensive and integrated** strategy – a *system* of social protection. For that, a thorough review of current programmes is needed, including of the various arguments put forward for and against the various design features. The Pakistan effort – presented in its Social Protection Strategy 2007 - is one commendable example in this regard.

The policy design discussion is also driven by a mixture of resource constraints and behavioural arguments.³⁰ The **advantages of a targeted approach** include, among others:

- At a given level of benefits, it is less costly in terms of total resources needed as it covers only a share of the population. Selected studies suggest that basic means-tested social assistance benefits cost equal approximate, 0.2% of GDP compared to 2-5% of GDP in the case of a complete set of basic universal benefits (without health care) and 4-10% with health care.³¹ Therefore, a higher direct impact on poverty reduction can be achieved.
- Moreover, it is easier to target the most vulnerable in their specific contexts: poverty varies, for instance, by location rural vs. urban etc, thus justifying geographic targeting.

However, **targeting** has its own costs and **disadvantages**:

- Means testing is both difficult and costly, especially in informal economies where households have a basket of coping strategies and incomes in cash and kind are intermingled, and always precarious.
- It does not guarantee protection from misappropriation of funds. There is potential for corruption: people often have to pay for scribes, agents, bribes, etc.
- Community-based identification of the poor is subject to stigmatisation, elite dominance, paternalism and the risk of errors of omission and over-coverage as strong as in government programmes. It can fracture social groups by splitting them into categories subject to differential treatment and cause serious tensions within and/or between communities. It loses support from the more affluent sections of society who are required to finance it.
- It may result in high barriers in access, and low quality. “Benefits meant exclusively for the poor often end up being poor benefits” – Amartya Sen.
- Administrative costs can be high. Verification of eligibility and information is time consuming and costly. It often implies complicated procedures and administrative costs that can be high and in general higher than for universalist approaches.
- Besides having a low coverage to begin with, sometimes the selection of beneficiaries becomes arbitrary. Targeting misses people, and sometimes the poorest:
 - The average targeted programme in sub-Saharan Africa transferred 8% less to poor individuals than a universal programme.

²⁹ Naila Kabeer, *Bridging the disconnect: Towards a 'generative model' of social protection*, p. 4

³⁰ The following discussion is based on many presentations and interventions, including Wasil Noor and Zalmi Allawdin, Government of Afghanistan, *Social protection strategy*, presentation at the Symposium – backing a targeted approach; Petra Hoelscher, UNICEF, *Who is protected by social protection?* presentation at the Symposium; Anna Pearson, HelpAge International, *Social Pensions and Intergenerational Benefits*, presentation at the Symposium – backing a universal approach; Brooks Dodge, *The challenges of social pensions in South Asia*, presentation at the Symposium; Isabel Ortiz, UN DESA, and Michael Cichon, ILO., *A global social floor*, presentation at the Symposium; Barbara Rohregger, GTZ, *Impact of CCTs on improving the situation of families and children*, presentation at the Symposium.

³¹ Isabel Ortiz, (UN DESA) and Michael Cichon (ILO), *A global social floor*, presentation at the Symposium, Barbara Rohregger, GTZ, *Impacts of CCTs on Improving the Situation of Families and Children*, presentation at the Symposium and Santosh Mehrotra, Planning Commission, Government of India, *Cost and Financing of a Social Insurance in India*, presentation at the Symposium

- Counter-evidence to “success stories”: in Brazil, in the Bolsa Escola scheme, reportedly 73% of the poor are not reached.
- Social protection measures sometimes address those close to the poverty line rather than the hardcore poor, as they are easier to reach, and perhaps also because one can report better results and higher progress on the MDGs if addressing the less poor among the poor, as a relatively intervention can have a larger impact.
- Unintended effects. Targeting may inadvertently give poor people the message that they may either need to “stay poor or lose out”, as they would lose access to benefits once they cross a poverty threshold. It could thus possibly have perverse effects, incentivising the poor to adjust their livelihood situation in order to meet the eligibility criteria for a targeted benefit (i.e. selling livestock, assets etc.).

The following **advantages of a universal approach** are typically part of the discourse:

- Universal approaches ensure a minimum standard of living for all people (or specific age groups).
- Universal approaches are not stigmatising.
- Universal approaches have simple administrative procedures and therefore good coverage and fewer inclusion and exclusion errors.
- Simple understanding of the scheme and benefits by beneficiaries.
- Universal approaches are more likely to have support in the general population than targeted approaches.
- Political and social cohesion and rights arguments:³²
 - Social protection can be a tool for social cohesion – to prevent ever larger socio-economic cleavages.
 - Social protection is a way to recognise that “every citizen makes a contribution to the reproduction of family, community and nation” and hence is entitled to social benefits.
 - Everyone is affected by universal vulnerability to poverty and deprivation, so coverage should also be universal - middle classes too are affected by crises.
 - Above all, social protection is a basic human right.

But there are, again, **counter-arguments**, such as:

- It is more expensive to ensure adequate levels of payments in the case of universal approaches as more people are covered than through a targeted approach.
- Families could become welfare-dependent.

Based on the above, universal approaches are preferred from a rights based approach, as well as administratively and technically. As universalism cannot be achieved in one effort, and while an incremental realisation of the right to social protection for all is being implemented, consensus could be reached that social protection measures should be child-sensitive and transformative in nature; be of an adequate level for them to be effective; that simple-non stigmatising procedures should be used; and that **tailor-made difference-based** approaches within universalism to address vertical and horizontal forms of exclusion (could be through a mix of universal and targeted benefits) could be pursued. Special efforts should, for example, be made to address social exclusion, for which categorical or geographical targeting could be envisaged as exceptions in this case. In addition, short and long-term measures in social protection should be pursued simultaneously and in combination.

Conditionality in social protection transfers

Conditionality and non-conditionality is a feature of one instrument of social protection – cash transfers. There are numerous examples of both **un-conditional and conditional cash transfers** implemented in many countries on large scale, the latter being linked to families’ behaviour change, i.e. conditional on children’s school attendance, training, health check-ups, etc. There is a **mix of evidence of their effectiveness**, and so no clear-cut case for or against conditionality can be made. However, remarkable successful stories are reported:

³² Kabeer 2008, p. 15

- Higher enrolment and longer school attendance duration in Mexico, Brazil, Colombia, Bangladesh, Nicaragua and Zambia.
- Reductions in poverty: by 12 percentage points in Mexico's Progresa/Oportunidades and Brazil's Bolsa.
- Increases in the use of preventive health care measures by children under five years of age by 47% in the same programmes.

As conditionalities continue reporting mixed results, one can argue for unconditional social transfers from a rights-based point of view, as well as from the point of view of simplicity of technical implementation. Conversely, there might be a case for "good conditionality" if it serves as a lever or a potential empowerment instrument of women or children and a trigger of change in behaviour and in power relationships within households or communities. When the conditionality makes sense – i.e. requires fulfilment of conditions for which preconditions are in place e.g. schools, teachers and teaching materials are available if the condition is to attend school, then the condition becomes **meaningful** and could have a significant empowering effect.

In this respect, the need for more impact assessments and evidence becomes obvious. Monitoring and evaluation of social protection programmes are essential to check the effectiveness and efficiency of the programmes, as well the appropriateness of conditions, and to ensure that the most vulnerable and socially excluded claim their rights and access social protection. Conditional transfers do not work in cases where the problem does not lie with the parents' behaviour but within the system itself, i.e. if there is a lack of service supply, barriers in access, discrimination, etc. Therefore, examining systemic features - from social structure e.g. social exclusion, discrimination, to institutional structures e.g. institutions, rules etc. is a prerequisite for designing universal and effective social protection. The issue of social exclusion – in particular along gender and age – and how social protection could address it, also needs to be examined.

Financing challenges

There is a call to fundamentally rethink financing strategies and financing advocacy for social protection, since financing social protection – affordability of social services and social protection - is ultimately a question of political and societal choices. Redistribution becomes an inherent concern in this exercise.

In the short term, affordability and sustainability are also a function of various forms of finance: - ODA, borrowing, as well as domestic resources through new forms of taxes. For example, India is using a supplement on income tax earmarked for education and considering a similar instrument to finance social protection; there is a new global financing facility which could be used for social protection. Fiscal space is defined by institutions, norms and practices as well as government priorities in each country – the share of GDP devoted to fiscal budget, and the share of fiscal budget devoted to social services and to social protection, varies largely across regions and countries.

Redistribution brings into discussion the issue of *sustainable financing*. How can a country ensure universality and unconditionality in the provision of social protection without jeopardising its fiscal and financial sustainability i.e. how to *responsibly increase fiscal space*? This is all the more pertinent in the context of the least developed countries of South Asia, where a significant majority of the population is engaged in the informal sector and *not directly* contributing into the fiscal system, and where the lowest tax/GDP ratios are registered, some closely or below the internationally accepted minimum of 15%.

Recent research by ILO and UNDESA shows that countries at the same level of economic development differ significantly in their social spending, and that ultimately the size of social protection systems depends on political attitudes, i.e. whether governments intend to reduce poverty and construct a society for all, expand internal markets and increase productivity, win electoral support or else. *Affordability* – which is predicated on societal acceptability of the ideals of justice and solidarity - is ultimately at the core of the social contract between governments and citizens, i.e. the extent to which a society as a whole is willing to redistribute through taxes and contributions.³³

³³ Isabel Ortiz, UNDESA, and Michael Cichon, ILO, *A global social floor*, presentation at the Symposium

The discussion of financing (the expansion of) social protection needs to be cast in the framework of *progressivity*³⁴ or *incrementalism*³⁵ rather than affordability and fiscal manageability. Research by ILO shows that a minimum package of social protection is in fact affordable at about 2-5% of GDP on average in developing countries. The objective is thus to *incrementally increase the fiscal space* for social protection which becomes available as GDP increases.³⁶ As UNICEF research shows, the rate of increase in social protection expenditure (along with social sector expenditure) has in many countries not kept pace with the rate of increase in GDP.³⁷ This is often portrayed as indicative either of the societal and government lax attitude to social issues or of the perceived notion that economic development will take care of social issues like employment, income-generating activities etc. and would inherently demote the requirement for social protection. It is also often presented as indicative of the poor negotiating capacity of social welfare ministries vis-à-vis the finance counterparts. These misconceptions need to be revisited.

The challenge rather could be presented as a quest for identifying innovative as well as socially and politically acceptable *sources of national and international financing for social protection*. Domestic resources exist and can be made available through budget reallocation, fighting tax evasion, reforming tax systems, etc. For instance, the extension of social security to unorganised sector workers in India examined various financing alternatives, one of which was considering a surcharge on income tax earmarked for the financing of the programme.³⁸ Another option was to consider product group/ trade based taxes with revenues earmarked for the same programme.³⁹

Domestic resources can also be identified within the social protection budget itself. Recent research by ADB shows that countries in South Asia have among the lowest social protection indices – a composite index including social protection expenditure, coverage, distribution and impact⁴⁰ – which reveals the need to eliminate bottlenecks and inefficiencies in the financing mechanism itself. Hard and often unpopular political choices need to be made, which often hinge on considerations of trade-offs.

International sources for financing social protection also exist, such as increased official development assistance, new instruments such as SWAPs and direct budget support, global welfare funds, trust funds, new international taxes, agencies, and tax cooperation, to name just a few.⁴¹

'Trade-offs' prominently feature in almost any analyses of systems of financing social protection. Among these is the perceived trade-off between productive and seemingly unproductive or rather long-term-return investments of the social protection transfer type, as well as between social transfers and essential social expenditures such as health and education. Regarding the former, UNICEF research shows that social protection expenditures positively correlate with GDP growth⁴², i.e. social transfers actually increase the ability of the poor to spend and thus boost internal demand and markets.⁴³ Social transfers also increase their ability to engage in higher-risk economic activity, and thus can contribute to production. This way, social protection can be viewed as an investment into production rather than simply protection of consumption.⁴⁴ Regarding the trade-off between health and education vs. social protection investments, they are complementary and social transfers could enable the poor to access basic social services or even contribute to accelerating their enhancement and improve scale economies through greater demand and use.

One trade-off which is of special interest to UNICEF is whether present social protection commitments (e.g. old-age pensions) create dependencies and future liabilities that might be unmanageable or unsustainable in the long-run and thus made at the expense of for instance investments into the future labour force (e.g. child benefits). This is a valid concern, however, for the developing world as a whole, this does not hold, because research shows that over the period 1950-2050, the old-age and young age

³⁴ Isabel Ortiz, UNDESA, and Michael Cichon, ILO, *A global social floor*, presentation at the Symposium

³⁵ Naila Kabeer, IDS, *Bridging the disconnect: towards a 'generative model' of social protection*, keynote address at the Symposium

³⁶ Isabel Ortiz, UNDESA, and Michael Cichon, ILO, *A global social floor*, presentation at the Symposium

³⁷ Gabriele Köhler and Annirudha Bonnerjee, presentation at the Symposium

³⁸ Santosh Mehrotra, Government of India, *Costs and financing of a social insurance in India*, presentation at the Symposium

³⁹ Santosh Mehrotra, Government of India, *Costs and financing of a social insurance in India*, presentation at the Symposium

⁴⁰ Axel Weber, presentation at the Symposium

⁴¹ Isabel Ortiz, UNDESA, and Michael Cichon, ILO, *A global social floor*, presentation at the Symposium

⁴² Gabriele Köhler and Annirudha Bonnerjee, UNICEF, *Financing social protection expenditure: some consideration for social protection funding*, presentation at the Symposium

⁴³ Isabel Ortiz, UNDESA, and Michael Cichon, ILO, *A global social floor*, presentation at the Symposium

⁴⁴ Bimal Wagle, Government of Nepal, *Social protection financing in Nepal* presentation at the Symposium

dependency ratios will have cancelled each other out, with former going up and the latter going down and thus maintaining the system in balance.⁴⁵

For the individual regions, such as South Asia, the above argument does not hold either because the child and youth population has been growing at an unprecedented pace, with the child population under 18 reaching 40% in South Asia in 2006, which is among the largest shares worldwide, and the old age groups yet lagging behind. Children and youth are and will continue to be an important constituency of the 'social investment approach' for the years to come.⁴⁶ Therefore, innovations in social protection that particularly address the situation of families with children and of children themselves need to be promoted. The basic principles and how this could be achieved through examining the potential of building blocks, integrated approaches, and design features is presented below.

PART THREE – Emerging policy ideas and moving towards transformative social protection

The Regional Policy-Makers' Symposium on Social Protection discussed notions of generative and transformative social protection,⁴⁷ defined as "... containing the seeds of future change, the potential to *generate* increased productivity, develop human capital and capabilities and to build voice, agency and citizenship among marginalised groups... provide the preconditions to build linkages to economic growth, human development and good governance. And generating its own fiscal space by reducing future expenditure and adding to future GNP." (Kabeer p 20). In this sense, social protection is a critical element cutting across all other social sectors – i.e. empowering beneficiaries to access all other social services - , as advocated for by DFID in its recent White Paper.⁴⁸

Emerging social protection "principles" and practices

Some of the discussions converged towards a consensus along the following lines:

1. A shift towards universalising social protection, even if gradually or incrementally, as institutions and resources permit.
2. The need for a "institutionalised system of social protection in place of current ad hoc strategies".⁴⁹
3. The case for a citizens' or social compact for social protection, seizing opportunities from economic growth and political change in South Asia.
4. The need for strategies to ensure inclusiveness in social protection.
5. The case for a "generative" or transformative social protection model, centrally incorporating voice.
6. The concept of 'additionality' of social protection: social protection must not displace existing public services in health, education and water and sanitation but instead be additional and complementary – one might speak of 4 essential public goods or services – health, education, water and sanitation and social protection; or 5 if one includes basic care services.
7. Building on the global social floor idea, a tri-fold approach is emerging, combining:
 - Enhanced, inclusive social services delivery (education, health, water and sanitation, etc.)
 - Minimum income guarantees in the form of cash transfers to individuals / households, and
 - Provision of trained and salaried care services by government or the non-profit sector.

The latter idea builds on experiences in South Africa⁵⁰ and discussions in India, linking social protection, employment and the care economy. Public employment works could be expanded in ways in which they could contribute to strengthening social services while also guaranteeing pay to women engaged in the care of children, for instance. Public employment works could strengthen components focused on expanding social service facilities - building schools, health centres, daycare centres -, in addition to building economic infrastructure such as irrigation dykes or roads. Moreover, more employment could be created to provide paid child care services at the work sites or better at dedicated daycare centres. This

⁴⁵ Isabel Ortiz, UNDESA, *Financial social policy: International sources of finance*, presentation at the Symposium

⁴⁶ Sharah Razavi, UNRISD, *Social protection, paid work and the care economy*, presentation at the Symposium

⁴⁷ "A "generative" model of social protection includes the possibility of transformative change but allows for impacts that fall short of it but may provide the preconditions to build linkages to economic growth, human development and good governance." Naila Kabeer, *Bridging the disconnect: Towards a 'generative model' of social protection*, p. 17

⁴⁸ Rahul Malhotra and Rebecca Calder, DFID, *Social protection in DFID*, presentation at the Symposium

⁴⁹ Kabeer, 2008, p 20

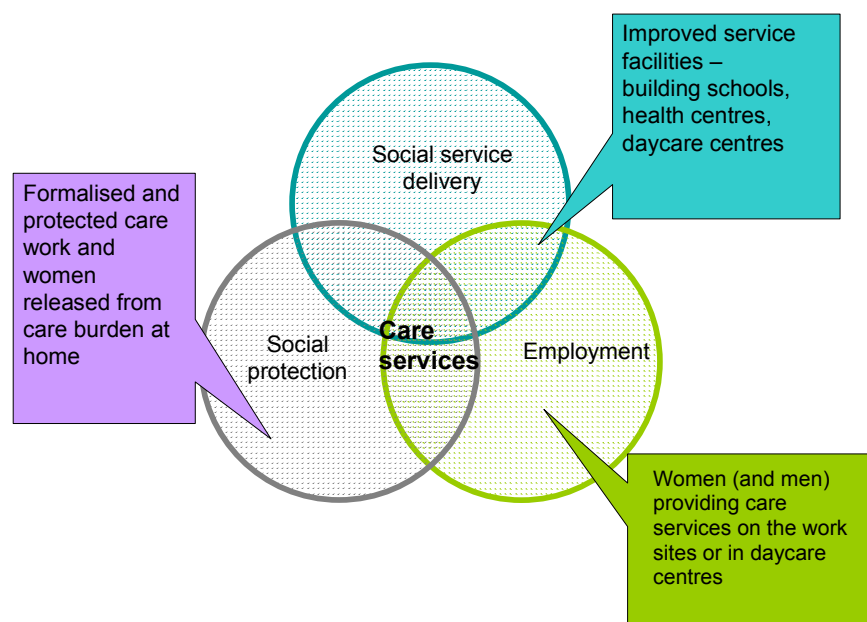
⁵⁰ Gabriele Koehler, UNICEF, and Sharah Razavi, UNRISD, remarks at the Symposium

could help release the women seeking formal sector employment from their care responsibilities burden at home, and at the same time create (relatively) decent work which would build on their well-established skills.⁵¹

While empowering women economically through participation in the labour market, and raising their overall social status by enabling them to reach a balance in their productive, reproductive and community participation roles, such an approach also contributes to strengthening child protection and care.⁵² However, caution must be exercised by policy makers and communities alike to not cement existing discrimination of women and labour market segmentation.

Formalising and protecting care work this way could contribute to expanding coverage of social protection mechanisms to some of the most vulnerable and difficult to reach occupations, as well as shift the social value of paid care provision as care workers benefit from better pay and better social protection, while those who need care benefit from better quality care. It could strengthen the rights approach to social protection benefits, so as to avoid a situation where mothers and other women and girls in the household are expected to provide the unpaid and often additional efforts are needed to ensure that the conditions of cash transfers – health check-ups, purchase of nutritious food etc. - are fulfilled.⁵³ This could be a fourth generation of social policy – embracing social services delivery, social protection, and employment, with the care economy as one of the “bridges”.(see Diagramme)

Diagramme: Care services as a temporary bridge between social service delivery, social protection and employment.



Source: UNICEF ROSA 2008

Towards child-sensitive social protection systems

The next step might revolve around developing a notion of child-sensitive social protection which emphasises the key rights and development needs of children. ‘Child-sensitivity’ in social protection strikes as a new concept, although it features as an objective in many social protection strategies, both in developed and developing countries. Child-sensitive social protection may incorporate a set of principles such as:

- Addresses the age and gender specific risks and vulnerabilities of children

⁵¹ Gabriele Koehler, UNICEF, remarks at the Symposium

⁵² Gabriele Koehler, UNICEF, remarks at the Symposium

⁵³ Sarah Razavi, UNRISD, *Social protection, paid work and the care economy*, presentation at the Symposium

- Intervenes as early as possible where children are at risk, in order to prevent irreversible impairment or harm to children
- Recognises that families raising children need support to ensure equal opportunity for children and to ease the childcare-work dichotomy for parents/caregivers.
- Makes special provision to reach children who are most vulnerable and excluded, including children without parental care, as well as children who are marginalised within their families or communities due to their gender, disability, ethnicity or other factors.⁵⁴

Ultimately, child-sensitive social protection would mitigate the effects of poverty on families, strengthen families in their childcare roles, and enhance access to basic services for the poorest and marginalised, as well as be responsive to children who are at risk by virtue of living outside a family environment, as well as to those who suffer from abuse and discrimination at home.⁵⁵

The reasons for focusing on children when designing and evaluating the impact of social protection are compelling⁵⁶:

- Children comprise the largest proportion of the population in all developing countries; with the youngest populations often in the poorest countries.
- Across the globe, children are over-represented among the poor.
- By virtue of their age and status in society, children are practically and legally less able to claim their rights.
- The impact of this exclusion is intensified for children from marginalised communities, and those who are additionally excluded due to gender, disability or other factors.
- Chronic poverty, social exclusion and external shocks in childhood irreversibly affect children's lifetime capacities and opportunities.

Why would child-sensitive social protection be essential for South Asia?

There are at least three main reasons to introduce child-sensitive social protection.

- First, children account for 41% of the total population, and in absolute terms, they represent almost a quarter of the world's children. Realising their rights and ensuring their protection is a *sine qua non* of successful socio-economic development in the region.
- Second, around 300 million – some 54% of all children in South Asia - live in absolute poverty.¹ Moreover, inequality and disparities have been increasing across the various socio-economic development sectors, with children suffering the most. There are large gaps and disparities in children development outcomes based on location, gender, age, ethnicity, religion, etc. The poverty and exclusion that the children in these disadvantaged groups suffer often result in irreversible damage to their wellbeing. Effective social protection mechanisms could assist in closing the gaps and equalising access to the opportunities available to children, as well as prevent possible damage to their development. Much evidence suggests that the most direct and effective means of reducing poverty is through social protection measures. For instance, in OECD countries child benefits have reduced child poverty by over 50%.
- Third and most significantly, economic growth alone is not sufficient to achieve poverty reduction, and ensure adequate standards of living for all, as the experience of both developing and developed countries has amply demonstrated throughout the last century. Redistribution based on a concept of solidarity, social justice, and social cohesion is essential to achieving better living standards for all. In South Asia, this approach is most timely, as it would support the struggle to exit existing patterns of exploitative economic relations, as evidenced by the phenomenon of the working poor, child labour, feminisation of subsistence agriculture etc. Addressing the situation of these groups through social protection would have significant implications for the wellbeing of children in South Asia.

⁵⁴ See Unicef, 2008 Advancing Child Sensitive Social Protection. Joint Statement of Governments, International Organisations and Research Bodies concerned with Social Development and Child Rights. Draft June 2008

⁵⁵ UNICEF, Policy, Advocacy and Partnerships for Children's Rights. Thematic Report 2007, NY, p. 11

⁵⁶ See Unicef, 2008 op cit

In a “minimalist” approach, child-sensitive social protection would privilege actions that cater to and directly address the rights of children and

- ❖ Directly address child poverty, by making available special services for children in or outside a family environment who live in poverty
- ❖ Ensure that those social protection measures that target adults or parents directly contribute to improving the situation of children in those families. For instance, introducing social protection for low income groups and the unorganised sector could have direct effects on the situation of children in those families such as reducing child malnutrition; improving access to health and medication; improving child attendance in school; and reducing reliance on child labour for essential income support.

In a “maximalist” approach, child sensitive social protection systems would be a product of generative or transformative social policy: they would embrace strategies to structurally redress adult poverty, which impinges on the capability of families to provide for their children. Elements which might prove pivotal to child sensitive social protection in South Asia are:

- ❖ An emphasis on participatory design and a built-in right to claim social protection and critique delivery, and build capabilities, thus embracing the idea of generative social protection.
- ❖ The idea of *portability of rights*, including the right to social protection, within each member state and at a later stage across the region, so as to ensure that no family and child (including migrants) is left behind mainstream social protection and development efforts.⁵⁷
- ❖ An emphasis on social change – thus embracing the notion of social transformation and overcoming the intergenerational transmission of poverty.

⁵⁷ Daniel Toole. Unicef, and Hassan Shifau, SAARC, remarks at the Symposium