

The purpose of these *Key Sheets* is to provide decision-makers with an easy and up-to-date point of reference on issues relating to the provision of support for sustainable livelihoods.

The sheets are designed for those who are managing change and who are concerned to make well-informed implementation decisions. They aim to distil theoretical debate and field experience so that it becomes easily accessible and useful across a range of situations. Their purpose is to assist in the process of decision-making rather than to provide definitive answers.

The sheets address three broad sets of issues:

- Service Delivery
- Resource Management
- Policy Planning and Implementation

A list of contact details for organisations is provided for each sub-series.

Even poor countries aim to ensure minimum standards of livelihood for their citizens. While broad-based social security programmes are confined mainly to developed and transition economies, two-thirds of the Highly-Indebted Poor Countries with Poverty Reduction Strategy documents explicitly include measures which could be seen as safety-nets for the vulnerable. Social protection (SP) covers this broad territory.

Definitions (see below) vary, but generally draw on the World Bank's emphasis on risk management, see it as focusing on particularly vulnerable groups, and connect it with public, or at least social action. This *Key sheet* focuses on policies and actions immediately protecting and promoting livelihoods (such as employment schemes, pensions, disability allowances, nutrition programmes), rather than investments in human capital through basic services.

SP has a double-edged relationship with economic growth. The faster an economy grows, the easier it is to allocate resources to SP. But faster growth can also mean stronger negative impacts on those who cannot benefit from growth. Globalisation, and associated economic volatility have pushed donor agencies to seek new SP policies and interventions to reduce the vulnerability of losers in such contexts. Some see SP, when combined with rights-based perspectives, as an improvement on earlier 'safety net' measures, which were accused of evading analysis of the structural causes of poverty and vulnerability.

Definitions of social protection

- *'The public actions taken in response to levels of vulnerability, risk and deprivation which are deemed socially unacceptable in a given polity or society'* (Conway et al.).
- *'Policies and practices intended to protect and promote the livelihoods and welfare of people who have lost out, or stand to lose out in processes of social and economic change and development'* (Marcus and Wilkinson).

Overview of the debate

Different policy stances on SP often relate closely to understanding of where its boundaries should be set. At its broadest, SP can be seen as a dimension of all social policy or development interventions. Many see all 'social' services (for instance health, education, water supply), or all 'community-driven development' (exemplified by World Bank-supported Social Funds) as part of the prevention, if not actually the mitigation, of risk. But even in narrower definitions, there are fundamental questions:

- Who should be protected: the destitute, the declining poor or the coping poor, tomorrow's poor, or anyone at a vulnerable point in their life-cycle?
- What sort of risks should be mitigated: disasters, economic shocks, economic and social change, conflict?
- Who is responsible for protection: only the state, also the non-profit sector, civil society generally, or even the immediate non-poor? There is concern that government intervention may destroy existing (often informal) mechanisms, or undermine economic development ('crowding out' productive investment).
- Should social protection primarily be aimed at livelihood protection or livelihood promotion (safety-net or springboard)?
- Should even the poorest countries be aiming at maximising coverage with a universalist (European) approach, or is the residualist (North American) model the only sustainable answer?
- Where the decision is to ration SP to particular groups, how can it best be delivered in the face of (often severe) implementation constraints?
- Should SP be limited to national level? What about international measures in a world where globalisation has brought new vulnerabilities?

Key issues in decision making

Decisions on SP measures will depend on political priorities, economic and social histories, philosophy of progress, and of course resources and capacities to deliver. Recently, there has been interest in explicit linkages with human rights, given that a number of international documents recognise the right to livelihood security.

- Europe has a long history of 'universal' social protection provided by the state, through formal channels, with employment insurance, pensions and health insurance. Aside from arguments about affordability in developing or transition countries, these do not all work well to protect the poor in the informal economy.
- There is a spectrum of commitment to such measures, but few agencies or national governments in the poorest countries regard widespread provision as a priority. They prefer to focus on economic growth, with social protection measures 'targeting' resource transfers to a restricted proportion of the population, and often in response to particular shocks.
- Many national poverty-reduction strategies and plans emphasise SP measures as an area for investment. Typical are measures to increase employment, and income supplements to vulnerable groups. However, there is normally also reference to fiscal tightness. Social protection is not integrated into growth strategies.
- Strategic choices among alternative routes to SP will reflect the balance struck between maintaining the most vulnerable at an acceptable level during shocks (*livelihood protection*), enhancing the capacity of the vulnerable to help themselves out of poverty (*livelihood promotion*), or on addressing the root causes of vulnerability, such as unequal access to livelihood resources. Some choices revive old debates about the priorities of relief as opposed to development.



Experience

- Bangladesh
- Ethiopia
- India
- Malawi
- Vietnam

Expertise

- InterAmerican Development Bank, www.iadb.org/exr/topics/poverty.htm
- International Labour Organisation, www.ilo.org/public/english/protection/
- International Social Security Association, www.issa.int
- Overseas Development Institute, www.odi.org.uk/pppg/
- STAKES, Globalism and Social Policy Programme, Finland, www.stakes.fi/gaspp
- University of Sussex, Institute for Development Studies, www.ids.ac.uk/ids/pvty/
- World Bank, www.worldbank.org/sp

- Livelihoods approaches have concentrated on the second route (enhancing capacity), and most of the recent literature has endorsed this, with metaphors shifting from 'safety-nets' and 'ropes' to 'springboards' – building on the assets of the poor, and avoiding creating dependency. The combination of livelihoods and rights approaches argues powerfully for amending growth-focused strategies to include more SP.

Livelihoods approaches also aim to build on existing mechanisms, whether of informal social protection, the role of the non-profit sector and even now the private sector. There is a perennial debate on whether measures such as food aid or employment-creation schemes 'crowd out' production-focused investment. After the Asian financial crisis, some observers noted the damage to informal SP mechanisms caused by unsustainable formal mechanisms. Others argue that the widespread NGO provision of micro-credit at interest in Bangladesh has undermined the traditional *dhar* system of free loans – now even the family charges interest.

The World Bank, in particular, has supported efforts to involve the private sector, for instance in supplying in-kind benefits through normal retail outlets. It is widely accepted that design of interventions needs to take account of impacts on the market.

Most SP measures in poorer countries are rationed (targeted) to the poor. Identifying and delivering to categories of the poor which are fluid and mobile is difficult. However, some general lessons are emerging:

- Ways to determine efficiency of resource transfer (the ratio of benefits to costs) now exist. Administrative targeting is expected to raise costs, but in Latin American programmes this added only 8% (Devereux).
- Cost-benefit ratio measures do not always analyse leakage potential. In India, pensions transfer small individual sums, and have a better record than housing schemes, which transfer larger amounts (Nayak).
- Such measures need to account for costs which can be offset by additional benefits, such as the creation of physical assets (through public works schemes) or enhancements to other assets – social, natural or financial.
- There are also decisions on the form of transfer. In employment schemes, for instance, men may prefer cash, while women may prefer food or inputs (this also may depend on the season). Food aid may entail risks resulting from a supply-led orientation.
- Setting benefits at such low levels (or at such high costs of time) helps ensure that the poor self-select: the non-poor will not make the effort. This also avoids driving up wages for casual labour.
- No matter what form SP takes, there is always a risk of introducing measures inappropriate to the intended recipients. This can be minimised when SP strategies are based on participatory planning, responding to the priorities of the vulnerable, and building on their own assets.

Social protection in the next decade International finance institutions are likely to continue to emphasise SP in the context of growth. The ILO and other multilaterals will be among those linking rights and livelihoods, as they start to engage with setting normative standards in informal contexts. There will be demand for a more systematic international approach. Overlap with disaster mitigation will continue, with increasing vulnerabilities resulting from climate change, demographic shifts (ageing, AIDS), globalisation and other processes.

Key literature

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Key Sheets are available on the Internet at www.keysheets.org



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