

## Agency Positions on Social Protection

### Introduction

Social protection emerged as a significant strand of development policy in the 1990s, out of the ‘social safety nets’ that dominated government and agency responses to socioeconomic crises such as HIV and AIDS, structural adjustment programmes, political transitions in former socialist countries, and the Asian financial crisis. Poor people across the world have no insurance against such shocks, nor against natural disasters that threaten their lives and livelihoods, and they have no access to savings, unemployment benefits or pensions when they retire. Social protection therefore evolved as a mechanism for alleviating poverty and assisting people to survive life-cycle and livelihood shocks.

Development partners – bilateral donors and multilateral agencies, including United Nations agencies and multilateral financial institutions – have engaged with social protection at different times and in different ways. Because social protection is a cross-sectoral issue – like food security rather than, say, education – and because it is still evolving, different agencies have applied different emphases and sometimes their own definitions, that tend to reflect each agency’s mandate. For instance, as will be seen, the World Bank focuses on social protection as a means of reducing poverty and enhancing pro-poor economic growth, UNICEF sees it as a tool for achieving child wellbeing and children’s rights, while the ILO emphasises extending social security coverage to all.

This Briefing Paper summarises the position of several key development partners in terms of their thinking and practice on social protection. The discourse was initially dominated by the World Bank, followed by other UN agencies, notably the United Nations Children’s Fund (UNICEF) and the International Labour Organisation (ILO), while the Food and Agriculture Organisation (FAO) and the World Food Programme (WFP) came later to this topic. Two other important multilateral actors are the European Union (EU) and the Organisation for Economic Cooperation and Development (OECD). Among bilateral donor agencies, the UK Department for International Development (DFID) was most influential in the early 2000s, while other bilaterals that have sponsored social protection include the governments of Australia, Germany and Ireland. These eleven actors are discussed below.

### 1. World Bank

The World Bank’s engagement with social protection started with its support for social

safety nets in the 1980s, which included labour-intensive public works for the working poor and targeted transfers of cash or food to vulnerable groups who were unable to work, such as older people and persons with disability. In the early 2000s, the World Bank's 'Social Risk Management' approach was the first coherent conceptual framework for social protection. It focused on identifying the risks that people face (classified as natural, economic, social, political, etc.) and the appropriate policy instruments that could assist people to either reduce, manage, or cope with these risks. Assistance could be provided either informally (e.g. remittances from extended families), through the market (e.g. private insurance), or by the state (e.g. social welfare). In 2012 the World Bank launched its 'Social Protection and Labor Strategy', which emphasised three objectives for social protection: (1) improve resilience against shocks; (2) improve equity by reducing poverty and promoting equality of opportunities; and (3) promote opportunity by building human capital, assets, and access to jobs. The World Bank regards social protection as a poverty reduction tool rather than as a human right, which explains why it consistently links social protection to labour markets and pro-poor employment. The World Bank has strong preferences for certain social protection instruments (e.g. conditional cash transfers) and against others (e.g. subsidies). It is extremely influential and its technical advice dominates the national social protection agenda in numerous countries across Latin America, Africa and Asia.

## 2. UNICEF

UNICEF's approach to social protection reflects its focus on vulnerable children and its mandate to promote the Convention on the Rights of the Child (CRC). In 2009 UNICEF worked with other agencies to produce a 'Joint Statement on Child-Sensitive Social Protection'. In 2012 UNICEF published its 'Social Protection Strategic Framework', which argues for moving beyond social protection projects towards building inclusive social protection systems, including civil registries, management information systems (MIS) and monitoring and evaluation (M&E) of social transfer programmes. In practice, UNICEF often advocates for unconditional child grants to meet children's needs for food and nutrition security, education and other basic needs, and to eradicate child labour – either as stand-alone social transfer projects or as one component of a holistic social protection system. UNICEF favours a rights-based approach, using social protection to ensure universal access to education, maternal and child health and other social services. UNICEF also supports capacity building of national government staff and has invested in strengthening the capacity of its own global, regional and national staff in social protection. UNICEF has widespread field presence worldwide, and is currently supporting social protection in over 100 countries.

## 3. ILO

The International Labour Organisation (ILO) has contributed to social protection in many ways, initially by its advocacy for the Social Security (Minimum Standards) Convention (No. 102) in 1952, then by its efforts to extend social security coverage beyond formally employed workers to informal workers, then by encouraging governments and employers to apply 'decent work' standards that include access to employment-related social protection, and recently by leading the adoption of Recommendation No. 202 on National Social Protection Floors by the International Labour Conference in 2012. A social protection floor includes four 'guarantees': universal access to health care, and income security for children, working age adults and older persons. The ILO has a unique structure as a tripartite agency with government, employer, and worker representatives, which explains its mandated focus on contributory social security

schemes such as provident funds. However, the ILO pursues a rights-based advocacy approach that sees social protection as an issue of human rights and social justice. This also inspired its partnership with the World Bank to launch a joint 'Universal Social Protection Initiative' in 2015, which asserts that: "Anyone who needs social protection should be able to access it."

#### 4. FAO

The Food and Agriculture Organisation (FAO) has only recently come to the social protection agenda, and is now taking up its mandated role of ensuring that social protection strengthens its linkages to food security and nutrition. FAO has traditionally focused on achieving food security at household and national levels, by raising and stabilising foodcrop production. FAO's target groups are poor rural people with natural resource-dependent livelihoods, mainly smallholder farmers, (agro-) pastoralists and artisanal fisherfolk. Many activities that FAO has supported for decades can be classified as social protection interventions, such as food subsidies, strategic grain reserve management, crop insurance, and food price stabilisation measures. FAO established a new Social Protection Division in 2012, and is now finalising a 'Social Protection Framework' that advocates for realising the rights to food and to social protection. FAO has representations in over 70 countries and regional offices in Africa, Asia and the Pacific, Europe and Central Asia, Latin America and the Caribbean, and the Near East and North Africa. However, it operates more as a centralised technical agency rather than a decentralised operational agency. Because of its limited in-country presence and lack of expertise in social protection, FAO has not been a strong voice in social protection policy debates at either national or global level, but this situation is changing.

#### 5. WFP

The World Food Programme (WFP) is primarily known as a humanitarian relief agency with a focus on emergencies and short-term safety nets, rather than longer-term or developmental social protection programming. But WFP has run public works and school feeding programmes – both mainstream social protection instruments – for decades, and its engagement in Protracted Relief and Recovery Operations (PRRO) and in 'linking relief and development' initiatives mean that WFP does have a contribution to make to social protection thinking and practice. Like FAO, WFP has a mandate to focus on food security and nutrition, though usually through measures that address temporary rather than structural food deficits. In a 2012 paper updating its policy on safety nets, WFP argued that it performs a "critical role in social protection through safety nets as they relate to food assistance for food and nutrition security". In recent years WFP has shifted from delivering food aid towards delivering 'food assistance' – which includes vouchers and cash transfers – in emergency as well as non-emergency contexts. WFP has also increased its portfolio of developmental interventions, which includes offering technical assistance towards strengthening national social protection institutions and systems. One challenge that WFP faces is that it is still perceived as a humanitarian agency that delivers food aid, which also presents challenges in raising financial support for its social protection activities.

#### 6. EU

The European Union (EU) recognises the importance of social protection as a means to achieve inclusive development, by increasing access to public services; providing risk management tools; stabilising income; reducing inequality, promoting social include

sion and cohesion; and providing inter-generational equity. However, the EU does not adhere to a single definition or conceptual framework for social protection. One unique feature of the EU's approach is that it differentiates between appropriate social protection interventions in high-income, middle-income and low-income countries. High-income welfare states are committed to providing universal access to social assistance and social insurance against life-cycle risks. But in recent years they have faced challenges relating to affordability and sustainability, triggered by an ageing population and financial crisis, which has caused European governments to introduce austerity measures that include cutbacks in their social protection provisions. Middle-income countries face challenges in terms of making existing social assistance programmes more efficient, and in extending the coverage of contributory social security schemes beyond formal economy workers in the private and public sectors. Low-income countries have limited social protection systems, due to the high degree of informality in labour markets, a small fiscal base, weak public institutions and dependence on donors. This has resulted in a proliferation of donor-funded social protection projects that are not sustainable and not well coordinated. The EU is committed to supporting nationally-owned social protection policies, and to working with civil society and the private sector as well as the government in its partner countries.

## 7. OECD

Since the early 2000s the Organisation for Economic Cooperation and Development (OECD) has promoted an instrumentalist approach to social protection, which it sees as a powerful tool towards achieving pro-poor economic growth and the Millennium Development Goal on poverty reduction. This position was articulated in a 2009 'Policy Guidance Note' from the OECD DAC Network on Poverty Reduction (POVNET) titled 'Social Protection, Poverty Reduction and Pro-Poor Growth'. More recently, the OECD has focused on resilience and climate change, and on linkages from social protection to both agendas. With a mandate to maximise global economic growth while maintaining financial stability, the OECD does not favour a rights-based approach to social protection. Instead, it makes the case for cash transfers as an investment in agricultural production and rural livelihoods. The OECD does not have in-country operational capacity; instead it aims to influence thinking by producing policy papers that disseminate ideas and lessons from international best practice.

## 8. DFID

The UK Department for International Development (DFID) was highly influential in social protection thinking globally in the early 2000s, when it argued for cash transfers to replace food aid, and financed the design, implementation and evaluation of pilot projects testing different approaches to targeting and delivering social cash transfers. This financial and technical support continues, including to large-scale social protection programmes such as the Chars Livelihood Programme (CLP) in Bangladesh, the Productive Safety Net Programme (PSNP) in Ethiopia, the Livelihood Empowerment Against Poverty (LEAP) programme in Ghana, and the Hunger Safety Net Programme (HSNP) in Kenya. DFID has also pioneered innovative cash transfer payment modalities, such as using mobile phones and smartcards. DFID believes in building the evidence base for social protection and in demonstrating its value for money (VfM). DFID's work in social protection has been most influential in sub-Saharan Africa and South Asia. DFID typically favours programmes that target the poorest 10% or 20% in rural areas and aim to 'graduate' working people out of extreme poverty. Often these programmes involve a labour requirement (i.e. labour-intensive public works), they

linked to microfinance and they are time-bound – participants are expected to ‘exit’ the programme into self-reliant livelihoods after some time – rather than being rights-based and providing permanent support.

## 9. Australia

The Australian development assistance agency, popularly known as AusAid, is located within the Department of Foreign Affairs and Trade (DFAT). Because of its geographical location and its historical, economic and cultural linkages in the region, AusAid has concentrated its development assistance in countries in South and Southeast Asia and the South Pacific – notably Indonesia, Bangladesh, the Philippines, Laos and Timor-Leste. Social protection is one priority area among several for Australian aid, linked to building resilience, humanitarian assistance and disaster risk reduction, and it is seen as an instrument for poverty reduction and inclusive economic growth. For instance, cash transfers are supported because “transfers help unlock the economic potential of the poorest”. In the mid-2000s AusAid established a panel of global experts in social protection to provide technical advice to its own staff and relevant officials in partner governments. This initiative evolved into the Social Protection Hub in 2014, which has generated technical publications (e.g. on targeting, gender, and nutrition) and ‘knowledge collaboration events’ that have influenced global social protection thinking.

## 10. Germany

The Federal Republic of Germany launched its ‘Sector Strategy on Social Protection’ in 2009. This strategy adopts a rights-based approach, asserting that “Social security is a human right”. However, it also recognises that social and economic goals can be complementary rather than mutually exclusive, by explaining how social protection can contribute to poverty reduction and growth as well as realising human rights. This strategy focuses on protecting against life-cycle risks; creating inclusive social protection systems; improving their efficiency, quality and financial sustainability; and achieving social justice outcomes. Three major challenges are identified: access (extending coverage), redistributive justice (reaching the poorest), and securing adequate financing. German development cooperation has a reputation for supporting social protection instruments such as social health protection and micro-insurance schemes. Like other bilateral agencies, Germany supports social protection systems in developing countries mainly by cooperating with other bilateral donors and with multilateral organisations such as the EU, the United Nations and the World Bank.

## 11. Ireland

The Republic of Ireland’s development assistance agency, known as Irish Aid, is located within the Department of Foreign Affairs and Trade (DFAT). Until recently, Ireland was a ‘cheque-book donor’ in the social protection sector, providing financial support to social protection initiatives as a member of development partner groups in key partner countries, and enabling international NGOs to engage in direct implementation of social protection programmes, but not leading policy debates. In 2014, however, Irish Aid decided to invest in strengthening the technical capacity of its staff at headquarters and in-country, and it initiated a process of developing its own social protection strategy. The strategy is aligned with Ireland’s Policy for International Development, ‘One World, One Future’ of 2013. Irish Aid has always had a specific focus on ending hunger, and its development policy also focuses on reducing inequality, building resilience and

inclusive economic growth. Social protection is seen as a means of achieving all these objectives.

### Conclusion

Two approaches characterise the agency approaches reviewed here. Either social protection is seen as a human right that should be universally accessible to all who need it (e.g. ILO, UNICEF, Germany), or it is seen as an instrument for achieving other development objectives such as poverty reduction and pro-poor economic growth (e.g. World Bank, OECD, Australia).

Multilateral agencies tend to be driven by mandates that determine their technical capacity and their ideological approaches to social protection. The evolution of social protection policy and practice in aid-receiving countries has reflected the dominance of influential agencies such as the World Bank (which prioritises poverty reduction), UNICEF (child rights) and the ILO (extending social security).

Bilateral agencies face the risk of changing domestic political regimes, which makes them unable to commit to financial support or even a consistent policy approach beyond a single electoral cycle – typically 4–5 years. With the possible exception of DFID, bilateral agencies tend to provide financial support to social protection policy formulation and implementation, rather than technical inputs and policy advice. However, as social protection has become a dominant feature of development policy, so bilateral agencies have invested in strengthening their internal technical expertise and many are developing their own social protection strategies.

In the coming years, agencies are likely to shift their attention to aspects of social protection that have been relatively neglected to date. These include: (1) social protection as a response to urban poverty and vulnerability; (2) strengthening the linkages between social protection and other social sectors (education, health, social services) as well as economic sectors (agriculture, labour, trade); (3) linkages between humanitarian responses to emergencies or in ‘fragile states’ and long-term social protection.

On the last point, contingency funds are being built into social protection programmes that will make them ‘shock-responsive’ and give them ‘surge capacity’ – the ability to scale up rapidly during a crisis, either by bringing in additional beneficiaries or by increasing support to existing participants. This is one of many areas where more financial and technical support from development partners is needed.

## Key Documents

- Australia:** Department of Foreign Affairs and Trade (DFAT) (2014), Australian aid: promoting prosperity, reducing poverty, enhancing stability.
- EU:** European Union (2012), Social Protection in European Union Development Cooperation.
- FAO:** Food and Agriculture Organisation (2015), Social Protection Framework (draft, 27 March).
- Germany:** Federal Republic of Germany (2009), Sector Strategy on Social Protection.
- Ireland:** Government of Ireland (2013), 'One World, One Future': Ireland's Policy for International Development.
- ILO:** International Labour Office (2014), World Social Protection Report 2014/15: Building economic recovery, inclusive development and social justice.
- OECD:** Organisation for Economic Cooperation and Development (2009), Social Protection, Poverty Reduction and Pro-Poor Growth: Policy Guidance Note.
- UNICEF:** United Nations Children's Fund (2012), Social Protection Strategic Framework: Integrated Social Protection Systems.
- UK:** Department for International Development (DFID) (2011), Cash Transfers Evidence Paper.
- WB:** World Bank (2012), Social Protection and Labor Strategy 2012–2022: Resilience, Equity, and Opportunity.
- WFP:** World Food Programme (2012), Update of Safety Nets Policy: The role of food assistance in social protection.

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This Collaboration between SDC and the Institute of Development Studies explores how poverty relates to politics and power. It is supporting SDC staff in improving the quality and effectiveness of SDC processes and operations focused on poverty. The Collaboration uses an 'organisational learning and change' approach to accompanying SDC activities, which is reflective, demand-based and rooted in the realities of SDC's work. It runs until December 2017.

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