NOTE 2

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Building Resilience, Equity and Opportunity in Myanmar: The Role of Social Protection

Framework for the development of social protection systems: Lessons from international experience¹

Many countries have used social protection to achieve broader development goals, particularly on poverty reduction and inclusive growth. A wide range of social protection programs allows countries to tackle specific development constraints at national, community, and household levels; provide support to particular population groups; and enhance growth-promoting opportunities. For instance, public works programs and cash transfers are important and flexible social assistance programs that can be tailored to achieve specific objectives and adjusted to various levels of institutional capacity. They can also be implemented as national and centralized programs or delivered in a more decentralized fashion through community-driven development platforms.



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1. Overview : What is social protection?²

Social protection is an important component of development processes by directly contributing to inclusive growth and poverty reduction. Social protection systems, policies, and programs help households and communities build **Resilience** to risks and shocks; contribute to **Equity** by preventing and alleviating economic and social vulnerabilities; and create **Opportunity** through building community assets and helping households access services for a better future. Social protection helps reduce poverty and increases social cohesion by ensuring poor and vulnerable groups benefit from economic prosperity.

Box 1: Resilience, equity, and opportunity

Resilience to risks and shocks can be built through social insurance and social assistance programs that minimize the negative impact of economic shocks on individuals and families. Examples of these programs include unemployment and disability insurance, old-age pensions, and scalable public works programs (PWPs). Complementary social protection programs, usually delivered through different sectors (such as health and rural development), are also important for resilience. These include crop and weather insurance, health insurance, and community-based support.

Equity for the poor and vulnerable can be achieved through social assistance programs such as cash transfer (CTs), food transfers, and welfare services that help protect against destitution, promote equality of opportunity, and address chronic poverty. Social assistance programs protect poor individuals and families from irreversible and catastrophic losses of human capital by helping them access nutrition, health, and education services, even in times of hardship. Social assistance thus helps overcome intergenerational poverty and achieve equality of opportunity by helping families invest in their future and that of their children.

Opportunity for all is achieved by promoting human capital in children and adults and helping men and women access more productive employment. Institutions that promote opportunity are often integrated with those supporting resilience and equity. CTs incentivize investments in human capital by promoting demand for education and health and by helping address gender inequalities. PWPs provide cash payments to the poor, while increasing infrastructure investments.

Source: World Bank (2012a).

This note analyzes how social protection systems can be a useful component of development processes, and identifies the contribution of social protection instruments to particular development objectives that can be relevant for Myanmar. Myanmar can take advantage of the innovative ideas, the emerging emphasis on coordinated social protection provision, and the technological solutions that have helped many countries reduce poverty and promote inclusive growth, making full use of the 'latecomer advantage' without the costly mistakes other countries have made. Reviewing relevant international experience, such as that of neighboring countries (Indonesia, the Philippines) can help Myanmar identify the most appropriate approaches to support its development process.

^{2.} See Annex 1 for definitions of social protection programs.

2. The global spread of social protection

Social protection programs are a growing element of the development agenda, being present in virtually every country worldwide. Social assistance programs (also known as safety nets) globally cover nearly 1.9 billion beneficiaries, regardless of income level. Countries like Thailand and Tanzania reach more than 70 percent of the population with safety net programs (see Figure 1). Overall, about a third of the poorest 20 percent of the population is covered by social protection programs, with over 80 percent coverage in countries like Ecuador, Mongolia, and Thailand and less than 20 percent in Bolivia, Mozambique, and Tajikistan (Banerji, 2014). Countries like Vietnam have gradually expanded social insurance coverage –from 3.23 million in 1996 to 10.8 million con-tributors in 2013, covering around 20 percent of the labor workforce.

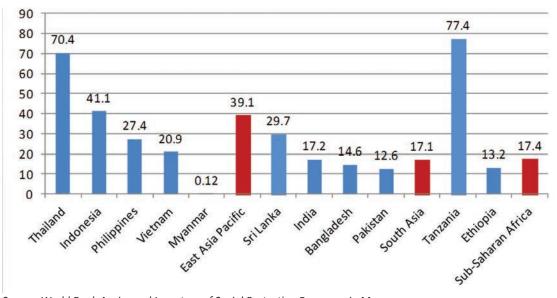


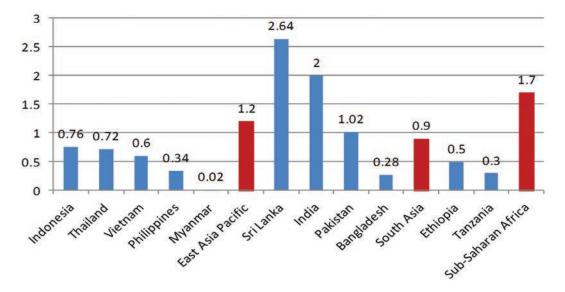
Figure 1: Social safety net coverage (% of total population)

Source: World Bank Aspire and Inventory of Social Protection Programs in Myanmar.

Social protection can be an affordable investment, even for low-income countries (LICs). Developing countries spend an average of 1-1.7 percent of gross domestic product (GDP) on social assistance programs such as CTs (*see* Box 5) and PWPs (*see* Box 4). Social safety net spending in East and South Asia ranges from 0.6 percent of GDP in Vietnam to 2 percent in India (*see* Figure 2). There is little difference between upper-middle-income countries and LICs in terms of spending on social assistance, illustrating the affordability of safety nets and the role they play at various stages of development (*see* Figure 3).

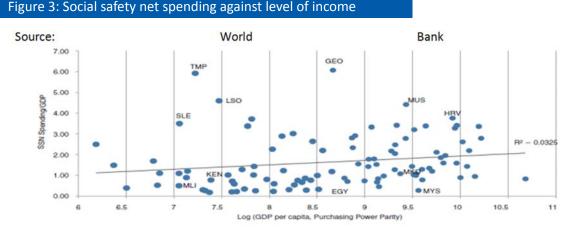
Countries tend to increase their level of spending on social insurance programs as they get richer. Higher age dependency ratios and expansion of contributory pension scheme coverage as countries get richer are driving these increases. In addition, expanding coverage of insurance-financed health systems can also increase overall spending on social insurance in high-income countries.

Figure 2: Social safety net spending (% of GDP)



Source: Andrews (2009); World Bank (2011, 2015); Inventory of Social Protection Programs in Myanmar

Several trends can be seen around the use of social protection programs worldwide; the first relates to the clear shift towards more cash-based transfers in social assistance programs. While the number of countries with in-kind social safety net programs – that is, school-feeding and other food-based programs – remains stable, CTs are becoming increasingly popular. Conditional CTs (CCTs) are now present in 64 countries, more than double the 27 in 2008 while unconditional CTs (UCTs) total 130 worldwide (World Bank, 2015a). PWPs are now present in 94 countries (ibid.). Cash has become increasingly popular because of the choice it gives to beneficiaries and the spill-over effects on local economies (benefits go beyond beneficiaries and into local markets). Cash is also easier and cheaper to deliver in most contexts. However, cash and food transfers can be equally effective to support beneficiaries when programs are adequately designed; in some cases, cash has been more effective in enhancing food consumption, while food has seemed to increase household caloric intake (Gentilini, 2014).



Source: World Bank (2014a).

The second trend illustrates the spread of social pensions as a way to expand coverage to the elderly not covered by contributory pensions. After decades of stagnant coverage in contribution-based pension schemes, social pensions are increasingly used as a way to address a 'coverage gap' that leaves the informal sector particularly vulnerable (Palacios, 2014). Thus, many rapidly ageing countries with high poverty incidence and high informality are increasingly exploring the use of non-contributory social pensions. Social pensions can be introduced to cover a large proportion of the older population (such as in China, Korea, and Thailand) or play a complementary role to contributory systems through poverty-targeted social pensions (as in Japan, Malaysia, the Philippines, and Vietnam). Social pensions typically cover 2 percent of the population and cost about 0.4 percent of GDP; by contrast, CCTs cost on average 0.3 percent and typically cover 16 percent. Therefore, there is an important incentive for policy-makers to consider choices between an UCT for the elderly and integrating social pensions with other household transfers. This is particularly relevant in contexts of co-residency (when the elderly live with other family members) (Grosh, 2014).

A third trend relates to how social protection programs are increasingly focusing on poor and vulnerable urban populations, given the rapid and often chaotic urbanization processes of developing countries. As urbanization unfolds, poverty tends to 'urbanize': for instance, while over 1990-2008 global poverty rates were halved in both urban and rural areas, the number of poor people decreased in rural areas only (from 1.4 billion to 896 million); in urban areas, the number of poor people has remained stable at about 285 million over the past quarter-century. While coverage of social insurance programs (old-age and disability pensions and unemployment and health insurance) tends to be higher in urban centers, social assistance programs are more widely present in rural areas (Gentilini, 2014). Mexico has expanded its, initially rural, CCT program (formerly Oportunidades, now Prospera) to urban areas in the past decade. China's UCT, Dibao, reaches over 20 million in urban areas. Both programs have evolved to link beneficiaries with job opportunities; China's program has adjusted to serve incoming poor rural migrants. PWPs have also been adapted to urban settings to support income security (*see*, e.g., Peru's A Trabajar Urbano and Argentina's Trabajar) (Subbarao et al., 2013).

A fourth trend relates to the way countries are making social protection systems more responsive to the mobile and dynamic nature of workers in many labor markets. This relates to rural– urban migration, as discussed previously, but also to the nature of changing patterns in employment within countries (e.g. workers moving from formal employment to self-employment or from the public to the private sector) and across countries (international migration). For instance, pensions systems need to make benefits as portable as possible between different schemes, although ideally schemes should converge to decrease incentives not to contribute (in the case of contributory pensions) or to constrain labor mobility. China is currently working on making its pensions schemes more flexible, given constraints in the portability of benefits between provinces and between urban and rural areas, which decreases the incentive for employers to hire migrants (World Bank and Development Research Center of the State Council, 2013).

Lastly, increasing synergies between area-based poverty reduction programs and social assistance programs is proving effective to enhance the effectiveness of both approaches in achieving poverty reduction. Poverty reduction strategies in several countries identify area-based programs along household-based social protection programs as necessary instruments to reach the poor. In practice, however, both approaches have been implemented separately, as institutional mandates often belong to different ministries. China has attempted to integrate social protection

Box 2: China's area-based poverty reduction programs

First established in 1986, China's official poverty alleviation programs emphasize increasing the productive capacity of the rural poor through regionally targeted investment programs. The State Council's Leading Group for Poverty Reduction and Development was established to provide coherence to the large number of poverty reduction initiatives and, in particular, to expedite economic development in poor areas. The government designated poor counties as the basic unit for poverty targeting. For the officially designated 'poor' counties, the central government created special funds to support a subsidized loan program, a food for work program, and poor-area development budgetary grants. At the local level, most poor provinces, prefectures, and counties established Leading Group offices, and local governments were required to provide counterpart funds.

However, a stagnant rural economy prompted the government to revamp its poverty reduction approach. In 1994, it introduced the 8-7 Poverty Reduction Plan, aspiring to lift the majority of the remaining 80 million poor above the government's poverty line during the seven-year period 1994-2000. It aimed, among other things, to assist poor households with productive activities; provide most townships with road access, electricity, and drinking water; accomplish universal primary education and basic preventive and curative health care; and graduate better-off counties from the list of nationally designated poor counties. In implementing the 8-7 Plan, the government refined its selection of 'poor' counties and emphasized the responsibility of local government leaders for the effectiveness of poverty reduction work in their jurisdiction. The 8-7 Plan maintained the three channels of interventions launched in 1986: subsidized loans program, food for work, and budgetary grants. Empirical analysis indicates the 8-7 Plan had a positive impact on designated poor counties. The allocation of poverty funds across the officially designated poor counties was correlated with poverty incidence - that is, poorer counties received more funding. Poverty reduction accelerated over the 8-7 Plan period, particularly during 1994-1996. Using the official poverty line, the number of rural poor declined from 80 million to 32 million between 1993 and 2000, or at an annual rate of about 12 percent.

Learning from the experience of the 8-7 Plan, the Chinese government launched a New Century Rural Poverty Alleviation Plan for 2001-2010. One of the main changes was a shift from county to village targeting, given the concentration of poor households in villages rather than broader counties, al-though key focus counties still remained in western provinces. A total of about 148,000 poor villages both within and outside the key poor counties were designated to receive poverty assistance. The new plan also emphasizes human capital and social development in poor localities more and promotes participatory poverty reduction approaches.

Despite impressive results in poverty reduction, an evaluation of these programs suggests they do not comprehensively address the problem of rural poverty. For instance, they do not cover nearly half the rural poor who do not live in designated poor villages. And, within designated poor villages, a careful impact evaluation further suggests program effects on income and consumption growth for the poor have been weak. From this perspective, the government's new rural poverty strategy points the way to greater convergence of social assistance, social services, and anti-poverty programs over time, such as prioritizing Dibaobeneficiaries (household-level transfer) and near-poor households in training under area-based anti-poverty programs.

Source: World Bank and Development Research Center of the State Council (2013).

programs in area-based development programs since 1986 (*see* Box 2). Countries like Indonesia have pioneered a more integrated approach, by making both community-driven development (CDD) programs (such as PNPM Mandiri and Generasi) and household-based programs (e.g. PKH) follow centrally defined objectives of poverty reduction, with discretion on how to achieve this



locally in the case of PNPM Generasi. This has unleashed synergies at local level that promote more focalized and locally relevant solutions to social protection provision.

3. What can social protection do to support a country's development process?

Social protection contributes to growth and poverty reduction at the national, community, and household levels (see Figure 4). At the national level, social protection can make growth-enhancing reforms more politically feasible; help create the necessary conditions for social cohesion, peace, and stability after conflict or crises; and build national systems that help identify beneficiaries and provide timely support in times of crises. At the community level, social protection programs contribute to building productive assets and community resilience and stimulate the local economy (spill-over effects). At the household level, social protection helps households build resilience and avoid negative coping mechanisms, promote equity by building and protecting human capital through investments in health and education, and create opportunity by promoting investments in productive activities.

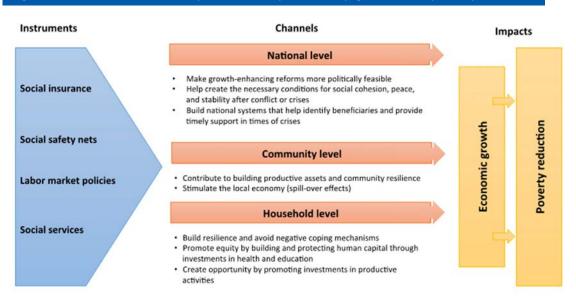


Figure 4: Contribution of social protection to productivity, growth, and poverty reduction

Source: Adapted by authors from Alderman and Yemtsov (2013).

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3.1 At the national level

Countries that have invested in building social protection systems have seen significant reductions in poverty and inequality, translating into inclusive growth. Brazil and Mexico have been pioneers in the articulation and expansion of social protection systems to support their development processes. Brazil's Bolsa Família CCT program contributed to halving extreme poverty (from 9.7 to 4.3 percent) and reducing inequality (15 percent drop) between 2003 and 2013 (Fiszbein et al., 2011; Wetzel, 2013). Mexico's Oportunidades CCT program reduced incidence of poverty in rural areas by 8 percent (*see* Box 5).³ Social pensions have also contributed to decreasing poverty. For instance,they have reduced the poverty head count in Thailand by 30.2 percent and in Chile by 11.6 percent.⁴ In rural Brazil and South Africa, social pensions reduce both the rate of poverty and the poverty gap (Dethier et al., 2011). In Brazil, specifically, the old-age poverty rate in the absence of these pensions would be 47.9 percent, as against the actual rate of 3.7 percent.⁵

Governments have used social protection to embark on growth-enhancing reforms that promote a pro-poor focus on social investments and facilitate economic adjustments.⁶ The government of Indonesia is undertaking a shift from spending in universal fuel subsidies to targeted household and community transfers.⁷ In Jordan, the removal of energy subsidies (starting with a price hike in 2006 and a price adjustment into 2008) was combined with a social risk mitigation package, which included a) compensations through wage increases (i.e. additional month sums for civil servants and military and security personnel); b) an increase in pension amounts; c) an increase in social assistance amounts per beneficiary; and d) improvements in the National Aid Fund to effectively target and cover the poor. Overall, the compensatory measures undertaken in Jordan amount to almost half of the fuel subsidies cost (Yemtsov, 2010).

Social protection has contributed to facilitating social stability in many conflict-affected contexts. Angola, Burundi, Mozambique, and Rwandahave implemented transitional support to demobilized ex-combatants while Timor-Leste has used cash payments to support internally displaced people (IDPs) and veterans (Andrews and Kryeziu, 2013; UNDP, 2012). Burundi has resorted to PWPs (*see* Boxes 3 and 4) to underpin reinsertion programs and ensure long-lasting reconciliation in conflict-affected communities.

Social protection can help governments redefine the social contract and enhance their relationship with citizens around service delivery. In India, the use of social audits under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) allows for greater community participation in program processes and fosters social mobilization –as well as increased trust in government activities – which would not have occurred otherwise (Andrews and Kryeziu, 2013).

^{3.} See Annex 2 for international examples of CTs and see Note on 'The experience of cash transfers in Myanmar' for local examples and policy recommendations on the use of CTs in Myanmar.

^{4.} http://datatopics.worldbank.org/aspire/

^{5.} https://openknowledge.worldbank.org/bitstream/handle/10986/2651/493180PUB0REPL10Box338947B01PUBLIC1. pdf?sequence=1

^{6.} Active labor market programs (skills development programs and job-matching) are also part of the menu of social programs that can support structural reform, although this Note focuses on other areas of social protection policy.

^{7.} Universal fuel subsidies disproportionately benefit the rich who own cars. The fuel subsidy still absorbs around 2.5 percent of GDP but the revised 2014 budget includes a further significant reallocation from fuel subsidies to key development priorities, including to social programs, which will see the fuel subsidy budget drop to 0.6 percent of GDP (World Bank, 2015a).



Box 3: Burundi's transition to peace - the 3x6 Approach

Burundi went through instability and conflict after its independence, arriving in a new phase in 2000 with the signature of the Arusha Accords. There was an urgent need to rebuild public infrastructure and livelihoods shattered by the conflict and to reintegrate more than 400,000 IDPs, 800,000 refugees (although 500,000 were already living in neighboring countries such as Tanzania and the Democratic Republic of Congo), and 50,000 ex-combatants. Despite the accords, unrest continued and in 2009 the last 11,000 combatants demobilized, adding to the pressure of finding sustainable solutions to peace-building that discouraged once and for all the re-ignition of conflict.

The Community Approach for Reintegration (the 3x6 Approach) focuses on vulnerable populations affected by conflict, such as ex-combatants, IDPs, and refugees, in conflict-affected provinces. It promotes community participatory planning to reinforce social cohesion, ensuring access to services by vulnerable populations and enhancing productive and diversified sources of income. The program serves as a bridge between emergency support and inclusion (Phase 1) and sustainable development (Phase 3) by supporting inclusion – 1) enrolment and 2) cash payments in a PWP to reconstruct communities and generate income; appropriation – building 3) savings and 4) cooperatives by prompting PWP beneficiaries to save a portion of their income in a bank account and establish cooperatives to start productive businesses; and sustainability – promoting 5) investments and 6) expanded markets through linkages with microfinance and market information.

The 3x6 Approach has contributed to the establishment of 156 business associations in three provinces, supporting 2,604 people, 50 percent of them ex-combatants. Phase 3 is currently under way.

Source: UNDP (2012) and https://www.youtube.com/watch?v=QWmVrWeTkXk

Social protection can contribute to long-lasting reconciliation by tackling some root causes of conflict such as social exclusion, lack of economic opportunities, and unresolved ethnic grievances (Andrews and Kryeziu, 2013). El Salvador's Temporary Income Assistance Program provided cash assistance and job training to youth and women heads of households who live in areas characterized by high levels of social exclusion and high rates of social and gender violence. The program has helped reduce the occurrence of violence and rebuild the social fabric in the violent or at-risk communities (Andrews and Kryeziu, 2013). The government of Nepal is committed to creating a new inclusive agenda and has introduced more than five CTs to support socially excluded individuals to access services and economic opportunities. These CTs use categorical (caste and ethnicity) and geographical targeting to reach target populations more effectively. For instance, a social pension scheme supports all citizens over 70 years of age; child grants and education scholarships cover households with vulnerable children (e.g. girls, low-caste children, or those in poor areas); marriage grants support widows and inter-caste marriages; and categorical allowances are given to 'endangered' indigenous people (IPs) (GIZ, 2012).

Social protection can help people cope better and recover from crisis. The 2008 food, fuel, and financial crises demonstrated the need for social protection systems that can quickly and effectively respond to those affected by systemic shocks and crises. For instance Ethiopia's Productive Safety Net Program(PSNP), designed to create a predictable safety net for chronically poor house-holds has proven an effective means of responding to shocks. In 2008, the government scaled up the PSNP through the Risk Financing Mechanism (RFM) and was able to provide additional trans-

fers to 4.43 million existing beneficiaries of the PSNP and 1.5 million individuals who had not previously participated but who were negatively affected by the 2008 food prices; the RFM was also used in 2009 to provide additional transfers to 6.4 million PSNP participants (World Bank, 2012b). Based on this experience, the PSNP was scaled up yet again in response to severe droughts in the Horn of Africa in 2011, averting the famine and destitution that unfolded in neighboring countries that did not have a safety net in place. Overall, PSNP systems have helped reduce response time from eight to two months and reduced the need for emergency response and human losses. Even more basic delivery systems can support countries in times of crises; for instance, Nicaragua expanded its school-feeding program in response to rising food prices, which led to an increase in school retention and attendance (Grosh et al., 2008).

Disasters pose immense and sudden challenges to governments' response and recovery systems; having social protection systems in place can make a crucial positive difference. Coordination between the social protection and disaster risk management (DRM) sectors can help reduce the impact of natural hazards. Ethiopia's PSNP is linked to DRM systems such as hazard risk mapping and early warning systems, which has helped with early response and reduced, even avoided, disaster losses. Social protection programs can provide a common platform for pooling DP funds to respond to disaster, as in the case of the PSNP's RFM, which serves to channel financial commitments from donors before any crises occur. In the Philippines, the government used the Pantawid Pamilyang Pilipino Program CCT to channel donor funding for emergency response efforts when Cyclone Haiyan hit.

3.2 At the community level

Social protection programs support community resilience and economic development through building community infrastructure and promoting connectivity. PWPs in particular not only create jobs for needy workers but also create and maintain small-scale community infrastructure.⁸ For instance, communities in Ethiopia have benefited from nearly 33,000 km of rural roads built and 167,000 ha of land and 275,000 km of dykes rehabilitated under the PSNP. Well-designed PWPs have the potential to confer significant social gains from the assets created. In Zambia, 37 percent of people in areas covered by PWPs improved their access to markets; the program reduced distances by connecting previously disconnected road networks (Subbarao et al., 2013).

Social protection programs bring not only benefits to direct beneficiaries but also positive spillover effects to the larger community, further supporting resilience and economic development. In India, MGNREGS proved to have a multiplier effect owing to increased wages from program participation, and an increase in farm productivity (additional output of 2.2 percent; Alderman and Yemtsov, 2013). In Malawi, it was noted that the welfare of non-participating poor households improved through the transfer of cash from households participating in the social transfer program (as an informal support mechanism). Also in Malawi, the Dowa Emergency Cash Transfer

^{8.} See Annex 3 for international examples of PWPs and see the Note on 'The experience of public works programs in Myanmar' for examples and policy recommendations on the use of PWPs in Myanmar.



program found multiplier impacts from the payments, broadening benefits to the entire community –resulting in increased sales of small and large traders and more purchases of health and education services (ibid.).

Besides peace-building (Box 3), social protection programs support community cohesion by promoting the participation of the poor in community decisions. Communities often play a major role in the planning, implementation, and monitoring of PWPs. India's MGNREGS provides a central role to local governments in implementation and to communities in planning and monitoring implementation. Ethiopia's PSNP has brought communities together around the targeting process, promoting community consultation to identify beneficiary households. Argentina's Jefes program created local councils that gave a voice to the 2,300 participating municipalities in the implementation of a national program, contributing to transparency, accountability, and social inclusion (Subbarao et al., 2013).

CDD platforms can become vehicles for social protection implementation. Indonesia's PNPM-Mandiri CDD program was used to provide UCTs to the poorest and most affected households as part of response and recovery efforts after the 2004 tsunami in Aceh and other disaster events between 2005 and 2010 (ADB, n.d.). The CDD program accelerated community recovery with funds spent locally to purchase replacement goods. It also provided employment opportunities by clearing rubble and rebuilding community infrastructure through cash for work programs. In the Philippines, the existing network of implementers of the Pantawid Pamilya CCT program and the existing coordination systems between all levels of government enable quick response in the event of disasters.

Box 4 : PWPs- building community resilience through community infrastructure and household food security

PWPs, also known as workfare or labor-intensive rural works programs, can serve two objectives: creation of jobs for needy workers and creation and maintenance of small-scale community infrastructure. These programs provide temporary employment at low wages mainly to unskilled workers in rural areas. Such temporary employment during the slack season or during crisis will typically contribute to consumption-smoothing and poverty alleviation. Public works can also be used to promote social cohesion (see Box 2); they are now present in 94 countries.

International experience with PWPs includes a diverse range of design features. For instance, India's MGNREGS) guarantees 100 days of employment each year to all rural households that demand work. Ethiopia's PSNP emerged after two decades of ad hoc emergency food aid to become a national program. PSNP uses community identification to reach poor households in need through either employment opportunities to able workers or UCTs to those unable to work.

Source: Subbarao et al. (2013).

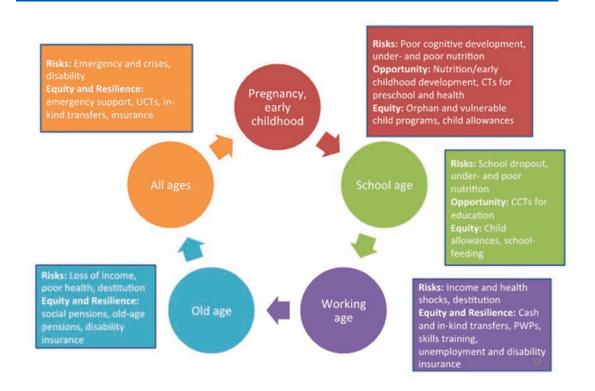
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3.3 At the household level

Figure 5: Social protection along the life cycle

Households need social protection provision that responds to the needs different groups have and the various risks households face. One way to understand the needs of various groups is by mapping them along the life cycle. The life cycle approach can illustrate the risks and the programs than can help build resilience, equity, and opportunity for different age groups. For instance, school-feeding and stipends programs support school-age children and PWPs help build resilience to income shocks.

Programs such as CTs and school-feeding can be critical at preventing the intergenerational transmission of poverty by ensuring children from poor households have similar access to education and health services as the non-poor. UCTs in Ecuador and South Africa reduced child labor and increased children's schooling, health, and nutrition in recipient households (Baird et al., 2010), whereas CCTs in Colombia and Mexico have improved the nutritional status of children in beneficiary households (Fiszbein et al., 2011). In the Philippines, the Pantawid Pamilya CCT has increased enrolment in pre-school by 10.3 percentage points compared to children in districts that did not receive the program; increased primary school enrolment 4.5 percentage points, pushing levels near universal primary school enrolment; increased primary and secondary school attendance; reduced severe stunting of young children by 10 percentage points; increased regular health checkups for pregnant mothers and children; and improved the diets of beneficiary families (World Bank, 2014c). In Malawi, girls benefiting from a stipends program stayed in school longer and had a 60 percent lower prevalence of HIV/AIDS than those who were not receiving the trans-





fers. Comparisons of six similar school-feeding interventions implemented in five countries (Bangladesh, Burkina Faso, India, Kenya, and Uganda) found they deliver similar positive impacts on school attendance, ranging from a 6- to a 20-percentage points increase (IEG, 2011).

Social protection programs can support the working-age population to avoid negative coping strategies by ensuring income security during shocks. PWPs can serve as unemployment insurance in times of economic downturns and high unemployment. Households benefiting from Ethiopia's PSNP for five years increased their food security by 1.05 months in all country's regions, and increased food and asset security without reducing private transfers or engagement in non-farm activities (Subbarao et al., 2013). Social insurance programs such as health and disability insurance help households manage sudden losses of income and decreased out-of-pocket expenditure when experiencing health shocks (World Bank, 2014b, 2015).

The elderly can benefit from social protection programs that address their particular needs. Practically all countries have mandatory pension schemes, at least for civil servants. Most have mandates that cover at least some private sector workers. Integration of civil service and private pension plans reduces administrative costs through economies of scale, renders a more equitable system, allows portability of benefits, and fosters mobility between public and private sectors. In addition, social pensions have been expanding worldwide as a way to support vulnerable older people. In Mexico, non-contributory social pension programs have had a major impact in terms of reducing poverty in old age as well as incidence of extreme poverty, and a positive effect on reducing indigence (Salinas-Rodriguez et al., 2014). Community-based care is also helping older people with their needs beyond income insecurity. The Voluntary Home Care Programme in Sri Lanka enables poorer older people to continue living at home while volunteers provide basic health and nursing services and companionship (HAI, 2005).

Box 5 : CTs – flexible designs to alleviate poverty and support human development in different institutional contexts

CTs provide assistance in the form of cash or near-cash instruments (vouchers) to poor and vulnerable households to satisfy consumption needs, allow for more risk-taking in productive activities, and invest in human capital development. While the number of countries with in-kind social assistance programs such as school-feeding remains stable, CTs are becoming increasingly popular. CCTs are now present in 64 countries, more than double the 27 in 2008. In the past year, new information has become available for 11 countries with UCTs, totaling 130 worldwide (World Bank, 2015).

CTs can be unconditional or conditional, depending on the specific objectives, administrative capacity for monitoring conditions, and supply of education and health services. CCTs are typically designed to promote behavioral change among poor households, by asking them to comply with 'co-responsibilities' related to accessing health, education, and nutrition services. UCTs are relatively easier to administer. However, CCTs are often more politically justifiable. UCTs or CTs with soft conditions (e.g. encouragement of behavior rather than full enforcement) can be more appropriate in contexts with evolving administrative capacity or with limited availability of services that can constrain compliance with conditions.

Sources: Fiszbein et al., (2011), World Bank (2015).

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Social protection programs can also promote equity by improving the living conditions of particularly vulnerable groups, such as women and people with disability or chronic illnesses, while contributing to poverty reduction. India's self-help groups for people with disabilities had a positive impact in terms of people's awareness of and access to government services, as well an on income-generating opportunities. PWPs can be specifically designed to reach vulnerable groups that may be disadvantaged in the labor market. For instance, nearly half the employment generated in India's MGNREGS is for women.

Protecting households against shocks through social protection not only eases poverty momentarily but also enables growth through productive investments. Social protection programs can help allocate resources to risky but highly remunerative productive activities by allowing poor and near-poor households to create and protect their assets (Holzmann et al., 2003). For instance,the largest social protection program in Africa, the PSNP in Ethiopia, is using an integrated set of interventions to promote productivity and resilience of rural livelihoods. The PSNP demonstrated that three in five beneficiaries avoided having to sell assets to buy food in times of drought (Devereux et al., 2008).

Similarly, Mexico's Oportunidades (now Prospera) program helped beneficiaries invest 14 percent of the transfer amount in assets (mainly farm animals and land for agricultural production). Overall, the investments yielded a 1.9 percent increase in consumption for each peso of transfers received (Alderman and Yemtsov, 2013). Almost a third of the transfer amount provided by the Kalomo Pilot program in Zambia –which targets destitute households and those affected by HIV/ AIDS – was used to purchase small livestock, for farming or for informal enterprise. In Malawi, the social cash transfer is found to increase dramatically the ownership of agricultural assets, especially poultry (by 50 percent). In Brazil, the social pension program –Prêvidencia Rural – leads to high incidence of investment in productive capital (ibid.).

In summary, social protection programs contribute to poverty reduction and growth through various channels and instruments. Resilience, equity, and opportunity are built through programs such as CTs, PWPs, social insurance, and welfare programs. Evidence on the impact of social protection is building up fast as evaluations illustrate how these programs can be designed and implemented more successfully. Countries like Myanmar can benefit from this wealth of evidence to identify how social protection can support particular needs and groups.

4. How do social protection systems work?

In order to respond effectively to the needs of beneficiaries, social protection systems aim to harmonize approaches at three levels: policy, program, and delivery. At policy level, social protection systems should a) allow for overall alignment of social protection provision with high-level development objectives; b) ensure coherent implementation functions across government levels and mandates thus facilitating inter-institutional coordination; and c) mobilize sustainable and predictable resources for provision at all three levels. Social protection strategies, plans, and laws along with strong coordinating institutions facilitate achieving these objectives. More than 53 developing countries have focused social protection strategies, among them Ethiopia, Honduras,



Jordan, Kenya, Nepal, the Philippines, and Vietnam (Banarji, 2014). At the program level, social protection systems should ensure countries have the instruments needed to respond to social protection needs, and harmonize and improve the design of existing programs or create new ones to fill gaps. The life cycle analysis (*see* Figure 3) can help government identify the needs and the most appropriate programs to respond to them. At the delivery level, implementation of social protection programs should be carried out in a coordinated (even integrated) and efficient manner through delivery sub-systems such as beneficiary identification and registry, transfers (e.g. payments), communication, community mobilization, management, grievance and redress, and monitoring and evaluation.

Developing social protection systems is a gradual process that can bring important payoffs to a country's development agenda. Taking a systems-oriented approach requires having the building blocks in place in a first stage while gradually building the systems to facilitate harmonization in a later one. An important building block of a comprehensive social protection system is a strong policy coordination mechanism that can harmonize several programs through a single lens and budget (e.g. poverty reduction). Another important step is the progressive development and expansion of key government programs that allow the testing of delivery mechanism to latter harmonize implementation. All these may need the involvement of several institutions and require more complex coordination within government rather than introducing several uncoordinated programs supported by development partners. However, a systems approach has the potential to address three persistent gaps: providing adequate coverage of beneficiaries in need of assistance; improving the responsiveness of programs to accommodate those made newly vulnerable because of systemic shocks; and effectively connecting beneficiaries of social protection programs to additional productive opportunities. This can be a gradual process where having programs that become the building blocks becomes the first step, as the Ethiopia and Philippines examples illustrate (Boxes 6 and 7).

Box 6: Evolution of programs and delivery systems – the case of Ethiopia's Productive Safety Net Program

Although Ethiopia does not yet have a comprehensive and integrated social protection system, it has come a long way in the past decade in terms of strengthening the components of such a system, achieving important results on poverty reduction, food security and resilience-building. Launched in 2005, the PSNP has become the backbone of social protection provision in the country. Embedded in the government's strategy and policy for food security and eradication of extreme poverty, it represented a pivotal shift from annual emergency food aid appeals to a planned approach to food security and predictable drought risk management. Thanks to economic growth and programs like the PSNP, 2.5 million people have been lifted out of poverty since 2005 and the share of the population below the poverty line fell from 38.7 percent in 2004/05 to 29.6 percent in 2010/11.

The PSNP provides long-term support to chronically food-insecure rural households to help them cope with shocks, reduce disaster risk through asset creation and rehabilitation of their natural environment, and build household resilience. It consists of cash-for-work projects to improve environmental assets (60 percent of projects in soil and water conservation); unconditional food/cash transfers for the poorest 10 percent unable to work; an insurance-for-work scheme in a particularly disaster-prone area; a contingency budget to respond to sudden emergency needs; and the Risk Financing Mechanism (RFM), for use when the contingency fund is insufficient. In this context, the PSNP is the most important delivery mechanism for responding to disasters. Its financing mechanisms allow it to scale up to also provide assistance to risk-prone households when necessary. The RFM has ensured financial commitments from donors are put in place before any crises occur. In 2008, in response to increasing food prices and the failure of the belg rains, the government used it to provide additional transfers to 4.43 million existing PSNP beneficiaries and 1.5 million individuals who had not previously participated but who were negatively affected by the crisis. The RFM was again used in 2009 to provide additional transfers to 6.4 million PSNP participants.

The PSNP has evolved significantly over the past decade. Phase I (2005-2006, USD70 million) focused on transition from emergency relief to a productive and development-oriented safety net; replaced food with cash as the primary medium of support; provided resources for critical capital, technical assistance, and administrative costs to effectively support public works; and strengthened community involvement through community targeting and local-level participatory planning as core program principles. Phase II (2007-2009, USD175 million, additional financing USD25 million) a) improved the efficiency and predictability of transfers; b) strengthened program governance by enhancing targeting and grievance systems and introducing more transparency in procedures; c) increased the productivity of public works through a systematic focus on community planning using integrated watershed management techniques; d) strengthened monitoring and evaluation systems; and e) developed more efficient financing instruments for risk management to ensure predictable and timely responsesto shocks. This phase also included significant expansion of program coverage. Phase III (2010-2015, USD480 million, additional financing USD370 million) continues to consolidate program performance and maximize long-term impacts on food security by ensuring effective coordination with other critical interventions. Phase III has a) further improved the timeliness and predictability of transfers, through closer performance monitoring and provision of incentives; andb) strengthened public works, particularly focusing on oversight, coordination, monitoring, and accountability.

The program's new phase, PSNP4, will strengthen systems for social protection and DRM, including investments in developing a national registry for social protection interventions and beneficiaries, improved management information systems, and efforts to modernize how payments are made. It will be implemented in 411 districts, reaching up to 10 million food-insecure people per year, and has a total budget of approximately USD3.6 billion from the government and 11 development partners.

Source: World Bank (2014d); http://www.worldbank.org/en/news/press-release/2014/09/30/ethiopia-to-bene-fit-from-world-bank-support-for-social-safety-net

Box 7: Programs as backbones of social protection systems – CCT and CDD programs in the Philippines

After strong economic growth for several years in the past decade, poverty reduction and resiliencebuilding failed to match economic progress in the Philippines. Between 2003 and 2006, when GDP growth averaged 5.4 percent, poverty incidence increased, against a backdrop of high inequality. Unemployment went up after the food, fuel and financial crises, and growth of remittances slowed, leaving more Filipinos vulnerable to income shocks. Moreover, the country had been lagging on some key human development targets. Net enrolment ratio in primary education did not show any progress between 1990 and 2007, and only 75.3 percent of pupils entering Grade 1 made it to Grade 6. Dropout from elementary school was higher for children from poor households. Malnutrition remained a major issue and maternal mortality rates stayed high. Vulnerability to natural hazards was evidenced on 8 November 82013 when Typhoon Yolandahit the central Philippines and left behind an unprecedented level of destruction, affecting the people and infrastructure of 44 provinces and 591 municipalities.

The government faced serious challenges to delivering social protection to effectively address these vulnerabilities. Spending on social protection was estimated at only 0.4 percent of GDP in 2007, with the social assistance budget at just 0.05 percent of GDP. Lack of policy and institutional coordination on social protection meant several departments undertook uncoordinated programs. Lastly, despite the numerous social assistance programs in place, benefits were minimal owing to the lack of a legitimate and functional system to target the poorest households. Assessments of these schemes showed high leakage rates to the non-poor and inadequate coverage of the poor.

The government has taken important steps towards strengthening the social protection system in recent years. In February 2008, it launched a pilot CCT program that reached 6,000 households in four pilot municipalities and two cities in the Philippines. The government decided to accelerate and augment the program in response to the crisis, rolling it out to about 376,000 households by March 2009, and announced its intention to expand to up to a million households by the end of 2009, while spending on social assistance reached 0.35 percent of GDP. The Department of Social Welfare and Development envisioned its CCT program becoming the backbone of its social protection framework.

And it did. The Pantawid Pamilya Program reached nearly 4 million poor households in 2014 and serves as the backbone of a modern and consolidated social protection system in the Philippines. This became a platform to develop delivery systems that have already proven effective in reaching those in need, responding to disasters, and addressing human development constraints. It served as platform to roll out the National Household Targeting System for Poverty Reduction, known as Listahanan. Listhanan improved the targeting of poor households and provides a mechanism for the convergence of various social protection programs, such as the National Health Insurance program. In addition, the government used Pantawid Pamilyang along with the National Community Driven Development Program (NCDDP; see below) to channel donor funding for emergency response efforts when Typhoon Yolanda hit. The CCT has increased enrolment in preschool by 10.3 percentage points compared with districts that did not receive the program; increased primary school enrolment by 4.5 percentage points, pushing levels near universal primary school enrolment; increased primary and secondary school attendance; reduced severe stunting of young children by 10 percentage points; increased regular health checkups for pregnant mothers and children; and improved the diets of beneficiary families. The government has steadily increased internal budget allocations to the program and had expanded it with strong support from the Departments of Education and Health.

The CCT, however, is only one part of the 'three legs of convergence' the government is forming to help achieve inclusive growth in the Philippines. The other two are CDD and sustainable livelihoods approaches. These three legs are part of the country's social protection strategy that provides

a roadmap to achieve inclusive growth, while the DSWD is working on their operational convergence. Kapitbisig Laban sa Kahirapan – Comprehensive and Integrated Delivery of Social Services (Kalahi-CIDSS) now known as NCDDP is a CDD approach that helps poor communities develop necessary skills and provides them with resources to select, implement, and sustain small-scale community infrastructure projects and social services. So far, Kalahi-CIDSS has financed community sub-projects including basic social services facilities, such as water systems, school buildings, health station, and day care centers; basic access infrastructure, such as access roads and small bridges; environmental and disaster control infrastructure; and community enterprise facilities. As of 30 April 2015, a total of 10,958 sub-project proposals were being reviewed for approval and the program had been rolled out to 554 Yolanda-affected municipalities. The third leg is sustainable livelihoods, which allow people to go beyond immediate solutions by equipping them with the necessary skills and opportunities to improve their lives in the longterm.

Source: World Bank (2009, 2012c; 2014c; 2014e; 2015b); http://www.worldbank.org/en/news/press-re-lease/2010/09/22/philippines-cct-backbone-modern-social-protection-system-dswd-secretary

5. Summary

Many countries have used social protection to achieve broader development goals, particularly around poverty reduction and inclusive growth. Many countries have built resilience, equity, and opportunity through social protection policies and programs that address development constraints at national, community, and household levels. Equitable prosperity, social cohesion after conflicts and crises, enhanced community resilience, and human capital development are part of the outcomes that social protection contributes to a country's poverty reduction and growth agenda.

A broad range of social protection programs allows countries to tackle specific development constraints, provide support to particular population groups, and enhance growth-promoting opportunities. PWPs and CTs are important and flexible social assistance programs that can be tailored to achieve specific objectives and adjusted to various levels of institutional capacity. They can also be implemented as national and centralized programs or delivered in a more decentralized fashion through CDD platforms.

Building social protection systems can enhance long-lasting development results. Social protection systems help address delivery gaps in a comprehensive and evidence-based way, ensure financial and institutional sustainability of social protection provision, and build flexible delivery systems that support crises response.

Myanmar can benefit from the wealth of evidence on social protection outcomes and lessons from countries with similar challenges and options. Myanmar's resent policy reforms such as the long-term National Comprehensive Development Plan (NCDP) identify promoting human development and poverty reduction as strategic objectives; these people-centered objectives can be critically enhanced by social protection provision. Like other low- and middle-income countries, Myanmar can benefit from articulating a gradual expansion of its social protection system to a) reduce poverty, promote equity, and help build social and political cohesion at national level; b) stimulate local labor markets and create productive assets to build resilience at community level;



and c) increase access to services, human capital, resilience to shocks, and productivity at household level. Myanmar can avoid mistakes other countries have made and that have prompted years of fragmented and ineffective social protection provision elsewhere, by a) building a comprehensive system with a focus on pro-poor investments right from the start through sustainably expanding social assistance; b) exploring complementarities between area-based poverty reduction programs and social assistance programs; and c) reforming social security provision to enable the development of a dynamic labor market.

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Annex 1: Definitions of social protection programs and glossary⁹

Benefit: Transfer in cash or inkind (i.e. food, medical services, etc.) provided to an individual or household on the basis of an entitlement or need. Benefits can be periodical (given on a regular basis, such as old-age pensions given every month) or not (such as lump sum).¹⁰

Beneficiary: Individual or household receiving benefits at a specific point in time or during a period of time.¹¹

Cash transfer programs: Programs that transfer cash to eligible people or households. Common variants include child allowances, social pensions, needs-based transfers, and conditional cash transfers.

Chronic poverty: Poverty that endures year after year, usually as a result of long-term structural factors faced by the household, such as low assets or location in a poor area remote from thriving markets and services.

Conditional cash transfers: Provide money to poor families contingent on them making investments in human capital, such as keeping their children in school or taking them to health centers on a regular basis.

Food insecurity: Lack of access to enough food for an active, healthy life. Chronic food insecurity refers to the persistence of this situation over time, even in the absence of shocks.

In-kind benefit: Non-cash benefit in the form of a voucher, commodity, or service.

In-kind food transfers: Provide additional resources to households by making food available when they need it most in the form of food rations, supplementary and school-feeding programs, or emergency food distribution.

Public works programs (or workfare): Programs where income support for the poor in exchange for work is given in the form of wages in either cash (cashforwork programs) or food (foodforwork programs) effort. These programs typically provide short-term employment at low wages for unskilled and semi-skilled workers on labor-intensive projects such as road construction and maintenance, irrigation infrastructure, reforestation, and soil conservation. Generally seen as a means of providing income support to the poor in critical times rather than as a way of getting the unemployed back into the labor market.

^{9.} Definitions come from Grosh et al. (2008) unless otherwise stated.

^{10.} International Labour Organization (ILO) definition from the Assessment-Based National Dialogue terminology.



Safety nets: See 'social assistance'.

School-feeding programs: In-kind food transfers that provide meals or snacks for children at school to encourage their enrolment and improve their nutritional status and ability to pay attention in class.

Social assistance: Non-contributory transfer programs targeted in some manner to the poor and those vulnerable to poverty and shocks.

Social funds: Multisectoral programs that provide financing (usually grants) for small-scale public investments targeted at meeting the needs of the poor and vulnerable communities and at contributing to social capital and development at the local level.

Social insurance: The provision of social security benefits financed by contributions that are normally shared between employers and workers with, perhaps, stateparticipation in the form of a supplementary contribution or other subsidy from the general revenue. Types of social insurance include insurance against unemployment, old age (pensions), disability, death of the main provider, and sickness.¹²

Social pensions: Benefits paid to the elderly from tax-financed (rather than contribution-financed) sources and without regard to past participation in the labor market.

Social protection: 'Policies, legal instruments, programmes, benefits and services for individuals and households that prevent and alleviate economic and social vulnerabilities, promote access to essential services and infrastructure and economic opportunity, and facilitate the ability to better manage and cope with shocks that arise from humanitarian emergencies and/or sudden loss of income.'¹³ Social protection includes safety nets (social assistance), social insurance, labor market policies, social funds, and social services.

Social welfare: The set of services responding to the needs of the most vulnerable groups of the population, aiming at increasing their coping skills and resilience and protecting them from marginalization, while ensuring their access to basic services. Social welfare services are provided generally through professional support, specifically dedicated care and protection services, and referral to other services.

Sustainability: The ability of a program to be continued over a long period.

Target group (or target population): The intended beneficiaries of program benefits.

Targeting: The effort to focus resources among those most in need of them. Targeting can be done geographically (see 'geographic targeting'), done categorically (see 'categorical targeting'), based on poverty and vulnerability criteria, or use a combination of various methods. For targeting based on poverty and vulnerability criteria, the most advanced systems use meanstests (*see* 'meanstest') or proxy mean stests.

12. Ibid.

There are many definitions of social protection. This one is the one agreed in Myanmar at the Social Protection National Technical Working Group meeting in January 2014.

Unconditional transfers: Provide money to poor families without any conditions.¹⁴

Universal benefits: Benefits or transfers that are paid to all citizens or inhabitants falling into a specific category of the population (e.g. families with children or people over a certain age).¹⁵

Vulnerability: Low ability of households to cope with adverse shocks and/or meet social needs. For instance, vulnerability to poverty is the likelihood a household will pass below the defined acceptable threshold of a given indicator and fall into poverty.

14. Not in Grosh et al. (2008). Included by World Bank team.

^{15.} Global Extension of Social Security definition.

Annex 2:

International examples of CTs

	Philippines	Mexico	Bangladesh	Cambodia	Myanmar
Name	Pantawid Pamilya	Oportunidades	Female Secondary School Assistance Program	Education Sector Support Project (Scholarship Pro- grams)	Stipends Program
Objective	Reduce poverty and raise human capital investment	Reduce poverty and raise human capital investment	Reduce gender differences in education	Reduce dropouts during high school transition	Raise human capi- tal investment
Target population	Chronically poor households with children 0-14	Extremely poor households	Girls at secondary school level	Children who have completed Grade 6	Orphaned children in poor households
Coverage	Poor areas, 1 mil- lion households (30% eligible poor households)	5 million house- holds (25% popula- tion)	1,068,064 girls	4,000 new scholar- ships each year, 14% of lower sec- ondary schools	11,000 children
Benefit amount	USD 11-32/house- hold/month	USD 11-69 by grade and age plus cash for school suppliers	USD 5-12/month/ girl plus in-kind benefits	USD 45-60/child/ year	USD 5-8/child/ month
Conditions	School attendance, visit health clinic, antenatal check- ups	School enrolment, 85% monthly, health center visits and lectures	75% of school days, 45% of class-level scores	Enrolment, regular attendance, and a passing grade	Enrolment, at- tendance, and a passing grade
Impact	Increased enrol- ment in preschool and primary school enrolment; increased primary and secondary school attendance; reduced severe stunting of young children; increased regular health checkups for pregnant mothers and children; and improved the diets of beneficiary families	Poverty reduction, less child labor, increase caloric consumption, investment in pro- ductive activities	Every year of program exposure increased female enrolment rate by 12 percentage points	Positive, varied with design choices	-

Source: Fiszbein et al (2011); World Bank (2014c)

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Annex 3:

International examples of PWPs

	India	Ethiopia	Bangladesh
Name	MGNREGS	PSNP	Employment Generation for the Poor
Objective	100 days of unskilled work per rural household per year guaranteed on demand	Provide employment on rural infrastructure projects to chronically insecure	Short-term employment to manual workers on commu- nity projects in lean season up to 100 days
Timing	Year-roun	Year-round	Seasonal, 4 months
Target population	All rural households; self- targeted	Targeted to chronically food-in seucre households	Unskilled manual workers; self-targeted
Geographical scope	National, started with poorest areas	50% of districts	National, extra allocation for poorest areas
Number of beneficiaries	54.9 million (2011)	7.6 million (2009)	120,000 (2009)
Wage levels	Tied to agricultural minimum wage (cash)	Below market wage (cash and food)	Below market wage (cash)
Types of asset	Village roads, water/irrigation activities	Road construction and main- tenance, small-scale irrigation, and reforestation	Mainly earthworks for agriculture productivity, rural communication, disaster protection
Impact	High potential impact on poverty, actual depends on implementation	Positive impact on beneficia- ries' well-being	No evaluation yet

Source: Subbaraoet al (2013)



'Framework for the development of social protection systems: Lessons from international experience' is the second note in the series Building Resilience, Equity and Opportunity in Myanmar: the Role of Social Protection. All notes are available at www.worldbank.org/myanmar.

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