SPeeD

Social
Protection
expenditure and
evaluation
Database

EUROPE AND CENTRAL ASIA

Overview and select examples

ECA Social Protection team, World Bank

SPeeD consists of two pillars

- Detailed social protection **expenditures** and **number of beneficiaries** of social protection programs
  - Using administrative data (Ministries of Social Protection, Pension Funds, etc.)
  - Secondary sources (National Statistical Office, official reports, etc.)
- Performance benchmarking **("evaluation")**
  - Using household survey data and standardized approach
  - Comparable indicators of coverage, targeting and generosity for social assistance programs
  - Complementary to ASPIRE (SP Atlas)

Basic classification

Social Insurance

(contributory)

Labor Market Programs
(contributory and non-contributory)

Social Assistance

(non-contributory)

Data collection process - ongoing

- ➢ Classification
  - ➢ On a program level

- ➢ Program design characteristics
  - ➢ Type of benefits
    - ➢ Categorical vs means-tested
    - ➢ Cash vs in-kind
  - ➢ Frequency of payment, unit of assistance
  - ➢ Design, Financing and Implementation

Data collection process (cont.)

- Absolute annual nominal government spending & number of beneficiaries
  - For 23 ECA countries
  - From 2000/2005 (for some countries) through 2012 (pending)

- Notable gaps in the data
  - In-kind programs/provision of goods and social services are usually not well captured
  - Subsidies to producers are not captured
  - Data on administrative costs is collected, but not always available
  - In highly decentralized countries, sub-national spending is not available

SPeeD's output is user friendly

This summary sheet summarizes expenditure data in different ways:	"*Modus Operandi*" of this sheet
Pivot table based on the selections made by user	0. There should not be
Expenditures as a percentage of GDP	1. Select options in Pivot Table below
Real Expenditures	2. Press button (executes macro for formatting only)→
Indexed_Real expenditure	3. Use hyperlinks on the left to explore this sheet
Social Protection spending as a percentage of Total Government Expenditure	
Basic Macroeconomic Indicators (WEO IMF - update October 2012)	

Format Tables

Present	Yes	Check "Yes" to only dispay programs existing in this country
Aggregate	(All)	You selected to display both Aggregated and not aggregated expenditures line -->Careful with totals!
Subprogram	(All)	
Program Category	(All)	Choose to display benefits by targeting mechanism: "Means-tested" or not Means-tested ("Categorical")
Targeting Mechanism (C=Categorical; M=Means-tested)	(All)	Choose to display benefits financed by: Central, Regional, or Municipal levels of government, or Social Insurance (SI) Fund
Source of Financing (Central, Regional, Municipal, Social Insurance Fund,	(All)	Choose to display only "Cash" or "In-kind" benefits, among others
Contributory/Non-contributory	(All)	Choose to display only "Contributory" or "Non-contributory" benefits
Benefits (Earnings-related/not earnings-related)	(All)	Choose to display benefits that are "Earnings-related" or "Not earnings-related"

	2000	2001	2002	2003	2004	2005	2006
⊟1. Social Insurance	-	18,289,458,934.22	22,949,025,881.13	25,684,057,484.70	36,042,427,950.33	28,907,690,264.00	33,676,949,416.00
⊟Disability pension							
Invalidity	-	858,553,820.07	1,154,422,174.01	1,370,204,937.02	1,735,779,726.91	2,051,783,260.00	2,568,691,352.00
⊟Old age pension - First Pillar							
Aggregate First Pillar		5,599,240,005.53	7,132,153,055.21	8,168,250,900.69	10,196,412,683.14	11,746,863,605.00	13,614,154,018.00
Age limit, full length of service (incl incomplete length as from 2010 on)	-	4,680,396,615.51	5,918,617,801.40	6,702,337,267.21	8,358,267,594.90	9,497,329,235.00	10,809,901,016.00
Age limit, incomplete length of service	-	901,559,462.58	1,084,176,652.62	1,236,194,324.00	1,510,727,178.04	1,864,049,825.00	2,330,365,153.00
Early retirement and partially early retirement	-	17,283,927.44	129,358,601.19	229,719,309.48	327,417,910.20	385,484,545.00	473,887,849.00
⊟Special pension							
Indemnities for war veterans, subjects of political persecutions, heroes,	-	-	-	-	-	879,000,000.00	1,167,000,000.00
Farmers pensions	-	5,758,789,592.00	6,918,926,001.00	7,258,644,078.00	13,043,176,110.00	1,357,385,485.00	1,407,008,121.00
Other social assistance benefits	-	-	-	-	-	151,900,000.00	181,211,000.00
⊟Survivor pension							
Successor allowance	-	473,635,511.09	611,371,595.70	718,706,668.30	870,646,747.14	973,894,309.00	1,124,730,907.00
⊟2. Labor Market	-	-	-	1,543,283,692.00	1,800,536,321.00	1,871,920,000.00	1,788,690,000.00
⊟2. Training							
2. Training	-	-	-	18,935,457.00	19,525,788.00	38,760,000.00	41,450,000.00
⊟Labor market services (1)							
Labor market services (1)				77,579,427.00	95,846,272.00	111,010,000.00	142,030,000.00

INDEX   ROU_output   ROU_input   s5 ALmps from Eurostat   LOG   S4 ALMPs

Overview of selected results

# In ECA region there is a considerable variation in social protection spending …

Social Protection Spending (as a share of GDP)

Legend:
- Social Insurance (green)
- Labor Market (red)
- Social Assistance (blue)

Countries (top to bottom): Tajikistan 11, Kazakhstan 09, Kosovo 11, Azerbaijan 11, BIH 10, Albania 11, Turkey 09, FYR Macedonia 09, Latvia 11, Belarus 11, Moldova 10, Bulgaria 10, Montenegro 10, Croatia 11, Estonia 10, Serbia 10, Romania 11, Ukraine 11

Axis: 0%, 5%, 10%, 15%, 20%, 25%
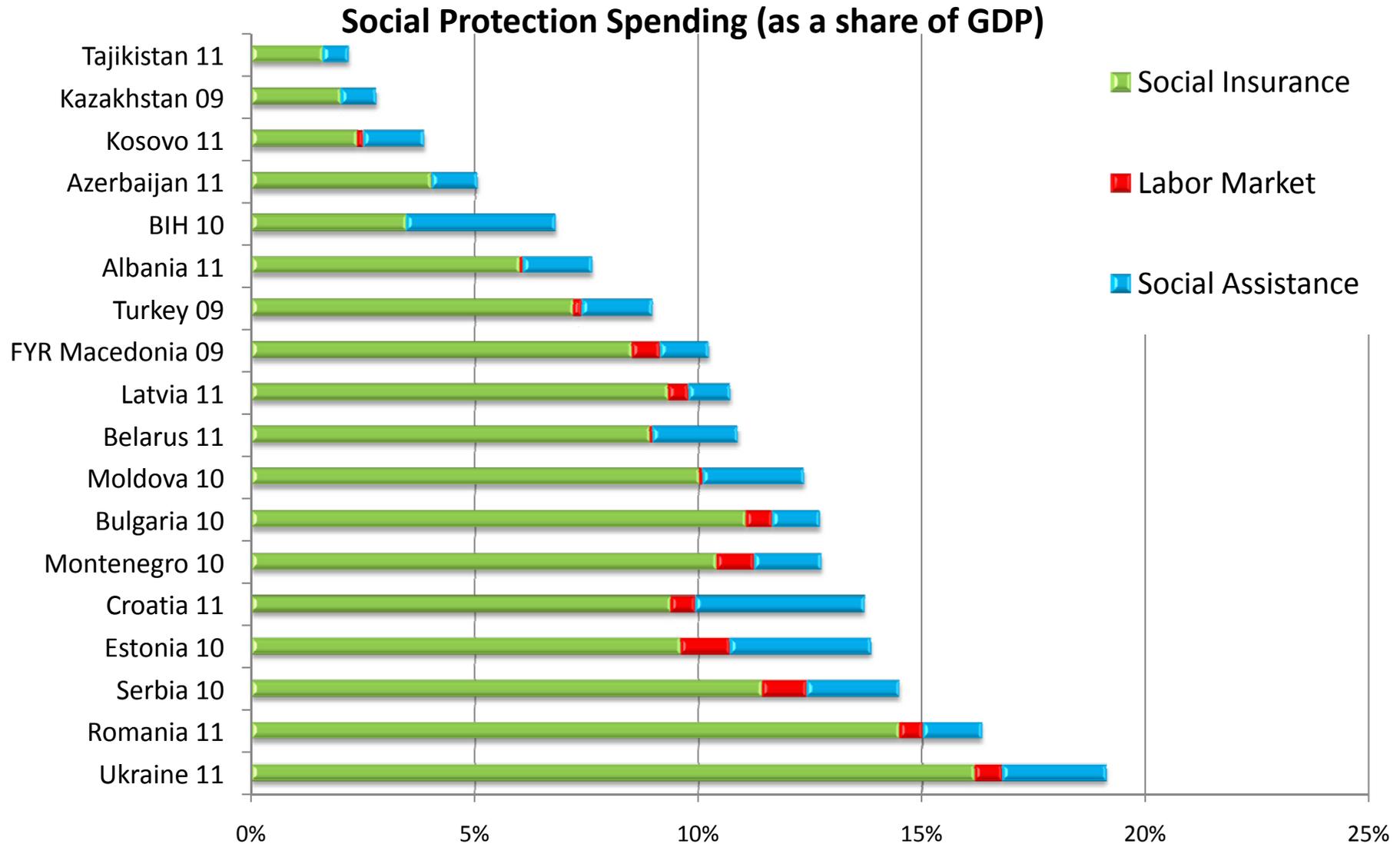
…and in social assistance spending (both levels & mix of programs)

Social assistance spending (as a share of GDP)

Legend:
- Family and child allowances
- Disability benefits
- Social/non-contributory pension
- Low income/last-resort program
- War veteran related benefits
- Other
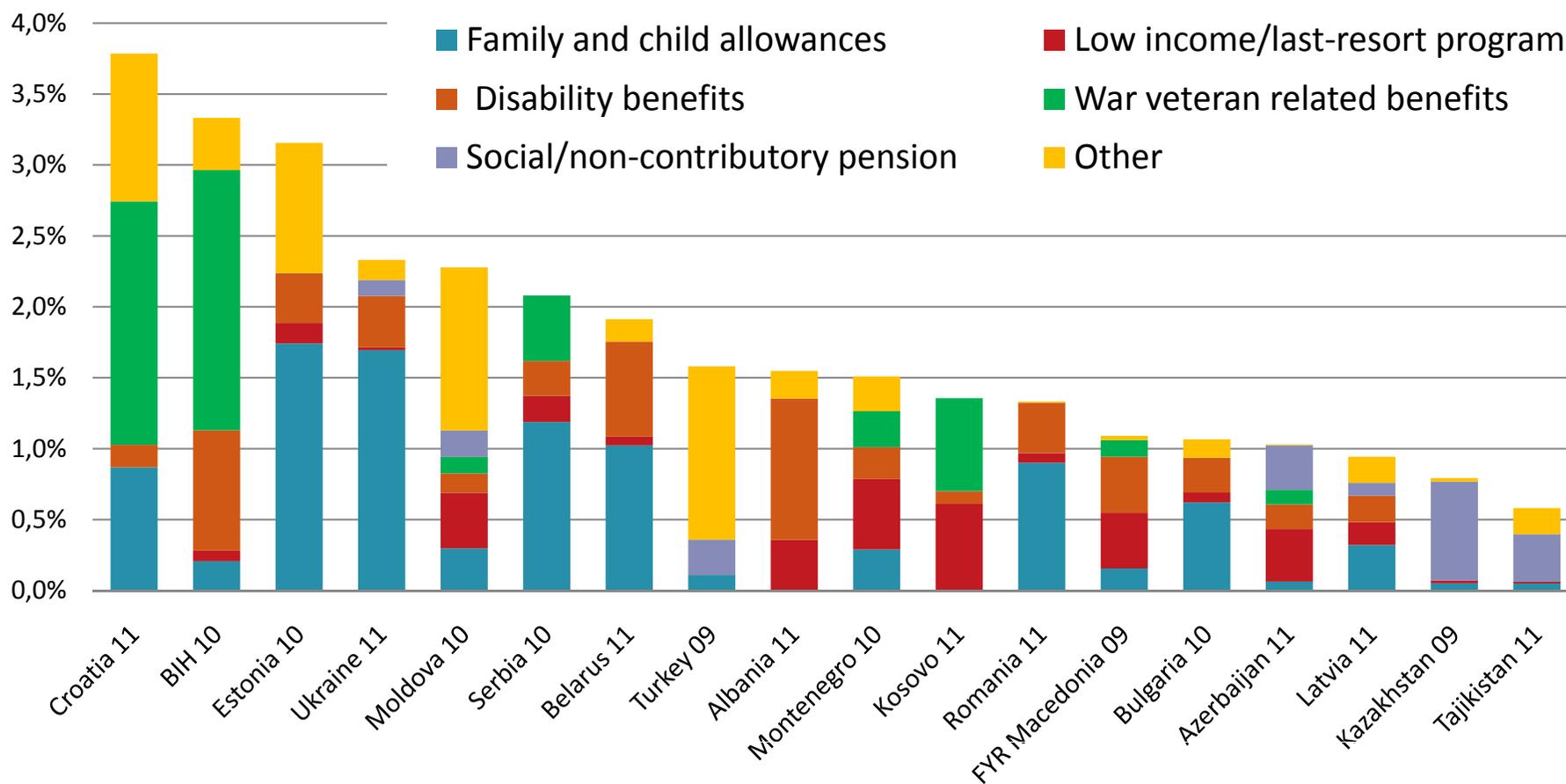
# Share of social assistance spent on means-tested programs also varies across countries…

Social assistance spending (as a share of GDP)

Legend: Non-means-tested (blue), Means-tested (yellow)

Countries (left to right): Croatia 11, BIH 10, Estonia 10, Moldova 09, Ukraine 11, Serbia 10, Belarus 11, Turkey 09, Albania 11, Montenegro 10, Kosovo 11, Romania 11, FYR…, Bulgaria 10, Azerbaijan 11, Latvia 11, Kazakhstan 09, Tajikistan 11

Y-axis: 0,0%, 0,5%, 1,0%, 1,5%, 2,0%, 2,5%, 3,0%, 3,5%, 4,0%
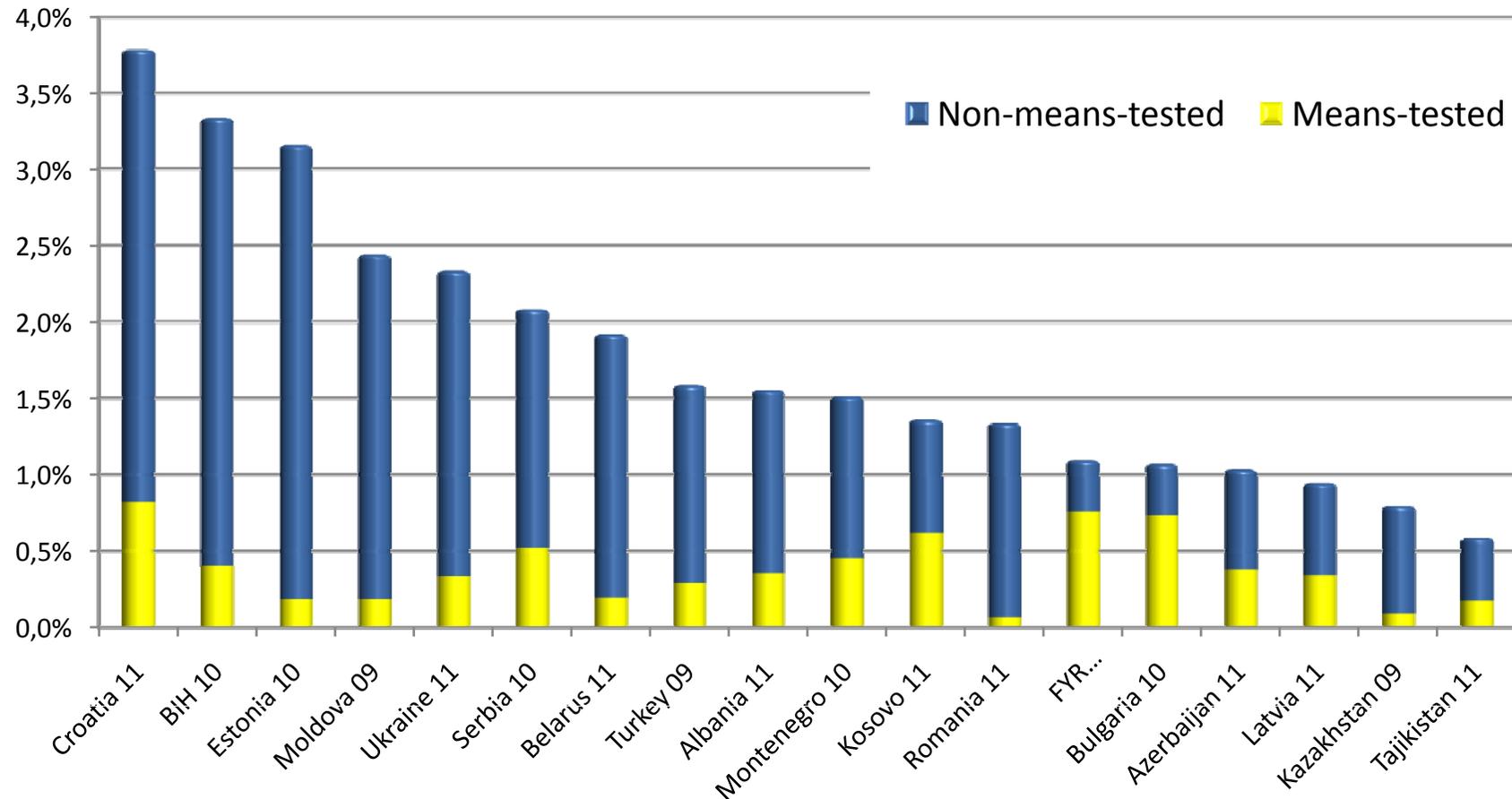
Considerable SP coverage in many ECA countries

Coverage of the population by SP transfers
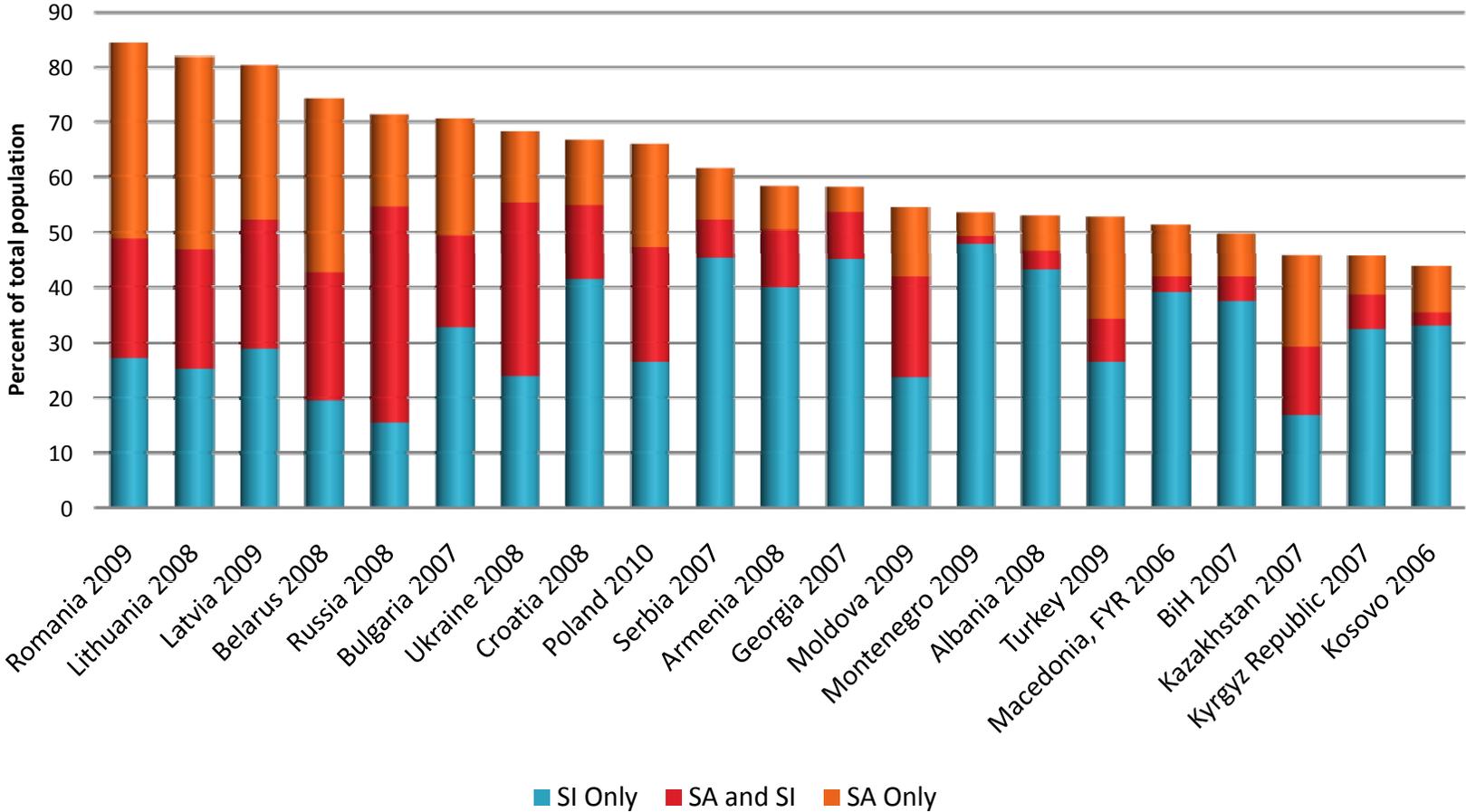
While coverage of the poor by social assistance is often lacking

**Social Assistance
Coverage of the Poorest Quintile (%)**
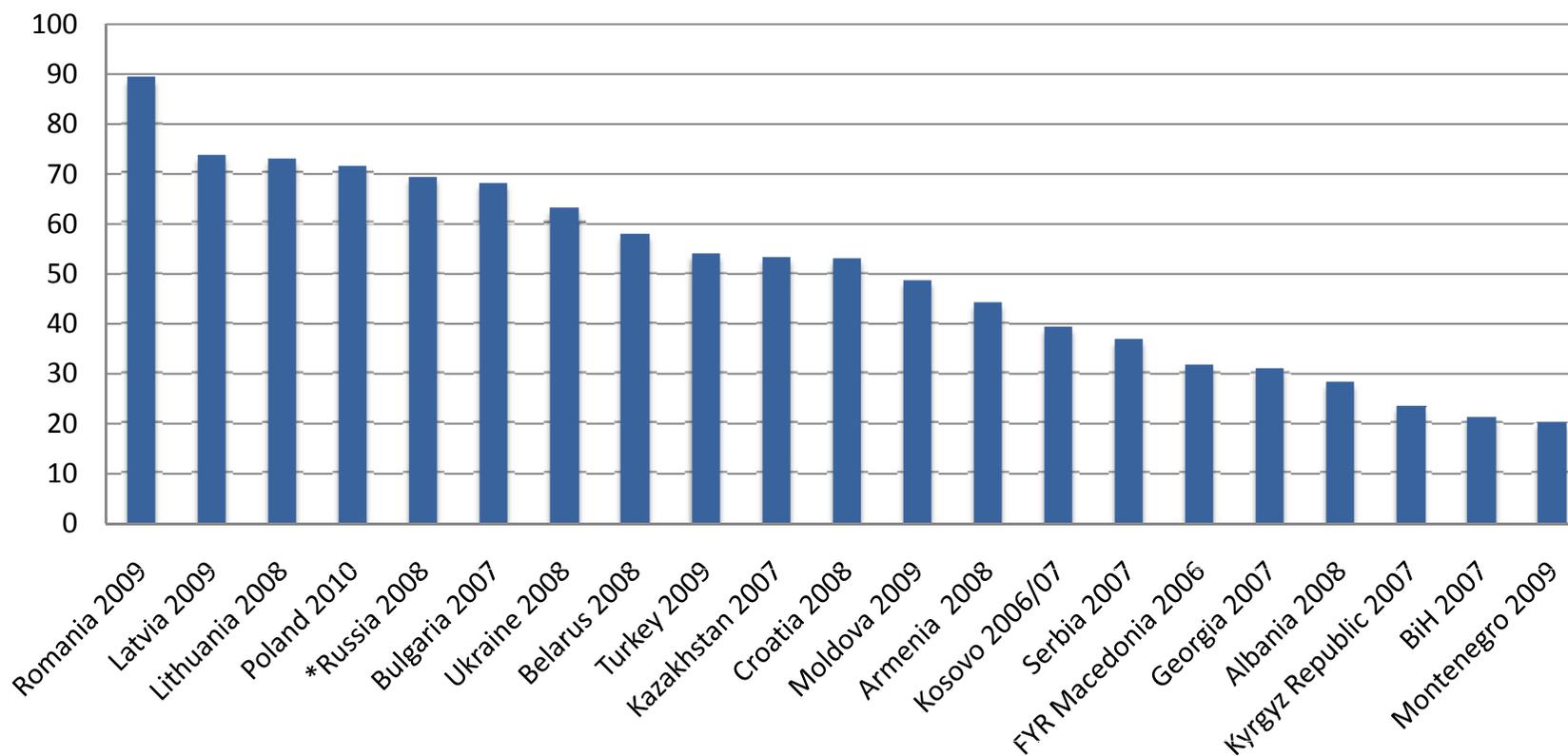
THANK YOU

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Classification: Social Insurance
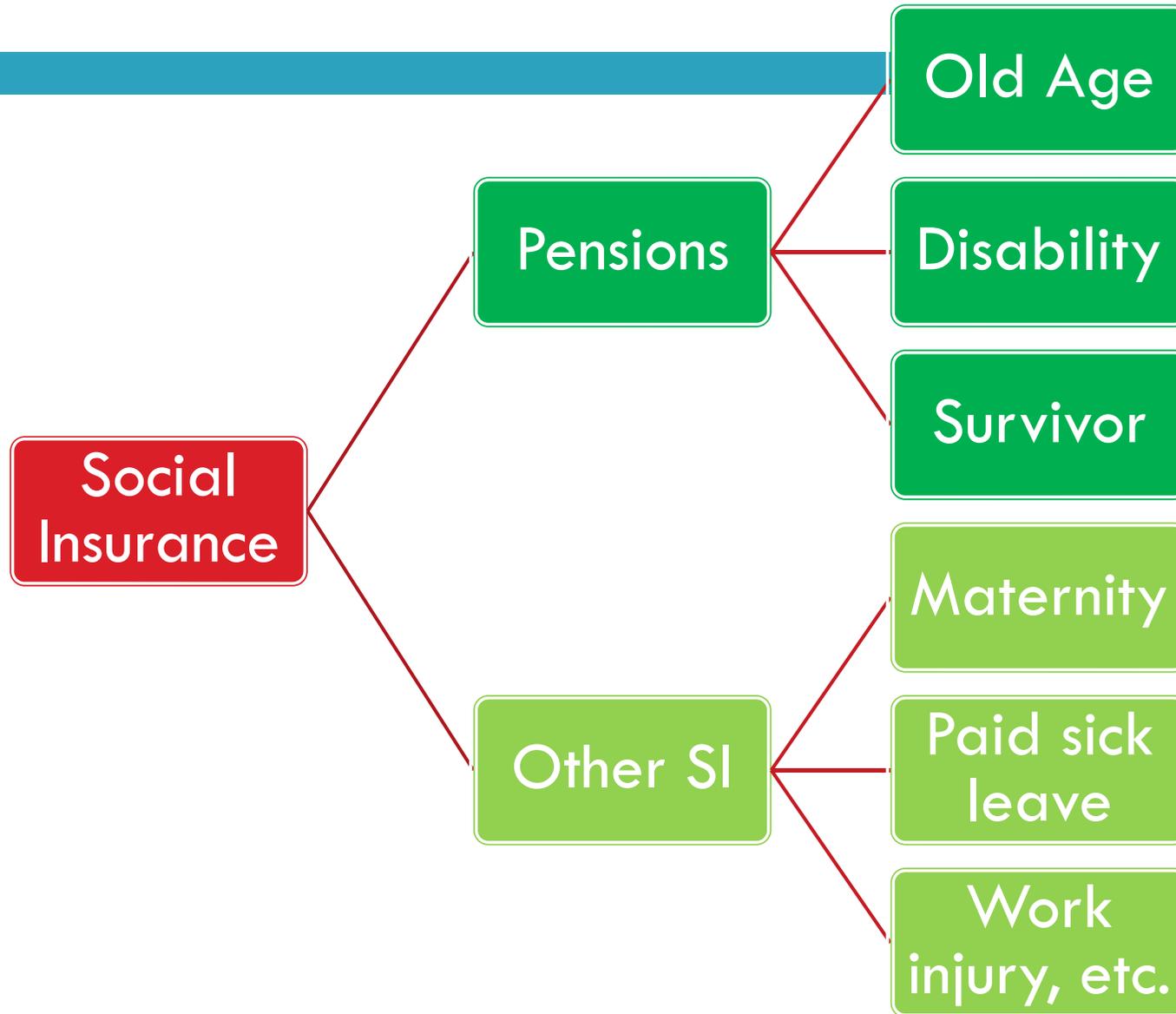
Classification: Labor Market

Labor Market Policies (LMP)

- LMP services
- LMP measures
  - Training
  - Job rotation and job sharing
  - Employment incentives
  - Supported employment
  - Direct job creation
  - Start-up incentives
- LMP supports
  - Out-of-work income maintenance
  - Early retirement

Active LMP

Passive LMP
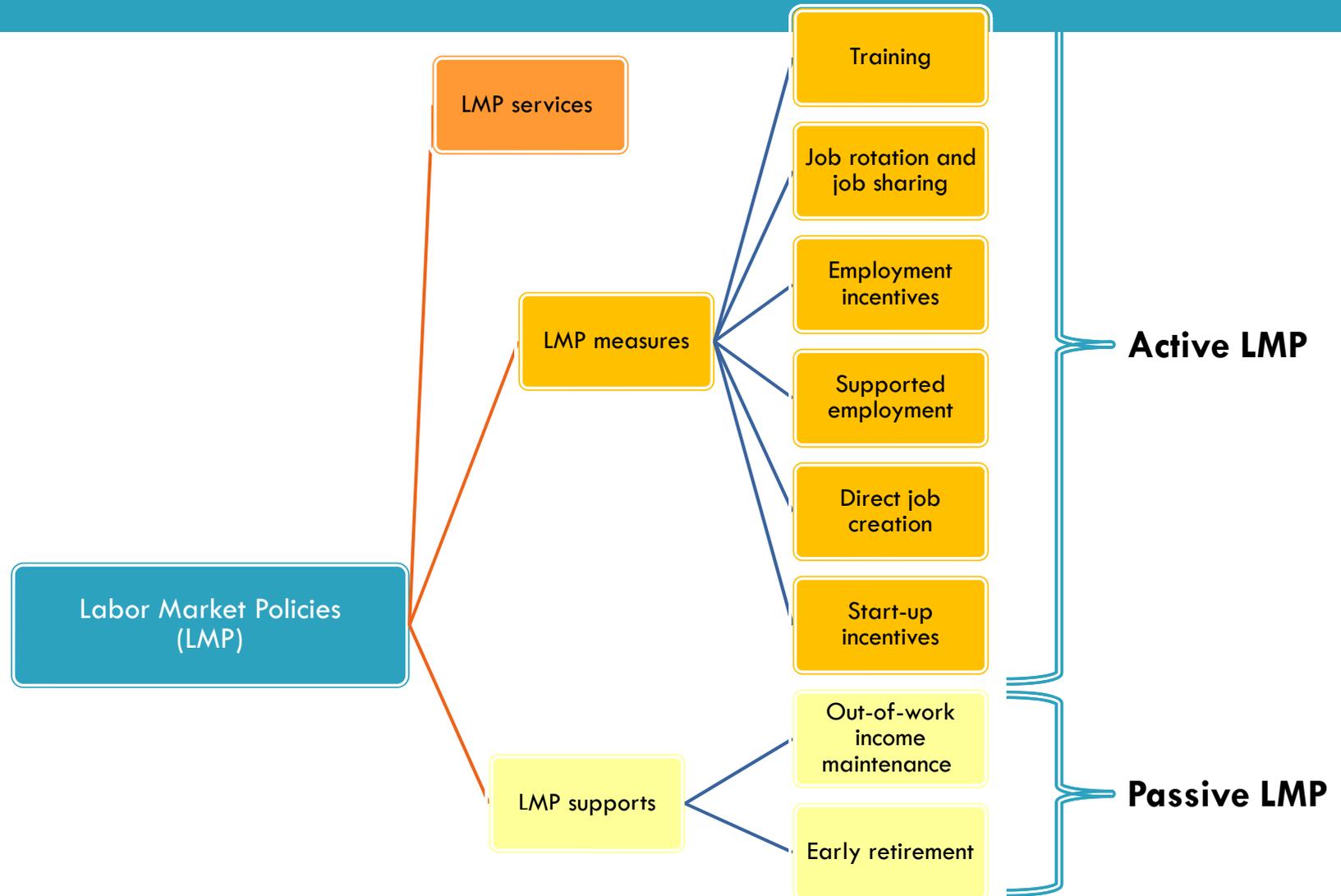
See Eurostat for more information

Classification: Social Assistance

What aspects of program design do we try to capture?

- Starting/Ending year
- Targeting mechanism
- Payment type
- Level of government
  - Source of financing
  - Design
  - Implementation
- Benefit amount/indexation
- Frequency of payment
- Assistance unit
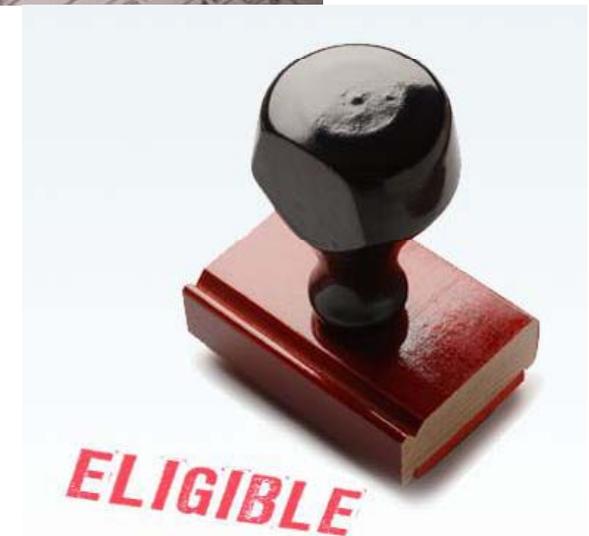
Standardized methodology for developing performance indicators

Data source	Household survey data (Household Budget Surveys, Living Standards Measurement Study, etc.)
Welfare indicator	Harmonized consumption aggregate[1]
Individuals ranked on	Per capita consumption before all SA cash transfers
ADePT SP[2]	Standardized software to compute indicators

1. Developed by ECA Poverty Reduction and Economic Management team (ECA Databank) – a standard basket of goods and services across all countries, and all expenses are similarly deflated across countries and expressed in per capita terms

2. Developed by World Bank's Development Research Group (DECRG)

Measures of Performance of Social Assistance

We use household surveys to assess performance:

- **Coverage**: percent of poorest quintile who receive benefits.

- **Targeting accuracy**: percent of benefits going to the poorest quintile.

  - **"Dooh nibor":** Leakage of social assistance benefits to the upper quintile

- **Generosity (Adequacy):**

  - **Contribution to consumption:** Average transfer amount as a fraction of average consumption for beneficiary households in the poorest quintile.

- **Impact on poverty**: to what extent do social assistance transfers lift people out of poverty in the ECA countries?

  - Relative poverty line is used – 20th percentile of per capita consumption

Limitations of using household surveys

- Limited to those programs that are included in specific questions on household surveys

- Cannot capture full range of transfers that we do in public spending

- **Rough estimates** of what share of total SA (in public spending) we are capturing in household survey analysis – ranging from about 30% to more than 90%

Percent of Total SA Spending Captured by Household Data Analysis