

Social Protection Floor

Role of Child Allowances

Presentation to NESDB Social Lab

27 April, 2010



unite for
children

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Presentation Outline

1. What is the Social Protection Floor concept
2. The role of child allowances in the social protection floor
3. International experience of child allowances
4. Research proposal on child allowance concept in Thailand

The Social Protection Floor concept

In response to the developing global financial crisis, in April 2009 the UN Chief Executives Board (heads of all UN agencies) started **nine joint initiatives** to mitigate the impact of the crisis, accelerate recovery and pave the way for a fairer and more sustainable globalization:

1. Additional financing for the most vulnerable
2. Food Security
3. Trade
4. Green Economy Initiative
5. Global Jobs Pact
- 6. Social Protection Floor (SPF)**
7. Humanitarian, Security and Social Stability
8. Technology and Innovation
9. Monitoring and Analysis

Social Protection Floor: basic & modest set of social security benefits for all citizens

Two components:

1.Availability of basic services (water and sanitation, education, adequate nutrition, housing etc)

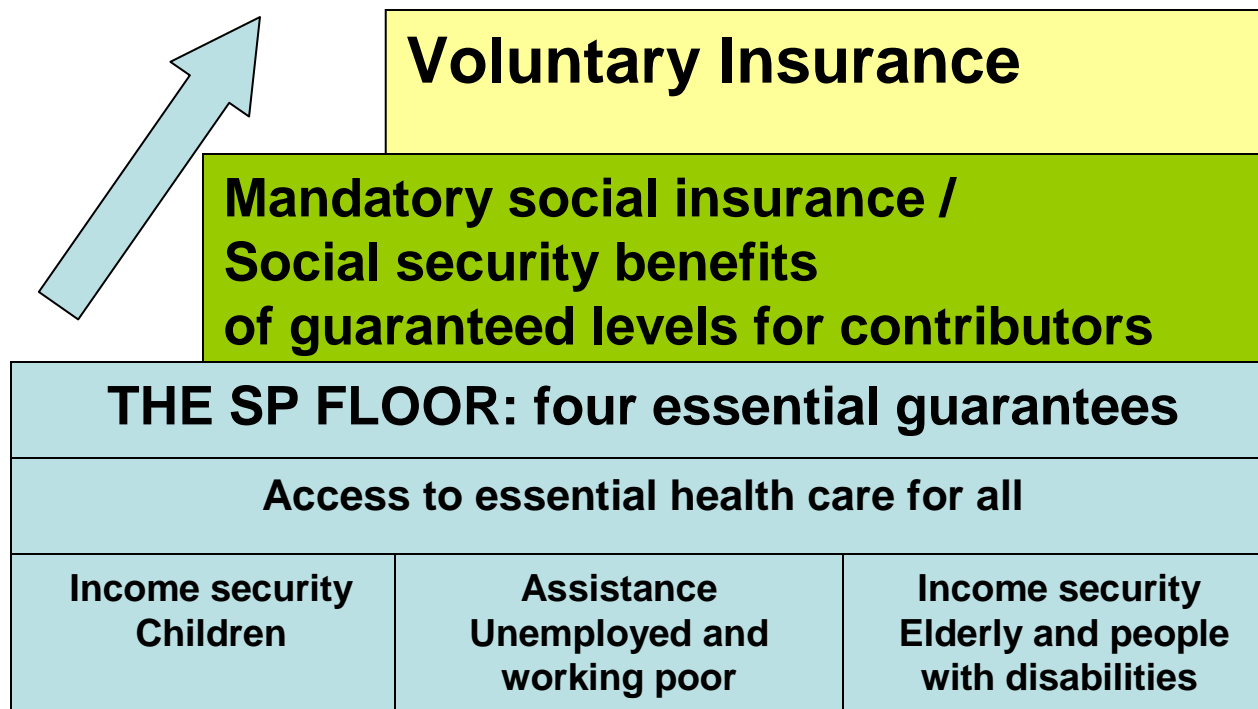
AND

2.Capacity to “demand” through types of social transfers in cash or in kind

- ✓Financing universal access to essential health care
- ✓Income security through basic, tax-financed, universal non-contributory pensions for older persons, persons with disabilities and those who lost the main breadwinner in a family
- ✓Modest conditional support for the working poor (employment programmes, benefits)
- ✓Income security for all children through child allowances

Social security development staircase

Horizontal and Vertical Dimensions



**Thailand:
Where it is now**

**SSF / GPF / Mutual retirement
savings fund**

CSMBS / SSS / UC

B 500 Elderly Support Fund

Source: ILO, 2009



Child sensitive social protection

Child sensitive social protection

Focuses on issues that particularly affect Children's Well-being and Human Capital Formation:

- Child and maternal nutrition
- Access to services (especially health, and primary & secondary education) for children in poor and marginalized families
- Supporting families and caregivers in childcare role, including increasing time available within the household
- Gender and ethnic inequalities
- Preventing discrimination and child abuse in and outside home
- Reducing child labour

Cash allowances & child sensitive social protection

Child allowances help achieve child-sensitive social protection through:

- ✓ Ensuring regular and predictable income for poor families with children
- ✓ Protecting children in poor families from impact of external economic shocks to household (unemployment, death or loss of breadwinner, crop failure etc)
- ✓ Improving nutritional status of the poorest children
- ✓ Increasing up-take of basic services by poor children and their families
- ✓ Promoting social cohesion and inclusion – combating structural child poverty and inequality



**International
experience of
child
allowances**

South Africa: *Child Support Grant*

Child (<5) population	5.2 m
GNP per capita	US\$5,685
Poverty Headcount Population <US\$2 per day	34%

- Child allowance is US\$33 per month paid to parent or caregiver of all children up to age 15
- Child must be citizen of South Africa with birth certificate
- Household income < US\$330 per month single or US\$660 couple
- No conditionality other than poverty of family
- Administered by Social Development District Office
- Paid through bank or collected in person

Jamaica: Program of Advancement through Health and Education

Child (<5) population	255,000
GNP per capita	US\$5,685
Poverty Headcount Population <US\$2 per day	14.4%

- Child allowance is US\$8 – US\$12 per month (depending on age) paid to parent or caregiver of all children up to age 17
- Child must be citizen of Jamaica with birth certificate
- Proxy measures used to establish household poverty
- Conditionality: 85% attendance at school
- Administered by Ministry of Labor and Social Security
- Paid through bank or collected in person

Indonesia: *Hopeful Family Programme*

Child (<5) population	20.1 million
GNP per capita	US\$3,347
Poverty Headcount Population <US\$2 per day	52.4%

- Child allowance around US\$100 per year paid to mother or another adult female in household for all children up to age 15
- Proxy means test for poor family
- Health, nutrition and school attendance conditions
- Administered by Ministry of Social Affairs
- Paid through post office



Challenges and debates in child allowances

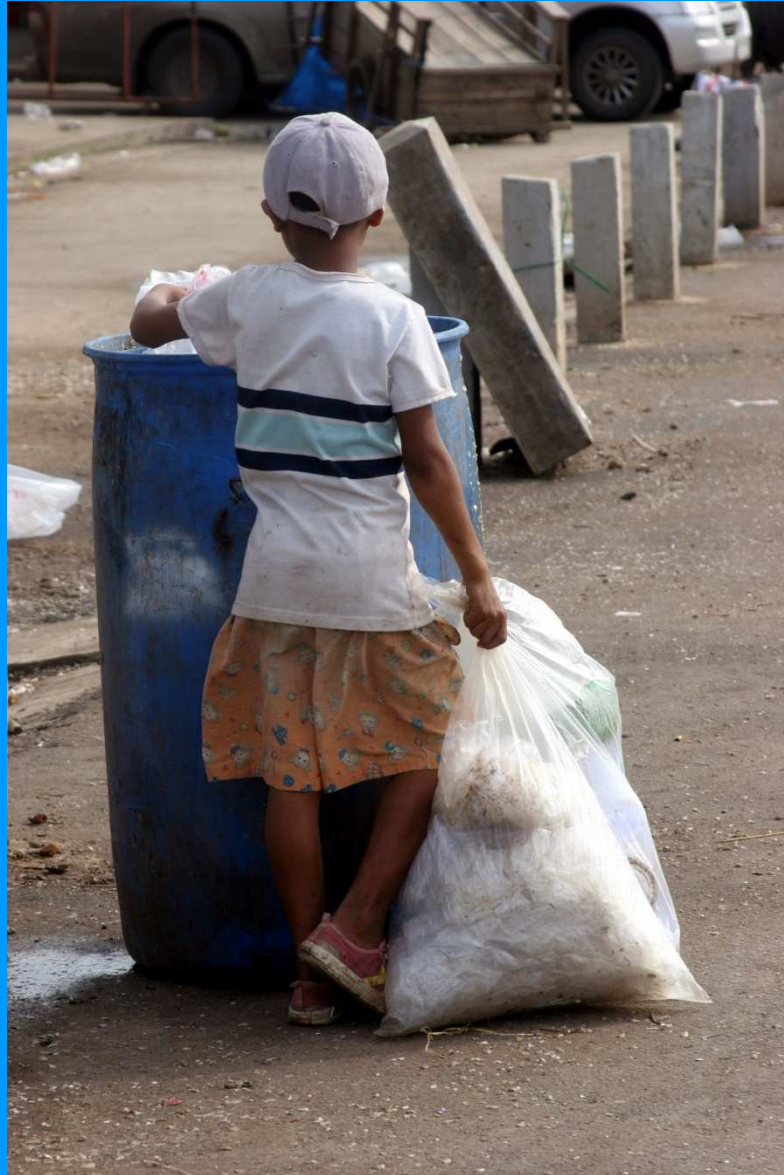
Cash allowances effective but some questions

World Bank study* concluded that cash transfers are successful “...*solid evidence of their positive impacts in reducing short-term poverty and increasing the use of education and health services.*”

But major issues to consider include:

- ✓ Conditional or unconditional (i.e. universal or linked to behaviour change such as school or clinic attendance)
- ✓ Errors in exclusion (not all beneficiaries receive entitlement) and inclusion (non-poor families get payments)
- ✓ How to target (challenging in many data poor settings)
- ✓ Payment modalities (cash or through banking system)
- ✓ Affordability and sustainability
- ✓ Unintended consequences (local inflation, weakened social capital)

* *Conditional Cash Transfers: Reducing Present and Future Poverty*,
The World Bank, Washington DC, 2009



Do child allowances have a role in Thailand?

Perhaps...

Significant achievements in ensuring child sensitive social protection in Thailand by access to health care and basic education services

But some significant challenges remain, especially for poorest:

- Maternal health : 10% low birth rate in poorest quintile¹
- Nutrition status of pre-school children : 16% stunting in poorest quintile¹
- Non-free education costs : 8% of HH income in poorest quintile²
- Primary to secondary school transition : 20% of poorest quintile drop-out³

¹ *Multiple Indicator Cluster Survey, NSO, 2006*

² *World Bank, 2005*

³ *World Bank, 2008*

So, let's try to find out!

UNICEF suggests conducting research to examine the potential impact of a child allowance on:

- Improving overall child wellbeing in Thailand
- Reducing structural child poverty and inequality
- Broader macro-economic stimulus effect

Research Methods

- Econometric
- Quantitative analysis
- Operations research
- Qualitative opinion research

Suggested Timeline and Next Steps

- ❖ Research period: mid 2010 – late 2011
- ❖ Establish research study steering group
- ❖ Who needs to be involved – key stakeholders?
- ❖ What are the most important issues on child allowances to address relevant to Thailand?



Thank you!