

# Building Social Protection Systems: Evolving Ideas Towards Operational Approaches

preliminary ideas: please do not quote or cite

Arup Banerji  
The World Bank



Social Protection "Show and Tell"  
Bonn, May 2011



THE WORLD BANK



Human Development Network

# The “3P” framework: A multi-dimensional approach

2

## P revention

Insuring against the Impacts of Risk:

*Examples of programs:*

- Old age and disability pensions
- Unemployment and disability insurance

## P romotion

Promoting Opportunities

*Examples of programs:*

- Skills training
- Conditional cash transfers
- Labor market intermediation and regulation reforms

## P rotection

Alleviating Poverty Destitution:

*Examples of programs:*

- Cash transfers
- Food transfers
- Public works programs

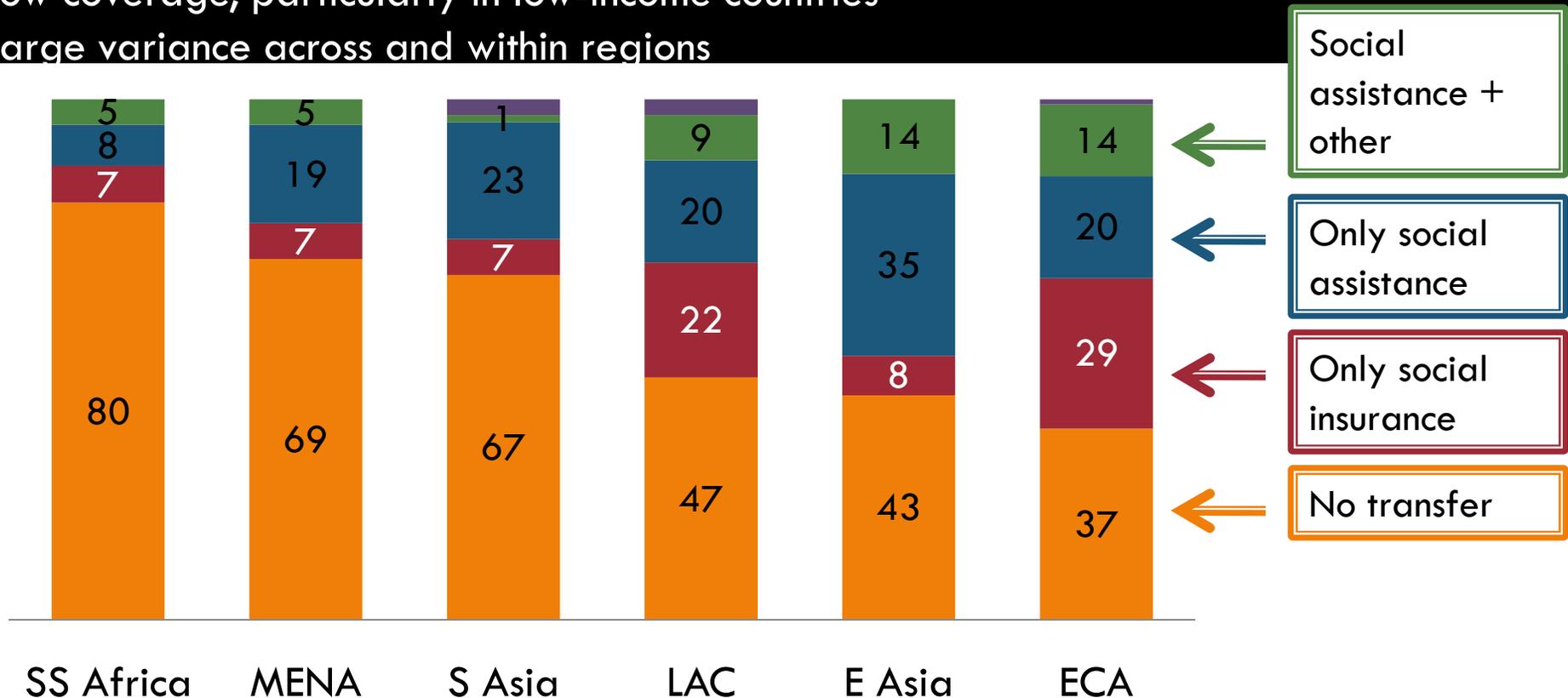
Preliminary ideas: please do not quote or cite



# The Challenge of Scattered Coverage

3

Low coverage, particularly in low-income countries  
Large variance across and within regions



(% of households that receive)

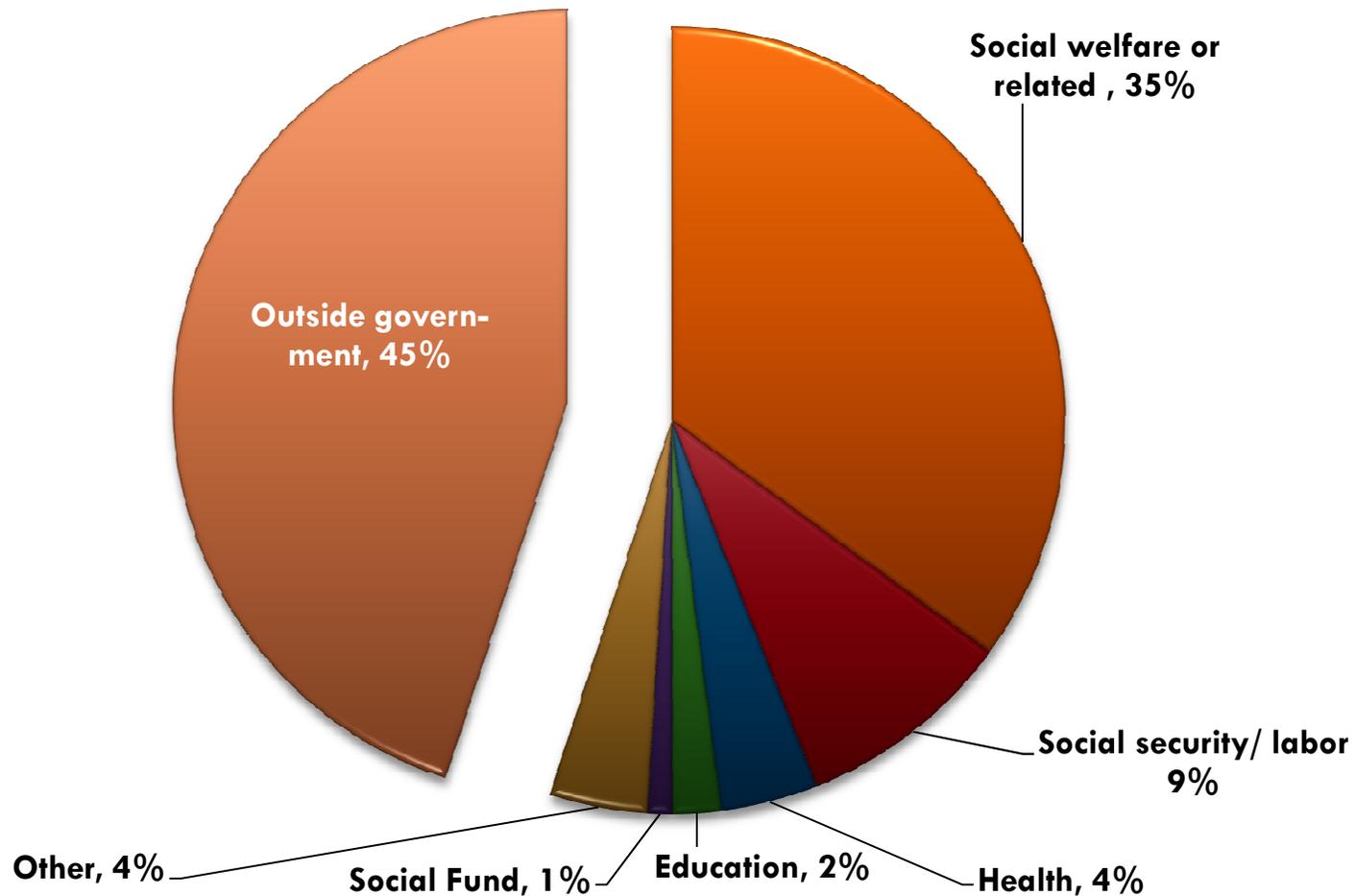


Source: SP Atlas, World Bank  
(forthcoming)  
(excludes remittances and subsidies)

# The Challenge of Fragmented Programs

Example: (Ministries) where cash transfer programs in Sub-Saharan Africa are based

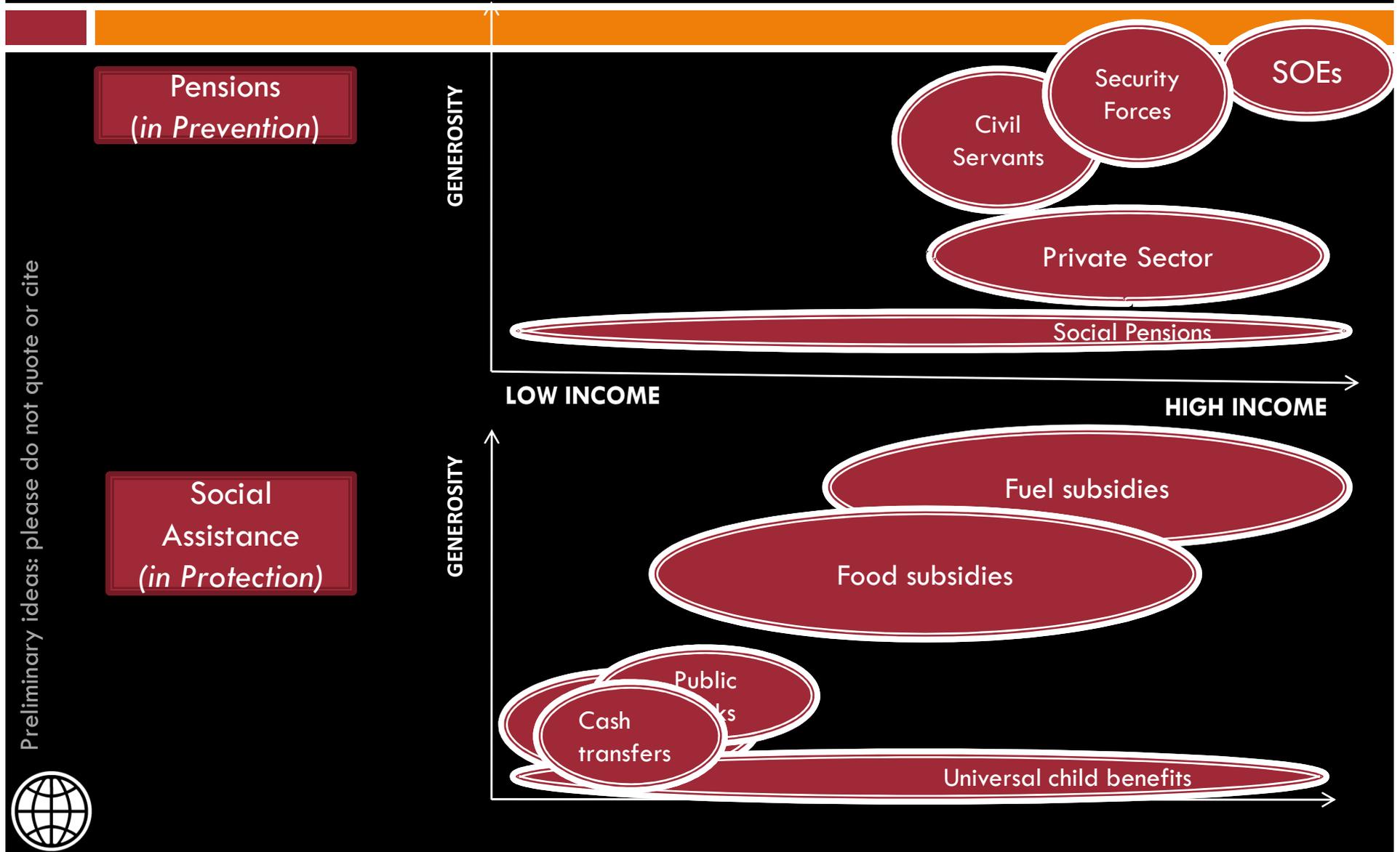
Source: World Bank, forthcoming 2011



Preliminary ideas: please do not quote or cite



# The challenge of fragmentation in SP programs



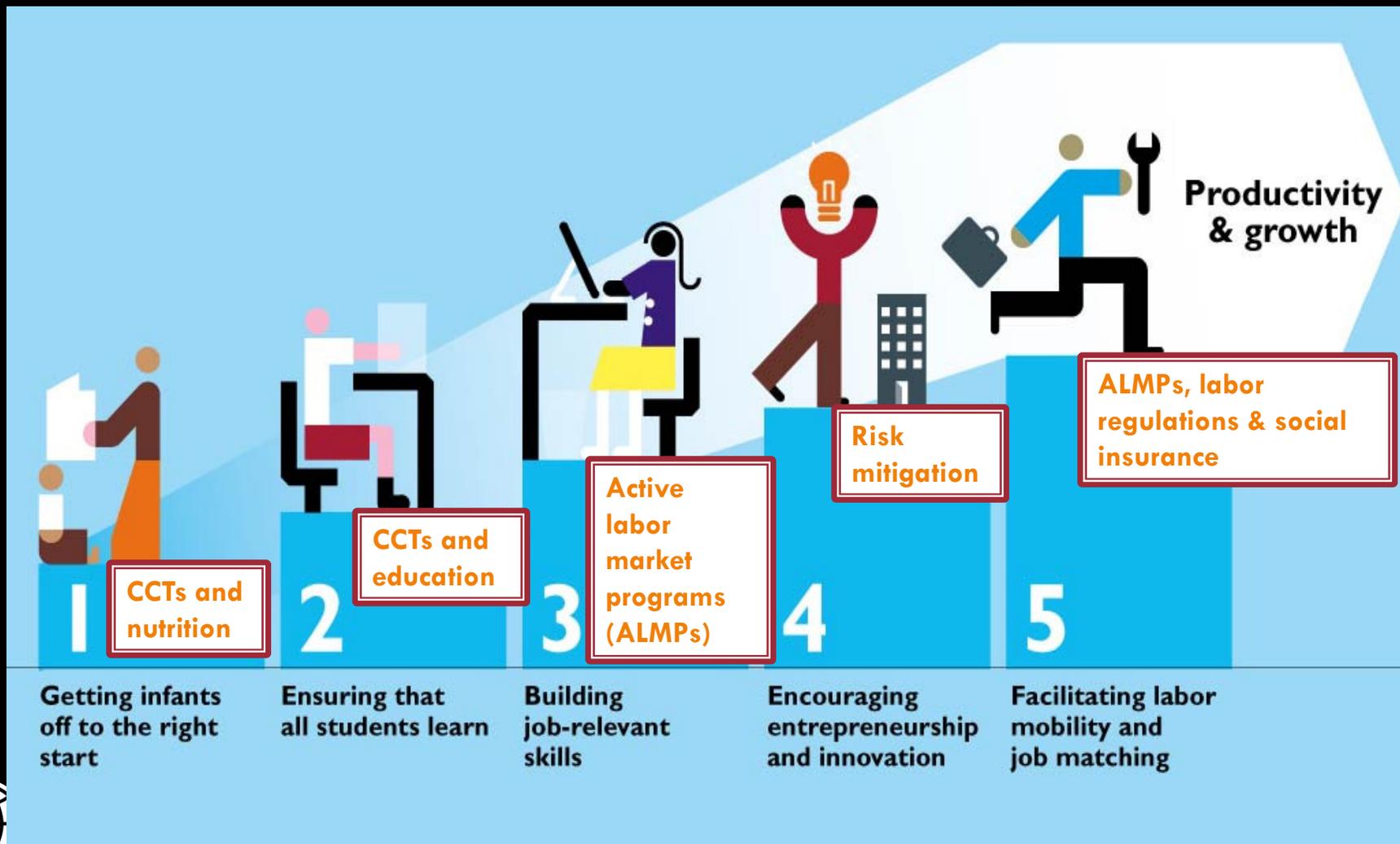
# The Challenge of Policy Coordination Across Multiple Sectors

(Example: Skills Building and the STEP framework)

(source: STEPping up skills for more jobs and higher productivity, World Bank 2010)

6

Preliminary ideas: please do not quote or cite



# Moving to systems yields multiple benefits

7

- Equity
- Broader coverage of population and services
- Diversification and adaptation
- Smarter financing arrangements
- Economies of scale
- Incentive compatibility

Preliminary ideas: please do not quote or cite



# Systems: Better social protection for the future

Preliminary ideas: please do not quote or cite



**Goal: Building the “nuts and bolts” sub-systems to provide one or more 3P functions**

**Low capacity contexts**  
Few or no functional formal 3P programs

**Goal: Improving efficiency and efficacy of each program, improving coordination**

**Emerging capacity contexts**  
Existing systems often fragmented, with limited capacity to coordinate

**Goal: Policy coordination to ensure efficiency, equity and incentive compatibility**

**Better capacity contexts**  
Well-functioning programs with aligned incentives and clear institutional roles

# Each program has different sub-systems around it



Institutional and governance arrangements (roles, rules and controls)



Eligibility and Targeting mechanisms



Cash transfer mechanisms



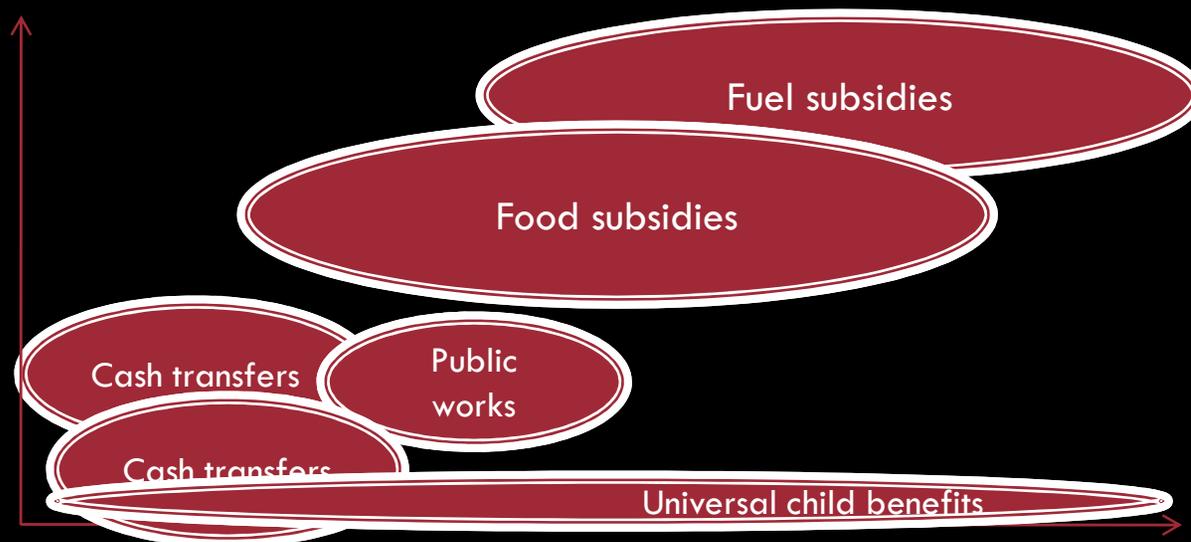
Databases and registries



Financing arrangements

Preliminary ideas: please do not quote or cite

Social Assistance



# Building systems for Social Protection and Labor



Institutional and governance arrangements (roles, rules and controls)



Eligibility and Targeting mechanisms



Cash transfer mechanisms



Databases and registries



Financing arrangements

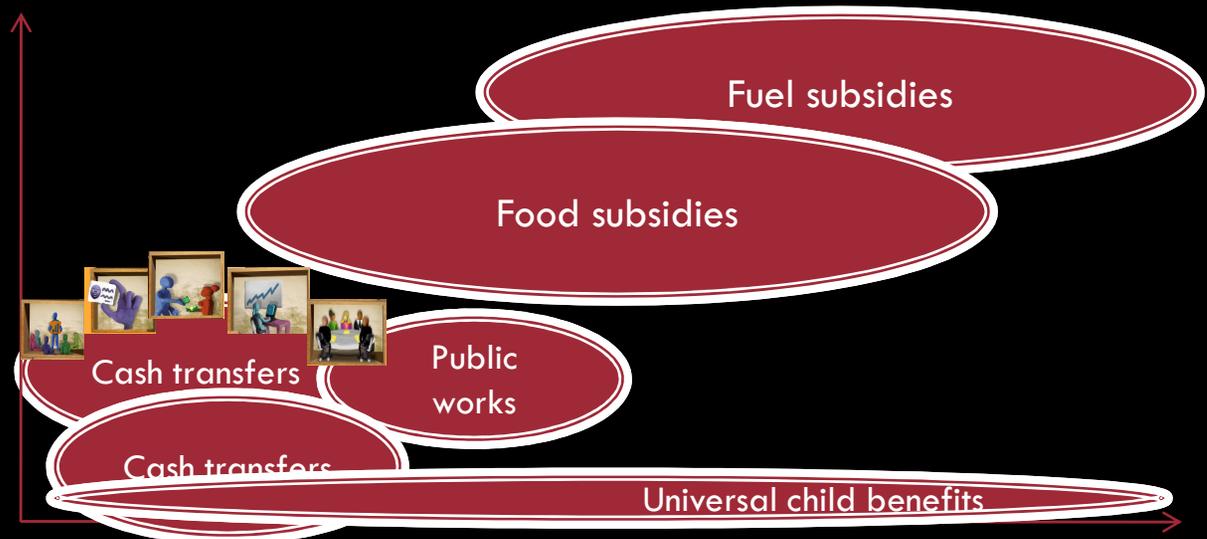
Building sub-systems ("nuts and bolts")

Improving the efficacy and coverage of different systems

Coordinating sub-systems across similar programs

Stretch goal: Policy coordination across different 3P functions

Preliminary ideas: please do not quote or cite



# Building systems for Social Protection and Labor



Institutional and governance arrangements (roles, rules and controls)



Eligibility and Targeting mechanisms



Cash transfer mechanisms



Databases and registries



Financing arrangements

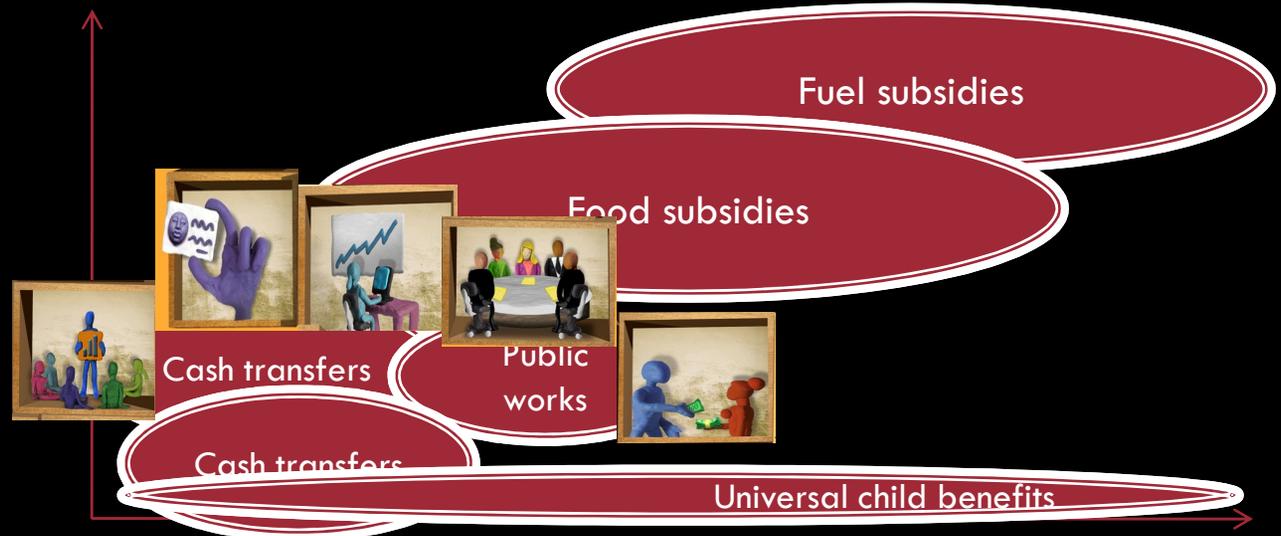
Preliminary ideas: please do not quote or cite

Building sub-systems ("nuts and bolts")

Improving the efficacy and coverage of different systems

Coordinating sub-systems across similar programs

Stretch goal: Policy coordination across different 3P functions



# Building Systems for Social Protection and Labor



Institutional and governance arrangements (roles, rules and controls)



Eligibility and Targeting mechanisms



Cash transfer mechanisms



Databases and registries



Financing arrangements

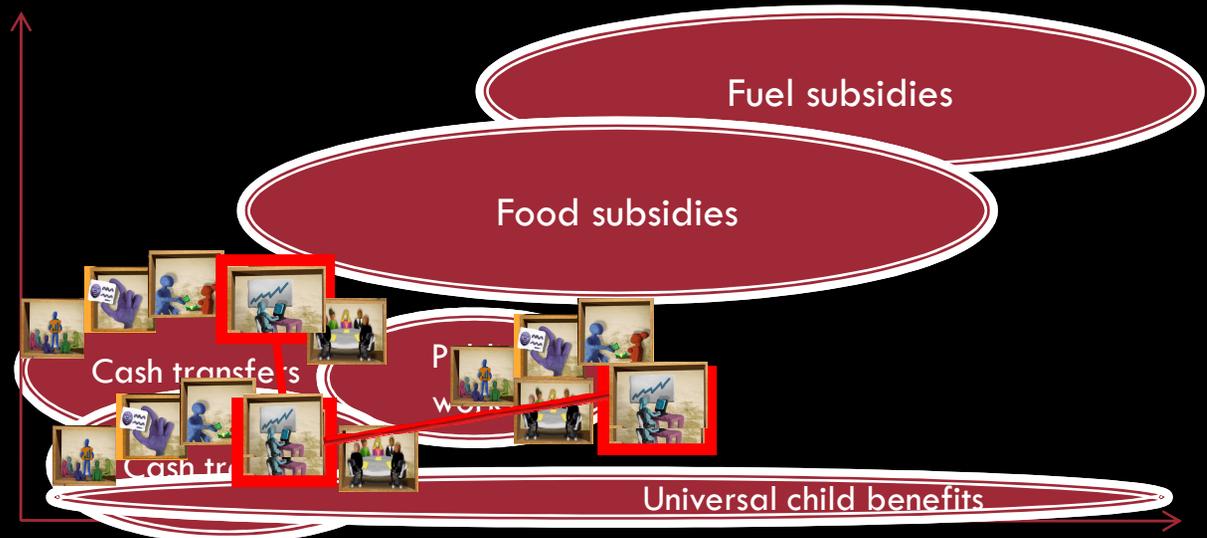
Preliminary ideas: please do not quote or cite

Building sub-systems ("nuts and bolts")

Improving the efficacy and coverage of different systems

Coordinating sub-systems across similar programs

Stretch goal: Policy coordination across different 3P functions



# Building systems for Social Protection and Labor

13

## P prevention

Insuring against the Impacts of Risk:

*Examples of programs:*

- Old age and disability pensions
- Unemployment and disability insurance



## P Promotion

Promoting Opportunities

*Examples of programs:*

- Skills training
- Conditional cash transfers
- Labor market intermediation and regulation reforms

## P Protection

Alleviating Poverty Destitution:

*Examples of programs:*

- Cash transfers
- Food transfers
- Public works programs



Building sub-systems  
("nuts and bolts")

Improving the efficacy  
and coverage of  
different systems

Coordinating sub-  
systems across similar  
programs

*Stretch goal:* Policy  
coordination across  
different 3P functions

Preliminary ideas: please do not quote or cite



# Towards an agenda for donors and partners on building systems

- ❑ Help finance and build “nuts and bolts” of systems in poorer countries
- ❑ Coordinate explicitly with others so that different donors don’t support different country sub-systems
- ❑ Consolidate any new programs with the best sub-systems being used for other programs
- ❑ Seek sustainable systems rather than pilots that have little follow-up plans by governments

Preliminary ideas: please do not quote or cite

