

Designing, implementing and financing inclusive social protection programmes

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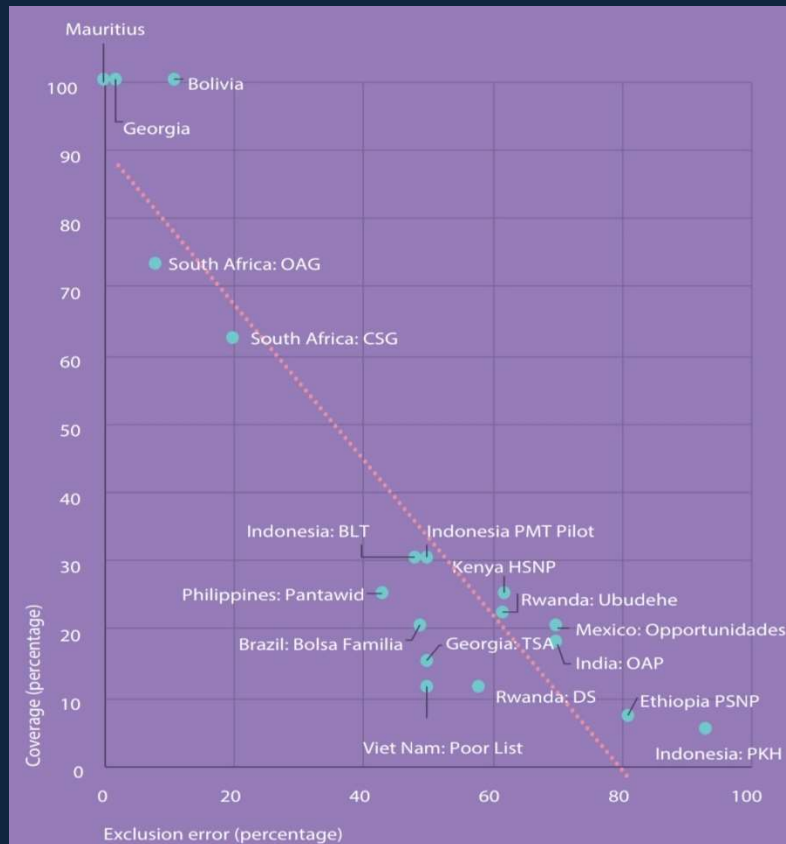


Designing social protection: core principles

- A life-cycle approach to social protection
- Coherence across schemes, both contributory and non-contributory
- Build political support at all levels of government and among stakeholders
- Universal vs targeted approaches
- Conditionalities?



Designing social protection: Issues with targeting



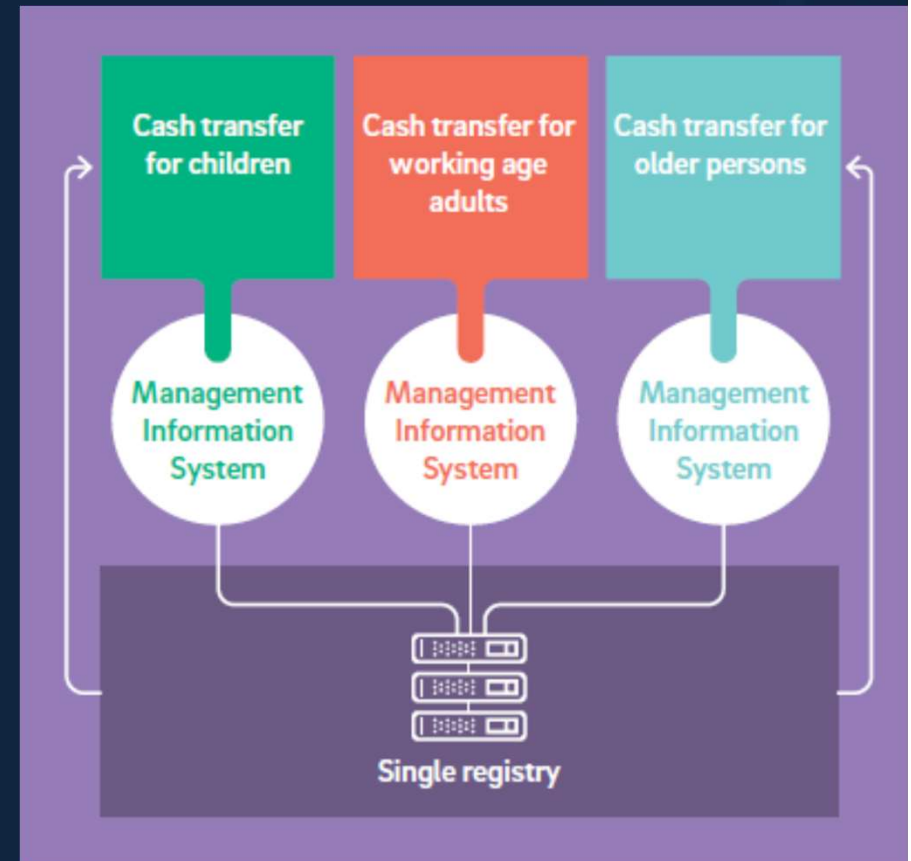
TARGETED APPROACH	UNIVERSAL APPROACH
Large inclusion and exclusion errors, especially of those furthest behind	Covers most eligible beneficiaries, including the most vulnerable
Leaves people in poverty traps	Prevents people from falling into poverty
Disincentives work	Encourages people to work
Penalizes honesty when the beneficiary's life situation has improved	Fair and transparent
Creates tension within communities	Popular with communities and can contribute to greater cohesion
Promotes corruption and clientelism	Limited scope for manipulation of scheme by local elites
Stigmatizes beneficiaries	Empowers beneficiaries as benefit is an entitlement
Administratively complex and expensive	Easy to administer
Supported by elites as it is associated with lower taxes	Enjoys wide political support

Implementing social protection: Core processes



Implementing social protection: Success factors

- Coordinated service delivery between schemes
- Timely transfer of funds between ministries and to service providers
- Train staff to minimize error, fraud and discrimination
- Outreach based on local community needs
- Customize a social development management information system



Financing social protection: Core principles and observations

- Responsibility of the state
- Strengthening the social contract
- Tax-financed social protection is particularly important in the region.
- Build SPFs by first providing basic income security for vulnerable populations.
- Finding fiscal space is a matter of political will.

FIGURE 2 INVESTMENT SCENARIOS TO STRENGTHEN INCLUSIVE SOCIAL PROTECTION IN SELECT COUNTRIES IN ASIA AND THE PACIFIC



Source: Calculations by Development Pathways based on 2018 data from IMF's World Economic Outlook database, retrieved from <https://www.imf.org/external/pubs/ft/weo/2018/01/weodata/index.aspx> and UNDESA World Population database, retrieved from <https://population.un.org/wpp/>.

Increasing fiscal space

- Enhance tax revenues and the efficiency of tax administration
- Reallocate public expenditures
- Adopt inclusive macroeconomic frameworks
- Complement with contributions, including cross subsidization
- Tackle illicit financial flows
- Tapping into fiscal and central bank foreign exchange reserves
- Borrowing or restructuring debt
- Drawing on development assistance

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