Social Protection In Nepal - design, effectiveness and impact -

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Commoner’s definition of

Social security

“any government system that provides monetary assistance to people with an inadequate or no income”

Social protection

“the set of policies and programs designed to reduce poverty and vulnerability ...... to protect against hazards and loss of income”
Nepal Social Protection addresses

Horizontal (across programme) and vertical (amount) coverage
'Social protection' in Nepal is widely understood as ‘social security’. Programmes (Social assistance, Care services, Social insurance, Labour market interventions etc.) mostly implemented by government agencies / Boards and Committees. Major programmes include Social Security Allowances (2.8mil beneficiaries / NPR 67.5 Bill.), scholarships/stipend (3.29 Mill. students), health subsidies (NPR 7.5 Bill.), public works programmes (NPR 11.6 Bill.) etc.

Protection of vulnerable
Nepal's social protection systems are less designed to protect the poorest and most vulnerable from the crisis of long-term deprivation and from income shocks. Disaster response programmes are limited to a few from SSA and some of the relief schemes.

Goal achievement
Achieving SDG (Goal 1/1.3/1.3.1, 3, 5, 8, 10, 16), 15 th Plan, UNICEF CPAP

Targeting/Registry
Programs inbuilt information systems are designed to support registration, determination of potential eligibility, applications etc to check inclusion/exclusion and other errors.
Nepal
Social Protection Design

Social Security Programmes

Realization / Urgency
addressing vulnerability-
Public Works
All kind of shock response (EQ 15/COVID-19 etc.)

Universality
Social cash transfers, In-kind transfers, Social insurance and Labour market interventions
Local Govt Institutional arrangements

SS Fundamental Rights/ State’s Commitment
SSA more than NPR 67 Bill. /year
Vertical/horiz expansion
Ann expen. more than NPR 150 Bill.
### Legislations, 15th Plan and Commitments addressing Social Protection

#### Major Acts related to the Social Security

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#### 15th Plan on SP Strategy

1. To implement citizens rights making social security and protection sustainable, universal and accessible and enhance citizens confidence towards nation.
2. To encompass all citizen in contributory and universal social security systems.
3. To protection to community in Socio Economic socio exclusion and vulnerable.
4. To reduce economic social environmental and other risk through social security and social protection measures.

#### Major Convention/Covenant

- Convention on the Elimination of All Forms of Discrimination against Women
- The International Covenant on Civil and Political Rights
- The International Covenant on Economic, Social and Cultural Rights
- Convention on Child Rights
- Convention on the Rights of Persons with Disabilities
- ILO related Conventions
Social Security Programmes

• Broadly 16 programmes, more than 76 schemes operated by 11 Ministries. Large number of programmes/schemes especially under health and education sector.

• Contributory social security schemes are limited to SSF, EPF, Health Insurance Board. Large informal sector as agriculture and labor, occupational jobs, daily wage earners not covered.

• Local governments with few innovative schemes on labour promotion, senior citizen and child development. Provincial governments are yet to come up with Social security programmes.
Growing Burden

- WB estimates the expenses have been many fold increased from 1% of GDP in 2003 to 2.5% of GDP in 2013.

- National annual outlay NPR 131 bil. (more than 13% of national annual budget) in FY 18/19 increased to NPR 150 bil. in current FY14%, highest in South Asia.

- The increment has further aggravated by the diminishing inclusion error and longevity.

- Public employee pension NPR 53 Bill./year.
Effectiveness

- Social Security Allowances- Despite inclusion and exclusion errors, largely effective to protect vulnerable, caring nutrition and child health, providing health care services and preserving dignity of elderly people.

- Public Works- Until 2015 food and cash support programmes with community high acceptance. Some of modalities still continued in PMEP.

- PMEP- Despite faulty modus operandi / politicization, single large programme to reach across local governments. (NPR 11.6 Bill, 20/21).

- Health Insurance subsidy for 70 yrs above – 0.3 mil covered.

- Educational support- With duplications and weak management stipend/scholarship/school meal/ hostel schemes have become customary.
Impact

Few evaluations available

• “The overall satisfaction level of the beneficiaries about the scheme is found to be very low. This relates primarily to the amount provided to the beneficiaries…..” (Assessment of Social Security Allowance Program in Nepal NPC/2012).

• “…have shown that the Child Grant has had only limited impacts on beneficiary households….The qualitative analysis shows some limited areas where some progress appears to have been made. “ (Evidence from the Child Grant in the Karnali Region, 2014)

• “… in general birth registration has been reported to have increased due to the universalization of child grants.” (Service delivery in a decentralized context: the case of Social Security Allowances, UNICEF Nepal 2018)

• “The Emergency Cash Transfer Programme was thus successful in meeting its broad aims and objectives, albeit experiencing some significant operational challenges…” (Lessons from the UNICEF Nepal ECTP through Social Assistance, 2016)
Confronting Issues

• Working definition/understanding of Social Protection/Social Security not available.
• No single organizational with mandate on social protection. No umbrella law. Organizations/agencies prompt to implement in their own.
• Role clarity of all three tiers of government thru legislations not yet done.
• Not scalable during disaster and other economic shocks.
• Many registries for different and similar purpose exist. (SS & VEMIS, NIDC, SOSYS SSF, PMEP, Poverty Card, Health Insurance Board, MOWCSW ID, Electronic Driving license, Voters' ID Card, Citizenship Info Mgmt –CIMS, Employees' ID, Retired Govt Employee ID Card)
• SS Bank accounts are not digitally connected to payment gateway. Electronic payment modalities are not available.
• Contributory SS yet to accommodating non formal sector.
• Bylaws on Government's notifications on standards/income ceiling etc. not developed.
• Policy coordination and harmonization remain as the established challenges.
Way forward....

- Robust single registry
- Programmes, schemes integration/consolidation/merger etc.
- Devolving functions with resources to local governments
- Redress and grievance mechanism at all levels
Social Protection National Frame

• Long awaited policy document

• NDAC has approved concept on National Social Protection Framework.

• GON/NPC’s priority on preparation of Framework to harmonize policies, improve coordination, strengthen system to improve preparedness and develop capacity of government and partners to have a shock-responsive and resilient inclusive social protection system.

• NISSF shall envisage organizational set up for policy coordination for delivery and administration through sector Ministries.
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