Why We Need Social Protection





ACKNOWLEDGEMENTS

This policy guide was developed by the Social Development Division of United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) in collaboration with Development Pathways. The drafting team consisted of Stephen Kidd from Development Pathways and Chad Anderson and Thérèse Björk from ESCAP.

Editing was done by Imogen Howells and the graphic design was done by Daniel Feary.

Copyright © United Nations, 2018 All rights reserved Printed in Thailand

ST/ESCAP/2819

Disclaimer

The views expressed in this policy guide are those of the authors and do not necessarily reflect the views and policies of the United Nations. The policy guide has been issued without formal editing. Reproduction and dissemination of material in this policy guide for educational or other non-commercial purposes are authorized without prior written permission from the copyright holder, provided that the source is fully acknowledged. For further information on this policy guide, please contact:

Social Development Division
Economic and Social Commission for Asia and the Pacific
United Nations Building
Rajadamnern Nok Avenue
Bangkok 10200, Thailand
Email: escap-sdd@un.org
Website: www.unescap.org

Why we need social protection

This is the first in a series of four policy guides developed to support policymakers and practitioners in Asia and the Pacific in their efforts to strengthen social protection. This first guide explains the basic principles of why social protection is needed. The second guide explains the critical steps in designing a social protection scheme; the third focuses on the effective implementation of tax-financed social protection; and the fourth guide discusses options for financing social protection.

WHAT IS SOCIAL PROTECTION?

Social protection refers to a set of policies to help women, men and children reach or maintain an adequate standard of living and good health throughout their lives. In its most basic form it should comprise of the following:

- 1 basic income security for children, providing access to nutrition, education, care and other necessary goods and services;
- 2 basic income security for persons in active age who are unable to earn sufficient income, including in cases of sickness, unemployment, maternity and disability;
- 3 basic income security for older persons; and
- 4 essential health care for all, including maternity care, that meets the criteria of availability, accessibility and quality.¹

SOCIAL PROTECTION — A MATTER OF CHARITY OR RIGHTS?

Through the provision of essential health care and income security along the life course, social protection plays a critical role in reducing and preventing poverty and levelling out inequalities. Countries also invest in social protection for a variety of other reasons, including supporting human development, enhancing social cohesion, strengthening their labour force and stimulating economic growth.

Social protection is a human right and an integral part of the 2030 Agenda for Sustainable Development. SDG 1 calls on all countries to provide social security to all as a means to end poverty in all its forms everywhere by 2030. Social protection is also fundamental in achieving several other SDGs.

For simplicity, these policy guides will focus on income security and mainly on cash transfers. Access to health care will only be discussed occasionally. Social protection is a human right, grounded in the right to social security,² and enshrined in the Universal Declaration of Human Rights (1948).³ This means that States have an obligation, under international human rights law, to guarantee a minimum level of social protection and that all individuals hold the right to social protection. In many countries this right to social protection is enshrined in the Constitution, including Bhutan, Indonesia, the Maldives and Uzbekistan while others have social protection firmly anchored in their national legislation, such as China, Iran and Mongolia.

The level of social protection an individual can claim depends on the national context. At a minimum, social protection should be enjoyed without discrimination and provide a basic level of benefits to enable individuals and families to acquire at least essential health care, basic shelter and housing, water and sanitation, food and basic education. If a country cannot provide even the minimum level of protection from its available resources, a core group of social risks and contingencies could be chosen, while the country strives to progressively increase coverage.

A rights-based approach makes social protection a human right, not a matter of charity, needs, kindness or compassion. A rights-based approach to social protection means that central human rights principles of equality and non-discrimination, participation, transparency and accountability should be applied in the design, implementation, monitoring and evaluation of social protection systems. Social protection also contributes to the realization of several other human rights, such as the right to an adequate standard of living, the right to education and to the highest attainable standard of health.



SOCIAL PROTECTION GAPS IN ASIA AND THE PACIFIC — IS ANYONE LEFT BEHIND?

Despite significant increases in social protection coverage and spending throughout Asia and the Pacific,⁴ some 60 per cent of all women, men and children are still excluded from adequate social protection.⁵

- 1 Only 21 of 49 countries in the region offer benefits to children and families, contributing to high levels of stunting, malnutrition and child mortality.⁶
- 2 Only 1 out of 5 unemployed working-age adults in the region receive unemployment benefits.⁷
- 3 Just 3 out of 10 mothers with new-borns receive maternity benefits.8
- 4 Less than 4 out of 10 people in the region have access to any kind of health care and for those who are covered, access to health care is often limited.9
- 5 Just over half of all older persons in the region receive an old age pension and less than one third of the labour force is actively contributing to a pension scheme.¹⁰
- 6 Less than half of all persons with disabilities in the region are covered by a disability benefit or allowance and even fewer actually receive benefits.¹¹

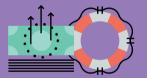
These wide coverage gaps in social protection leave the majority of people in a vulnerable situation, many with no choice but to face the challenges of poverty every day. In the 28 countries for which data is available, more than 1.2 billion people, 12 live below the international poverty line of US\$3.10 a day. Yet, it would require an investment of only 0.81 per cent of regional Gross Domestic Product (GDP) to bring everyone up to \$3.10 a day; an amount equivalent to 1.88 per cent of China's GDP.13

FIGURE 1 ENDING POVERTY IN ASIA AND THE PACIFIC RIGHT NOW

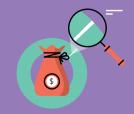
IN ASIA AND THE PACIFIC, AT LEAST 1.2 BILLION WOMEN, MEN AND CHILDREN LIVE ON LESS THAN \$3.10 A DAY



A TRANSFER OF LESS THAN 50 CENTS A DAY ON AVERAGE, COULD BRING THEM OUT OF POVERTY



THIS WOULD AMOUNT TO ONLY 0.81% OF THE REGION'S TOTAL GDP



... ENDING POVERTY



In Asia and the Pacific, 35 per cent of all women, men and children live in poverty. Social protection is fundamental to reducing and preventing poverty throughout the life cycle and consists of policies and programmes designed to reduce vulnerabilities and share wealth among society.

Recognizing that social protection is critical to ensure that no one is left behind, SDG target 1.3 calls on all countries to implement nationally appropriate social protection systems and measures for all, including social protection floors, to end poverty by 2030.

National social protection systems that are universal in approach can have a great impact on reducing and preventing poverty. In Namibia, where all older persons have access to a universal pension, and all women, men and children with disabilities have access to a universal disability benefit, the evidence is convincing. The World Bank¹⁵ has estimated that the old age pension in Namibia reduced the national poverty rate by 33 per cent and the national poverty gap by 87 per cent.

Simulations from Georgia indicate that social protection reduced the national poverty rate by 39 per cent in 2013. The same year, the old age pension in Georgia was responsible for more than two thirds of the total 29 per cent reduction in child poverty. ¹⁶ The reason being that many children live with older persons who are more likely to prioritise spending on their grandchildren.

Why social protection is critical for ...



... ENDING HUNGER



... ENSURING HEALTHY LIVES



Over half a billion women, men and children in Asia and the Pacific go hungry every day.¹⁷ Social protection can play a critical role in ending hunger through the provision of regular and reliable cash transfer programmes. Recipients of such cash transfers experience an increase in daily caloric intake and healthier diets with increased access to nutrition.

Recipients of social protection schemes can buy more nutritious food which results in improved access to nutrition and better health. In Thailand, for example, recipients of the universal old-age pension scheme spend, on average, half of the transfer amount on food items. In China, the rural pension scheme resulted in a 10 per cent increase in food expenditures. Further, in the Philippines, the proportion of households without sufficient income for food was 8 percentage points lower among old age pensioners than among those who did not receive the pension. 20

At least 4 out of 10 people in Asia and the Pacific have no health care coverage, and two thirds of total health expenditures are paid out-of-pocket. Access to affordable essential health care is central to leading healthy lives. The role of social protection is explicitly recognized in SDG indicator 3.8 on universal health coverage.²¹ Income security along the life-course is also important, both to afford health care services and to sustain the basic living conditions for good health, such as sufficient nutrition, clean drinking water, sanitation and basic shelter.

As an illustration, disability benefits can improve the health of recipients: over a third of Disability Allowance recipients in Viet Nam report that it helps them access medical care; and in Nepal, two-thirds of those receiving the Disability Allowance indicated a positive health impact as the allowance facilitates access to health care.²² There is also evidence of old age pensions resulting in higher cognitive ability and mental health of recipients.²³ Social protection has also shown to positively impact access to health care for children and mothers. For example, cash transfers increased antenatal care among poorer women in Mexico by 8 per cent and in Honduras by 15–20 per cent.²⁴



... ENSURING INCLUSIVE AND QUALITY EDUCATION



There are more than 17 million children out of school in Asia and the Pacific.²⁵ Cash transfers for families can increase school enrolment and attendance, as these transfers enable families to absorb the costs associated with sending children to school. Social protection programmes can therefore increase access to education by providing scholarships or fee waivers, or covering educational expenses.

Evidence shows that social protection programmes have a positive impact on children's education, whether they focus on children and education or not. For example, in Brazil, the old age pension has reduced the enrolment gap for girls by 20 per cent.²⁶ In China, the Rural Pension has reduced delays in starting education among younger girls while cutting dropout rates among older girls.²⁷ Pakistan's Punjab Female Secondary School Stipend, despite giving girls only US\$2.50 per month, has increased enrolment by 32 per cent.²⁸ In South Africa, following the introduction of the Child Support Grant in 1998, school take-up rates for children at six years of age rose to 28 per cent in 2002 and continued to climb up to 63 per cent in 2005, largely due to outreach campaigns in rural areas (Box 1).²⁹

BOX1 IMPACT OF THE CHILD SUPPORT GRANT IN SOUTH AFRICA

In South Africa, the Child Support Grant has had significant impacts on health and nutrition outcomes, and children's schooling.

Health and nutrition: Studies show that children who received the Child Support Grant could be up to 3 centimetres taller than those who did not. Receiving the Child Support Grant from an earlier age also reduced the risk of illness by 10 per cent.

Schooling: Multiple studies have indicated that the Child Support Grant was positively associated with education. In one district, receipt of the Child Support Grant increased school enrolment among children aged six years by 8 per cent. Furthermore, early enrolment of children in the Child Support Grant was associated with better educational outcomes and children receiving the Grant from a very young age performed better at Maths and English. Early receipt of the Child Support Grant also reduced the likelihood of children delaying the start of their schooling, among girls by 27 per cent and, among boys, by 32 per cent.

Sources: Aguero et al (2007); DSD, SASSA & UNICEF (2012); Samson et al (2004); Adato & Basset (2009); and, EPRI (2008).



... ACHIEVING GENDER EQUALITY AND EMPOWERING WOMEN AND GIRLS



Women in Asia and the Pacific spend between 2.4 and 6 hours per day on unpaid work, while men spent between just 18 minutes and 2.3 hours per day.³⁰ Women and girls suffer discrimination in many areas of life, including access to resources, basic services and decision-making. Social protection can contribute to gender equality and the empowerment of women and girls in numerous ways, including increasing women's participation in the labour force, reducing domestic violence and supporting the redistribution of unpaid care work.

Cash transfers can support women to engage in the labour force, by covering costs that are associated with accessing work, including transport, clothing and childcare or by improving the health of women. For example, in Mexico's PROGRESA scheme, women's improved health and higher school enrolment rates among children enabled women to engage in paid work, increasing the likelihood of women joining the labour force by 10 per cent.³¹ In Colombia, participation in the Familias en Acción programme resulted in an 11 per cent increase in labour force participation among single women with young children,³² while Lesotho's Child Grants Programme brought about an increase in women working by 8 per cent.³³ Social pensions also play a key role in mitigating the accumulative life-long discrimination that women face, as most older women lack access to contributory pensions and have less savings than men.

Well-designed social protection programmes that consider the different impacts on women and men, can make an important contribution towards gender equality. Many social protection programmes specifically focus on reaching women because channeling benefits to women has proven to be an effective way of improving education, health and nutrition outcomes of children within the household. However, programmes can at times inadvertently perpetuate stereotypes and exacerbate gender inequality. For example, to improve education and health outcomes, conditional cash transfer programmes sometimes put additional burdens on women through requirements to send children to school, take children to health check-ups and vaccinations. Such additional demands on women's time can hinder women's access to the labour market, to participate in education and training or seek other essential services.

Gender-sensitive social protection programmes can contribute to addressing the root causes of gender discrimination when they address the factors that prevent women from accessing social protection. Examples of these factors are: discriminatory legal frameworks and social norms; women's lower participation in contributory social protection schemes; women's disproportionate burden of unpaid work; and lack of accessible, gender-sensitive, culturally adequate, quality public services.

... PROMOTING ECONOMIC GROWTH AND DECENT WORK

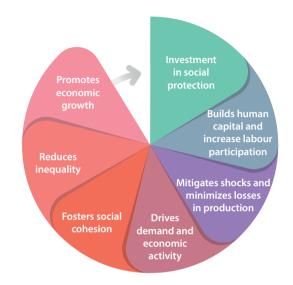


Informal workers make up 60 per cent of the labour force in Asia and the Pacific.³⁴ Workers in the informal economy have no, or insufficient, access to any form of social protection, including health care, benefits in case of injury, sickness, maternity or old age. Social protection has the potential to reduce insecurity for workers and help to formalize employment contracts, thereby promoting decent work.

Social protection is an investment in human capital, a prerequisite for economic growth as successful economies depend on the quality of their workforce. Social protection contributes to better health for workers resulting in increased productivity, expanded income opportunities and the injection of cash into communities and economies. Schemes such as disability benefits also help persons with disabilities to access the labour force by addressing the additional costs they face in accessing the labour market. Countries need to invest in the capacity and skills of children and youth in preparation for entry into the labour market. Yet, across Asia and the Pacific many children, more than 30 per cent in South Asia,³⁵ are set back by stunting, impacting their cognitive development and ability to perform well at school.

Social protection creates a virtuous cycle driving economic growth by building a strong and productive work-force and stimulating economic activity. It can also protect against shocks and crises, facilitate necessary structural adjustments to the economy and stimulate local and national markets by injecting cash (Figure 2). As we will see below, social protection also strengthens social cohesion and provides an important tool to tackling inequality.

FIGURE 2 SOCIAL PROTECTION: A VIRTUOUS CYCLE PROMOTING ECONOMIC GROWTH



A number of studies across Africa have shown that social protection transfers can generate multipliers of between 1.3 and 2.4 when cash enters communities, as a result of greater consumption, trade and employment.³⁶ This is achieved as transfers can be used to cover the costs of finding and engaging in work, such as transport, clothing and childcare. Recipients of cash transfers are also more likely to make long-term plans and invest in their own income generating opportunities, including micro-enterprises. Simulations in Bangladesh and Viet Nam have shown that increased investment in social protection would provide a boost to the economy as large as investing the same amount in infrastructure.³⁷ In the United States of America during the global recession, increased investments in social protection generated the same level of growth as investments in infrastructure.³⁸

... REDUCING INEQUALITY WITHIN AND AMONG COUNTRIES



The gap between rich and poor is growing in Asia and the Pacific. In most countries, the richest 10 per cent is earning at least 10 times the income of the poorest 10 per cent. The five countries with the highest wealth inequality in the world are all in Asia and the Pacific.³⁹ Social protection has proven to be an effective measure to tackle income inequality and unequal access to opportunities.

Cash transfers and taxes have been found to significantly reduce income inequality, as measured by the Gini coefficient.⁴⁰ In OECD countries, the Gini coefficient — where 0 is perfect income equality and 1 is perfect income inequality — is reduced by about 28 per cent. In Denmark the Gini coefficient without social protection and taxes would be 0.4, while social protection alone reduces the Gini coefficient to 0.29, and after taxes it is reduced further to 0.25.⁴¹ In developing contexts, one study in Latin America found that direct transfers alone reduced the Gini coefficient in several countries by one to nine per cent.⁴²

Universal programmes have been found to be the most effective in bringing down inequality. For example, in Brazil, the nearly universal system of old age pensions has reduced inequality by 12 per cent.⁴³ In Georgia, cash transfers have reduced the Gini coefficient from 0.41 to 0.36, with 75 per cent of the reduction attributed the country's universal pension.⁴⁴ Another example is Namibia, where the universal benefits for older persons and persons with disabilities together reduced inequality by 4.4 per cent.⁴⁵

There is a growing recognition that high levels of inequality inhibit national economic growth. The IMF estimates that when the net Gini coefficient is over 0.27, inequality starts to harm growth. Yet, in many countries across Asia and the Pacific, the Gini Coefficient is much higher and often rising.⁴⁶

However, income inequality is only one aspect of inequality. Inequality of opportunity—that is, unequal access to chances to improve people's socioeconomic outcomes—is equally important. Social protection can help to effectively address inequality of opportunity, which has economic dimensions (e.g. unequal access to decent jobs, financial services, land ownership etc.), social dimensions (e.g. unequal access to health care, education, nutrition, political participation, etc.) and environmental dimensions (e.g. unequal access to water, sanitation, clean fuels, electricity, etc.).

There is evidence that inequality among individuals often is transmitted from parents to their children, creating intergenerational inequality traps. Social protection can have a transformational impact and help to break this trap by increasing access to the opportunities closely linked to the three dimensions of inequality. Social protection is effective in addressing the economic dimensions of inequality as discussed above. It can also be effective in addressing the social and environmental dimensions of inequality through reversing the intergenerational inequality of opportunity trap by ensuring the provision of adequate healthcare and education; and by enabling women, men and children to access clean water, sanitation and energy.

...PROTECTING THE ENVIRONMENT









The environment in the Asia-Pacific region is under severe pressure. To produce one unit of GDP, the region requires twice the input of resources compared to the rest of the world,⁴⁷ consumption and waste are growing and greenhouse gas emissions in the region are increasing at around a 4 per cent per year.⁴⁸ SDGs 12, 13, 14 and 15 focus on protecting the planet, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change.

By reducing poverty and vulnerability as well as income and social inequalities, social protection can contribute to environmental sustainability. A positive correlation has been shown between government expenditures on social protection and countries' Environmental Performance Index (EPI), indicating that countries that invest more in social protection fare better on the 20 indicators measured.⁴⁹

In the short-term, social protection can build resilience to catastrophic climate change and environmental shocks by increasing adaptive capacity of those that rely on common goods, such as forests, oceans, rivers and lakes as well as weather-dependent livelihoods. Social protection programmes around the world therefore increasingly integrate climate resilience as a core component.

Several countries have recognized the link between poverty and vulnerability to environmental degradation, and have accordingly developed social protection programmes aimed at tackling both issues. As China's forests were threatened by human activity, the government in 1998 introduced a logging ban for the most threatened areas, laying off one million state forest workers. A combination of new social protection schemes and labour market policies, with 32 million rural households receiving cash to perform conservation activities, led to a massive reversal of the rapid deforestation and the reforestation of 27 million hectares.⁵⁰ Brazil's Bolsa Verde compensates poor families affected by policies to reduce deforestation, providing monthly cash benefits as compensation for environmental services, combined with business and training opportunities for sustainable production from natural resources. South Africa's "Working for Water" scheme similarly combines the creation of work opportunities with improving water management.51

In the long term, social protection can also promote environmental sustainability as cohesive societies tend to care more for the common good, including the environment. Social protection allows families to better plan for their future, invest in productive assets and use land in a way that can have a more positive impact on the environment.





... PROMOTING PEACEFUL AND INCLUSIVE SOCIETIES



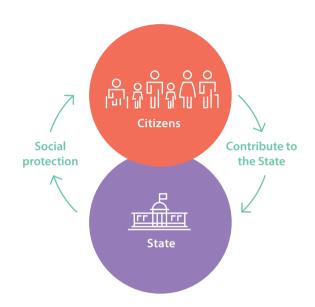
Universal social protection strengthens social cohesion and stability, fostering peaceful, just and inclusive societies. Social protection helps to achieve this mainly through its contributions to building a social contract between the members of society and the State, in which each party has obligations and is accountable to the other (Figure 3).

Social protection that reaches all women, men and children in a country shows people that governments are investing taxes on their behalf. This contract of mutual obligations, where citizens and residents pay taxes to the State and receive benefits and services in return, strengthens the trust between society and the State. This has positive impacts, such as encouraging workers and business owners to pay tax and employers to formalize employment contracts. It also contributes to stability and social cohesion.

High levels of inequality, and lack of access to social protection and decent jobs is closely linked to social exclusion. Recent examples of popular uprisings, such as the Arab spring, illustrate how lack of trust in the State, high inequality and discontent with the socioeconomic situation can fuel and exacerbate social instability and lead to social unrest.

Social protection promotes social cohesion and the integration of marginalized groups. Countries have used social protection as a means to increase trust in society and promote social cohesion to foster peace. For example, during the civil war in Nepal, a universal pension was introduced in 1997—one of the few government schemes that the Maoists allowed to be delivered in areas they

FIGURE 3 SOCIAL PROTECTION AND THE SOCIAL CONTRACT



controlled — demonstrating an important link to the State. Following the end of the civil war, the pension was significantly expanded as a peace dividend and it remains an important scheme that is accessible to all citizens without discrimination, once they reach the age of eligibility. Another example is in South Africa, where the new African National Congress government, following the fall of apartheid, offered all citizens access to old age and disability benefits on an equal basis, whereas previously the white population had received a much higher level of transfer. This helped generate stability and gave the black population a concrete link to the State.⁵²

How can social protection reduce the impact of shocks?

Asia and the Pacific bears the brunt of the world's large-scale disasters, and experienced 155 disasters in 2015 alone, with an estimated 6,721 fatalities and around \$32 billion in economic damages.⁵³ Major shocks and crises, such as natural disasters and external economic crises, can cause significant damage to individuals and to national economies, in particular if the families affected resort to damaging coping strategies, such as selling their productive assets.

Social protection programmes can increase household resilience to shocks. In Nicaragua, for example, families on the Red de Protección Social scheme were better able to cope with a sharp drop in coffee prices during 2001/02, maintaining household expenditures while those not on the programme struggled.⁵⁴ In Ethiopia, 60 per cent of households on the Productive Safety Net Programme avoided selling assets to purchase food when experiencing a shock.⁵⁵

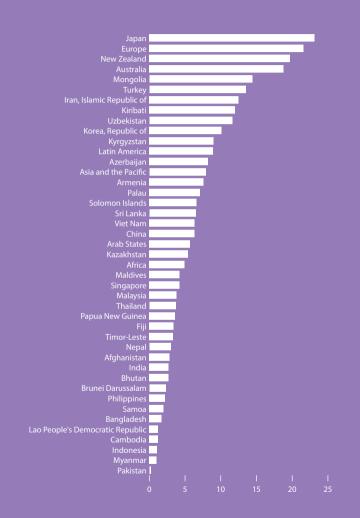
With social protection families can bounce back to higher productivity more quickly once the crisis dissipates, offering a significant boost to the economy. Furthermore, the existence of an effective national social protection system reduces the often huge cost of providing emergency support following crises, which is good for national finances.

SOCIAL PROTECTION IS AFFORDABLE

Evidence at hand shows that countries do not have to be rich to invest in social protection and indeed, social protection is affordable for low-, middle- and high-income countries. In fact, the link between a country's wealth and its level of investment in social protection is weak. When today's high income countries started investing in social protection, they were much poorer than many countries in Asia today. For example, in 1820, when England invested 2.5 per cent of its GDP in poor relief programmes, its GDP per capita was US\$2,800 (PPP). Today, Viet Nam's GDP per capita is USD\$6,400 and investments in social protection, excluding health, are at 2 per cent of GDP. In the Philippines, GDP per capita is USD\$7,700 and it invests 0.9 per cent of GDP in social protection, excluding health.⁵⁶

Countries in Asia and the Pacific spend an average of only 7.9 per cent of GDP on social protection, including health. While some countries in the region, such as Japan, spend approximately 20 per cent of GDP, most countries spend less than 5 per cent. Countries in Europe and Latin America spend 21.6 per cent and 8.9 per cent, respectively. As a whole, Asia and the Pacific falls well below the global average of 10.2 per cent of GDP spent on social protection, including health.⁵⁷ See Figure 4 for more details.

FIGURE 4 SOCIAL PROTECTION EXPENDITURES INCLUDING HEALTH (% OF GDP)⁵⁸





Conclusion

While large social protection gaps remain in Asia and the Pacific, there is a strong rationale for governments in the region to step up to the challenge and close the gaps. Investing in inclusive social protection is good for people, planet, prosperity, peace and, in the spirit of strengthened global solidarity of the Agenda 2030, for partnership. The good news is that social protection is not only affordable but also good for economic growth. Committing to social protection is committing to leave no one behind.





Did you get that?

KEY TAKEAWAYS FROM THE POLICY GUIDE "WHY WE NEED SOCIAL PROTECTION"

Social protection refers to a set of policies to help women, men and children reach or maintain an adequate standard of living and good health throughout their lives. In its most basic form it should comprise of the following:



- 1 basic income security for children;
- 2 basic income security for persons in active age who are unable to earn sufficient income;
- 3 basic income security for older persons; and
- 4 essential health care for all.



Social protection is a human right, grounded in the right to social security, and enshrined in the Universal Declaration of Human Rights (1948).



Throughout Asia and the Pacific 60 per cent of all women, men and children lack adequate social protection.



It would require an investment of only 0.81 per cent of Gross Domestic Product (GDP) in the region to bring everyone in the Asia-Pacific up to the international poverty line of \$3.10 a day.



Countries do not have to be rich to invest in social protection. Social protection is affordable even to low-income countries.

SOCIAL PROTECTION IS CRITICAL FOR ...



Ending poverty through programmes, including cash transfers, designed to reduce vulnerabilities throughout the lifecycle and to share wealth among society.



Ending hunger through regular and reliable cash transfers that allow people to buy nutritious, healthier food and increasing their daily caloric intake.



Ensuring healthy lives by increasing access to affordable health care and also to nutrition, clean water, sanitation and basic shelter.



Ensuring inclusive and quality education by enabling families to absorb the costs to send children to school.



Achieving gender equality and empowering women and girls through supporting the redistribution of unpaid care work and increasing women's participation in paid employment outside their home.



Promoting economic growth and decent work by boosting economic growth through investing in human capital, reducing insecurity for workers, and injecting cash into communities.



Reducing inequality within and among countries both in tackling income inequality and unequal access to opportunities.



Protecting the environment by building resilience to environmental shocks and promoting environmental conservation.



Promoting peaceful and inclusive societies by strengthening social cohesion and building a social contract.

REFERENCES

- 1 ILO, Social Protection Floors Recommendation, 2012 (No. 202), accessed from: http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100 ILO CODE:R202.
- 2 The terms social protection and social security are often used interchangeably and covers both social assistance and social insurance. See for example ILO, World Social Protection Report 2017–19 (Geneva, 2017).
- 3 The right to social security is also recognized in several other human rights instruments, including the International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of All Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination Against Women, the Convention on the Rights of the Child and the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.
- 4 The Asia-Pacific region covered by ESCAP comprises: Afghanistan; American Samoa; Armenia; Australia; Azerbaijan; Bangladesh; Bhutan; Brunei Darussalam; Cambodia; China; Cook Islands; Democratic People's Republic of Korea; Fiji; French Polynesia; Georgia; Guam; Hong Kong, China; India; Indonesia; Iran (Islamic Republic of); Japan; Kazakhstan; Kiribati; Kyrgyzstan; Lao People's Democratic Republic; Macao, China; Malaysia; Maldives; Marshall Islands; Micronesia (Federated States of); Mongolia; Myanmar; Nauru; Nepal; New Caledonia; New Zealand; Niue; Northern Mariana Islands; Pakistan; Palau; Papua New Guinea; Philippines; Republic of Korea; Russian Federation; Samoa; Singapore; Solomon Islands; Sri Lanka; Tajikistan; Thailand; Timor-Leste; Tonga; Turkey; Turkmenistan; Tuvalu; Uzbekistan; Yanuatu; and Viet Nam.
- 5 ADB, 12 Pillars for the Transformation of Asia Pacific Region, 2013, https://www.adb. org/news/infographics/12-pillars-transformation-asia-and-pacific-region (accessed 14 December 2017).
- 6 ILO, World Social Protection Report 2017–19 (Geneva, 2017). Refer to Table B.4 in the report's annexes.
- 7 ILO, World Social Protection Report 2017–19 (Geneva, 2017). Refer to Table B.6 in the report's annexes.
- 8 ILO, World Social Protection Report 2017–19 (Geneva, 2017). Refer to Table B.6 in the report's annexes.
- 9 ILO, World Social Protection Report 2014/2015 (Geneva, 2015).
- 10 ILO, World Social Protection Report 2017–19 (Geneva, 2017). Only 55.2 per cent of older persons in Asia and the Pacific receive a pension and only 23.6 per cent of the labour force currently contribute to a pension.
- 11 ILO, World Social Protection Report 2017–19 (Geneva, 2017). Refer to Table B.8 in the report's annexes.

- 12 This aggregate poverty head count has been calculated by ESCAP for the ESCAP region based entirely on data from the World Bank's PovcalNet database. Data was available for 28 countries in the ESCAP region, therefore the actual poverty head count among the 49 regional members would be higher; however the most populous countries are represented in the 1.2 billion total. The poverty head count ratio, or per cent of the population below the \$3.10 poverty line, is an average of 35 per cent across the 28 countries.
- According to the World Bank's PovcalNet, for which data at the \$3.10 poverty line is available for 28 countries in the ESCAP region, the aggregate poverty gap, or amount needed to bring the 1.2 billion people up to \$3.10 a day, among those 28 countries amounts to \$210,502,607,377, or 1.88 per cent of China's GDP, which was \$11.199.145.157.649 in 2016.
- 14 This average poverty gap ratio for the ESCAP region has been calculated by ESCAP based on data from the World Bank's PovcalNet. Please refer to reference 12 above for further details on the calculation.
- 15 World Bank, Does Fiscal Policy Benefit the Poor and Reduce Inequality in Namibia? (Washington, D.C., 2017).
- 16 S. Kidd and B. Gelders, Child wellbeing and social security in Georgia: The case for moving to a more inclusive national social security system (Tbilisi, 2015).
- FAO, Regional Overview of Food Security in Asia and the Pacific (Bangkok, 2016). Accessed from: http://www.fao.org/3/a-i4624e.pdf
- W. Suwanrada and D. Wesumperuma, "Development of the Old-Age Allowance System in Thailand: Challenges and Poverty Implications", in S. W. Handayani and B. Babajanian (eds.): Social Protection for Older Persons: Social Pensions in Asia (Asian Development Bank, Manila, 2012), pp. 153–167.
- 19 W. Huang and C. Zhang, Effects of New 'Social Pension' Provision on Lives of the Elderly, 2016.
- C. Knox-Vydmanov, D. Horn and A. Sevilla, The Philippine Social Pension at Four Years: Insights and Recommendations (Manila, 2016).
- 21 SDG indicator 3.8 "Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all".
- 22 London School of Hygiene and Tropical Medicine (LSHTM,): Quantitative research report on disability-inclusive social protection in Nepal (2017), unpublished document.
- 23 E. Aguila, A. Kapteyn, and B.A. Weidmer, Experimental Analysis of the Health and Well-Being Effects of a Non-Contributory Social Security Program (RAND Labor and Population working paper series No. WR-903, 2011). https://doi.org/10.2139/ssrn.1979033 (accessed 14 December 2017).
- P. Gertler, and S. Boyce, An Experiment in Incentive-based Welfare: The impact of Progresa on health in Mexico (University of California, Berkeley, 2001); S.S. Morris et al: 'Monetary Incentives in Primary Health Care and Effects on Use and Coverage of Preventive Health Care Interventions in Rural Honduras: A cluster randomized trial', *The Lancet*, Vol. 364, No. 9450, 4 December 2004, pp. 30–37.
- 25 UNESCO, Out-of-School Children and Adolescents in Asia and the Pacific (2015).

- I.E. de Carvalho Filho, 'Household Income as a Determinant of Child Labor and School Enrollment in Brazil: Evidence from a Social Security Reform', IIMF Working Paper No. WP/08/241, (Washington, D.C., 2008).
- W. Huang and C. Zhang, Effects of New 'Social Pension' Provision on Lives of the Elderly (2016).
- 28 IEG, Assessing the Development Impacts of Social Safety Nets through Impact Evaluations (2011). Companion Volume to IEG Evaluation of Social Safety Nets. IEG, The World Bank. Washington, D.C.
- 29 D. Budlender and I. Woolard, The Impact of the South African Child Support Grant and Old Age Grants on Children's Schooling and Work (TECL Paper No. 43, Cape Town, 2006).
- 30 UNESCAP, Statistical Yearbook for Asia and the Pacific 2016: SDG Baseline Report SDG 5: Gender Inequality (Bangkok, 2017), http://www.unescap.org/sites/default/files/SDG_05_ ESCAP_SYB2016_SDG_baseline_report.pdf (accessed 14 December 2017) Data on unpaid domestic and care work is available for 19 countries between 2000 and 2015. Women spent between 2.4 and 6 hours per day on unpaid work, while men spent only between 18 minutes and 2.3 hours per day.
- 31 F. Bastagli, J. Hagen-Zanker, L. Harman, V. Barca, G. Sturge, T. Schmidt, and L. Pellerano, Cash transfers: what does the evidence say? A rigorous review of programme impact and of the role of design and implementation features (London, 2016).
- 32 A. Barrientos and J.M. Villa, 'Antipoverty Transfers and Labour Market Outcomes: Regression Discontinuity Design Findings', *Journal of Development Studies* (2015), Vol. 51, No. 9, pp. 1224–1240.
- S. Daidone, B. Davis, J. Dewbre and K. Covarrubias, Lesotho's Child Grant Programme:
 24-month impact report on productive activities and labour allocation Lesotho country case study report. (Rome, 2014).
- 34 ILO, Informal Economy in Asia and the Pacific (2015).
- 35 World Bank, PovcalNet database: Prevalence of stunting, height for age (% of children under 5) in South Asia (2017).
- 36 FAO, Strengthening coherence between agriculture and social protection to combat poverty and hunger in Africa (2016).
- 37 B.H. Khondker, 'Economic Impacts of a Universal Pension in Bangladesh. Pathways' Perspectives on Social Policy', International Development (2014), Issue No. 17.
- 38 M.M. Zandi, Assessing the Macro Economic Impact of Fiscal Stimulus (2008).
- 39 Credit Suisse, Credit Suisse Global Wealth Data Book 2017 (2017). Asia and the Pacific is home to the top five countries where the wealth concentration of top one per cent is highest in the world. The five countries in order are: 1) Thailand, 2) Russian Federation, 3) China, 4) Indonesia; and, 5) India. Japan, also in the Asia Pacific region, has the second lowest wealth concentration to the top one per cent, in the world.
- 40 The Gini coefficient is based on the comparison of cumulative proportions of the population against cumulative proportions of income they receive, and it ranges between 0 in the case of perfect equality and 1 in the case of perfect inequality.
- 41 OECD Income Distribution Database, http://oe.cd/idd (accessed 14 Dec 2017).
- 42 Lustig et al, The impact of Taxes and Social Spending on Inequality and Poverty in Argentina, Bolivia, Brazil, Mexivo, Peru and Uruguay: An Overview. Commitment to Equality Working Paper No. 13, Tulane University, New Orleans, 2013.

- 43 International Social Security Association, Social security coverage extension in the BRICS (Geneva, 2013).
- 44 World Bank, Georgia Poverty Assessment (Washington, D.C., 2009).
- 5 World Bank, Does Fiscal Policy Benefit the Poor and Reduce Inequality in Namibia? (Washington, D.C., 2017).
- 46 F. Grigoli and A. Robles: Inequality Overhang. (IMF, Working Paper, 2017).
- 47 UNESCAP, ADB, UNDP: Asia-Pacific Sustainable Development Goals Outlook (Bangkok, 2017). Accessed from: http://www.unescap.org/sites/default/files/publications/ap-susdevoutlook-full.pdf.
- 48 UNESCAP, ADB and UNDP, Asia-Pacific Sustainable Development Goals Outlook (Bangkok, 2017).
- 49 UNESCAP, ADB and UNDP, Asia-Pacific Sustainable Development Goals Outlook (Bangkok, 2017)
- 50 Agence Française de Développement and ILO, Social Protection and Climate Change: How are rural workers and residents in China faring with conservation efforts? (2017).
- 51 H. Schwarzer, C. Van Panhuys, K. Diekmann, Protecting people and the environment: lessons learnt from Brazil's Bolsa Verde, China, Costa Rica, Ecuador, Mexico, South Africa. Extension of Social Security Working Paper No. 54, ILO, Geneva, 2016.
- 52 S. Kidd, M. Greenslade, B. Gelders, J. Woodall, A. Barrantes, and K. Kabare, Kenya Social Protection Sector Review (2017).
- 53 UNESCAP, ADB and UNDP, Asia-Pacific Sustainable Development Goals Outlook (Bangkok, 2017).
- 54 J. Maluccio, Coping with the Coffee Crisis in Central America: The Role of the Nicaraguan Red de Protección Social. FCND Discussion Papers 188. No. 188, Washington, D.C., 2005.
- 5 S. Devereux, R. Sabates-Wheeler, M. Tefera, and H. Taye, Ethiopia's Productive Safety Net Programme (PSNP) — Trends in PSNP Transfers Within Targeted Households (Addis Ababa, 2006).
- 56 ILO, World Social Protection Report 2017-19 (Geneva, 2017).
- 57 ILO, World Social Protection Report 2017–19 (Geneva, 2017). Refer to table B.16 in the report's annexes.
- 8 ILO, World Social Protection Report 2017–19 (Geneva, 2017). Refer to table B.16 in the report's annexes.

Why We Need Social Protection

This is the first in a series of four policy guides developed to support policymakers and practitioners in Asia and the Pacific in their efforts to strengthen social protection.

This guide explores the basic principles of why social protection is needed. The second guide explains the critical steps in designing a social protection scheme; the third focuses on the effective implementation of tax-financed social protection; and the fourth guide discusses options for financing social protection.

Please visit us at

www.socialprotection-toolbox.org

www.unescap.org/our-work/social-development