

# Social Protection and Poverty: Achievements and Challenges

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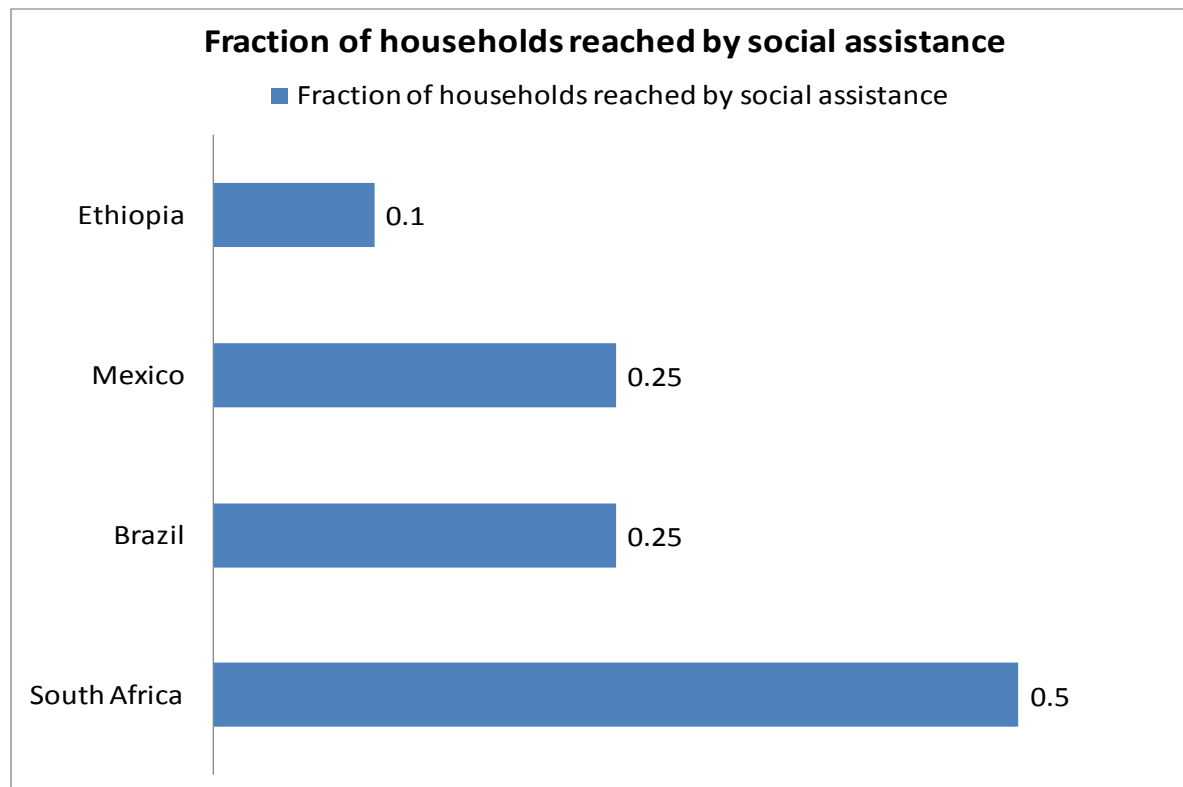
# What is social protection?

Social Policy			
Basic service provision	Social protection		
Education, health, housing, etc.	<b>Social insurance:</b> contributory programmes addressing life cycle and employment contingencies	<b>Social assistance:</b> tax financed programmes addressing poverty and vulnerability	<b>Labour market policy:</b> 'active' and 'passive'

# Social protection in development: A quiet revolution?

Growth in direct assistance to households in poverty

Globally ~ **0.75 to 1** billion people reached by transfers



*In Brazil, the only social policies with greater reach than Bolsa Família are health, education and social insurance*

# Diversity in design and objectives

- **pure income transfers**

Social pensions, child grant, family allowances

[South Africa's Child Support Grant and Old Age Grant]

- **income transfers and services**

Human development

[Mexico's Oportunidades, Brazil's Bolsa Família]

Infrastructure and asset protection [India's National Rural Employment Guarantee, Ethiopia's Productive Safety Net Programme]

- **integrated poverty reduction programmes**

[Chile's *Chile Solidario*, BRAC's CFPR-Targeting the Ultra Poor]

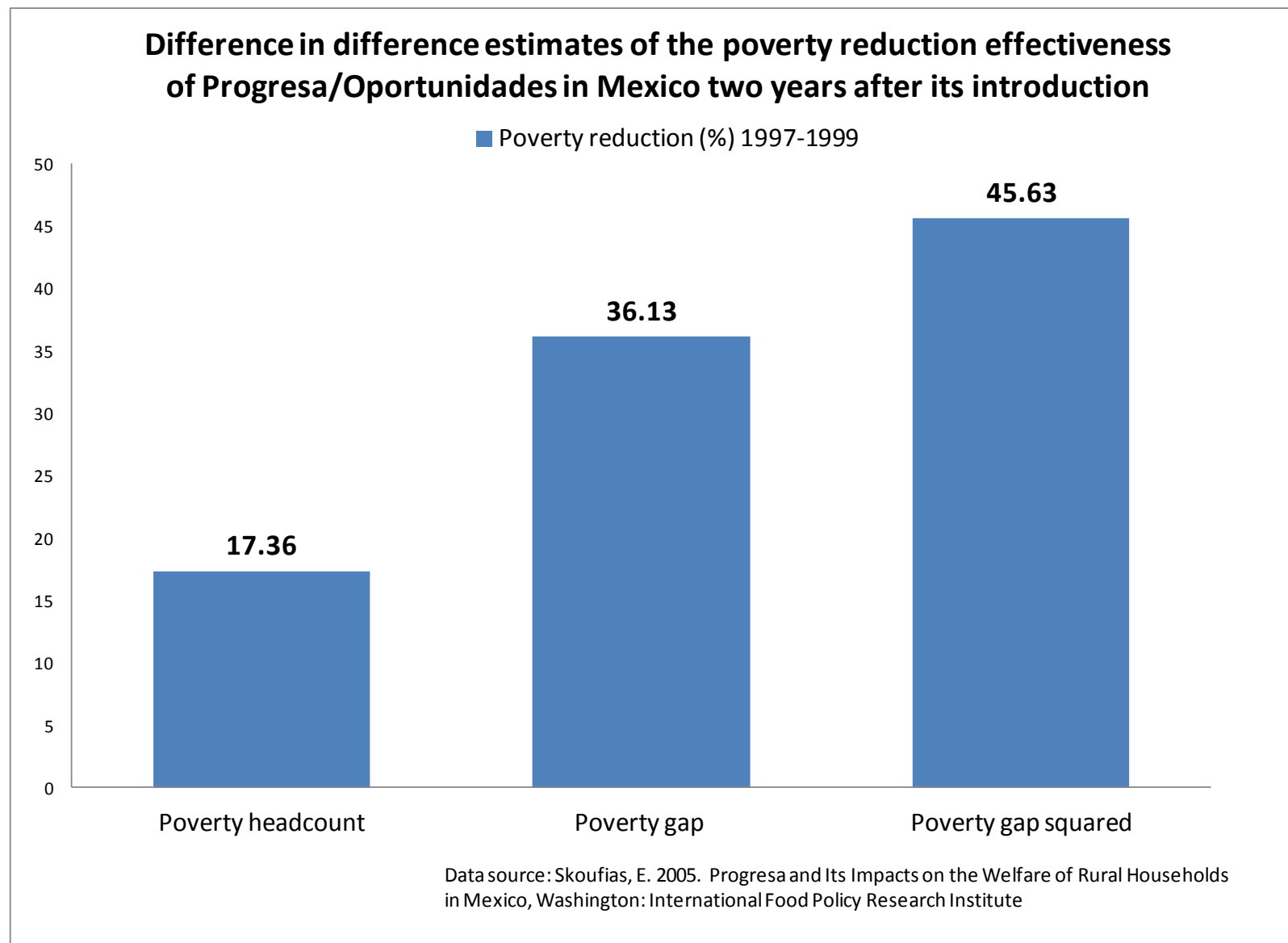
## Poverty analysis and new forms of social assistance

Programmes informed by developments in poverty analysis:

- depth and severity of poverty, not just headcount  
...**ranking of the poor** (extreme - moderate poverty)
- poverty is multidimensional,  
...**duration matters** (intergenerational persistence)

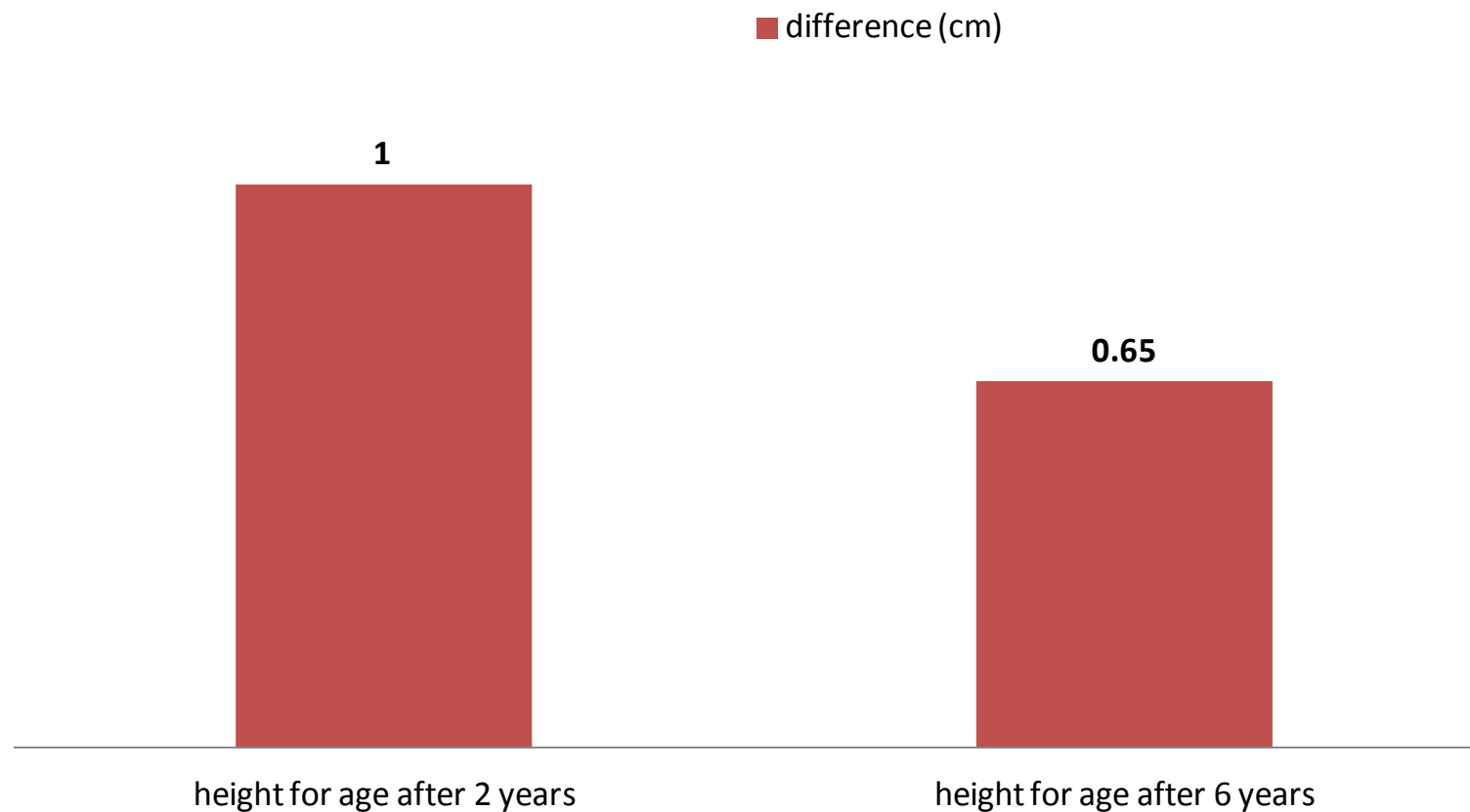
Focus on **households** (because of agency and productive capacity)

## Achievements – short run effect on poverty



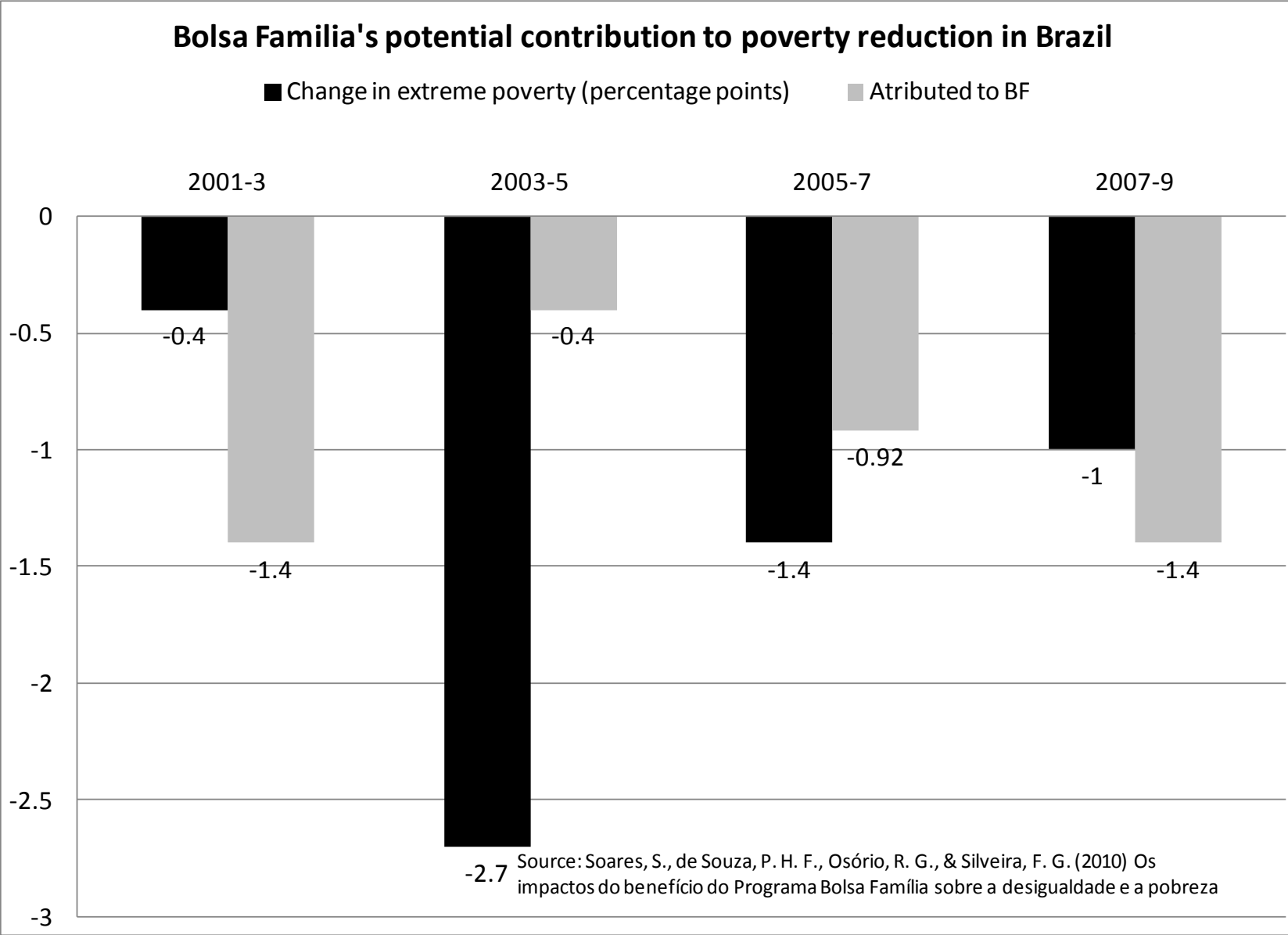
## Achievements – medium run effect on human development (nutrition)

Difference in height for age between OPORTUNIDADES treatment (joined 1998) and control (joined 2000) groups in 2000 and 2003 for 2-6 year olds



Gertler and Fernald [2006] Vol III ch. 2 Impacto de mediano plazo del programa Oportunidades sobre el desarrollo infantil en áreas rurales

# Achievements – Protecting from poverty during crises





## Challenges: Institutionalisation

Need to move from 'development projects' to 'institution building'

This involves:

- Strengthening implementation capacity

- Institutional coordination within government

- Legal status – budget, operations, entitlements

- Domestic financing

- Political support – 'nationalising' the poverty agenda

# Financing

- Financing social protection is not just about resource mobilization, but also about effectiveness and legitimacy
- Focus is on the financing mix
  - there is a role for international assistance in the short run
    - ...set up costs of social assistance programmes and poverty knowledge
    - ...aid has a short time window, and may generate adverse incentives
  - switching expenditure is important in the short and medium run
    - ...shift expenditure from underperforming antipoverty programmes
  - ...but in the medium and longer term, social protection needs to be financed from domestic revenues: taxation has a key role

## Growth, employment, and inclusion

Poverty reduction requires **growth + basic services + social protection**

Linking transfers to basic services and to employment ('graduation')

Social integration and decent work more explicit social protection objectives

# Conclusions

Rapid **growth of social assistance** in developing countries: A quiet revolution?

Programme design and objectives of transfer programmes informed by **poverty research**

**Diversity in programme design** – path dependence and poverty perspectives

Well designed programmes have the potential to have **medium and long term effects on poverty**

...but several challenges remain:

Institutionalisation of antipoverty programmes is weak: **institution building**

Shift to **domestic financing** important for effectiveness and legitimacy

Links to **employment and inclusion** are needed to ensure permanent exit from poverty