

**UNICEF STAFF WORKING PAPERS**  
**Evaluation, Policy and Planning Series**  
**Number EPP-EVL-98-002**

**SOCIAL FUNDS IN  
DEVELOPING COUNTRIES:  
RECENT EXPERIENCES  
AND LESSONS**

*Sanjay Reddy*

**UNICEF**  
**NEW YORK, N.Y., USA**

Copyright © 1998  
United Nations Children's Fund  
Programme Publications  
3 UN Plaza  
New York, NY 10017  
USA

ISBN: [92-806-3370-8]  
ISSN: 1013-3178

June 1998

Staff Working Papers are working documents. They present new ideas, innovative approaches, case studies, bibliographies and research results, prepared either by UNICEF staff or by consultants or others supported by UNICEF. Their purpose is to facilitate the rapid exchange of knowledge and perspectives among field offices and to stimulate discussions. The contents of this working paper do not necessarily reflect the policies or the views of UNICEF.

The typescript has not been edited to official publications standards, and UNICEF accepts no responsibility for errors.

The designations employed in this publication and the presentation of the material do not imply on the part of the United Nations Children's Fund the expression of any opinion whatsoever concerning the legal status of any country or territory, or of its authorities, or the delimitations of its frontiers.

I would like to thank Ashok Nigam for his essential and valuable guidance, encouragement, and insight. Jan Vandemoortele's extensive support and thoughtful comments have also been indispensable. I would like additionally to thank Ehtisham Ahmed, Sudhir Anand, Soniya Carvalho, Martha Chen, Lincoln Chen, Eshetu Chole, Enrique Delamonica, Per Engebak, Ian Hopwood, Eva Jespersen, Santosh Mehrotra, Lauchlan Munro, Richard Jolly, Richard Morgan, David Parker, and Amrit Singh for very helpful advice and information.

## Table of contents

### TABLE OF CONTENTS

ABSTRACT .....	(i)
I.1 INTRODUCTION .....	1
I.2 MOTIVATIONS AND OBJECTIVES OF THE REVIEW. ....	1
I.3 DEFINITIONS .....	1
Social Safety Nets (Formal, Informal, Protective, and Promotive): .....	1
I.4 INSTITUTIONAL FORMS OF RECENT SSNs .....	4
(a) Emergency Social Funds (ESFs): .....	4
(b) Social Investment Funds (SIFs): .....	4
(c) Social Action Programmes (SAPs) .....	5
II. THE SIGNIFICANCE OF SOCIAL SAFETY NETS IN DEVELOPING COUNTRIES .....	6
11.1 ECONOMIC AND SOCIAL RIGHTS AND SOCIAL SAFETY NETS .....	6
II.2 The Objectives of Social Safety Nets .....	7
(a) Social Objectives .....	8
(b) Political Objectives .....	9
(c) Administrative and Institutional Objectives .....	9
(d) Economic Objectives .....	10
II.3 RECENT SOCIAL SAFETY NET INNOVATIONS — HISTORY, SCALE AND SCOPE .....	10
(a) History .....	10
(b) Number, Type, and Geographical Distribution .....	12

(c)	How Large Are Social Safety Net Resources?:	13
(d)	How Are Social Safety Net Resources Spent?	18
II.4	UNICEF'S ROLE IN RELATION TO RECENT SSNs	20
III.	REVIEW OF ISSUES AND EVIDENCE RELEVANT TO THE DESIGN AND IMPLEMENTATION OF SSNs	26
III.1	BENEFITS DELIVERED BY SSNs:	26
(a)	Basic Social Services	27
(b)	Productive Individual Assets	27
(c)	Infrastructure	27
d)	Employment	28
III.2	MULTI-SECTOR VS. SINGLE-SECTOR PROGRAMMES	28
III.3	DEMAND vs. SUPPLY DRIVEN SSNs	31
III.4	ADMINISTRATION OF SSNs	36
(a)	Institutional Autonomy	36
(b)	Managerial Efficiency	39
III.5	SUSTAINABILITY	41
(a)	Relations with Line Ministries:	43
(b)	Lasting Value of Projects	44
(c)	Recurrent Costs	44
(d)	Reliance on External Financing, and Additionality of Funds	45
(e)	Reliance on Special Conditions	47
III.6	TARGETING AND EQUITY	48

III.7	PROJECT IMPLEMENTATION, PARTICIPATION AND THE ROLE AND CAPACITY OF NGOs .....	54
III.8	GENDER DIMENSIONS OF SSNs .....	59
III.9	POLITICAL DIMENSIONS OF SSNs .....	62
111.10	LINKS WITH THE MACRO-ECONOMY .....	65
	CONCLUSIONS AND RECOMMENDATIONS .....	67

### LIST OF TABLES

Table 1.	Level of Safety Net Resources for a variety of countries and programmes .....	14
Table 2.	Social Fund/SAP Expenditures in Relation to Expenditures on Social Sectors and on Basic Social Services in 1992 on Selected Countries (percentage) .....	16
Table 3.	Maximum Possible Average Expenditure Per poor person by Social Funds in Selected Countries .....	18
Table 4.	Disbursement on PAMSCAD Projects as of July 1991 .....	22
Table 5.	Social and Economic Infrastructural Accomplishment: Bolivia, Honduras, Ghana .....	23
Table 6.	Distribution of Social Fund Portfolios by Project Type .....	24
Table 7.	Projects to be Funded Under SIFs in Guatemala .....	25
Table 8.	Reported Administrative Costs of Recent SSNs as a Percentage of Expenditure .....	41

Table 9. Indicators or Errors of Targeting  
.....52

Figure 1. Projects to be Financed by Social Fund for Development in Egypt ..29

## Executive summary

### ABSTRACT

Social Safety Nets (SSNs) are the institutions and regularized practices which serve to protect individuals from remaining or falling below a defined standard of living. A variety of SSNs have existed in developing countries for decades -- employment generation schemes, food subsidies, targeted health and nutritional support programmes, etc. In recent years, these have been complemented by new social safety net models --known as emergency social funds, social investment funds, and social action programmes, which are the central subjects of study of this paper. The new forms of SSNs have been typically multi-sectoral, demand-driven, and often administered by independent and specially created institutions. Projects sponsored by these SSNs can be designed and implemented by NGOs, municipalities, private contractors, or existing ministries. This review, which undertakes a broad-ranging survey and analysis of recent social safety net experiences worldwide, with the goal of identifying lessons relevant to their design and evaluation, leads to the following conclusions:

- (1) Emergency social funds, social investment funds and social action programmes have been implemented or are being planned in a large number of developing countries (at least forty-five in total), spanning all regions. Although the largest number of these SSNs are still in Latin America and the Caribbean, more are today in other regions.
- (2) The level of resources devoted to recent SSNs has often been sizable. In a sample of countries, SSN expenditure was estimated to average 10.3 % of total public social expenditures and 32.6 % of expenditures on basic social services. As a result, SSNs provide a significant opportunity to influence allocation priorities, and to shape expenditures so that they are effective, efficient, and equitable, and best serve the interests of the poor.
- (3) The majority of recent SSNs have been multi-sectoral, in the sense that they have financed activities that would otherwise fall under the jurisdiction of a variety of ministries. Multi-sectoral programmes have notable disadvantages as well as advantages. Multi-sectoral programmes should not be entirely avoided but rather confined to a manageable scale and operated according to appropriate principles.
- (4) Many recent SSNs have been “demand-driven” in the sense that projects financed by the SSNs have been largely selected in response to proposals from external entities, such as NGOs, municipalities, and community organisations. In supply-driven SSNs, in contrast, the SSN management designs projects. Demand-driven programmes have many advantages, but can be difficult to administer and may face challenges in reaching the poor. Demand-driven schemes should be accompanied by measures which enhance the capacity of the poor to formulate and present project proposals, and by selection procedures which discriminate in favour of projects which benefit the poor.

- (5) A common characteristic of many SSNs is that they are administered by bodies which are relatively autonomous from existing social ministries and other branches of government. Autonomous SSNs can generate efficiency disadvantages where existing social ministries are already fairly strong. In contrast, where existing social ministries are ineffective, autonomous SSNs can offer significant short-term gains and even serve as a model or foundation for the ultimate renovation of existing social ministries.
- (6) Recent SSNs have employed a number of managerial innovations, including pay scales substantially above those in the national civil service, more flexible methods of recruitment, extensive use of information technology, and standardized estimates of unit costs of goods and services procured. The managerial innovations employed in recent SSNs merit serious consideration for broader use in social ministries. However, some of them (for example high salaries or formulaic project selection procedures) may not be sustainable or likely to bring benefits of lasting value.
- (7) There are a number of reasons to be seriously concerned as to whether recent SSN models are consistent with the sustainable fulfilment of social objectives, including their possible consequences for the long-term effectiveness of existing social ministries. While there is good reason for worry about the sustainability of SSN benefits, appropriate measures can mitigate each of these concerns. In particular, new institutions should not automatically be preferred over old ones and considerably greater attention should be devoted to enhancing the long-term capacity, and flexibility, of existing social ministries.
- (8) Equity in access to the benefits delivered must be an overriding concern when evaluating and designing SSNs. The equity record of SSNs is mixed. Many SSNs have demonstrated regional, gender and class biases. All varieties of SSNs face serious challenges in reaching the poor, but these may be partially ameliorated through the use of instruments such as “poverty maps” in conjunction with formalized “pro-poor” project selection procedures.
- (9) Recent demand-driven SSNs have employed a variety of intermediary organisations to demand, design, and implement projects and deliver benefits, including community organisations, non-governmental and private voluntary organisations, municipalities, and private for-profit organisations. Although this approach has had notable successes, there is also some reason for caution. Community “participation” is not always either genuine or equitable. Demand-driven SSNs should be expressly accompanied by measures designed to enhance the capacity of NGOs, and to ensure that they are internally equitable and representative of communities.
- (10) Recent SSNs have had mixed consequences for women. Achieving gender equity in the design and implementation of SSNs requires attention to such factors as the form of benefits (for example, in cash vs. kind, or employment generation vs. service provision), and the nature of executing agencies (NGOs vs. private contractors).

(11) The political dimensions of SSNs have been of considerable importance. Many recent SSNs have been formulated with political objectives, including generating support for ruling interests, and building support more broadly for a programme of economic adjustment. In practice, examples of both highly politicized and less politicized SSN implementation can be found. SSNs can serve as a vehicle of political co-optation of independent NGOs and community organisations or alternatively as the basis for the development of a more vibrant and potentially independent “civil society”.

(12) The links between SSNs and the macro-economy should also be considered in design and implementation. In general, there is a need to ensure that the fulfilment of social objectives, whether through SSNs or other means, is included at the centre of the process of economic planning and management, rather than as an afterthought or purely “compensatory” device.

These conclusions underline that the design of social safety nets so as to fulfill social objectives effectively, efficiently, and equitably is a complex exercise. Recent SSNs in developing countries have been neither universally outstanding successes nor outstanding failures, and have not by themselves been large or effective enough to serve as the “answer” to the social costs of adjustment or economic crisis. They do, however, add to the repertoire of social policy innovations which can be of benefit when used judiciously within a larger programme of economic and social efforts directed towards social equity.

Les filets de protection sociale sont formés par les institutions et les mécanismes de protection sociale visant à empêcher les individus de tomber en dessous d'un niveau de vie déterminé ou d'y être maintenus. Une grande diversité de filets de protection sociale existe depuis des décennies dans les pays en développement : programmes générateurs d'emplois, subsides alimentaires, programmes sanitaires ou nutritionnels ciblés. Au cours de ces dernières années, ils ont été complétés par de nouvelles formes telles que les fonds d'aide sociale d'urgence, les fonds d'investissements sociaux et les programmes d'action sociale, objet de la présente recherche. Ces nouveaux modèles de protection sociale ont presque toujours été multisectoriels, fondés sur la demande et très souvent administrés par des institutions autonomes créées spécialement à cette fin. Les projets financés par ces filets de protection sociale peuvent être élaborés et exécutés par des ONG, des municipalités, des entrepreneurs du secteur privé ou par des ministères existants. La présente étude analyse un large éventail d'expériences récentes de filets de protection sociale dans le monde en vue de dégager les leçons pertinentes pour leur élaboration et leur évaluation.

Les principales conclusions sont les suivantes :

- (1) Les fonds sociaux d'urgence, les fonds d'investissements sociaux et les programmes d'action sociale sont déjà mis en œuvre ou prévus dans un grand nombre de pays en développement (au moins 45 au total). Bien que la majorité des filets de protection sociale se trouve en Amérique latine et Caraïbes, leur nombre est aujourd'hui en augmentation dans les autres régions.
- (2) Le montant des ressources affectées aux filets de protection sociale est considérable. Dans un échantillon de pays, le montant qui leur était alloué était estimé représenter 10,3 % du total des dépenses publiques du secteur social et 32,6 % des dépenses consacrées aux services sociaux de base. Dès lors, les filets de protection sociale offrent une possibilité réelle d'influencer le choix des priorités et d'orienter les dépenses de façon à les rendre efficaces, efficientes, équitables et servant au mieux les intérêts des pauvres.
- (3) La majorité des nouveaux filets de protection sociale a été multisectorielle en ce sens qu'ils ont financé des activités qui normalement seraient du ressort d'une série de ministères différents. Les programmes multisectoriels présentent des inconvénients majeurs ainsi que certains avantages. Ils ne devraient pas être totalement écartés, mais restreints à des dimensions contrôlables et exécutés en suivant les règles appropriées.
- (4) De nombreux filets de protection sociale récents ont été créés à partir d'une demande, dans la mesure où les projets ont été sélectionnés parmi des requêtes émanant d'instances extérieures, telles que des ONG, des municipalités ou encore des organisations communautaires. À l'inverse, c'est la direction qui élabore les projets dans les filets de protection fondés sur l'offre. Les projets fondés sur la demande présentent de multiples avantages, mais peuvent se révéler difficiles à administrer. Ils éprouvent également des difficultés à atteindre les plus pauvres. Ils devraient être complétés par des mesures qui renforcent la capacité des pauvres à formuler et à

présenter des propositions de projets et qui favorisent les projets en faveur des pauvres lors du processus de sélection

(5) De nombreux filets de protection sociale sont administrés par des organismes relativement indépendants des ministères des affaires sociales ainsi que d'autres branches du gouvernement. Des filets de protection sociale autonomes sont susceptibles d'être moins efficaces lorsque les ministères des affaires sociales sont relativement puissants. À l'inverse, lorsque ces ministères sont peu efficaces, des filets de protection sociale autonomes peuvent offrir des avantages significatifs à court terme, et même servir de modèle et de point d'ancrage pour la rénovation des ministères sociaux existants.

(6) Des filets de protection sociale récents ont recouru à nombre d'innovations dans le domaine de la gestion, notamment des échelles de salaire nettement plus élevées que celles du secteur public, des méthodes de recrutement plus flexibles, un recours accru à l'informatique ainsi que des estimations standardisées de coût unitaire des biens et des services prestés. Ces innovations méritent de retenir l'attention en vue de leur application potentielle au sein des ministères des affaires sociales. Néanmoins, certaines d'entre elles, comme les salaires élevés et les méthodes standardisées de sélection des projets, risquent de ne pas être viables à la longue et de ne pas apporter les bénéfices escomptés.

(7) Pour nombre de raisons, il y a lieu de se demander si les nouveaux modèles de filets de protection sociale sont en conformité avec la poursuite d'objectifs sociaux à long terme, notamment en ce qui concerne leur impact sur l'efficacité des ministères sociaux. Il existe des raisons légitimes de s'interroger sur la durabilité des bénéfices des filets de protection sociale. Cependant, des mesures appropriées sont susceptibles d'apporter une solution à ces questions. En particulier, il ne faut pas automatiquement préférer des institutions nouvelles à celles qui existent déjà. Une attention accrue devrait également être accordée au développement de la flexibilité et de la capacité des ministères existants.

(8) L'équité d'accès aux avantages sociaux doit constituer un objectif primordial au cours de l'élaboration et de l'évaluation des filets de protection sociale. À cet égard, leurs résultats à ce jour sont inégaux. Nombre de filets de protection sociale ont fait preuve de partialité à l'égard des régions, des sexes et des classes. En outre, tous les filets de protection sociale ont à relever de sérieux défis pour atteindre les pauvres. Cette difficulté peut être partiellement surmontée en recourant à des "cartes de pauvreté" ainsi qu'à des procédures de sélection de projets favorisant les pauvres.

(9) Pour la formulation de la requête, l'élaboration et la mise en œuvre des projets ainsi que pour la prestation des avantages sociaux, des filets de protection sociale ont fait appel à une grande variété d'organisations intermédiaires, telles que des organisations communautaires, des ONG, des organisations de bénévoles et des organismes à but lucratif du secteur privé. Bien que cette démarche ait remporté des succès significatifs, une certaine prudence est de mise. La

“participation communautaire” n’est pas toujours authentique ni équitable. Dans les filets de protection sociale fondés sur la demande, des mesures spéciales sont indispensables à la fois pour renforcer la capacité des ONG et pour assurer que leur composition soit équitable et représentative des collectivités concernées.

(10) Les résultats des filets de protection sociale récents sont mitigés en ce qui concerne les femmes. Atteindre une véritable équité entre les sexes exige d’accorder une attention particulière au cours de l’élaboration et de la mise en œuvre du projet à des facteurs tels que la forme des avantages sociaux (en argent ou en nature, création d’emplois ou prestation de services) et la nature des agences d’exécution (ONG ou secteur privé).

(11) La dimension politique des filets de protection sociale est considérable. Nombre d’entre eux ont été élaborés autour d’objectifs politiques, notamment de susciter un appui populaire en faveur des intérêts des dirigeants, ou de faire mieux accepter un programme d’ajustement structurel. En fait, on trouve des projets très politisés et d’autres qui le sont moins. Les filets de protection sociale peuvent être utilisés comme instrument de cooptation d’ONG et d’organisations communautaires indépendantes. Mais ils peuvent également former la base du développement d’une “société civile” à la fois plus active et plus indépendante.

(12) Les relations entre les filets de protection sociale et la macroéconomie devraient également être prises en compte lors de leur élaboration et de leur mise en œuvre. De façon générale, il faudrait placer les objectifs sociaux, que ce soit par le biais des filets de protection sociale ou par d’autres moyens, au cœur du processus de planification économique, plutôt que d’y prêter attention après coup, comme simple mécanisme compensatoire.

Ces conclusions soulignent à quel point la tâche est complexe lorsqu’il s’agit d’élaborer des filets de protection sociale remplissant des conditions d’efficacité, d’efficience et d’équité. Les nouveaux filets de protection sociale n’ont été ni des réussites totales ni des succès complets. À eux seuls, ils n’ont été ni assez importants ni assez efficaces pour constituer une réponse suffisante aux coûts sociaux des programmes d’ajustement ou de la crise économique. Ils constituent néanmoins une addition utile à la gamme d’innovations en matière de politique sociale lorsqu’ils sont utilisés judicieusement dans le cadre d’un programme économique plus large et d’efforts sociaux axés sur l’équité.

## RESUMEN

Las redes de seguridad social son las instituciones y prácticas regularizadas destinadas a impedir que la población permanezca en un nivel de vida definido o descienda por debajo de él. En los países en desarrollo han existido durante decenios diversos modelos de redes de seguridad social, como planes de generación de empleo, subsidios de alimentos y programas para subvenir a las necesidades de determinados grupos en materia de salud y nutrición. En los últimos años han regido nuevos modelos de redes de seguridad social, denominados fondos de emergencia social, fondos de asistencia social y programas de acción social, que constituyen el tema central de estudio del presente documento. Las nuevas formas de redes de seguridad social por lo general son de índole multisectorial, responden a la demanda y a menudo son administradas por entidades independientes que han sido creadas con ese único fin. Las organizaciones no gubernamentales, las municipalidades, las empresas contratistas privadas o los ministerios existentes pueden elaborar y ejecutar proyectos patrocinados por esas redes. El estudio y análisis amplios de los últimos modelos de redes de seguridad social utilizados en todo el mundo, que se analizan en esta reseña con el objeto de extraer enseñanzas que coadyuven a la elaboración y evaluación de esas redes, permiten sacar las conclusiones que figuran a continuación.

- (1) Se ha instituido o se proyecta instituir fondos de emergencia social, fondos de asistencia social y programas de acción social en numerosos países en desarrollo (un total de 45 como mínimo) de todas las regiones del mundo. Si bien la mayor parte de esas redes de seguridad social se encuentran todavía en América Latina y en el Caribe, éstas se van implantando cada vez más en otras regiones.
- (2) El volumen de recursos asignado a las redes de seguridad social más recientes ha sido con frecuencia considerable. Se ha calculado que en un determinado número de países tomados como muestra se asignaba a ellas como término medio el 10,3% del total del gasto público social y el 32,6% del gasto destinado a servicios sociales básicos. Como consecuencia, las redes de seguridad social brindan una importante oportunidad de influir en determinación de prioridades de asignación y de orientar los gastos para que se utilicen de forma eficiente, eficaz y equitativa y satisfagan los intereses de los sectores pobres.
- (3) La mayor parte de las últimas redes de seguridad social son de carácter multisectorial en el sentido de que han financiado actividades que en otras circunstancias hubieran correspondido a la jurisdicción de diversos ministerios. Los programas multisectoriales tienen importantes ventajas y desventajas. Si bien no convendría dejar totalmente de lado esos programas, habría que reducirlos a una escala gobernable y hacerlos funcionar según principios adecuados.
- (4) Muchas redes de seguridad social se basan en la demanda en el sentido de que los proyectos que financian se seleccionan en gran medida para responder a propuestas provenientes de entidades externas, como organizaciones no gubernamentales, municipalidades y

organizaciones comunitarias. En el caso de las redes de seguridad social basadas en la oferta, en cambio, son los administradores de esas redes los que elaboran los proyectos. Los programas impulsados por la demanda tienen numerosas ventajas, aunque suelen ser difíciles de administrar y pueden tropezar con dificultades para llegar a los sectores pobres. Estos planes deben ir acompañados de medidas que aumenten la capacidad de los sectores pobres para formular y presentar propuestas de proyectos, y de procedimientos de selección que favorezcan los proyectos que benefician a los pobres.

(5) Una característica común de muchas redes de seguridad social es que son administradas por órganos que mantienen una autonomía relativa respecto de los ministerios de asuntos sociales y otras instituciones gubernamentales existentes. Las redes de seguridad social autónomas pueden resultar ineficientes en esferas en que se destacan los ministerios de asuntos sociales. Por el contrario, en los casos en que éstos son ineficaces, las redes de seguridad social autónomas pueden producir resultados positivos importantes a corto plazo e, inclusive, servir de modelo o base para renovar esos ministerios.

(6) Las redes de seguridad social más recientes emplean varias innovaciones administrativas, entre ellas escalas de sueldos bastante más elevadas que las que se utilizan en la administración pública nacional, métodos de contratación más flexibles, abundante uso de tecnología de la información y estimaciones uniformes de los costos unitarios de los bienes y servicios adquiridos. Sería conveniente estudiar seriamente esas innovaciones administrativas para introducirlas en los ministerios de asuntos sociales. Sin embargo, algunas de ellas, como los sueldos altos o los procedimientos de selección de proyectos estandarizados, pueden no ser viables o puede que no produzcan beneficios duraderos.

(7) Hay varios motivos para preocuparse seriamente en cuanto a si los últimos modelos de redes de seguridad social están en consonancia con la consecución sostenible de los objetivos sociales, inclusive su posible repercusión en la eficacia a largo plazo de los ministerios de asuntos sociales existentes. Si bien se justifica la preocupación por la sostenibilidad de los beneficios de esos modelos, la adopción de medidas adecuadas puede mitigarla. En particular, no debe preferirse automáticamente las nuevas instituciones a las viejas y debe dedicarse mucha más atención a aumentar la capacidad y flexibilidad a largo plazo de los ministerios de asuntos sociales existentes.

(8) Al elaborar y evaluar las redes de seguridad social, es imperioso que el acceso a todos los beneficios derivados de ellas sea equitativo. La trayectoria de las redes de seguridad social en ese aspecto es desigual. Muchas de ellas se han caracterizado por su propensión en favorecer a ciertas regiones y clases y por su parcialidad en materia de género. Pese a que todos los tipos de redes han tropezado con dificultades para llegar a los sectores pobres, puede mejorarse parcialmente esta situación mediante el empleo de instrumentos como los "mapas de la pobreza" conjuntamente con procedimientos de selección de proyectos estandarizados que favorezcan a los pobres.

- (9) Los últimos modelos de redes de seguridad social basados en la demanda utilizan varias organizaciones intermediarias para pedir, elaborar y ejecutar proyectos y dispensar beneficios, entre ellas las organizaciones comunitarias, las organizaciones no gubernamentales, las organizaciones privadas de voluntarios, las municipalidades y las organizaciones privadas con fines de lucro. Si bien este sistema ha dado buenos resultados, no faltan motivos para ser cautelosos. La "participación de la comunidad no siempre es genuina ni equitativa. Los modelos de redes de seguridad social basados en la demanda deben ir acompañados expresamente de medidas encaminadas a aumentar la capacidad de las organizaciones no gubernamentales y a garantizar que haya equidad en su seno y sean representativas de las comunidades.
- (10) Los últimos modelos de redes de seguridad social han tenido consecuencias desiguales para la mujer. Para lograr la igualdad de género, al elaborar y aplicar las redes de seguridad social ha de prestarse atención a factores como el tipo de beneficios (por ejemplo, en efectivo o en especie, generación de empleo o prestación de servicios), y el carácter de los organismos de ejecución (organizaciones no gubernamentales o empresas contratistas privadas).
- (11) Los aspectos políticos de las redes de seguridad social tienen mucha importancia. Muchos de los últimos modelos conllevan objetivos políticos, como sostener los intereses dominantes y generar un apoyo más amplio en favor de los programas de ajuste económico. En la práctica pueden observarse ejemplos de redes de seguridad social que se aplican con criterios tanto sumamente politizados como escasamente politizados. Las redes pueden emplearse para neutralizar políticamente a organizaciones no gubernamentales y comunitarias independientes o bien como base para el desarrollo de una "sociedad civil" más vibrante y potencialmente independiente.
- (12) Al elaborar y establecer redes de seguridad social también cabe tener en cuenta los vínculos entre ellas y la macroeconomía. En general, es necesario asegurarse de que la consecución de los objetivos sociales, por conducto de las redes de seguridad social o por otros medios, funcione como centro del proceso de planificación y gestión económica y no como un aditamento secundario o como un elemento meramente "compensatorio".

En estas conclusiones se sostiene que la elaboración de redes de seguridad social con miras a alcanzar los objetivos sociales de forma eficaz, eficiente y equitativa constituye una operación compleja. Los últimos modelos de redes de seguridad social que se han aplicado en los países en desarrollo no han sido ni éxitos ni fracasos rotundos y, en sí mismos, no han bastado ni por su dimensión ni por su eficacia para que se los considere la solución a los costos sociales que acarrearán los programas de ajuste o las crisis económicas. No obstante, se suman al conjunto de innovaciones en materia de política social que pueden aportar beneficios cuando se utilizan acertadamente como parte de un programa económico y social más amplio, encaminado a fomentar la equidad social.



## I.1 INTRODUCTION

The successful advocacy by UNICEF and others on behalf of “Adjustment with a Human Face” has led in recent years to new attention being given to the role of “social safety nets”. Seeking to mitigate the social costs of economic restructuring, governments in conjunction with some of the international financial institutions, have sought both to build upon existing approaches to social protection, and to identify entirely new and innovative social protection instruments. These methods of social protection, collectively referred to as “social safety nets”, have taken a large number of new forms in recent years, including “emergency social funds”, “social action programmes”, and “social investment funds”. Considerable attention has been given to these new forms of social safety nets, and in some quarters they have been hailed as the “solution” to the problem of the social costs of adjustment. More generally, they have been recognized as important new instruments of social policy, both in the short and long term. New developments related to social safety nets have significant resource and programme implications in many of UNICEF’s areas of activity worldwide, including the delivery of basic social services, and the reduction of poverty. This review seeks to comprehensively survey and analyze the literature on the new social safety nets, so as to enable UNICEF staff to better understand and respond to these developments. It is not intended to provide immediate operational recommendations

### 1.2 *MOTIVATIONS AND OBJECTIVES OF THE REVIEW*

It is sought that this review should:

Examine in a context-sensitive manner the rationale, purpose, appropriate role and design of Social Safety Nets (SSNs) in developing countries, with a special focus on social funds and other recent social safety net innovations..

Provide accessible analytical concepts for UNICEF field staff, to use in the national-level analysis and design of social safety nets, and with which to engage in effective policy dialogue with governments, and multilateral and bilateral agencies.

### 1.3 *DEFINITIONS*

*Social Safety Nets [Formal, Informal, Protective, and Promotive]:*

The term “social safety net” has been used sometimes broadly and sometimes specifically in the literature. In its broadest use, the term refers to all institutions and regularized practices which serve to protect individuals from remaining or falling below a defined minimum standard of living. Understood in this sense, social safety nets can be either formal or informal in nature, and have both protective and promotive dimensions.

Formal safety nets are defined here as those which legally guarantee individuals access to economic or social support. Social insurance systems, which tend to be confined to the formal sector in developing countries, are of this type. Employment “guarantee” schemes (such as the Maharashtra

Employment Guarantee Scheme in India), which provide a legally enforceable entitlement to employment, are further examples.

Informal safety nets, in contrast, provide some likelihood of support to individuals to assure them of attaining or remaining above the designated minimum standard of living but no legal guarantee. Informal safety nets can further be either public or private in character. The private informal safety net consists of the support which individuals can hope for from other individuals or from community institutions or groups, in time of need. This includes transfers from family members, friends, neighbours, and community members and institutions, including NGOs. The public informal safety net, in contrast consists of the support which individuals can hope for from the state, through programmes which generate assets or employment, transfer income, or provide basic social services, as a means of preventing individuals from falling below the designated minimum standard of living. The key distinction between formal and informal safety nets relates to whether or not there exists a formal legal guarantee of support. The usage of these terms here is in keeping with that in Jayarajah et, al, (1996).

The protective dimension of safety nets relates to their role in preventing individuals from falling below the designated minimum standard of living. The promotive dimension of safety nets, in contrast, relates to their role in raising individuals from a standard of living which is already below the designated minimum.

The term “social safety net” when seen broadly as encompassing both formal and informal and protective and promotive dimensions, is clearly a very inclusive one. It is potentially so inclusive as to include a large proportion of general expenditure on social services, in health, education and water and sanitation, as well as a large variety of family and community relations.

Other definitions of “social safety nets” have also been common however. The 1990 World Bank World Development Report, on poverty, for example, describes the social safety net as a system of “income insurance to help people through short-term stress and calamities” (p.90). This system of “income insurance” is targeted at those who are potentially able to support themselves through individual productive effort or through the assets which they own but are temporarily unable to do so at the relevant minimal acceptable level. It is to be distinguished in the view of the 1990 World Development Report from the system of “income transfers” designed to help those who are not able to participate in the production process at all, because they are old, disabled, or otherwise incapable. Thus the chapter in which these definitions are presented is entitled “Transfers *and* Safety Nets” (emphasis added). Whereas the former are meant to assist those who are incapable of participating in the productive process, the latter is meant to assist those who are “exposed to shocks”. The role of safety nets in this view is therefore primarily protective rather than promotive, although they may be either formal or informal, and either public or private.’

---

<sup>1</sup> Social safety nets and income transfers are the third prong in a three-part strategy for assisting the poor, in the view of the WDR 1990 (p. iii). The first element of the strategy is to provide opportunities to the poor by ensuring “productive use of the poor’s most abundant asset -- labor”, and the second is to increase the capacity of the poor to take advantage of these opportunities by ensuring “widespread provision to the poor of basic social services, especially primary education, primary health care, and family planning”. The role of SSNs and income transfers is to

The World Bank's own usage of this term has been highly inconsistent however. In its *Poverty Reduction Handbook* (1992), social safety nets are no longer distinguished from income transfers, but are seen rather as seeking to protect both those who are temporarily unable to take advantage of productive opportunities and those who are more chronically unable to do so "because of age or handicap" (p.2-13). Adopting an even broader definition, Subbarao et. al. (1996) write that "Safety net is a broad term, encompassing all informal family-based arrangements, all social security programs.. and poverty-targeted interventions". Finally, in sharp contrast a range of subsequent World Bank and other documents, such as Jayarajah (1996), and UNCTAD (1993) in practice uses the term social safety net more narrowly as being largely synonymous with "social action programmes", "social investment funds", and "emergency social funds" (defined below).

It will be evident that many inconsistent uses of the term social safety net are in use. This review will adopt the broad use of the term social safety net cited above, and seek to distinguish the concept in general from the more specific recently prevalent specific institutional forms of safety nets defined below (social funds and social action programmes), which are the primary substantive concern of this paper. Social safety nets are defined very generally as:

**The institutions and regularized practices which serve to protect individuals from remaining or falling below a defined minimum standard of living.**

What the appropriate definition of a "minimum standard of living" is, and in particular the resources which are required in order for it to be fulfilled, is of course open to debate. It may depend upon national context but also upon individual circumstances (such as age, disability, gender, etc.). It is also sure that a satisfactory definition of "minimum standard of living" would be "multi-dimensional" both in the sense that it would focus on access to a broad range of resources (not only income) and upon an individual's ability to translate those resources into the possession of a broad range of human capabilities.'

#### **I.4**     *INSTITUTIONAL FORMS OF RECENT SSNs*

Since the mid- 1960s, a number of developing countries have had in operation a variety of safety net programmes, ranging from employment generation schemes, through to food subsidies, and social insurance (including publicly subsidized medical insurance and pensions). These programs have been largely administered by a single ministry within a government, permanent in their intended duration, and with the nature and level of the benefit and of the potential recipients pre-determined. They have also usually been nationally financed.

---

"complement" these policies by protecting those who are temporarily or permanently unable to take advantage of the first two elements in the strategy.

<sup>2</sup> On these points see Sen (1993).

Over the last decade there have however emerged a range of new and innovative forms of publicly provided social safety nets, especially those of the “social fund” type, which have often diverged from the features of traditional state-provided safety nets just described. These new forms of safety nets have been in part a response to the large demand for social protection over the last decade as a consequence of widespread economic restructuring, in part a response to disenchantment with the conventional forms of state-provided social protection, and in part attributable to the preference for these new forms on the part of external agencies. These particular institutional forms of social safety nets have become so common in developing countries that, as noted above, the term *SSN* is now often inaccurately used to refer exclusively to them, at least in the degree of programmes calling for structural adjustments as a pre-requisite for international financial institutions support.

The new forms of social safety nets which have emerged over the last decade include the following:

(a) *Emergency Social Funds (ESFs):*

Emergency Social Funds are intermediary institutions intended to disburse funds from governments to public, private, and voluntary implementing organisations in a rapid manner so as to meet social protection and other objectives. Their characteristic features are that they are multi-sectoral (i.e. they fund projects of a broad variety, typically including employment generation, infrastructure development, and social service provision), largely demand-driven (i.e. they release funds on the basis of proposals from local institutions, municipalities, and non-governmental organisations), intended to be transitory (i.e. designed to accomplish specific social or political tasks in a specific period of transition or social strain), and administered by autonomous or semi-autonomous bodies specifically created for this purpose. Additionally, emergency social funds are often predominantly externally financed.

(b) *Social Investment Funds (SIFs):*

Social Investment Funds are also intermediary institutions intended to disburse funds from governments to public, private, and voluntary implementing agencies so as to meet social protection and other objectives. Unlike emergency social funds, these funds are oriented more towards intermediate and long-range goals of poverty alleviation than towards compensation for short-run social strains, and as a result do not have a specific time-frame within which they are intended to cease operation. The portfolio of projects funded by social investment funds also tends to reflect their longer term orientation, with greater emphasis on the longer-term development of specifically social infrastructure, of the delivery of social services, and on training and the development of human capabilities, than on the development of physical infrastructure and the generation of short-term employment.<sup>3</sup> However, they are, like emergency social funds, typically multi-sectoral, largely “demand-driven” (as defined above), and administered by autonomous or semi-autonomous bodies specifically created for this purpose. Social investment funds tend in practice, to a larger extent than

---

<sup>3</sup> For evidence of this see Grosh (1990), p.2.

emergency social funds, to be domestically financed, although they often also have a considerable proportion of external financing.<sup>4</sup>

(c) *Social Action Programmes (SAPs):*

Social Action Programmes are less well-defined than either ESFs or SIFs. They are a general term for multi-sectoral funding programmes intended to meet social protection and other objectives. They can be short, medium, or long term in their intended duration and in their goals. They are usually not predominantly “demand-driven”, although they sometimes incorporate a “demand-driven” component. Rather they tend to a greater extent to implement pre-designed social action plans. Social Action Programmes are usually not administered by newly created autonomous institutions but rather jointly by existing “line” ministries, sometimes through the direction of a coordinating committee. The level of external financing of social action programmes varies widely.<sup>5</sup>

The term “socio-economic development fund” has sometimes been used to provide a general description for all of the above three types of funds [see for example, Van Dijk (1992), World Bank (1990e)].<sup>6</sup>

All of the three recent forms of safety nets just described are “informal” rather than “formal” in character in the sense that the social protection they provide is through the impact of the specific projects they choose to fund, (whether these are designed by central programme administrators or by decentralized project requestors), and there is typically no legally enforceable right to be a beneficiary of such a project.

In most cases, execution of the projects funded by social funds is left to communities, non-governmental organisations or private contractors. However in a small subset of funds, the fund management is also responsible for execution of the projects proposed by requesting communities or organisations. In some of the literature, this sub-class of funds have come to be referred to as “AGETIPS”, after the name of the first such fund, established in Senegal.

All three of the fund types broadly defined above also typically incorporate both protective and promotive dimensions, insofar as they promote a range of projects from those concerned with

---

<sup>4</sup> The term Social Investment Fund is largely used in the literature in a manner which is broadly consistent with the definition just provided. A notable and puzzling exception is Glaessner et al (1994) which uses the term to encompass all of the categories of new social safety nets outlined here.

<sup>5</sup> Ghana’s PAMSCAD was the first, and is the best known social action programme to date.

<sup>6</sup> The term “compensatory programme” has also been used to describe many of these funds [by Kingsbury (1994), for example]. The latter refers specifically to programmes intended to ameliorate the social costs incurred during a period of economic restructuring, by seeking, at least in part, to compensate those adversely affected. As a result, the term “compensatory programme” refers most accurately to “emergency social funds” and to those social investment funds and social action programmes initiated specifically to further such an objective.

employment generation, micro-credit schemes designed to lead to wider distribution of protective assets, and training programmes, through to the direct delivery of basic social services and the construction of social infrastructure such as schools and health clinics. As this description suggests, a common feature of all of these new forms of social safety nets is that, unlike many of their predecessors, they are almost always multi-sectoral, in the sense that they include among their operations programmes which would otherwise potentially fall under the jurisdiction of multiple social ministries.<sup>7</sup> However, multi-sectoral social safety nets of other forms have existed even prior to the emergence of social funds and SAPs.<sup>8</sup> As well although many of the recent social funds and social action programmes are compensatory, in the sense of having been designed partially to compensate those negatively affected by a process of economic adjustment, this has not been their sole or universal intention. Political goals, as well as the objective of helping the previously poor, have also been of importance to states which have initiated recent SSNs. Increasingly, these institutions have also been seen as mechanisms which can serve long-term social service delivery and protection objectives. As a result neither the terms “multi-sectoral programmes” or “compensatory programmes” sometimes used to jointly describe Social Funds and SAPs is fully accurate.’

## **II. THE SIGNIFICANCE OF SOCIAL SAFETY NETS IN DEVELOPING COUNTRIES**

### ***II.1 ECONOMIC AND SOCIAL RIGHTS AND SOCIAL SAFETY NETS***

Social safety nets may serve economic and political objectives (for example protecting economically valuable potential human resources threatened in a period of strain, or to build political support for particular policies). The more fundamental case for the development of social safety nets, however, is that it is required by the recognition of the rights of the poor.

The Convention on the Rights of the Child (CRC), which is of special interest to UNICEF, suggests this clearly. Article 3, Clause 2 of the CRC declares that “States Parties undertake to ensure the child such protection and care as is necessary for his or her well-being, taking into account the rights and duties of his or her parents, legal guardians, or other individuals legally responsible for him or her, and, to this end, shall take all appropriate legislative and administrative measures.” Article 26, Clause 1 of the CRC further declares that “States Parties shall recognize for every child the right to benefit from social security, including social insurance, and shall take the necessary measures to achieve the full realization of this right in accordance with their national law”. Finally, Article 27 of the CRC affirms that “States Parties recognize the right of every child to a standard of living adequate to the child’s physical, mental, moral, and spiritual development”, and that “States Parties, in accordance with national conditions and within their means, shall take appropriate measures to assist parents and others responsible for the child to implement this right and shall in case of need provide material assistance and support programmes, particularly with regard to nutrition, clothing, and housing”.

---

<sup>7</sup> A survey of 29 recent SSNs found that all but one were multisectoral [UNCTAD (1994)]

<sup>8</sup> Examples are the Integrated Rural Development Programmes initiated in the 1970s.

<sup>9</sup> Kingsbury (1994) uses the term “Compensatory Social Programmes” to seek to describe the new SSNs, for example.

These three articles of the CRC powerfully declare the right of the child to live at or above an appropriately designated minimum standard of living, and the central role of the state in ensuring the fulfilment of this right, while also recognizing the role of parents and the significance of national circumstances and means in conditioning the measures which are most appropriate to meet this responsibility. These three articles, in other words, create a clear obligation for states to institute and maintain working safety nets.

Other articles of the CRC, including Article 4 (outlining the duty of states to implement the rights contained in the convention), Article 24 (outlining the rights of **all** children to health services), Article 28 (outlining the rights of children to free primary education and the duties of states to encourage regular attendance at schools), and Article 32 (outlining the right of children to be protected from economic exploitation and hazardous or harmful work), add further dimensions to the obligation of states to institute working social safety nets. They suggest that the rights of children to an appropriately designated minimum standard of living should be interpreted multi-dimensionally, so as to include access to essential services in health and education, and not only to income. They also create independent grounds on which the duty of states to maintain a minimum standard of living (and therefore social safety nets) for children can be argued. The CRC does not however provide any obvious specific guidance in relation to the exact *form* of social safety nets which are required by the social obligations of states.

## ***II.2. The Objectives of Social Safety Nets***

Recent Social Safety Nets have typically been designed to serve one or more of a wide variety of distinct types of objectives. These objectives may be classified as being predominantly social, political, narrowly economic, or administrative and institutional in character. These objectives are often overlapping and interlinked. For example, fulfilment of the political objectives of an SSN may be thought to be important because in turn it furthers the fulfilment of desired social or economic objectives (by ensuring support for a particular set of social or economic policies put in place by the government associated with the SSN).<sup>10</sup> Similarly, social goods provided by SSNs may have economic value. By their nature, social safety nets place preeminent emphasis on social objectives. Nevertheless, it is useful to distinguish the variety of proximate (or direct) objectives of SSNs:

### ***(a) Social Objectives:***

SSNs can have a wide range of social objectives. Most importantly, SSNs can seek to protect individuals from descending into poverty, or to help them out of poverty. The former has already been defined as the “protective” dimension of SSNs and the latter as their “promotive” dimension.

The poverty objectives of SSNs can be accomplished through a range of instruments. These include:

- (i) Enhancing the non-income capabilities of the poor through increasing their access to essential

---

<sup>10</sup> See Graham (1994, 1996) and Ribe and Carvalho (1990), for a statement of this view.

human services (e.g. through the provision of basic social services).

- (ii) Enhancing the incomes of the poor through increasing their access to productive assets (e.g. through micro-credit schemes and direct provision of assets such as implements and land).
- (iii) Enhancing the incomes of the poor through improving the rate of return on their existing productive assets (e.g. through prices supports, technical training, and the provision of marketing and transport infrastructure and opportunities).
- (iv) Enhancing the incomes of the poor through increasing their access to paid work opportunities (e.g. through employment generation schemes).
- (v) Enhancing the incomes of the poor through increasing the rate of payment for their paid work (e.g. through putting upward pressure on wages through employment generation schemes).
- (vi) Enhancing of the incomes of the poor through direct transfers.

When resources are limited, it will be necessary to further narrow the poverty reduction objective of the SSN through the specification of one or more priority target groups. Some possible (not mutually exclusive) target groups which have been used in practice are, for example, children, women, mothers, widows, the elderly, the disabled, and members of ethnic minorities. Where an SSN is instituted in a period of “transitional costs” engendered by a period of economic adjustment, it is necessary to judge whether the prime objective of the SSN is to provide resources to the “new poor” (i.e. those whose circumstances have been substantially worsened as a result of the new policies) or to the “old poor” (also sometimes referred to as the “structural poor” -- i.e. those who lived in poverty even prior to the adjustment process).<sup>11</sup>

*(b) Political Objectives:*

SSNs often have political as well as social objectives. They may seek, for example, to compensate those negatively affected by a programme of economic adjustment, in order to lessen the opposition of this group to the adjustment programme, or to the regime. Alternatively, an SSN may be intended to build among its beneficiaries a completely new coalition which will support the adjustment programme and/or the regime, even if the beneficiaries do not include those negatively affected by the

---

<sup>11</sup> This distinction may not always be a clean one. For example, individuals such as retrenched civil servants, although made poorer by the adjustment process, have not necessarily been made poor (in the sense of having fallen below the poverty line). However, in the event that they do fall beneath the poverty line, they clearly belong to the new poor. Similarly, some of the old poor who are also affected negatively by the adjustment process (e.g. poor urban dwellers whose benefits from state food subsidies are stripped away), are also made newly poorer. As a result, not all of the newly poorer are in fact poor (in that they may continue to remain above the poverty line), and not all of the newly poorer are in fact new to poverty (in that they may already have been living in it). The distinction between “new poor and old poor” is therefore misleading. Nevertheless, it is used here in order to maintain consistency with the literature on the subject.

adjustment process.”

Finally, it has been sometimes argued, by some of the more enthusiastic proponents of SSNs, especially of the demand-driven “social fund” type, that they are a “training-ground in the democratic process” [Beneria and Mendoza (1995)]. In this view SSNs, by encouraging the participation of NGOs and other “civil society” organizations in the process of project formulation and implementation, fuel the development of a more demanding, conscious, and vibrant civil society. In this perspective, SSNs can serve as a vital dimension of a broader “democratization” process, and can be formulated with this objective explicitly in mind.

*(c) Administrative and Institutional Objectives:*

Closely related to the political objectives just cited are possible institutional and administrative ones. In particular, recent SSNs of the “social fund” type have been seen by many as a means of experimenting with mechanisms of social service delivery alternative to the traditional means of state-provision. Elements of community participation, decentralization, and private sector-involvement which have been incorporated in a range of recent social funds are seen as being innovative, and often as being more feasible within a social fund framework than within traditional administrative structures.

In addition, SSNs have been sometimes seen as putting traditional social ministries “on notice” that they will have to become more efficient and effective in their mechanisms of service delivery or risk losing more of their responsibilities to independent SSNs. In this way, implementing SSNs could also be a way of ultimately enhancing the capacities of existing social ministries.

*(d) Economic Objectives:*

SSNs may sometimes have as a significant objective to finance the generation or rehabilitation of important economic assets. This may be an objective which is framed independently of its poverty reduction, political, or other consequences. For example, the paving of roads may be seen as being a desired economic objective in addition to serving the social objective of generating employment and reducing poverty.<sup>13</sup>

### **II.3 RECENT SOCIAL SAFETY NET INNOVATIONS — HISTORY, SCALE AND SCOPE**

*(a) History:*

A wide array of state-instituted programmes designed as social safety nets have existed in developing countries since the 1970s. These have been largely nationally designed and financed. Some

---

<sup>12</sup> Graham (1994, 1996) has argued that this is a common feature of many recent SSNs.

<sup>13</sup> Where the amounts disbursed by SSNs is large (though this has rarely been the case with social funds), it is also conceivable that they contribute to the “Keynesian” objective of raising national income through boosting aggregate demand, where resources are not already fully employed. On this possibility see Stewart and Van der Geest (1995). Related issues are discussed in Section III. 10 below.

of the more important early examples are Chile's emergency employment schemes (the Minimum Employment Programme (PEM) and the Occupational Programme for Heads of Households (POJH)), The Maharashtra Employment Guarantee Scheme in India, the Bangladesh Food For Work program, and Botswana's Labour Based Relief Public Works Programme, and Costa Rica's General Directorate of Social Development and Family Allowances (FODESAF). These programmes were intended to provide employment or income transfers to specific target groups [Stewart and Van der Geest (1995), ILO(1992), Kingsbury (1994)]. In addition, general (un-targeted) food subsidies had been used effectively to protect the poor for long periods in a number of countries, such as Sri Lanka and Egypt [Ahmed, 1993]. Social insurance schemes cross-subsidized by the better off or by the urban sector, such as Brazil's FUNRURAL scheme for rural workers, and the rural social insurance scheme in Kerala, India, have also sometimes played a role in protecting the poor [Malloy (1978), Ramachandran (1996), Reddy (1991)]. More generally, public delivery of health and education services has often furthered the objectives of social safety nets, especially in the promotive (as opposed to protective) dimension.

In the 1980s, two major factors came together to lead to a heightened interest in social safety nets, and in seeking innovative forms for them [Unctad,1993]. The first of these was the by now well documented deterioration of economic circumstances in a range of developing countries [see for example Cornia, Jolly and Stewart (1988); Taylor and Pieper (1996)], due to structural changes in the world and domestic economies, as well as to the immediate negative impact of economic adjustment policies.<sup>14</sup> In many cases, these difficulties were compounded by war and civil strife. The second major factor underlying the new interest in social safety nets of innovative forms was the increasing disenchantment with the capacity of the existing state apparatus in many developing countries to provide social services and infrastructure. Social funds in particular were seen as serving as a new vehicle of service delivery which would bypass the existing social service bureaucracies and their limitations, and challenge these to reform. The demand-driven dimension of social funds in particular would make them more receptive to individual needs, while the role in social service delivery assigned by them to voluntary organizations, private contractors, and other non-governmental implementing agencies would ostensibly lead to greater efficiency. The interest in new forms of social safety nets may therefore also be understood in light of the rise to prominence of the market-oriented development paradigm, and the diminished role assigned by it to the state.

The first large-scale social programme in the world designed to compensate for the social costs of adjustment, and the first social safety net of the social fund type, was Bolivia's Emergency Social Fund, which operated in Bolivia from November 1986 to mid-1990.<sup>15</sup> The Bolivian ESF was almost entirely financed by external sources and in particular by the World Bank. It was initially proposed to

---

<sup>14</sup> According to UNCTAD (1994), twenty-six of twenty-nine SSNs surveyed were introduced during or immediately after the introduction of economic restructuring or structural adjustment programmes. Similarly, two-thirds of laws enacting SSNs in Latin America explicitly referred to the social costs of economic reform as a major reason for their adoption.

<sup>15</sup> The Bolivian ESF was distinguished from its predecessors such as Costa Rica's FODEASAF (in existence since 1975) primarily by having been demand-driven. Some authors, such as Wurgaft (1992) do not make this distinction.

the Bank by a Bolivian ex-politician serving as a consultant who argued that the ESF would make it politically easier for the bitter pill of adjustment to be swallowed in Bolivia. The perception of the success of the ESF led to its being widely and rapidly replicated in the region, so that by 1990 five other countries in Latin America were instituting social funds, and by 1992 ten had done so [Grosh (1990), Wurgaft (1992)]. The World Bank, Inter-American Development Bank, and other international agencies played a central role in the process of dissemination of the social fund model.<sup>16</sup>

The first social investment fund was also begun in Bolivia, in 1990, in response to a desire to carry on the apparently successful experiment of the ESF, and to a perception of the need to move beyond the short-term and compensatory character of the ESF portfolio of projects. The social investment fund model has since also been widely transferred elsewhere, largely through the intermediation of international institutions. A World Bank survey (1997) found that two-thirds of social fund projects financed by it in 1997 had long-term rather than short-term objectives, corresponding to the social investment fund model. Moreover, whereas this was true of only 20 percent of the first fifteen social fund projects approved by the bank it was true of 80 percent of the last fifteen.

Finally, the first “social action programme” in the world was Ghana’s PAMSCAD (Programme of Action to Mitigate the Social Costs of Adjustment). PAMSCAD, formally initiated in 1988, was a direct response to the perception that the social costs of the programme of economic adjustment in Ghana begun in 1983 had been excessively high. UNICEF played a central role in the inter-agency mission which led to PAMSCAD being proposed. Although PAMSCAD was not perceived as highly successful, the social action programme has since been adopted widely elsewhere, particularly in

---

<sup>16</sup> The process of diffusion of the social fund/ SAP model presents an informative case study in the process of transmission of development policy innovations both through the intermediation of international institutions and through more direct forms of “south-south” cooperation. The involvement of an ex-manager of the Bolivian ESF at the World Bank in the subsequent design of a social fund in Zambia, for example [Interview with Ian Hopwood (UNICEF-NY), Graham (1996)], the involvement of World Bank sponsored Bolivian experts in the design of a social fund in Jordan [37], the study tours of the Zambian and Ethiopian Social Funds undertaken by planners of Malawi’s Social Action Fund [11], the role of Latin American experts in designing social funds in Cambodia and Malaysia [1], visits to Egypt by officials from Algeria, Armenia, China, and Lebanon interested in replicating its social fund experience [1], Zimbabwean officials’ conscious modeling of their social fund on Mexico’s Solidaridad programme [1], the role of Mexican Solidaridad fieldworkers in the implementation of El Salvador’s social fund, and annual workshops held by Mexico for representatives from other countries interested in replicating its Solidaridad program (resulting in 56 agreements with Mexico for assistance in the transfer of Solidaridad’s approach) [83], are all examples of this process of diffusion.

While this process of transmission has been celebrated by some [83 for example], others have seen it as resulting in the inappropriate imposition of models of social policy which are unsuitable to national contexts. Beneria and Mendoza (1995) for example, arguing that Mexico’s Solidaridad model was inappropriately transferred to Honduras and Nicaragua, write that “these countries’ political systems, ..have not recognized the real rights of the poor, and no party or state institution has the political maturity and technical capacity to conceptualize and design a social policy along the lines of PRONASOL [Solidaridad]...The ESIFs of Honduras and Nicaragua suffer from the fact that they are imported (if not imposed) models of social policy, divorced from domestic political and social imagery as well as from the needs and realities of state institutions and the countries’ populations”.

Africa.

*(b) Number, Type, and Geographical Distribution:*

In mid-1996 social safety nets of the emergency social fund, social investment fund, or social action programme type were believed to have existed, to currently exist, or to be planned in the following countries:

Angola, Argentina, Belize, Bolivia, Brazil, Cambodia, Cameroon, Chad, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, El Salvador, Ghana, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, India, Jamaica, Jordan, Madagascar, Malawi, Mexico, Mongolia, Nicaragua, Pakistan, Panama, Peru, Rwanda, Sao Tome and Principe, Senegal, Somalia, Sri Lanka, Togo, Tunisia, Uganda, Uruguay, Venezuela, Zambia, and Zimbabwe [Sources: 53, 68, 51, 82, 14, 25, 35, 29, 42, 76, various WB documents].

In other words social safety nets of the ESF, SIF or SAP type have been implemented or are being planned in at least 45 countries in Latin America, Africa and Asia. They are extremely prevalent in Latin America and the Caribbean (comprising 22 in total), widely present in Africa (with 17 in total), and relatively rare but increasingly common in Asia (with 6 in total). This tally should correct the widespread impression (while partially true) that social funds and SAPs are preeminently a Latin American phenomenon. In fact, it appears that there are today more SFs and SAPs outside Latin America than within it. This is an important fact which suggests that UNICEF staff outside the Latin American region should also enhance their capacity to analyse, and engage in dialogue concerning SSNs.

In a number of these cases (such as Bolivia, Ecuador, and Peru), more than one fund has been created over the last decade. In Bolivia, as mentioned above, the Emergency Social Fund which functioned from 1987 to 1989 with the intention of cushioning the negative effects of adjustment, was turned into a Social Investment Fund with longer-term goals. In Ecuador, fully twelve funds were created between 1987 and 1989 [76].

The distribution of different types of SSNs is also notable. UNCTAD (1994) found that of 29 multi-sectoral SSNs surveyed in 27 countries in Latin America and Africa, 16 were ESFs, 10 were SAPs, and 3 were SIFs.<sup>17</sup> Of the 17 SSNs surveyed in 15 countries in Latin America, 11 are ESFs, 3 are SIFs, and 3 “resemble” SAPs. In Africa, of the 12 SSNs surveyed, 5 are ESFs, 7 are SAPs, and none are SIFs although many of the ESFs “share features” of SIFs elsewhere. This sample suggests, therefore, that ESFs are more prevalent in Latin America and SAPs in Africa. Asian countries, although not considered in UNCTAD (1994), appear to have SSNs of both types. Pakistan, for example, has a SAP, while India and Cambodia plan or have ESFs. A World Bank survey of the complete portfolio of

---

<sup>17</sup> In many cases, this classification is a matter of judgment rather than explicit self-definition. The definitions for different types of SSNs used in UNCTAD (1994) are broadly consistent with those employed here.

Bank supported social fund projects found that one fifth were AGETIPs,<sup>18</sup> all in Sub-Saharan Africa.

(c) *How Large Are Social Safety Net Resources?:*

The level of resources devoted to recent social safety nets has varied considerably, but has often been sizable. The magnitude of resources delivered through recent social funds and SAPs has been large enough to make them of vital interest to UNICEF. Table 1 below lists the level of these resources for a variety of countries and programmes.

---

<sup>18</sup>AGETIPs (Agencies d'Execution de Travaux d'Intévéel Public contre le sous-emploi) or Agencies for the Execution of Works of Public Interest are also quasi-financial intermediaries that select small-scale projects on the basis of pre-determined criteria, and finance them. AGETIPs assume the additional responsibility of executing projects on behalf of the sponsoring agency, typically municipalities.

**Table 1**  
**Level of Safety Net Resources for a variety of Countries and Programmes**

Country	Programme Cost (million USD)
Argentina	120-450 annually
Bolivia ESF Bolivia SIF	150-250 annually 40 annually
Cameroon SDA	85.7
Chad PADS	26.9
Chile FOSIS	77
Costa Rica FODESAF	123 annually
Ecuador (14 Funds)	180
El Salvador FIS	67
Egypt SIF	572
Ghana PAMSCAD	96.3
Guatemala SIF	95.3
Guinea SEDSP	13.48
Guinea-Bissau SIRP	17
Honduras FHS	70
Madagascar EMSAP	40.95
Mexico PRONASOL	2,000 to 3,000
Peru FONCODES	75
Sao Tome and Principe SIF	8
Senegal AGETIP	33.3
Somalia SAF	7
Togo GDIP	6.7
Togo TEVTP	15.7
Uganda PAPSCA	106
Venezuela FONVIS	1,000
Zambia SRF	46.4

Sources: Kingsbury (1994), Unctad (1994).

The amounts delivered range from \$10 million in Zimbabwe, to \$80 million in Ghana, over \$600 million in Egypt, \$100 million in Honduras, \$300 million in Bolivia, \$1 billion in Venezuela (over the span of these programmes), and a monumental \$2 to 3 billion in Mexico (in the course of a single year). In other African countries, amounts varied between \$7 and \$49 million [Vivian (1995), UNCTAD (1994)]. The level of SSN resources as a percentage of GDP and of government expenditures also varied widely. SSN resources as a percentage of GDP in 1992 were 1.6 percent in Honduras, 0.9 percent in Bolivia, 0.7 percent in Mexico, 0.3 percent in Egypt, 0.2 percent in Ghana, and 0.1 percent in Chile [UNCTAD, 1994]. SSN resources as a percentage of government expenditure were 9.6 percent in Honduras, 6 percent in Bolivia, 4 percent in Mexico, 4.1 percent in Egypt, 2.7 percent in Ghana, and 0.5 percent in Chile [UNCTAD, 1994]. Further suggestive examples of the magnitude of the amounts expended on recent social safety nets are that, in Bolivia in 1989, ESF expenditures amounted to thirty percent of public investment. Annual external financing for the fund amounted on average to over 14 percent of the value of Bolivia's yearly imports [Van der Hoeven and Stewart, 1994]. The total amount of donor support to Ghana's PAMSCAD, similarly, was estimated as equivalent to 6-8 percent of the annual amount of donor support to the country's structural adjustment programme [UNICEF-ACCRA, n.d., Gayi(1991)]. The actual amounts expended on projects is in fact even larger than these totals suggest since in many cases community contributions have amounted to a significant proportion of project costs."

It is easy to show that the magnitude of resources being devoted to recent social safety nets is sizable in proportion to social expenditures in a number of countries. This suggests that the recent SSNs (social funds and social action programmes) cannot be neglected as unimportant, and that there exists a notable opportunity for UNICEF for advocacy of SSN resource use priorities. Table 2 provides rough estimates of SSN expenditure in 1992 for a number of countries as a proportion of total public social expenditure and as a proportion of expenditure on basic social services.<sup>20</sup> These figures are approximated and should therefore be taken primarily as order of magnitude estimates.<sup>21</sup>

---

<sup>19</sup> In Bolivia's ESF for example, "Religious Organizations" contributed 17.1 percent of the value of projects executed by them, and municipalities 14.7 percent) [Stewart and Van Der Geest, 1995].

<sup>20</sup> Here, basic social services are defined as understood under the 20-20 initiative. See for example UNDP (1994).

<sup>21</sup> These approximations are necessary due to the lack of exact information on total public social expenditure, and specifically on the proportion represented by social fund resources [ECLAC (1992), LC/L.713(Conf.82/5), p.21].

TABLE 2

**Social Fund/SAP Expenditures in Relation to Expenditures on Social Sectors and on Basic Social Services in 1992 on Selected Countries (Percentage)**

	SSN Exp/GDP	Soc. Exp. /GDP <sup>22</sup>	SSN Exp. /Soc. Exp.	Estim. BSS /GDP <sup>23</sup>	Estim. SSN /BSS <sup>24</sup>
Bolivia	0.9	5.4 <sup>25</sup>	17	1.95	46
Chile	0.1	6.3	1.6	2.6	3.8
Egypt	0.3	6.0	5.0	0.95	32
Ghana	0.2	4.8	4.2	0.96	10.7
Honduras	1.6	7.0	23	2.21	72.4
Mexico	0.7	6.5	11	2.28	30.7
<i>Average</i>	<i>0.63</i>	<i>6.0</i>	<i>10.3</i>	<i>1.83</i>	<i>32.6</i>

Sources: UNCTAD (1994), Author's Calculations.

The figures in Table 2 suggest that the level of resources devoted to recent SSNs (social funds and social action programmes) can be considerable when viewed in the context of overall allocations to the social sectors and in particular to basic social services. Recent SSN expenditures as a proportion of overall social expenditures averages 10.3 percent in the available sample of countries, and reaches as

---

<sup>22</sup> Social Expenditure is calculated as the sum of education and health expenditures. These in turn are based on figures reported in UNDP(1996), for education in 1992 and health in 1990 respectively. For health expenditures, a 1990 figure is used due to the lack of appropriate cross-country data on aggregate health expenditures for subsequent years. As a result, the resulting ratio is only an estimate.

<sup>23</sup>The proportion of GDP directed towards basic social services is approximated by applying the commonly estimated figure of 13 percent for the average proportion of Government expenditure in developing countries devoted to basic social services [See(UNDP HDR, 1994), Mehrotra and Thet (1996)] to the known proportion of government expenditure in GDP for each country in 1992 [calculated from the figures provided in UNCTAD (1994)]. This is admittedly a poor basis, albeit the best available, for estimating this figure.

<sup>24</sup> Column 1 divided by Column 4.

<sup>25</sup> The 1990 figure for public education expenditures is used here, due to lack of an appropriate 1992 figure.

high as 23 percent (for Honduras).<sup>26</sup> More importantly perhaps, social fund/SAP expenditures as a proportion of estimated expenditures on basic social services averages 32.6% and reaches as high as 72.4 percent (once again in Honduras). These last figures imply that the funds available through recent SSNs are large in relation to those already being spent in UNICEF's areas of primary interest, and that UNICEF should therefore be attentive to the possibilities for influencing SSN spending priorities and for ensuring that these expenditures are as effective, efficient, and equitable as possible.

There is much additional isolated information which supports this conclusion. For example, it has been reported that in Mexico in 1993, expenditures under the Solidarity programme accounted for a total of 47 percent of the country's physical investment in social development [Rojas in IDB/UNDP, 1993].

A final indication of the scale of SSN resources is their level of resources per head of the poor. The (admittedly unrealistic) assumption that social funds have no administrative costs and that they reach all of the poor allows a rough estimate of the level of resources which social funds possess in relation to needs within a country. Table 3 contains estimates of this kind. It shows that the level of resources available per person below the poverty line averages \$28.3. The Latin American examples are on the whole better financed. While some African examples as well, (including the recent social fund established in Madagascar) have significant resources, others, such as those in Zambia and Zimbabwe, have resources which are very small relative to the prevailing needs. This may however be as much an indication of the scale of the prevailing needs, as of the level of resources of social funds. It appears on the whole that by this standard as well, the amount of resources delivered by social safety nets is often not negligible.

**TABLE 3**

**Maximum Possible Average Expenditure Per Poor Person  
by Social Funds in Selected Countries**

---

<sup>26</sup> Stewart and van der Geest (1994, p.26), in a similar calculation, provide indicators of social funds' expenditure as a proportion of overall social expenditures for a range of countries, including Costa Rica, Madagascar, Senegal, Zambia, and Zimbabwe, which find that they range from 0.3 to 3.5 percent. These data suffer from the flaw however that they appear to be based only on central government social expenditures, as reported in the IMF Government Finance Statistics, and so are not reported here.

<b>Country</b>	<b>Maximum Expenditure / Head of the Poor (U.S. \$)</b>
Bolivia	15
Costa Rica	80
Chile	1.4
Honduras	21.5
Ghana	19.5
Madagascar	7.5
Mexico	135
Senegal	3.5
Zambia	< 1
Zimbabwe	< 1
Average	28.3

Sources: Stewart and van der Geest (1995), Graham (1996).

The number of sub-projects financed by funds can be sizable. Goodman et al (1997) reports subprojects financed by funds in Latin American countries varying in number between 1,500 and 18,000. The same source reports that funds have ceilings on the maximum size of projects they will finance generally under \$250,000.

*(d) How Are Social Safety Net Resources Spent?*

Recent social safety nets appear to vary widely in the proportion of their resources which they devote to basic social services. In part this is simply a consequence of the multiple objectives which usually surround the implementation of a social fund or social action programme. These objectives often include directing resources towards particular (often non-poor) political constituencies and the generation of new political processes, the construction and rehabilitation of economic infrastructure, environmental regeneration, and the enhancement of employment and production (through hiring and procurement, the provision of credit and technical assistance), in addition to the provision of basic

social services.<sup>27</sup> Nevertheless, a survey of 29 social funds undertaken by UNCTAD (1994) found that all but two explicitly included a component focussing on the fulfilment of basic needs of the poor, through the provision of food, drugs, immunization, sanitation, etc.

A World Bank (1997) survey of social fund projects supported by it, while noting that “it is difficult to determine the precise volume of funds spent or to be spent on the various components of Social Fund projects” estimates that on average: “roughly one-third of project cost is allocated to economic infrastructure and a similar proportion to Health, Nutrition and Population and Education sectors. The remaining one-third covers activities such as, for example, training, environmental interventions or micro-finance. In social fund projects which have a micro-finance component and for which the relevant breakdown is available, the micro-finance component represents roughly 20 percent..”.

In many instances, although there exists data on the proportion of SSN resources directed towards social sectors as a whole, it is difficult to judge what proportion of this was specifically allocated to basic social services. In Bolivia, for example, 54 percent of ESF expenditure was directed towards “social infrastructure” and “social assistance”, comprising construction of sewerage and water systems, low income houses, health posts, and schools, and the provision of school meals and textbooks. Table 5 offers a breakdown of these expenditures.

Many of these projects were however instituted with a greater view towards their employment impact than towards the provision of basic social services. The ESF came to be viewed as a success significantly due to its having generated, between 1986 and April 1990, a sizable 383,000 person-months of employment [Kingsbury, 1994]. It is reported that in Nicaragua, investment in “social infrastructure” and “social assistance” absorbed sixty percent of programme resources [Beneria and Mendoza, 1995]. In Honduras, the SIF, guided by a “poverty map”, claims to have “improved” 32 percent of health centers and 30 percent of primary and pre-primary schools, increased access to safe water by sixteen percent, and established basic sanitation facilities in all urban areas [Jayarajah et al, 1996]. Mexico’s Solidarity Programme was reported to have installed sewer systems for 11 million people, however it also spent significant resources in areas outside of basic social service provision such as the building of sidewalks and street improvement and road paving (26, 210 square kilometres) [Beneria and Mendoza, 1995]. In Ghana’s PAMSCAD, a comparatively low proportion of programme resources was devoted to components most likely to help the poor, including the provision of basic social services. Table 4 demonstrates that components such as hand-dug wells and low-cost sanitation, essential drug supplies, supplementary feeding, food for work, rural shelter rehabilitation, “community improvement”, agricultural credit for small-scale farmers, and deworming of school children, together received less than thirty percent of total funds disbursed. A more careful calculation by Stewart and Van der Geest (1995) suggests that only 18 percent of PAMSCAD expenditure was directed towards “basic needs”.<sup>28</sup> An informative comparison of different types of economic and social expenditures in

---

<sup>27</sup> The objective of environmental regeneration is mentioned as important by Beneria and Mendoza (1995). In Nicaragua, this objective absorbed 20 percent of programme resources.

<sup>28</sup> This excludes such expenditures as commodity aid for schoolbooks, food stocks for secondary boarding schools, and “community initiative” projects for rebuilding of local infrastructure.

three recent SSNs is made possible by Table 5, and Table 6 which provide a flavour of the diversity of SSN areas of expenditure. In all the SSNs surveyed in Table 6 it may be observed that “infrastructure” expenditures (including “social” infrastructure such as schools and clinics) account for between 56 and 78 percent of the whole whereas service “provision” accounts for a smaller proportion.

There is some evidence that ESFs are more prone to finance physical infrastructure and other production-directed projects than are SIFs, which because of their more long-term orientation tend to have a greater concern for the development of “social infrastructure” including human capabilities. Thus, in Bolivia, whereas the ESF devoted roughly half of its resources to the former activities, its successor SIF does not finance these at all [Grosh, 1990]. This difference is evident in Table 6. Whether this pattern is substantially true across countries is unclear however.

SSNs vary in the extent to which they devote their resources to the provision of basic social services, and more generally, programmes of value to the poor. However, because they are generally multi-sectoral and can potentially vary significantly their portfolio of projects, SSNs present a significant opportunity to UNICEF for advocacy in favour of the poor.

#### zz. 4. *UNICEF’S ROLE IN RELATION TO RECENT SSNs*

UNICEF has influenced or supported a number of recent SSNs. As the number of single sector safety nets UNICEF has been involved with has been very large, as elsewhere in this paper only multi-sectoral safety nets, particularly of the social fund and social action programme type, are emphasized here.<sup>29</sup>

UNICEF was instrumental in bringing about Ghana’s PAMSCAD, the first and best known Social Action Programme, and first adjustment-related SSN in Africa [Nelson (1990), Jolly (1989 )]. UNICEF drew early attention to the social costs necessitated by adjustment in Ghana and played an influential role in the interagency mission which led in turn to the formulation of the PAMSCAD initiative. UNICEF was also a financial contributor to PAMSCAD and was engaged in some ongoing monitoring and evaluation of its degree of success. Elsewhere in Africa, UNICEF has also both co-financed and helped in the project preparation of the Madagascar “Economic Management and Social Action Project” [World bank, 1992, Poverty Reduction Handbook, p. 5-11]. UNICEF has also been a donor to Uganda’s PAPSCA project [Kingsbury, 1994].

According to Hopwood(1994), In Central America, and to some extent in Zambia, [social] funds have represented a significant source of grant financing for local initiatives that complement UNICEF’s work in health, education and water”. In Zambia, the UNICEF resident representative was chair of a social fund committee charged with the use of a “studies fund” under the social fund designed for operationally relevant statistical monitoring, studies and research [personal interview]. In Haiti, UNICEF was approached by the Inter-American Development Bank to serve as an operational intermediary between the IDB sponsored social fund and local NGOs [ibid].

---

<sup>29</sup> It is difficult to be sure that all UNICEF contributions to recent SSN design and financing have been taken account of here. The goal is rather to provide some indication of the scope of UNICEF involvement in this area.

In Central America, UNICEF has been involved in negotiations both to contribute to national social funds, and to manage a proportion of the resources to be disbursed under these funds.

## Recent Social Safety Nets in Developing Countries

Table 4  
Disbursement on PAMSCAD Projects as of July 1991

Projects	Donor (C Million)				Government/PIP (C Million)				TOTAL
	1988	1989	1990	1991	1988	1989	1990	1991	
! Decentralized Comm'ty Initiative Projects		386.3	203.2		24.6	22.0			636.1
! Improved Local Building Materials		85.0	56.0				35.0		176.0
! Food for Resettlement of Redeployees				200.0					200.0
! Agricultural Rehab Credit for Small-Scale Farmers		94.5	250.0	165.0					509.5
! Food for Work in the North			20.0						20.0
! Small-scale Mining		43.0							43.0
! Hand-dug Wells and Low-cost Sanitation		100.0			24.6	30.0	72.0		226.6
! Training Schemes for Redeployees		50.0	170.0						220.0
! Compensation Package for Redeployees <sup>30</sup>								8000.0	8000.0
! Information Strategy and Placement Counseling		136.1							136.1
! Non-formal Education		10.0	95.7		5.0	16.0	16.0		142.7
! Rehabilitation & Repair of Secondary Schools <sup>31</sup>									0.0
! Bulk Purchase Food for Institutional Feeding <sup>32</sup>		1140.0	960.0						2100.0
! Paper Commodity Aid for Primary Education			630.0						630.0
! Deworming of School Children						28.0			28.0
! Enhance Opportunities for Women in Dev't NCWD		5.0							5.0
- DWM		12.0	47.0				34.0		93.0
! Essential Drug Supply Scheme <sup>33</sup>			177.0						177.0
! Supplementary Feeding		10.0	81.5						91.5
! Credit for Small-scale Enterprises		50.0	100.0						150.0
! Labour Intensive Feeder Roads		300.0	300.0		45.0		45.0		690.0
! Priority Public Works		952.8	592.7		56.0	45.0	22.0		1668.5
! Inst'l Strengthening for Decentralized Implementation of Social Sector Programmes		124.8				24.0	26.0		174.8
! Japanese Institutional Support and Equipment			987.0						987.0
<b>TOTAL</b>	<b>0.0</b>	<b>3499.5</b>	<b>4670.1</b>	<b>365.0</b>	<b>155.2</b>	<b>165.0</b>	<b>250.0</b>	<b>8000.0</b>	<b>17104.8</b>

<sup>30</sup>Total government expenditure as compensation to redeployees exceeded C8 billion by July 1991.

<sup>31</sup>Project suspended pending availability of funds from food sales.

<sup>32</sup>WFP food aid distributed to secondary boarding institutions.

<sup>33</sup>Does not reflect over C60 million worth of drugs under EEC grant no distributed by July 1991.

**Table 5**  
Social and Economic Infrastructural Accomplishment: Bolivia, Honduras, Ghana

Country	Social	Economic
Bolivia <sup>34</sup>	18 1 km water/sewerage systems 7,084 low income houses 259 health centres 224 schools	2760 blocks of urban street paved 6,368 km road improvement 30.7 km of irrigation works
Honduras <sup>35</sup>	1.6 km water reservoirs 4,5 km of sewers 83 km of gutters 30,000 latrines 68 health centres 1,270 class rooms	800 km of urban road repair 890 bridges reinforced 34,2 ha of urban pavements 4,850 micro-farms 20 km of breast-walls (confining a bank of earth)
Ghana <sup>36</sup>	Community Initiative Projects: 606 schools/health centres improved Wells Sanitation Programme: 6 12 hand dug wells 462 latrines Rehabilitation low-income houses: 1227 houses completed (27% of target) Food-for-Work (North): 52 schools improved 10 clinics built Formal and non-formal education and training <sup>37</sup> Essential drugs supply <sup>38</sup>	Priority Works Programme: 7 1.7 1 km road improvement 499 culverts constructed Food-for-Work (North): 2358 acres of agroforestry limited other infrastructure

<sup>34</sup>Bolivia: For three-year period 1987-1990; expenditure of \$100.5 million for completed projects and \$69.8 million under implementation.

<sup>35</sup>Honduras: For two years (1990 to June 1992); expenditure approximately \$3 1 million, which is 60 per cent of total FHIS fund of \$50.8 received up to June 1992.

<sup>36</sup>Ghana: For a two-and-a half-year period 1989-1992; expenditure approximately \$ 50 million.

<sup>37</sup>Four sub-programmes:

(i) Non-formal with 270,000 learners in 11,000 literacy classes of which only two pilot projects were funded under PANSCAD; (ii) Institutional Capacity Building, training of 40 officers for 10 mobile teams to support Community Initiative Projects; (iii) Training of 366 trainees for rural building and (iv) 90 nutrition education centres attended by 12,842 pre-school children.

<sup>38</sup>\$ 3.0 million which was 50 per cent of the planned expenditure.

Sources: Jorgensen et al., 1991; Gaude, 1993; Egger et al., 1993; PANSCAD Secretariat, 1990 and 1992. In: Stewart and Van der Geest [1995].

**Table 6**  
**Distribution of Social Fund Portfolios by Project Type**

	Bol. ESF	Bol. SIF	Hond. SIF	Haiti ESF	Guat. SIF
<b>PORTFOLIO</b>					
<i>Service Provision</i>	10	34	20	15	15
Nutrition	4	18	8		1
Health	4	10	2		
Education	2	6	10	10	6 <sup>1</sup>
<i>Infrastructure</i>	78	56	4.5	74	60
Health	4	10 <sup>2</sup>	8	6	
Education	5	24	20	11	
Water/Sewerage	13	22	29	33	30
Roads/Urban	26		7	24	30
Housing	10				
Cultural Heritage	3		1		
Other	17				
<i>Productive</i> <sup>3</sup>	9		7		15
<i>Inst. Dev.</i>		1	2		
<b>ADMINISTRATION</b>	2	9	6	10	10
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Table 7

<sup>1</sup>Includes some infrastructure rehabilitation

\*Author's estimated adjustment for definitions – original source groups service and infrastructure together.

<sup>3</sup>Refers to activities such as the capitalization of small rotating credit schemes and the production of inputs used in the infrastructure projects, e.g., sewerage pipe, paving stones, wire for gablons.

Source: Respective Staff Appraisal Reports in Grosh [ 1990].

## Recent Social Safety Nets in Developing Countries

Projects To Be Funded Under SIFs in Guatemala

AREA	FIELD	PROGRAMME
Social Services	Health	Health centre equipment
		Disease prevention and control campaigns
		TBAs training, equipment and organization
		Rural health promoters training, equipment and organization
		Initial supply of essential drugs for community pharmacies
	Nutrition	Anthelmintic treatment
		Specific micronutrient supplementation
		Food and nutrition education
		Supplementary food for children
	Basic Education	Pre-school and primary school equipment
		Basic textbooks and educational material to strengthen pre-school and primary-school education
		Temporary recruitment of teachers (to be gradually reduced)
		School libraries
		Development, training and updating activities for school principals
		Development, training and updating activities for teachers
	Work Training	Work training centre equipment
		Temporary recruitment of instructors for work training centres
	Development	Literacy and post-literacy programmes
Organizational development of groups that lack legal capacity but are interested in undertaking SIF project		
Institutional development for the transformation of SIF business		
Social Infrastructure	Health	Construction of health centres
	Basic Education	Construction of schools
	Social Infrastructure	Construction of work training centres
		Latrinization
		Sewer systems
		Water supply systems
	Environment	Forestry and re-forestry
		Energy-saving stoves
		Public laundry hand-washing places
Social Infrastructure II (Socio-economic infrastructure)	Development	Roads
		Small bridges and drainage structures for roads
		Mini-irrigation systems
		Collection, storage and basic processing centres
Income-generating activities	Income-generating projects	Revolving funds
		Community banks
		Self employment
		NEEDS ENTRY HERE

In Guatemala, for example, the government solicited financing from UNICEF of \$6.1 million for various social funds instituted by it through the regular country programme, and further requested UNICEF to manage on its behalf \$33 million under these funds. UNICEF has been seen by the government as a desirable intermediary because of the perception that it is both less bureaucratic and more transparent in the use and release of funds. UNICEF was also seen as having a strong tradition of dealing with local level initiatives and organizations which would make it highly suited to playing such a role. UNICEF has also provided financial assistance and technical support for the preparatory phase of the funds (in particular the Social Investment Fund, Table 7). There has also been considerable dialogue between UNICEF and government and multilateral agencies (the World Bank, Interamerican Development Bank, and Central America Bank for Economic Integration), in regard to priority areas of effort within these social funds [Engebak, 1994]. UNICEF also contributed financially to Honduras' Social Investment Fund [Glaessner et al, 1994].

UNICEF has had significant involvement in the design or operation of a number of recent social safety nets, but has been uninvolved in many more. Once again, this suggests possible opportunities for UNICEF to expand the effective reach of its resources and programmes.

### **III. REVIEW OF ISSUES AND EVIDENCE RELEVANT TO THE DESIGN AND IMPLEMENTATION OF SSNs**

#### ***III.1 BENEFZTS DELIVERED BY SSNs:***

The benefits delivered by SSNs are typically of a broad variety. They include:

- (i) The delivery of basic social services
- (ii) The generation of productive assets among individual beneficiaries
- (iii) The generation of public infrastructure (physical, social, and environmental)
- (iv) The generation of employment

Multi-sectoral SSNs may be aimed at providing more than one of these benefits. Distinctly, some individual SSN activities may also lead to the “joint production” of benefits. For example, employment generation programmes typically also lead to the generation of public infrastructure, and micro-credit programmes may both generate productive assets among individual beneficiaries, and employment as a consequence. Issues relevant to the analysis of delivery of basic social services through SSNs and the generation of employment are reviewed more extensively throughout this paper. This section therefore discusses the other components of SSNs in greater analytical detail. The relative resource significance of different types of SSN components was discussed in section 11.2(d) of the review.

#### ***(a) Basic Social Services***

In its review of 29 recent SSNs, UNCTAD (1994) found that all but two included a basic-need focussed component. It was found that some variety of nutrition programme was included in all SSNs surveyed. Health care, especially at the primary level, immunization and epidemiology programmes were also universal. Thus, Ghana's PAMSCAD included programmes for the provision of essential drugs, and for the "deworming" of schoolchildren. Mexico's PRONASOL similarly developed a programme focussed on primary health care for the rural and indigenous poor. As well education services delivered under SSNs include the provision of textbooks, and the financing of literacy campaigns. The multi-sectoral character of recent SSNs is exploited in some projects, as for example in a Mexican programme which combines a "basic food basket" and cash payments with an education project [ibid]. Finally, much of the infrastructure generated under SSNs is in the form of schools and health facilities. It has been suggested by some that the basic social service components of SSNs likely help the poor proportionately more than any of the other components, although there is little firm evidence in this regard [See for example, Addison (1990)].

**(b) *Productive Individual Assets***

Micro-credit schemes designed to facilitate individuals' possession and use of productive assets have been an important component of many SSNs. Thus, Ghana's PAMSCAD for example, included a \$2 million revolving fund created to assist the old and new unemployed. However, most of the loans were to existing unsuccessful businesses. Similarly, in Senegal's DIRE, enterprise loans, while quite large, were largely unproductive and often used for consumption rather than investment [Kingsbury, 1994]. Sri Lanka's Janasaviya Trust Fund also has a large credit component, amounting to \$30 million [Nigam, 1993], as does Chile under the FOSIS SIF [ECLAC LC/L.713,1992]. Many of these schemes have faced difficulties common to micro-credit schemes everywhere, of achieving an appropriate balance between accessibility and financial sustainability. In a number of cases, SSNs have defrayed operational costs of commercial banks in order to encourage them to lend to micro enterprises, but have often found banks nevertheless reluctant to bear the high risks involved [Grinspun, 1995; Wurgaft, 1992]. Technical assistance to beneficiaries to increase the successfulness of their projects (employed by Honduras' SIF for example) is one strategy which has made these projects more-successful.

**(c) *Infrastructure***

In a survey of 29 recent SSNs, UNCTAD (1994) found all but two included this component, which involved: "construction and rehabilitation of sanitary facilities (wells, sewage, latrines, rural aqueducts), small urban clinics and rural posts, primary and non-formal schools, and low-cost housing, centres for children, the elderly, women, and ethnic communities. Development of the economic infrastructure includes projects on reforestation, soil recovery, irrigation, and secondary rural roads". It notes further that Egypt has a project to improve urban transportation and Mexico has projects for rural electrification. This list provides a sense of the breadth of public infrastructure constructed under recent SSNs. Clearly, some of the infrastructure developed is also ultimately of importance in the provision of basic social services, and during the construction process, of employment. Direct expenditure on infrastructure is a very substantial component of many SSNs. In Honduras, for example, of 5,494 projects financed between 1990 and 1994, 70 percent were short-term infrastructure projects, "including the maintenance and construction of roads, bridges, schools, health clinic, water pipes, and sewerage [Stahl, 1996].

Important issues in the provision of infrastructure include the choice of projects for optimal benefit to local communities, enabling the participation of local communities in the design, operation and management and not only in the identification of such projects, and the financing of recurrent costs.

Infrastructure projects have sometimes been thought to benefit primarily the non-poor [see for example Ravallion (1991), Guhan (1994), on the Maharashtra Employment Guarantee Scheme]. However, where they help to remove important physical bottlenecks which prevent the flow of basic good and services, they may help the poor much more [Jayarajah et al, 1996; Grosh, 1990].

#### *(d) Employment*

In its survey of 29 SSNs, UNCTAD found that 24 had an employment generation component. These included three types of components: (i) direct creation of short or long-term jobs, through labour-intensive emergency works projects as in Chile's employment programmes of 1975-1989, Bolivia's ESF, or Senegal's AGETIP, (ii) assistance to laid-off public sector employees ("redeployees") or university graduates in the form of severance pay, unemployment insurance, retraining, seed and food, etc. (iii) support to the self-employed and "micro-entrepreneurs", through low-cost credit, training and technical assistance to individuals and their representative organizations. A variety of issues relevant to the design and analysis of employment programmes are discussed further in the remainder of this paper.

A central design issue in the generation of employment is how to set an appropriate level and pattern of wages so as to balance the benefits of self-targeting and maximizing employment generated with a given budget through low wages, while enhancing incomes for the poor through the secondary effects of enhanced labour demand and higher wages on local labour markets, and generating a seasonally appropriate pattern of employment which does not disrupt existing local production.<sup>4</sup> The gender implications of the type of work provided are also important to consider.

### **III.2 MULTI-SECTOR VS. SINGLE-SECTOR PROGRAMMES**

The majority of recent SSNs have been multi-sectoral, in the sense that they finance activities which would otherwise fall under the jurisdiction of a variety of ministries, as earlier defined.<sup>5</sup> However, many traditional and recent SSNs (for example food subsidy schemes, exemptions from health service fees, employment generation schemes) have been single sector programmes. One important design and evaluation issue with respect to SSNs concerns whether and when multi-sectoral schemes are more appropriate than single sector schemes. Table 4 presents a description of the range of project types, and the relative amounts allocated to each of them, under Ghana's PAMSCAD, as an example of a large-scale multi-sectoral programme. Figure 1 describes the range of projects to be financed by

---

<sup>4</sup> These complex but very important design issues cannot be treated in full in this review. See Guhan (1994) however for an excellent treatment.

<sup>5</sup> UNCTAD (1994) found that of 29 recent SSN surveyed, 28 were multisectoral (6 had four or more types of projects, 20 had three or more types of projects, two had two types, and only one had a single type).

Egypt's Social Fund for Development.

**Figure 1**  
**Projects to be Financed by Social Fund for Development in Egypt**

The SFD operates through six “core programmes described (SFD, 1993) as follows:

Community Development: works through NGOs and PVOs in the areas of *income generation* (finance schemes for micro enterprises and related training) and *social development* (improving the delivery of basic community services, principally in the health and education sectors).

Public Works: aims at improving essential infrastructure in low-income areas through two approaches: *infrastructure* (irrigation and drainage, rural roads, potable water and waste water systems) and *municipal services* (refurbishment of public buildings, environment and landscaping, solid waste disposal and sanitation and community services).

Enterprise Development: seeks to encourage the creation of, and growth of existing, small and micro-enterprise through credit and technical assistance.

Employment and Retraining: caters to two groups: displaced public enterprise workers and new graduation of education with the purpose of increasing the chances of employment through formulation of labour utilization policies, counseling, skill development and retraining.

Institutional Development: aims to strengthen SFD efficiency and improve government's ability to monitor the impact of economic restructuring and plan to ameliorate its negative impact.

Public Transport: aims to improving public transportation services in Cairo and Alexandria.

*Source:* Fergany [1994].

It is not accidental that most demand-driven schemes are typically also multi-sectoral.<sup>6</sup> Truly relying upon community organizations to present project proposals of their own formulation requires openness to a range of possible project formats and goals, which may be difficult to contain within constrained sectoral boundaries. As a result, demand-driven SSNs are usually administered by decision making bodies which are relatively independent of traditional social ministries. Multi-sectoral SSNs may have the advantages that they enable, if well targeted and designed, a more concentrated and integrated approach to social protection and the reduction of poverty. It is possible that there exist complementarities of project components which generate positive synergies [UNCTAD, 1994, p.13]. An example of the potential for an integrated approach to poverty through multi-sectoral programmes is that Malawi's Social Action Fund contains in its proposed project guidelines the principle that all infrastructure projects in education and health should have a water and sanitation component [11].

---

<sup>6</sup> However, it is not true that multi-sectoral schemes are necessarily demand-driven. Ghana's PAMSCAD is an example of an SSN which is multi-se&oral but not demand-driven.

A disadvantage of multi-sectoral SSNs is that they may require greater expertise and administrative capacity on the part of SSN administrators, who must be prepared to evaluate or design a variety of schemes [Killick, 1995]. Single-sector SSNs in contrast can be administered by a more specialized cadre of technically skilled administrators, which may enhance the quality and efficiency of project design and execution. Multi-sectoral programmes can also be much more prone to becoming diffuse and unmanageable. Thus, multi-sectoral programmes have been criticized as being “not bounded by any particular set of rules or governing principles” [UNDP Interim Evaluation of the Social Dimensions of Adjustment Project, quoted in Kingsbury (1994)]. The lack of clear and simple design in such programmes difficulties in monitoring and evaluation, lack of coherence among programme components, and difficulties in bringing about coordination between the variety of donors and government institutions involved in each programme component [Kingsbury, 1994]. The experience with PAMSCAD in Ghana confirms all of these fears, and in particular the potential lack of coherence among project components and difficulties in coordinating among donors and all relevant ministries. Twenty three projects were carried out in numerous sectors, with responsibilities for planning, monitoring and implementation allotted to more than 16 ministries or departments [Gayi, 1995]. Gayi (1995) also documents the duplication of effort across many of PAMSCAD's components and institutional rivalries which arose among the various governmental departments involved. Thus, a multi-donor review team of PamsCAD recommended reducing the multitude of project components [described in Table 6] to only four [Kingsbury, 1994]. Ribe et al (1990) describes how in view of these considerations, in Mozambique the World Bank consciously decided to reduce the scope of a multi-sectoral SSN financed by it. Jayarajah et al (1996) write of it that “too large a portfolio of projects make it difficult to coordinate financing and implementation while complex bureaucratic procedures and limited transparency and participatory processes reduced support for the program”.

This evidence suggests not that multi-sectoral programmes should be altogether avoided but that they must be confined to a manageable scale, clear coordination mechanisms, procedures, and division of labour should be established, and that the potential for synergistic use of diverse project components to launch an integrated attack on poverty should wherever possible be exploited. Some other lessons have been suggested in regard to the implementation of multi-sector projects by Ribe and Carvalho (1990). Firstly, it is desirable to ensure that components can be executed independently so that delays in one component do not hold up the rest. Secondly, project implementation should where possible be overseen, at least indirectly, by a single management unit. Thirdly, support from highest levels of the political leadership is helpful in reducing coordination problems between ministries whose jurisdictions overlap with project components. It will also be useful to constitute a comprehensive inter-ministerial committee to ensure such coordination. In Ghana's PAMSCAD it was intended to constitute such an inter-ministerial committee (a “Social Sector Task Force”) but this effort was unsuccessful. Instead, responsibility for PAMSCAD was invested in two bodies (the Ministry of Finance and Economic Planning, and the Ministry of Local Government), which in any event failed to effectively coordinate [Gayi, 1995].

Many recent social safety nets have largely or exclusively been “demand-driven”.<sup>7</sup> This has been a distinctive feature especially of ESFs and SIFs, although generally at least partially true also of SAPs.

An SSN is “demand-driven” if the selection of projects financed by it is largely determined in response to proposals from external entities, such as NGOs, municipalities, religious institutions and community organizations, acting on behalf of the potential beneficiaries. The SSN may apply evaluation criteria of its own choosing to sift among these proposals and it may also assist these external organizations to prepare and submit proposals. Nevertheless the SSN is demand-driven if it relies upon them to propose the projects that it finances. Although a demand-driven SSN relies for proposed projects on external organizations, it does not necessarily rely upon these organizations to implement the proposals.

In a supply driven SSN in contrast, the SSN management designs projects. Although some degree of “participation” may be incorporated in a supply driven project, it generally takes place in the context of predetermined guidelines formulated by the SSN, which narrowly characterize the benefit to be delivered.

The demand-driven and supply-driven approaches each have their advantages and disadvantages. Demand-driven schemes offer the possibility of the selection of projects better suited to the specific needs and interests of beneficiaries. They also enable the SSN administration to spend reduced effort and expenditure on project design and (where proposing agencies also implement projects) implementation. On the other hand a demand-driven fund may require that greater effort be spent on project selection than in supply-driven funds. Another major disadvantage of demand-driven schemes is that they rely upon the capacity of potential beneficiaries to articulate their demands. Where beneficiaries differ in their willingness or capacity to generate and effectively present proposals, demand-driven funds may generate inequities. In contrast, supply-driven funds can potentially be directly targeted by SSN administrators at groups which are perceived to be in greater need. Where supply-driven funds replicate the same type of project broadly, there may also be resulting savings in management effort and administrative costs. On the other hand, it may be more expensive for supply-driven funds than demand-driven funds to simultaneously manage a variety of project types. Finally, the profile of projects in supply and demand-driven schemes also often differs, and this also has implications for the poor. One reason for this is that, insofar as projects executed under demand-driven SSNs are chosen by or on behalf of entire communities, they may reflect priorities other than those of the poorest.

Examples of demand-driven schemes are Bolivia’s ESF, Senegal’s DIRE and AGETIP, Madagascar’s PASAGE, Zambia’s Social Recovery Fund, Zimbabwe’s Social Development Fund, Honduras’ Social Investment Fund, and Chile’s FOSIS. Supply-driven schemes include the Maharashtra Employment Generation Scheme in India, Chile’s Pinochet-era employment schemes (PEM and POJH), and Costa Rica’s FODESAF. Zambia’s PUSH programme and Ghana’s PAMSCAD

---

<sup>7</sup> This term is used here, although ambiguous and arguably inaccurate, because it is a standard one in the literature on recent social safety nets.

have both demand and supply driven elements [Stewart and van der Geest, 1994].

There are many examples of demand-driven schemes having difficulty in reaching the poor due to the lower capacity of the poor to formulate and present projects. It was observed that fewer project proposals came from poor communities under Bolivia's ESF for example [Graham, 1996]. ESF staff tried to correct for this by favouring poorer areas in project selection. A similar phenomenon was noted in Honduras, where successful proposals emanated from better off municipalities [Jorgensen, 1991; Stewart and Van der Geest, 1994)]. In Nicaragua, a predominance of demand-driven projects were located in Managua, which has less poverty than rural areas [Beneria and Mendoza, 1994].<sup>8</sup> In Senegal's DIKE programme, an overwhelming majority of small enterprise loans were captured by privileged individuals, and used to finance such projects as a travel agency and a bookstore [Graham, 1994; Graham, 1996]. Another factor is that where demand-driven schemes have required co-financing by the proposing organization or community, as in Ghana, Zambia, and Zimbabwe, this may have acted as a further disincentive to project proposals from the poor [Stewart and van der Geest, 1994]. "Demand-driven" SSNs have also sometimes had to contend with low levels of trust from rural communities re. the presence of funds and the intentions of administrators, at least initially. Beneria and Mendoza (1994) observed this among NGOs in Honduras. Similarly, the Bolivian ESF initially received very few proposals. However, when the relative transparency and speed with which projects were funded was widely observed, led to a subsequent "avalanche" [ Engebak interview]. This type of suspicion has not been entirely groundless. The political use of SSNs will be discussed further subsequently. Ostensibly demand-driven SSNs may well be more susceptible to political manipulation than supply-driven schemes, if the project selection process is not sufficiently autonomous and transparent [Whitehead, 1995].

Elsewhere, it has been observed that communities asked from social funds what they *thought* they could receive from them and not necessarily what they felt they most needed (for examples from Peru see Whitehead, 1992]. In the "demand-driven" component of Ghana's PAMSCAD, communities opted for two predominant project forms: Junior Secondary School buildings, and KVIP toilets, which were chosen by community leaders over projects which appeared to be greater community priorities (reliable and safe water supply, and primary school buildings [Gayi,1995]. This may also reflect inequalities in the distribution of decision-making power in the communities "consulted".

SSN managers have sometimes tried to deal with the problem of low capacities on the part of the poor to formulate and present projects by consciously intervening to upgrade these skills and to assist representatives of the poor in this process. Nicaragua's ESIF for example, initiated such a program when this deficiency became clear.' Peru's Foncodes, Bolivia's FIS, and El Salvador's social fund are also said to have used active promotion of projects among communities as a means of reaching the poor [Goodman et al, 1997]. Egypt's ESF has developed regional offices as a means of

---

<sup>8</sup> It is necessary to be careful in making inferences from aggregate data of this kind. For example, although a smaller proportion of those who live in urban areas may be poor, this does not preclude a greater *number* of the poor living in urban areas.

<sup>9</sup> In the early stages of the ESIF, procedures were apparently so unrealistic that even government social welfare agencies were unprepared to produce project proposals at the speed and in the manner required [ibid].

addressing this problem [UNCTAD, 1994]. However, the trainers hired for this purpose began to play a greater role in project identification than expected, undermining the intended “demand-driven” character of the programme. Similarly, in Bolivia’s ESF, an “outreach unit” was established to help people prepare projects, but this was eventually changed into a “programming” department, concerned with attaining a particular mix of projects.” In Ghana’s PAMSCAD “Community Initiatives Project” which was intended to play the role of a demand-driven social fund, “district-level officials often submitted project lists to central authorities for funding while ignoring project requests at the village level” [Kingsbury, 1994].

Another approach to the equity deficiencies of demand-driven SSNs has been to construct “hybrid” SSNs in which targeted supply-driven components complement demand-driven components. Thus, Chile’s FOSIS has a bank of its own projects developed according to equity criteria alongside those it receives from communities. Similarly, Peru’s FONCODES has launched a massive school desk manufacturing programme for which it intentionally contracts only from small vendors, in addition to its demand-driven component [Grinspun, 1995].

The idea of an SSN being “demand-driven” is also often a mirage in the sense that, to ease the administrative burden of selection, project managers often only select projects which conform to a number of pre-determined project types. Beneria and Mendoza (1994) found that this was the case in Honduras and wrote in this regard that “In reality, the poor have to comply to a pre-established menu of projects if they wish to benefit from ESIF’s funds”.<sup>10</sup> This appears to be a very pervasive problem of social funds which undermines their claim to being truly demand driven.

Supply driven schemes, which are often employment generation projects, have been observed to favour the construction of economic infrastructure such as rural roads whereas preferred outputs in demand-driven schemes tended to be biased more towards social infrastructure and “small-scale” projects. The former have tended to benefit the non-poor whereas the latter have tended to benefit the poor. For example, in Chile’s employment generation schemes, works projects included such items as an air force aerodrome and an access road from a wealthy area to an airport. Kingsbury (1994) suggests that “the notion of human capital investment” was “foreign” to Chilean employment program administrators. Similarly, it has been calculated that beneficiaries of economic infrastructure under the Maharashtra Employment Generation Scheme are disproportionately the non-poor. [Stewart and van der Geest, 1994].

---

<sup>10</sup> This process in some ways parallels the development of the World Bank and other international development banks, which were initially designed to rely exclusively upon external project proposals, but due to difficulties faced by many countries in identifying and presenting effective project options, became increasingly involved in the complete project cycle, including project identification and preparation.

<sup>11</sup> Beneria and Mendoza (1994) found further a contradiction between the notion that SSNS are “demand-driven” and that they are to be run by expert managements operating according to well-established technocratic selection procedures. The latter, in their view, have tended to undermine the receptivity of SSNs to truly innovative grassroots proposals. Furthermore, there may be a tension between SSN staffs role in helping in project preparation, and in engaging in “objective” evaluation.

Nevertheless, supply-driven programmes can, as a result of the modular and pre-designated character of the benefit they deliver, clearly have the advantage that they facilitate rapid targeting of the poor in order to attain short-term reach and impact. Thus, Chile's supply-driven employment programmes at their height in 1982 employed 13 percent of the workforce of Chile (almost 500,000 workers). Because of the low wages paid, and few eligibility restrictions, they were able to effectively target the poor. In the words of Graham (1994), "It is unlikely that a demand-based program could attain the systematic coverage, scale, and speed in implementation that the Chilean programs did, particularly with the resources available relative to population size".<sup>12</sup> Low eligibility restrictions and easy entry into the Chilean employment programmes appear to have been an important factor in their success [Edwards, 1995]<sup>13</sup>. This also entailed however that the level of programme participation (or uptake) was open-ended and unpredictable, and that budgeting for these programmes had to be accordingly open-ended, unlike in demand-driven programmes [Stewart and Van der Hoeven,1994].

On the other hand, participatory projects, formulated by (and possibly executed by) community and other organizations are more likely to finance projects of greater economic and social utility, such as social service infrastructure, and to have sustainable and long-lasting effects, in contrast with the temporary relief provided by the characteristic supply-driven programmes — those specializing in employment generation [Graham, 1996; Stewart and Van der Hoeven,1994]. Of course, there is no inherent obstacle to supply-driven programmes delivering other types of benefits.

Finally, supply-driven approaches are better suited towards some types of projects than others. For example, services with lesser community demand such as sanitation and some nutrition interventions (known in the economic literature as "merit goods"), may be better served by supply-driven approaches to provision [Jayarajah et al, 1996]. On the other hand, demand-driven approaches, by their very nature, cannot be too clearly specified in advance if they are to be effective and genuine.

---

<sup>12</sup> In Chile in 1987 the programs allocated 5 billion pesos or \$20 million and employed 165,000 people. The Bolivian ESF in contrast, considered one of the more successful demand-driven programmes in terms of employment generated, spent roughly \$240 million over its four years in existence, and employed approximately 3,00,000 people at any moment (or 0.3 percent of the labour force). [Graham, 1996].

<sup>13</sup> One important feature of the supply-driven programmes is that they were also more successful in reaching women than demand-driven programmes [Graham, 1996; Stewart and Van Der Hoeven,1994]. This issue is discussed further in the section on gender below.

### III.4 ADMINISTRATION OF SSNs

#### (a) Institutional Autonomy

A common characteristic of many recent SSNs -- especially SIFs and ESFs -- is that they are administered by bodies which are relatively autonomous from existing social ministries and other branches of government.<sup>14</sup> Examples of SSNs enjoying high autonomy include Bolivia's ESF and SIF, and Chile's SIF. Egypt's ESF in contrast has an intermediate degree of autonomy, with an independent government agency supervised by the prime minister, but strong government representation on the board and none by community organizations or NGOs. Mexico's and Costa Rica's SAPs in contrast had very low autonomy, with the SSN being in effect a central government branch, dependent on usual staffing and other procedures and financing methods [UNCTAD, 1994].

It has sometimes been thought that autonomy would enable SSN administrations to operate with fewer of the administrative inefficiencies of existing government machinery [for example, see Engebak (1994)]. A well-staffed, well-financed, and newly instituted SSN administration, in this view, would be able to bypass many of the sources of bureaucracy and inefficiency permeating the existing structure of governmental social service delivery. This would allow both rapid and effective distribution of SSN benefits. Where SSNs are administered by "line ministries", there is the danger of their being overwhelmed by existing administrative difficulties, becoming poorly coordinated across sectoral components, and becoming otherwise ineffective.

Some serious concerns about this new model of social service delivery have been raised however. One important issue concerns whether SSNs acting autonomously from existing social ministries are likely to generate inefficiency in the pattern of social service delivery, or wasteful duplication of effort, by failing appropriately to coordinate. A second important issue concerns whether resources and effort directed towards autonomous SSN administrations is at the cost of the revitalization of ailing existing social ministries.<sup>15</sup> If so, and unless SSNs are conceived as potentially substituting fully over the longer term for social ministries themselves, there is reason for serious concern as to whether support for independent SSNs is consistent with long-run effectiveness and efficiency in the implementation of social policy. These issues are treated here in turn.

An example of duplication of effort between an SSN and existing government agencies is that in Costa Rica, training programmes were independently organized and likely wastefully duplicated by the social fund (DESAF) and national training institute (INA)[ILO,1992]. Similarly, Senegal's DIRE is said to have "duplicated the responsibilities of at least four other government agencies with

---

<sup>14</sup> This can be true not only in the sense that the SSN administration is independent from the central government and its ministries, but also in that its director may be recruited from outside the public administration (usually from the private sector), that non-government representatives may sit on the SSN board or council, that the SSN may be exempted from public service rules on hiring and salaries, that administrative procedures may be distinct from those otherwise prevailing in the civil service, and that they are financially autonomous [Marc et al, 1993].

<sup>15</sup> See, for example, the concern expressed by donors and government representatives in relation to the Malawi Social Action Fund Working Paper of Feb. 10th, 1995.

employment policy responsibility” [Kingsbury, 1994]. El Salvador’s SIF, initiated in 1989, has sought to deal with this difficulty by creating formal institutional linkages with line ministries. For example, all FIS project “must adhere to sectoral priorities outline by the ministries, and complement the activities of those ministries through the renovation of schools and health posts, for example” [Graham, 1996]. Similarly, guidelines for the Malawi Social Action Fund specify that MASAF projects “comply with sectoral guidelines”, that sectoral ministries “instruct sector heads to extend their full support to MASAF activities”, and that a District Executive Committee be constituted in part to facilitate this coordination. Madagascar’s FID, among other World Bank supported funds, also contains provisions for sectoral coordination. Its guidelines state that it will focus on small projects as a means of avoiding duplication of effort and that it will work closely with sectoral ministries, in part through their representation on its regional advisory boards [World Bank, Madagascar Staff Appraisal Report, 1995]. Even where mechanisms of coordination between ministries and SSN administrators are instituted however, it is essential to institute clear rules for arbitration. In Madagascar’s Economic Management and Social Action Programme, where different agencies were involved in administration of the program, different priorities place by different ministries on their own favoured components of the SSN, led to ineffectiveness [Jayarajah et al, 1996]. Ghana’s PAMSCAD suffered from an inverse problem, which is not that there was a lack of coordination with individual ministries but that the components of an ostensibly unified programme were in effect placed completely under the jurisdiction of disparate ministries with little or no communication to unify the programme [Gayi, 1991]. SSNs have become increasingly integrated with line ministries in recent years, especially as their goals and presence have become more long-term. Zambia’s SRF, Chile’s FOSIS, Bolivia’s SIF, Venezuela’s FONVIS, and Mexico’s PRONASOL have all been placed within government ministries [Grinspun, 1994].

Where existing social ministries are already fairly strong and efficient, the establishment of a new SSN administration may carry no efficiency advantages and generate many costs. Graham (1994) argues therefore that in Chile and Costa Rica, where there existed strong social administrations and “pro-poor political parties”, SSNs could be implemented through existing structures whereas in Bolivia and Senegal where there existed no such traditions, an independent SSN administration was necessary. Guyana similarly has been cited as another example in which the Social Impact Amelioration Programme (SIMAP) was designed explicitly so as to bypass existing ineffective institutions, as “strengthening all existing institutions was not feasible” [Van Dijk, 1992]. Bolivia’s ESF is often presented as an example of the effectiveness of autonomy [Salmen, 1992]. However, less autonomous programmes may be able to achieve this objective effectively where existing administration is already relatively effective. Costa Rica’s DESAF, Chile’s special employment programmes, and the Maharashtra Employment Guarantee Scheme have all been cited as programmes executed by existing administration but very effective in reaching the poor [Stewart and van der Geest, 1995]. Thus, the view that autonomous SSNs are more effective at rapidly targeting the poor and reaching out to previously under-served areas must be qualified.

Another issue concerns whether the degree of autonomy from existing administrative structures of an SSN is related to its susceptibility to political manipulation. Bolivia’s ESF is an example of an SSN which appears to have functioned without significant political influence over the allocation of resources. Peru’s PAIT ESF in contrast, appear to have been extensively manipulated for political ends, as have Egypt’s SFD and Sri Lanka’s JTF, despite their “autonomy” from the rest of the governmental

structure [Whitehead, 1995; Graham, 1996; Grinspun, 1995].<sup>16</sup> Autonomy from existing state structures by itself may not therefore be a guarantor of autonomy from political pressures, unless the SSN administration is specifically designed to be free of such pressures.” The political dimension of SSNs is discussed further in section III.9 below.

The possibility that line ministries may learn from the new techniques and greater efficiency of new and autonomous SSN administrations has also been widely trumpeted. In this way, it has been held, autonomous SSNs, far from undermining traditional line ministries, are likely to strengthen them. Grinspun (1995) reports (without citing examples) that there have been several cases of such “demonstration” effects, in which line ministries have learnt new techniques of “decentralized operations, flexible procurement and disbursement rules, innovative cost-sharing arrangements, and sophisticated management information systems and targeting mechanisms.” In this perspective, SSNs serve as a “beachhead” or catalyst for the comprehensive transformation of public social service delivery.

While creating autonomous SSNs has often been thought of as creating more efficient social service delivery mechanisms as compared with line ministries, it has been sometimes suggested that the opposite is the case. Thus, Kingsbury (1994) writes that “In terms of public budgets, many multi-sector programs are financed off-budget; they neither enter into the investment budget nor are subject to the same types of financial oversight as on-budget expenses. While this approach might be said to increase the flexibility of policy makers in allocating resources, in most cases, the reality is otherwise: the lax controls lead to waste, mismanagement, and resource allocations based on political expedience rather than on any rigorous determination of development priorities” [Kingsbury, 1994]. This statement suggests that autonomy must be qualified by financial and managerial controls and oversight of some form to be fully effective.

#### *(b) Managerial Efficiency*

Recent SSNs have been characterized by a variety of distinctive organizational features. Being relatively well-financed, and often autonomous of existing administrative machinery and its rules and regulations, SSNs have been able to diverge in many respects from existing state social service delivery systems.

---

<sup>16</sup> Although Egypt’s SFD is “autonomous” from the existing governmental institutions, a majority of the seats on its board of directors is occupied by public officials and as a result has not been independent in practice [Grinspun, 1995].

<sup>17</sup> In many recent SSNs, the leadership has been specifically chosen from the private sector or otherwise outside of the ranks of the bureaucracy and political parties, so as to attempt to ensure this. Bolivia was an example of this [Graham, 1994]. In Haiti similarly, it was desired to select an SSN administrator from outside the government [Hopwood, interview].

<sup>18</sup> Similarly, Salmen (1992) reports that examples have been reported in which communities in Bolivia have referred to positive experiences with the ESF in discussion with line ministry personnel, presumably as a way of suggesting the potential for reform.

Recent SSNs have often featured pay scales substantially above those in the national civil service, more flexible methods of recruitment, and extensive use of information technology. Wages paid to the national “experts” administering SSNs were significantly higher than those of their public sector colleagues’ in a number of countries, including Bolivia, Honduras and Nicaragua [Beneria and Mendoza, 1995; Graham, 1994].<sup>19</sup> Exemption from government civil service rules on hiring, dismissal, and salaries was observed in Bolivia (both the ESF and the FIS), El Salvador, Honduras, Nicaragua, Panama, and Venezuela [Unctad, 1994]. On the other hand even programmes run by the existing civil service under prevailing conditions of remuneration and employment can be successful as long as management is for other reasons motivated, competent and committed. Some examples of such programmes include the successful PROBECAT skills development programme in Mexico and the Tamil Nadu Integrated Nutrition project in India. These programmes were however helped to be successful by transparent procedures, strong political support, and use of management information systems [Jayarajah et al, 1996]. In many cases, charismatic leadership appears to have also been an important intangible determinant of programme success.<sup>20</sup>

The use of management information systems appears to have been a common element in a range of SSNs which have been advertised as successful.” These can help to keep track of transactions, type of project, region, and agency; assist in allocating resources according to pre-determined criteria, and otherwise assist in implementation and ongoing monitoring. In doing so, it has been argued by some that they may also help to increase the transparency of SSN administration [Van Dijk, 1992].

A common element of many SSNs has also been the use of standard estimates of unit costs of goods and services procured in order to assist the rapid assessment of proposed projects [Beneria and Mendoza, 1995, Grinspun (1995)]. The use of management information systems also helped in the utilization of these standard estimation methods. Although this type of framework for rapid assessment has undoubtedly made SSNs’ process of project appraisal more rapid, questions can be raised as to whether it is consistent with an approach which is both demand-driven and receptive to regional and other differences. The use of standard estimates of unit costs works best when standard project types are also assumed.” This assumption is however in tension with the idea of an SSN being demand-

---

<sup>19</sup> An important exception in Chile, where public sector salaries have been applied in the recent Chilean SIF, although these salaries are “high by regional standards” [Unctad, 1994].

<sup>20</sup> In Zambia, for example, a dynamic head of a micro-projects programme is given considerable credit for its success [Hopwood, interview]. The same is true of Bolivia’s ESF, whose first executive director, Fernando Romero, was seen as a motivating and forceful personality [Kingsbury (1994)].

<sup>21</sup> These include Bolivia, El Salvador, Colombia, Costa Rica, and Nicaragua [Murray in IDB/UNDP 1993; ECLAC LC/L.173(Conf.82/5)].

<sup>22</sup> In El Salvador for example, the SIF employs a total of 28 pre-determined project types [Murray in IDB/UNDP, 1993].

driven, which is that project formats must emanate from organizations and communities.<sup>23</sup>

Beneria and Mendoza report that in Honduras, the standardization of the assessment and approval process led to technical factors being privileged over qualitative aspects of the projects, and hence to some divergence between project selection practices, and attention to the needs of communities. Nevertheless, these procedures have likely aided transparency and the rapidity of project assessment. In order to speed project implementation, many recent SSNs have also adopted simpler bidding procedures than common in national line ministries. However, a common complaint regarding many SSNs is that despite their claim to disburse funds rapidly (indeed this is part of their justification), they have often been slow in doing so. This has been true in Egypt, in the Honduras, and in Ghana [Fergany, 1994;Beneria and Mendoza, 1995].

Administrative costs of recent SSNs have varied widely. However, the evidence appears to suggest that on the whole they have been relatively low, as compared with other targeted programmes. Table 8 below relates reported administrative costs for a variety of recent SSNs. In contrast, Grosh [1994] found in a survey of targeted benefit schemes in Latin America that their administrative costs ranged as high as 29 percent and had a median value of 9 percent.

---

<sup>23</sup> This practice was begun in Bolivia, where ESF appraisers used a handbook “which specified unit costs for elements of each type of infrastructure project (road improvement, schools, housing, sewers, water, and so on” [Kingsbury, 1994].

TABLE 8

**Reported Administrative Costs of Recent SSNs  
as a Percentage of Expenditure**

Country	Percentage
Bolivia ESF	3.5
Bolivia SIF	9
Costa Rica DESAF	2.5
Honduras FHIS	8-14 <sup>24</sup>
Honduras ESF	9
Haiti ESF	10
Guatemala SIF	10

Sources: Grosh (1990), ILO (1992), Jayarajah et al (1996), Stewart and van der Geest (1992), UNCTAD (1994).

The apparently low administrative costs of recent SSNs is certainly in part due to the fact that the “demand-driven” character of most of the schemes requires the costs of project design and preparation as well as, in many cases, implementation, to be borne by NGOs and community organizations. As a result, direct comparison between these schemes and others is deceptive. An estimate of the true (as opposed to visible) administrative costs would also add to the SSN's administrative costs those borne by the agencies which demand and implement projects. The administrative costs of delivering social benefits understood in this sense will certainly be higher in recent SSNs (social funds and social action programmes) than readily apparent.

### **III.5 SUSTAINABILITY:**

Various concerns about SSNs have been raised under the heading of sustainability. These take the following forms:

- (i) Where SSNs' functions overlap with those of line ministries, resources devoted to them may lead to the undermining of the long-term effectiveness of these ministries, and of social service delivery more generally.
- (ii) Projects financed by SSNs may, while providing short-term benefits, have contributed little of lasting value.

---

<sup>24</sup> Different estimates are provided by Jayarajah et al (1996) and Stewart and van der Geest (1995).

- (iii) Where infrastructural and other projects financed by SSNs generate long-term recurrent costs, there may not exist a clear allocation of these costs, leading to the non-use, depreciation or loss of the original investments.
- (iv) SSNs which rely heavily on external funding, or one-time sources such as privatizations<sup>25</sup>, may not be financially sustainable over the long-term.
- (v) SSNs have relied for some of their success, as already noted, on high salaries, exemption from usual civil service procedures, high-level interest, and widespread publicity. If SSNs are intended to exist over the long term, it may be difficult to maintain these conditions.

These issues under the heading of sustainability will be treated here in turn.

Many recent multi-sectoral SSNs have been conceived essentially as short-term “compensatory” measures, intended to cushion the blow of economic adjustment experienced by particular groups, or to build short-term pro-reform coalitions among the existing poor.<sup>26</sup> However, as noted earlier, increasingly, multi-sectoral SSNs have taken on a more long-term character. For example, increasingly, designated Social Investment Funds have replaced Emergency Social Funds. Social funds have increasingly been designed as institutions with a long-term perspective, and potentially a long-term existence.” In their early years, the new forms of SSNs were “not intended by their designers to solve the problems of poverty and unemployment -- it was expected that adjustment would address these problems”. As it became evident that adjustment alone would not solve these “structural” problems, however the mandate of SSNs have increasingly (though not universally) been extended to address these.<sup>28</sup> As SSNs have become an element of long-term social policy, it has become more important to address the nature of their long-term impacts. However, where SSNs are intended to continue to exist over a long period, identifying appropriate policies requires a different approach than when SSNs are intended to exist for only a limited duration.<sup>29</sup>

---

<sup>25</sup> As in the case of Mexico’s PRONASOL.

<sup>26</sup> On this last idea, which will be discussed further subsequently, see Graham (1994).

<sup>27</sup> Vivian (1995) reports that other than the seminal safety net schemes in Bolivia and Ghana, none of the others begun between 1987 and 1992 have been closed, and that “the trend seems to be towards establishing programs of indefinite length. Only three out of the 12 African programmes have a specified duration (either five or six years). Six out of 15 Latin American programmes have a specified termination date, while two of these have built-in provisions for extension”.

<sup>28</sup> For a view from the World Bank supporting this description of the evolution of SSNs, see Zuckerman (1989, p.15).

<sup>29</sup> Some literature on SSNs has treated the sustainability of SSN institutions as such as desirable. However, it is clear that this should not be a concern where SSNs were intended from the first to be short-term in character. Only where SSNs are designed with the intention of having a long-term presence can their sustainability as such be taken as a value.

*(a) Relations with Line Ministries:*

The relation between autonomous SSNs and line ministries has already been partially addressed in the earlier discussion of multi-sectoral programmes. Here, in contrast, issues specifically of how the presence of autonomous SSNs affects the long-term viability of social sector delivery are considered. Even the early multi-sectoral SSNs, such as PAMSCAD and ESF, devoted some attention to integration of SSN activities into long-term social planning.<sup>30</sup> However, the coordination mechanisms initially instituted were relatively ineffective. In an illustration of the concern that autonomous multi-sectoral SSNs will monopolize resources and weaken existing line ministries, Weyland (1997) cites the example of Peru, where in the area of primary education social investment funds controlled about \$530 million, whereas the ministry of education “has disposed only of about \$285 million”.

As noted previously, it has been hypothesized that the new methods of social service management and delivery in use in recent SSNs may also have a salutary effect on line ministries’ mode of operation. Vivian (1995) writes in this regard that this “implies a role for social safety nets that goes beyond short-term palliative measures, approaching what is termed social sector restructuring”. In this perspective, SSNs would be expected to enhance rather than detract from the long-term capacity of existing social ministries.

Madagascar’s FID SIF has been envisioned by its sponsors as potentially eventually evolving into a “Social and Development Fund” channeling resources to local authorities on a matching-grant basis. Here, the fund is conceived of as an ongoing instrument for competitive municipal finance.

In the well-chosen words of Stewart and van der Hoeven (1994), “wherever possible, social development should be carried out by ministries and institutions responsible for it on a long-term basis. There may sometimes be inertia and bureaucratic sluggishness, but the practice of creating a new institution in times of crisis will usually not result in permanent progress. Either the institutions will be short-lived and will be wound up, or the institution itself becomes bureaucratized, not serving its purpose. Training programmes, small business assistance, women’s programmes all fall into this category. In times of deep economic crisis, rapid action programmes of nutrition, such as school feeding, distribution of subsidized food, etc., as well as labour intensive employment creation programmes have proved most successful. However such programmes should not be confused with social policy” [Van der Hoeven and Stewart, 1994].

*(b) Lusting Value of Projects:*

It has been suggested that emergency public employment programmes, while successful in serving as a short-term palliative, have not generally been greatly effective in providing the long-run benefit of enhanced job skills or productivity [Kingsbury, 1994; Graham, 1994, p.27]. This defect has in effect been acknowledged, as social investment funds have come increasingly to predominate over emergency social funds. The latter have tended to focus more on skill and asset generating health,

---

<sup>30</sup> Gayi (1992) reported that PAMSCAD had a 15-year plan to ensure that it lead to sustained gains.

education, and micro-enterprise projects.

The assets generated by public employment programmes have also not generally had lasting value. Projects producing non-durable goods (for example, roads which are washed away with the next rains) are often favoured over those producing durable goods, because of the greater ease with which they can be broadly dispersed, the “tendency to economize on materials in order to increase their wage content”, and local political pressures. Often, works are abandoned incomplete and new ones started elsewhere, and maintenance neglected [Guhan, 1994].<sup>31</sup> Sustainability requires that greater attention be devoted to the durability of projects, and their maintenance (discussed further below).

*(c) Recurrent Costs:*

As noted above, many works produced by employment generation programmes, such as the Maharashtra Employment Generation Scheme in India, appear to have generated assets without making adequate provisions for their ongoing maintenance. This problem of failing to allocate effectively for recurrent costs, leading to the depreciation and loss of assets, is in fact a common rather than an isolated problem of SSNs. SSNs have taken various approaches to deal with this problem. Madagascar’s FID seeks to reduce its recurrent cost impact by favouring infrastructure rehabilitation over new infrastructure, and by constructing new infrastructure “only when community groups have demonstrated their willingness to organize maintenance” [World Bank, Madagascar Staff Appraisal Report, , Social Fund II Project]. As Kingsbury (1994) points out, little analysis has thus far been undertaken on the issue of recurrent costs generated by SSNs.

A number of different approaches have been employed to deal with the problem of recurrent costs. Malawi’s MASAF proposal, anticipating “significant” recurrent cost implications, suggests an “up-front commitment for appropriate budgetary support in respect of supplies and personnel” [p.7]. Sri Lanka’s Janasaviya Trust Fund (JTF) finances recurrent costs of projects, but only for a limited period. It finances 100 percent of maintenance costs in the first year, 60 percent in the second year, and only 40 percent in the third and final year. JTF also establishes maintenance contracts with community groups which undertake to repair and maintain JTF financed irrigation systems [Grinspun, 1995]. In Zambia, project proposals require approval from provincial planning units which are in command of the budget for recurrent costs, before being approved by the Social Recovery Fund. Guatemala’s SIF, collaborates with municipalities in identifying projects as they are held responsible for post-project maintenance [ibid]. In Honduras, the ESF attempted to select projects with low recurrent costs, give priority to rehabilitation of existing infrastructure over new construction, ensure that central ministries include recurrent costs for new projects in their budgets prior to these being undertaken, undertake projects on a cost-sharing basis with NGOs, and otherwise employ user financing (especially in water projects) [UNCTAD, 1994]. A range of approaches are available to deal with the problem of recurrent costs. It is currently difficult to evaluate which of these approaches are most effective, but it is essential to implement them.

*(d) Reliance on External Financing, and Additionality of Funds:*

---

<sup>31</sup> These examples pertain to the Maharashtra Employment Generation Scheme, in India.

Many recent SSNs have heavily relied on external funding. This has been seen by some as an advantage for the reason that SSNs may serve as a channel for external resources additional to what would otherwise have been available to the social sectors). In the view of others, the reliance of these SSNs on external funding is a source of dependence. It makes them potentially unsustainable in the long-run, insofar as the continuity of these programmes depend on continued external funding. This need not be an embarrassment for SSNs which are specifically designed as compensatory and short-term. However, for those SSNs which are intended to be of a more long-term character, the reliance on external financing could potentially be a challenge to their sustainability.

Insofar as much of this external assistance is in the form of loans rather than grants there is also reason for worry about its debt repayment implications.<sup>32</sup>

A survey of recent SSNs found that in Africa, the proportion of external funding varied from 78 to 100 percent (averaging 88 percent), and in Latin America excluding Mexico from 43 to 95 percent (averaging 72 percent), with the remaining costs met primarily by government. Beneficiary financing ranged from zero to 9 percent in Africa and from zero to 24 percent in Latin America [UNCTAD, 1994].<sup>33</sup> Sri Lanka's Janasaviya Trust Fund operated with \$69.5 million in external funding and \$30 million in Sri Lankan government funds [Nigam, 1993]. FOSIS in Chile, and PRONASOL in Mexico, operated almost entirely independently of external funding.<sup>34</sup>

Where SSNs have been largely externally funded, donors have sometimes influenced the SSN to reflect their own priorities to an extent which has undermined SSN goals.<sup>35</sup> In the case of Honduras' ESIF, for example, one donor agency was reported to have "made its funding to the Honduran government conditional on the allocation of resources to areas that had ongoing projects, even though, according to poverty estimates, these areas were not among the poorest". Similarly, problems of coordination among many donors<sup>36</sup> have complicated the task of bringing about coherence in multi-

---

<sup>32</sup> In Bolivia, loans accounted for 37 percent of external funding, and in Egypt for 52 percent [Unctad, 1994].

<sup>33</sup> Bolivia, for example, contributed only \$8 million of the 180 million expended under the ESF. [Van Dijk, 1992].

<sup>34</sup> Mexico's PRONASOL was financed largely by the sale of public sector enterprises, and reallocation from other items in the budget including other social expenditures. It relied almost 97 percent upon national funds [Beneria and Mendoza, 1995].

<sup>35</sup> At an extreme, some critics have worried that "This growing dependency on foreign resources is contributing to the 'denationalization' of social policy in many Latin American countries" [Stahl, 1996, in NACLA Report on Social Policy]. Similarly, Vivian (1995) writes "There is concern in some countries that governments are losing control over their social policy to external bodies, as they had previously lost control of their economic policies".

<sup>36</sup> Egypt's \$650 million Social Fund for Development is a typical example of a fund receiving contributions from a large number of donors (seventeen).

component projects such as Ghana's PAMSCAD.<sup>37</sup> Slow donor disbursements have also characteristically held up the initiation of SSN activities.<sup>38</sup> These problems suggest that heavily externally financed SSNs may have limitations as centerpieces of long-term social policy.

As a broad generalization, temporary funds have likely relied more heavily on external funding than those intended to be semi-permanent in nature [Wurgaft, 1992]. Where longer-standing funds have been nationally financed, they have sometimes relied upon measures such as earmarked taxes to ensure a sustainable basis for financing, suggesting that even where SSNs are nationally financed, they can benefit from a stable and reliable basis of financing in order to be sustained. Thus, Costa Rica's FODESAF was institutionalized from its inception through an act of parliament and receives by law five percent of the wage bill in both private and public sectors and twenty percent of transactions on most consumer goods [ILO, 1992].<sup>39</sup> Maharashtra's Employment Guarantee Scheme is similarly partially financed through earmarked taxes. A recently instituted Labor Fund in Poland intended to assist the unemployed is similarly partially financed by a levy on enterprise payrolls [Bernstein and Boughton, 1993]. The wide revenue sources of the more longstanding of these schemes may also have contributed to their resilience (both wage and sales taxes in the case of FODESAF, and special taxes on irrigated agricultural land, urban land, and land revenues) [Stewart and Van der Hoeven, 1995].

It has also been suggested that long-term programmes may be more susceptible to being "captured" by non-poor beneficiaries than are short-term programmes, presumably as a result of the capacity of the non-poor to mobilize over time in order to direct programme resources in their favour. Similarly, it has been suggested that the disincentive effects and resulting economic losses created by the existence of SSN benefits are likely to be greater in long-run than short-run SSNs [Van der Hoeven, 1994], although why this is the case is unclear, and it is not clear that there is evidence on either score.

It was pointed out above that more permanent funds tend to be to a larger degree nationally financed than temporary funds [Wurgaft, 1992]. This need not mean that national financing from the

---

<sup>37</sup> "Donors wanted to fund specific projects rather than general investment and, as a result, half of the projects were funded by three or more donors while some projects lack external funding altogether. Disagreements between the government and the donors (compounded by the latter's unwillingness to simplify and shorten their procedures) contributed to a two-year delay in the starting of operations" [Unctad, 1994]. As well, quite a number of projects under PAMSCAD remained incomplete, because despite unanticipated factors, donors were "unwilling to reallocate across components" [Stewart and Van derGeest, 1995]. This is one of a number of examples in which donors have ironically defeated the intention of SFs or SAPs serving as instruments for rapid disbursement of funds in a time of need [Gayi 1995].

<sup>38</sup> Ghana's PAMSCAD has already been cited in this regard. Egypt's SFD is another example, in which, "While funding agreements were signed with donors in December 1990, the 'flow of funds started only in March 1993'". [Fergany, 1994].

<sup>39</sup> In fact, the threat to FODESAF comes not so much from its statutory source of financing being insufficient, but that it is too successful. As a result, the overall fiscal deficit has increasingly been financed through funds intended for FODESAF. The share of funds raised for FODESAF but not spent by it increased over the 1980s [ILO, 1992].

outset is associated with more permanent or sustained programmes. Alternatively, as Wurgaft (1992) argues, “temporary Funds financed with external resources may be seen as a way of gaining experience and pointing the way for their continuation as permanent Funds which, financed essentially by domestic resources, would gradually broaden their scope and involve the target groups even more deeply”.

Some supporters of recent SSNs have argued that one of their advantages is that they help to attract additional resources not otherwise available to the social sectors in developing countries. This view rests on the assumption that the resources attracted by SSNs do not substitute for resources otherwise available to them. On the whole, existing evidence seems to suggest that this has indeed been the case. Thus, it is reported that the Government of Ghana, given its straightened resources at the time of the initiation of PAMSCAD, “made it clear that the programme would be implemented only if *additional* funding was provided” [Gayi,1991]. Ribe and Carvalho (1990) report that funds devoted by the World Bank to compensatory social funds have “generally been additional to those supported by the Bank’s investment lending”. In Guinea, an altogether new project was designed, whereas in Chile existing projects were redesigned and expanded to accommodate the new initiatives. However, it should not be assumed that funds devoted to SSNs will *continue* to be additional to those provided to the social sectors as whole both by governments and external donors, as SSNs become more common and less well publicized. Engebak (1994) argues in reference to Guatemala that since existing social sector expenditures are heavily biased towards personnel expenditures (seventy percent), and make little provision for social investment (i.e. infrastructure and facility development) the emergence of social funds will lead to greater resources being devoted to these tasks. As a result, SSNs may also conceivably bring about an overall shift of focus in the social sectors.

*(e) Reliance on Special Conditions:*

SSNs have relied for some of their success, as stated above, on high salaries, exemption from usual civil service procedures, high-level political interest, and widespread publicity. It may be difficult to maintain these conditions over the long term, however.

Many SSNs, like many relief operations, have been relatively less concerned about cost-effectiveness than about service delivery. In the long-term, however, this emphasis is unlikely to be possible to sustain [Jayarajah et al, 1996]. Similarly, the association of many SSNs with political leaderships which have publicized them heavily as a sign of their social concern (discussed further below), while leading to substantial resources in the short-term, may make them unlikely to be sustainable over the longer term, as when political leadership changes, the association of the SSN with the earlier leadership is likely to make it less favoured. Concerns of this type have been voiced in Mexico and in Ghana.<sup>40</sup>

---

<sup>40</sup> Graham (1996) argues that in Mexico, “the new establishment of Sedesol as an umbrella institution for Pronasol seems an attempt to provide the program with more formal links and to ensure its continuation after the departure of Salinas” [i.e. to overcome the problem of the close association of this program with the political leadership]. Gayi (1991) called for the “de-politicization” of PAMSCAD to ensure that a wider section of the population participate in it, and to guarantee that its fate is divorced from that of the government, thereby assuring its long-term survival.”

### **III.6 TARGETING AND EQUITY**

The appropriate targeting of benefits delivered is a central issue in designing and evaluating SSNs, as with all social programmes. The goals of ensuring that as many intended beneficiaries as possible are reached (minimizing “errors of exclusion” or F-errors), and that as few unintended beneficiaries as possible are reached (“minimizing “errors of inclusion” or E-errors), are paramount.<sup>41</sup> The goal of targeting benefits effectively is closely connected with the more general goal of achieving equity in the distribution of benefits. An efficient and equitable anti-poverty program will both reach as many of the poor as possible (minimize F-errors) and benefit as few of the non-poor as possible (minimize E-errors). Where there is a tradeoff between achieving these two objectives, the relative balance of objectives remains in principle to be decided.<sup>42</sup> Various experiences, means and options in attempting to achieve these objectives in the practical operation of SSNs are evaluated below. SSNs inherently are targeted (although not necessarily well-targeted) programmes, insofar as they seek to provide a benefit only to that proportion of the population which is, or is in danger of falling, below some accepted minimum standard.

One important issue in the design of SSNs concerns the choice of target group. Although it is sometimes assumed that SSNs seek to reach the poor, this need not be the case. Both for operational ease and due to political and other concerns, SSNs are often targeted towards groups defined by characteristics other than their poverty. Some possible alternatively defined target groups are the elderly, the disabled, children, and women.<sup>43</sup> Finally, one of the most important choices before SSNs has been whether to target as beneficiaries the “old poor” (defined earlier as the pre-existing or ‘structural’ poor) or the “new poor” (defined earlier as those made poorer by recent events or policies).

The experience with the level of equity in the distribution of benefits of recent SSNs has been mixed. Bolivia’s ESF has been the best documented recent SSN in this respect. It was found that employees in positions generated by the ESF were overwhelmingly “prime-age” (20-65 years), married (71 percent), male (99 percent), and largely sole income-earners (62 percent). Ninety-three percent of workers in one survey reported themselves as heads of household, and received ninety percent of their income from the ESF. ESF workers also appear to have been drawn primarily from the “old poor”

---

<sup>41</sup> The terms F errors and E errors are used by Cornia and Stewart (1993), to describe errors of exclusion (“(F)ailing beneficiaries”) and errors of inclusion (“(E)xcess benefits”) respectively. Besley and Kanbur (1988), and Sen (1994) use alternative terminology (“Type I” and “Type II” errors) to describe the same contrast.

<sup>42</sup> Cornia and Stewart (1993) argue that, in general the minimization of F-errors should take priority as a programme objective over the minimization of E-errors. This is in keeping with holding the reduction of poverty to be an over-riding priority. The relative appropriate balance between these errors will depend not only on programme designers’ preferences and on the available budget but on the costs of reducing each of these types of errors. Thus, Morgan (1994) argues that where administrative and institutional resources are scarce (as in much of Africa) there is reason to prefer “broadly targeted” schemes which have some leakage over those which are more “narrowly targeted” but require much greater use of these scarce resources.

<sup>43</sup> El Salvador’s SIF chose to give priority to those located in areas which had been involved in the recent civil war, among other priority categories. This example may have relevance to other SSNs in post-conflict situations.

rather than the “new poor”. Of the large numbers of tin miners who lost their jobs during the adjustment process, only a small proportion came to be employed on ESF projects. Finally, statistical estimates suggest that only 13.5 percent of ESF workers were drawn from the lowest two family income deciles. Seventy seven percent of workers appear to have been drawn from the bottom 40 percent of the distribution of individual income, and almost half from the lowest three income deciles [Stewart and van der Geest, 1995; Jorgensen et al, 1991]. Thus ESF employment generation can be concluded to have been “weakly” targeted in income terms, in that it reached the moderately poor, but to have failed to reach the truly disadvantaged. The ESF was a massive failure in attaining gender equity. This last issue is discussed further in section III.8 below.

In Costa Rica’s “supply-driven” FODESAF, E and F errors were observed to vary depending on the programme component. Particularly high E-errors were observed for the mortgage subsidy component (which by law comprises one-third of expenditure). High F-errors were documented for the construction of water supply systems, and the school-feeding schemes, which were heavily urban-biased [Stewart and van der Geest, 1995].

Regional imbalance was also observed in Honduras’ “demand-driven” SIF, where municipalities with a higher poverty incidence received only \$5.40 per head, whereas those with lowest incidence received \$56.40. [ibid] Both Senegal’s DIRE and AGETIP, and Ghana’s PAMSCAD were also significantly urban-biased. Almost two-thirds of the expenditures of AGETIP were located in the capital city and one other district [ibid]. PAMSCAD’s poverty-addressing employment generation (food-for-work) component in the rural North was small, whereas the largest beneficiaries appear to have been ex-public sector employees [ibid, UNICEF (1990)]. In Zambia’s PUSH food distribution programme, there was a significant urban bias but few E-errors (i.e. the overwhelming majority of beneficiaries were poor). However the programme was urban-biased and small, and so there were a larger number of F-errors. The subsequent Zambian Social Recovery Fund was more rurally oriented.

Chile’s employment generation schemes of the 1970s and 1980s (PEM and POJH) in contrast appear to have been very successful at reaching the poor. The supply-driven and open-ended character of these schemes ensured that anyone who wished to could get a job within them. As a result, the sheer size of these schemes (enrollment in the PEM at its height accounted for 13 percent of the labour force), ensured that there were likely to have been relatively few F-errors (although 30 percent of households were classified as indigent).<sup>44</sup> As well, E-errors were kept to a minimum by deliberately maintaining low wages (between one quarter and forty percent of the minimum wage) [Stewart and Van der Geest, 1995]. Other “supply-driven” employment generation schemes with low F-errors are those in Botswana and Maharashtra, India. In Botswana, one out of six persons in rural areas benefitted from the “labour-based relief programme”, leading to an estimate of an F-error on the order of 50 percent (assuming two indirect beneficiaries per employee), making this a comparatively successful programme. In the Maharashtra Employment Guarantee Scheme, E-errors are thought to

---

<sup>44</sup> Stewart and van der Geest [1995] estimate that 57 percent of the country’s poor benefitted from these employment schemes.

have been very small, due to the low wages provided.<sup>45</sup> Roughly 40 percent of beneficiaries were women [ibid]. In all employment generation schemes, some amount of F error is sure to occur due to the incapacity of the poor and the elderly to work and therefore to gain the benefits of these programmes. Recent demand-driven SSNs have been much less successful in generating employment. Goodman et al (1997) found that a sample of social funds in Latin America generated employment of between 0.1 and 1 percent of the labour force, and conclude accordingly that “if these funds had an impact on poverty, it cannot have been from employment creation and income generation for the poor.”

In addition to self-targeting through low wages or other features (in the case of the employment generation schemes), most SSNs also employed additional project or beneficiary selection criteria. One of these, of potentially special interest to UNICEF, is the use of access to basic social services as a targeting criterion. Thus, many SSNs rank geographical units by level of poverty as indicated by a wide variety of features, including infant mortality, literacy, and access to basic sanitation [Unctad,1994]. The development and use of “poverty maps” for this purpose has now become a standard practice which deserves special attention.<sup>46</sup> Thus in Bolivia’s SIF, “urban marginal areas are ranked by their degree of coverage of basic services” [ibid]. In Guatemala, community cost-sharing requirements are applied according to a sliding scale which reflects this poverty assessment [Grinspun, 1995]. A third targeting approach is to isolate individuals or groups with a particular fixed and visible characteristic, such as women, children, the elderly and minorities. Both approaches have been used by the Bolivian and Honduran ESFs, Chile’s SIF, and Mexico’s and Egypt’s SAPs [ibid]. In Costa Rica’s DESAF, social workers meet applicants and administer a means test [ILO,1992]. Means tests of this kind however face the dangers both that they can be stigmatizing of recipients and thereby result in low programme participation (high F-errors), and that they can be very costly to administer [See Cornia (1991), and also Reddy and Vandemoortele (1996)].<sup>47</sup>

These examples suggest that all varieties of SSNs face serious challenges in reaching the poor. Table 9 lists the proportion of F-errors which appear to have occurred in various schemes, according to estimates by Stewart and van der Geest (1995). These suggest that, on the whole, the proportion of the poor which SSNs have reached has been lamentably small. This is surely a function both of their limited resources and in some cases of inefficiency in the delivery of benefits (i.e. E-errors).<sup>48</sup>

---

<sup>45</sup> One survey found that 90 percent of workers lived below the poverty line, and another 62 percent [Stewart and Van der Geest, 1994]. A survey conducted in 1987-88 found that 65.5 percent of workers in the PEM were from the lowest quintile of the income distribution, while this was true of 56.5 percent of those in the POJH [Ahmed, 1993].

<sup>46</sup> See Grosh (1990). Grinspun (1995) reports that this practice is much more common in Latin America than in Africa.

<sup>47</sup> “In Great-Britain in 1983-84, little more than half of those entitled to means-tested assistance payable to employed family heads on low income claimed their entitlement. In the United States, the take-up rate of means-tested assistance for the elderly was also only about 50 percent” [McGreevey, 1991].

<sup>48</sup> If SSN resources are exactly sufficient for all of the poor to be beneficiaries, and all beneficiaries cost the SSN an equal amount, then the number of F errors (in headcount terms) is exactly equal to the number of E-errors. However if SSN resources are smaller than this amount, as is typically the case, then the number of F errors can exceed

---

the number of E errors. If the number of E errors is fixed, then the number of F errors is essentially a function of programme resources.

**Table 9**  
**Indicators or Errors of Targeting**

<b>Country and Name of Scheme</b>	<b>E-error (Benefits to persons above poverty line)</b>	<b>F-error (Failing to reach persons below poverty line)</b>
Bolivia Emergency Social Fund	High with two-thirds of direct beneficiaries above 2 lowest income deciles	95 % of rural population 99 % of female poor 90 % of unemployed
Costa Rica FODESAF	High for some programme components, e.g., mortgages	High for some programmes, e.g., rural water supply scheme and school feeding programmes
Chile PEM and POJH	Low because of effective self-targeting	57 % of poor
Honduras FHIS	High with higher allocations to better resourced municipalities	not available
Botswana LBRP	Low	50 % of poor
Ghana PAMSCAD	78 % of redeployed above poverty line	94 % of hard-core rural poor excluded
Madagascar PASAGE	not available	not available
Senegal DIRE and AGETIP	High	High (100 % for rural poor)
Zambia PUSH only	Low with targeting of female-headed households FHH	98 % of FHH
Zimbabwe SDF	High	High
Maharashtra EGS	10 % only	Moderate to high

Source: Stewart and Van der Geest [1995].

Proportions of the population reached by SSNs in different countries range from 0.3 percent of the population in Ghana, to 0.5 percent in Egypt, 13 percent in Honduras, 19 percent in Bolivia, and 27 percent in Mexico [Unctad,1994].<sup>49</sup>

Supply-driven programmes are as susceptible as demand-driven programmes to be poorly-targeted in terms of region, gender, and income-class, unless aspects of their design expressly generate alternative results. For example, as already noted, employment generation schemes which set low wage levels are self-targeting and therefore the poor are the majority of their beneficiaries. However, the type of work performed, and payment system for work, under these schemes may also determine the extent to which they reach excluded groups, particularly women [discussed further in section III.8 below].

The provision of low-quality goods, the creation of long lines, and the location of distribution points, may similarly be used, and increasingly are being used, as self-targeting devices in programmes for the direct provision of social services [Vivian, 1995; Jayarajah et al, 1996]. Thus, food subsidies on coarse grains are better targeted to the poor (in the sense of generating lower E-errors) than those on superior variants [Ahmed, 1991].<sup>50</sup>

In contrast, demand-driven schemes will have to focus attention on raising the capacity of poorer communities to formulate and execute successful projects if they are to be better targeted [on this see sections III.3 and III.7.1].

A final consideration is that the political sustainability of those programmes intended to be longer-term (increasingly a feature of SSNs) may require that they should be broadly rather than narrowly targeted. Thus, the value to the non-poor of the infrastructure constructed under the Maharashtra Employment Guarantee Scheme is thought to have been an important element which has enabled it to be a long-lived programme. World Bank [1990 (World Development Report)] reports that the replacement of a universal with a targeted food subsidy in Sri Lanka, enabled its benefits to be more easily reduced over time, and that in Colombia, a food subsidy scheme was “so tightly targeted that it lacked an effective political constituency, and it was dropped at a change of administration”. Similarly, Graham, (1996) argues that the Pinochet regime was ironically able to sustain narrowly targeted anti-poverty programmes precisely because it was undemocratic and did not have to respond to middle-class pressures.<sup>51</sup> If it had to do so, in Graham’s view, these programmes may have had to be

---

<sup>49</sup> The definition of “beneficiary” is often very loose. These figures may also include double counting.

<sup>50</sup> The reduction of F-errors may well be best served, however, through general subsidies, which although they benefit the non-poor, also include a large proportion of the poor among their beneficiaries [as argued in Reddy and Vandemoortele, 1996, this is an example of a programme which is effective but not efficient. See also Ahmed (1993).].

<sup>51</sup> Elsewhere, Graham provides a very different explanation, which suggests that the Pinochet regime was *vulnerable* to public opinion rather than immune from it. She writes that “Chile’s employment programs were set up because the Pinochet government feared the public protest over unprecedented unemployment rates” [Graham, 1994].

either broadened or dismantled.<sup>52</sup> Designing effective anti-poverty programmes requires attention to a range of complex political, institutional, and incentive issues.

### *III.7 PROJECT IMPLEMENTATION, PARTICIPATION, AND THE ROLE AND CAPACITY OF NGOs*

Recent SSNs have delivered benefits through a variety of means. While traditionally direct delivery of benefits by the state has been dominant, recent “demand-driven” SSNs of the social fund type have employed a variety of intermediaries to deliver benefits, including community organizations, non-governmental and private voluntary organizations (NGOs), municipalities, and private for-profit organizations. An important distinction which is not usually made in the literature is between the role of these organizations as executing agencies and their role as *demanders* of benefits. Some SSNs (for example Bolivia’s ESF) have responded to demands from community organizations for specific types of projects, but have relied upon other intermediaries (for example, private contractors) to fulfil these demands. In other cases, in order to propose a project, a community group or NGO has also had to be prepared to execute it (with funds provided by the SSN). The execution of projects by communities should also be differentiated from beneficiary co-financing (through partial contributions in cash, kind, or labour), discussed further below. The execution of projects requires that management control rest in the hands of community organizations or NGOs themselves.<sup>53</sup>

There is wide diversity in the types of executing agencies used by recent SSNs in project implementation and their relative emphases. Senegal’s AGETIP, for example, restricts proposals to governmental organizations (including municipalities) and subsequently hires private contractors to implement these. This policy was designed to foster employment creation through public works and “to strengthen private-sector capacity to deliver public goods and services” [Grinspun, 1995]. In Zambia, in Peru’s FONCODES, and in Mexico’s Pronasol, in contrast, a focus on small-scale community initiatives has led to a preference for NGOs and self-help groups [ibid]. In other cases, although funding is in principle accessible to NGOs and community organizations, the bulk of funds are awarded in practice to government agencies. Thus, in Egypt, only five percent of funds have gone to NGOs, while governorate, ministries, banks and public enterprises have received 36 percent, 16 percent, 29 percent, and 14 percent respectively. Similarly, in the Honduran FHIS and the Bolivian

---

<sup>52</sup> Graham writes that “the extension of compensatory benefits to nonpoor but influential ‘losers’ may be a prerequisite -- for sustainability reasons -- to allocating some resources for the poor, who will suffer the most if reform is abandoned” [Graham, 1994]. For more on these issues see Dreze and Sen (1989, *Hunger and Public Action*), and Reddy and Vandemoortele (1996).

<sup>53</sup> Even those NGOs with full management control of their own projects financed by SSNs have felt disempowered in another respect, however. Some NGO advocates have complained that SSN administrators, and international agencies, see NGOs as efficient deliverers of services, especially to under-served communities, but “see no role for NGOs or representative organizations in the design, management or monitoring of the funds”, in keeping with their “rhetoric of commitment to participation and democratisation” [Whitehead, 1995]. For example, SIFs in El Salvador and Honduras were both designed without NGO consultation although they intended to use NGOs as executors. The involvement of NGOs in the design and management of funds appears to have occurred only in Guatemala [Solis, 1992].

ESF, NGOs and religious groups received only 20 and 19 percent of project funds respectively [ibid].<sup>54</sup> The extent to which NGOs and community organizations are the beneficiaries of social fund resources is often overstated.

The use of diverse executing agencies has been seen by some as a means of enhancing the efficiency of service delivery through generating competition for state funds and through bypassing existing ineffective state bureaucracy. Others have seen it, however, as amounting to a first step in the disavowal of traditional social responsibilities by the state. That recent SSNs have faced opposition from the bureaucracy of existing social ministries is a partial testament to this fear.<sup>55</sup>

In response, it has been argued that enabling “participation” by local organizations is the surest way to ensure that resources are used effectively, efficiently, equitably and in keeping with local needs.<sup>56</sup> It has been argued further that enabling NGOs to demand and execute projects helps to “build” their capacities to deliver services, and to heighten their propensity to make other demands from the state on behalf of their constituents (especially it is hoped the poor). Thus, Graham (1994) argues that “strategies that rely on the participation of beneficiaries and the organizations that represent them -- as social funds do -- have the effect of strengthening the capacity of these institutions, thereby giving previously marginalised groups a more effective political voice and making longer-term contributions to poverty reduction” [Graham, 1995].<sup>57</sup> Where SSNs do not rely upon beneficiaries’ participation, it is argued further, SSN activity may fail to reach the poor, or even actually undermine organizations of the poor which already operate. It has been argued for example that many of the flaws of PAMSCAD in Ghana -- “centralised decision making, high overhead costs, slow implementation of projects, and not reaching the poorest” -- could have been remedied by inviting significant NGO input [UNCTAD, 1994]. Graham (1994) goes further to argue that the PAIT programme in Peru, suffered from

---

<sup>54</sup> One determinant of the low level of use of NGOs in practice may be that involving NGOs in SSNs through project design and implementation has been a greater priority among donors than among local organizations. Whitehead (1995) provides Peru’s FONCODES as an example of a lukewarm reception to donors’ suggestions in this respect. Similarly, in Guatemala, where NGOs were involved in the design and management of an SIF, this is reported to have been a “calculated” decision by the government to attract foreign funds [Solis, 1992].

<sup>55</sup> This was the case in Mexico and El Salvador [Beneria and Mendoza, 1995; Vivian, 1995]. In Bolivia, this fear was partially overcome by enabling government agencies to compete on equal terms with NGOs to execute projects [Grosch and Jorgensen, 1992; Vivian, 1995].

<sup>56</sup> It is indicative that in Egypt, NGOs were reported to create employment at one-fifth of the average cost of other executing agencies (including government) of the Social Fund for Development [Fergany, 1994].

<sup>57</sup> The link between demanding and executing projects and developing further capacities to advocate for other privileges from the state on behalf of the poor is proclaimed but unsubstantiated, conceptually or empirically, by Graham (1994, 1996). Kingsbury (1994) quotes Caroline Moser to the effect that the Bolivian ESF “strengthened the ability of private groups and local governments to administer projects and organize and solicit state funds for social services”. In contrast, Whitehead (1995), writing on behalf of OXFAM, writes that “Oxfam’s own experience in Bolivia would lead us to query the degree to which local community organisations were indeed strengthened and the political voice of the poorest made effective through the process of applying for, negotiating, and managing ESF projects.”

“excessive centralism and top-down implementation, which led it to duplicate and undermine the efforts of local self-help groups that were critical to the survival of the poor.”<sup>58</sup> Its effects allegedly ran directly counter to the capacity building that is integral to poverty reduction.

Community participation, although widely claimed by SSN administrators to be a feature of projects implemented, is often weak or abstract in character. Egger (1992) find in a review of social investment and micro-projects programmes, that it is common for participation to be “only a formal requirement”, in part because beneficiaries are often very far removed from the central management which approves proposals, because of greater attention on the part of fund management to the proposed investment than to social features of the project, and because local communities are often seen as having a role in proposing and accepting, but not in administering the project. Vivian (1995) similarly finds that in a number of recent SSNs, participation was “truncated” or relatively empty, being of a largely “ex-post” nature (i.e. consisting in service use rather than design, implementation or supervision) or consisting only of user financing (in the form of contributions in cash, labour, or kind), rather than design or oversight.

Often, community participation has been seen as synonymous with the involvement in projects of local NGOs [for example, see Ribe and Carvalho (1990)]. It is important however to make a distinction between the participation of NGOs and the participation of communities. NGOs are potentially the representatives of communities, but they need not be. Often, NGOs represent sectional or even external interests from those of the communities in which they operate. As a result, NGO involvement cannot be seen as automatically entailing community participation. One of the few recent SSNs to make this distinction is Malawi’s planned Social Action Fund, which specifies that “NGOs will be delegates of the community. Communities will have the freedom to choose whichever NGOs they wish to work with”, and goes on to specify criteria for validating NGOs as community representatives [MASAF Working Paper, 10th February, 1995]. In Zambia’s “demand-driven” Social Recovery Fund, and Micro-projects Unit, it was found that where projects were implemented by “strong organizations from outside the community”, such as church organizations, these tended to reduce the community’s sense of “ownership” of the project [Stewart and Van der Geest, 1995]. A University of Zambia study found that where a community contribution was imposed in the name of “participation” considerable resistance was encountered.<sup>59</sup>

---

<sup>58</sup> A specific example is that “rather than having its workers use existing communal kitchens at lunch-time, the PAIT program set up its own, often right next door to existing programs and competing for their clientele” [Graham, 1996].

<sup>59</sup> Among the sources of community resistance were that “members of the project committees were often not elected and in some cases the community ‘has no say whatsoever in the selection of the committee’; more than half the projects lacked transparency, with misuse of project funds reported; in some cases fear of witchcraft coerced young people into participating;..there was low participation of women in decision-making, ..[and] contractors and workers from outside the project area received payments from project funds whereas intended beneficiaries from the communities were asked to provide labour free of charge.” Such difficulties in attaining genuine participation and implementing community financing have been surveyed in Reddy and Vandemoortele (1996).

The uneven capacity of community organizations and NGOs to demand services has also been a serious concern, as noted in section III.3 above. This is also the case with project implementation. NGOs and community organizations which represent the poor may well be those which are least capable of formulating and presenting effective project proposals.

In some cases, the NGO sector as a whole may have a far lower capacity to formulate and implement proposals than theorized by the designers of social funds. Thus, in Sao Tome and Principe, the SIF designed and “awarded” priority projects to international contractors because of the failure of NGOs and community organizations to rapidly generate proposals [Grinspun, 1995]. Similarly, in Sri Lanka’s Janasaviya Trust Fund (JTF), a planned approach of relying upon NGOs and community organizations for project implementation and supervision was abandoned in favour of “a more active role in most aspects of the project cycle”. Additionally, loan disbursements under the JTF micro-credit programme were far slower than expected due to the low “absorptive capacity of implementing NGOs, credit cooperatives, and local banks” [ibid]. Measures broadly directed towards raising the capacities of NGOs may help to address this problem. Sri Lanka’s JTF employed “social mobilizers” to raise capacity to design and implement projects. UNICEF has discussed with the governments of Guatemala, and El Salvador a role for it in strengthening executing agencies for the Social Investment Fund (FIS) -- like NGOs, community groups, and small contracting firms -- “in the effective implementation of social investments” through community mobilization in the definition of priorities, formulation of projects, and assessment of results” [Engebak, 1994]. The “outreach” unit set up by the Bolivian ESF has already been mentioned [Van Dijk, 1992]. Similarly, the Malawi Social Action Fund proposed project guidelines [MASAF Working Paper, 10th February 1995], call for Community Development Assistants to introduce MASAF to communities and assist them to develop and submit proposals].

The character of NGOs as usually semi-voluntary and participatory organizations has also affected the ease with which they can be utilized as executing agencies. SSNs (for example in Bolivia) have often found negotiation with NGOs to be time-consuming.

Similarly, as pre-existing organizations with existing agendas, NGOs have been sometimes observed to have preferred to use SSN funds to finance existing projects rather than to initiate new ones, as intended by SSN administrators. NGOs can also be more effective at delivering some kinds of services to the poor, in which they have greater interest and experience, than others. Thus, “a review of social service delivery in India found NGO coverage of the poor to be less effective in the education and health sectors than in welfare services” [Jayarajah et al, 1996].

There may be a need to enhance the managerial capacity of NGOs and communities, and to widely diffuse information on SSN project selection criteria and procedures in order that these may be readily understood and in order that NGOs may feel capable of responding to them [UNCTAD, 1994]. In certain Latin American countries (such as Nicaragua and the Honduras), the low capacities of communities to monitor and supervise project execution has led to concern over inadequate project quality [Goodman et al, 1997].

In some instances, even where NGOs have high levels of organizational capability, as noted earlier in section III.3 their low existing levels of trust of governments may make them unwilling to

extensively used for projects. However, there is doubt as to whether the methods chosen by such firms have been as employment generating as they could have been. Although these firms were subject to "labour intensity" requirements, they were not subject to restrictions on type of compensation or contractual status of workers, and part of expenditure was absorbed by firms' profits. Finally, the role for community participation in the design of projects may not have been fully exploited in these cases [Wurgaft, 1992]. Unless project implementation by private contractors is viewed as valuable in itself in order to encourage "private-sector development", there is reason to be more cautious in employing private contractors as SSN implementers than in offering this role to community organizations and NGOs.

Recent SSNs offer a potentially viable model for more decentralized and democratic delivery of social services and benefits. However, a variety of conditions must be observed in order for this model to be fully effective.

### *III.8 GENDER DIMENSIONS OF SSNs*

SSNs have had mixed consequences for women. For example, some of Chile's Pinochet-era employment generation programmes were exceptionally successful in generating employment for women. At its height in 1983, seventy five percent of participants in the PEM (Emergency Employment Programme) were women [Kingsbury, 1994].<sup>60</sup> This can be attributed to the greater willingness of women to accept the low wages intentionally offered by the PEM in order to encourage self-targeting by the poor, but also to institutional discrimination against women in private formal labour markets. On one hand this safety net could be viewed as offering special protection for women, and as potentially empowering insofar as it offered entrance to the labour market, where cultural and other barriers to female labour force participation are strong. On the other hand it might also have been viewed as "ghettoizing" women in the long run by steering them towards a secondary labour market: participants in the programme were stigmatized as "lazy and incompetent" [ibid, Graham (1996)]. Similarly in Zambia's Urban Self Help (PUSH) programme, which generated employment and delivered food, beneficiaries were largely women and (indirectly) children. In 1992, of three thousand Lusaka families benefitting, 95 percent were female headed [Stewart and Van der Geest, 1995]. The larger Social Recovery Fund was estimated to have almost half female beneficiaries [ibid]. In Ghana's PAMSCAD as well, women are reported to have "benefitted disproportionately" [Graham, 1996].

In sharp contrast, in Bolivia an extraordinary ninety nine percent of workers employed in ESF projects were male, although the one percent of women employed were mostly very poor [Jorgensen et al, 1991]. Similarly, in Honduras, seventy five percent of 137,000 jobs created by the Social Investment Fund went to men [Beneria and Mendoza, 1995]. Beneria and Mendoza [1995] go so far as to conclude, on the basis of their review of Central American SIFs, that "the invisibility of women's poverty and women's needs remains a constant throughout the conceptualization and operation of the ESIFs...ESIFs tend to have an implicit male bias and to perpetuate gender inequality".

---

<sup>60</sup> On the other hand, simultaneously, three-quarters of workers under Chile's POJH (programme for heads of households) were male. It is not evident how to account for this difference.

The large differences between the level of male bias in employment generation programmes such as the Bolivian ESF (highly male biased) and the PEM in Chile (low male bias) may be related to the nature of the paid employment sponsored under the different programmes. In the former case and in other cases of male bias, the employment generated was largely in heavy construction activities [Graham, 1996]. The Chilean PEM in contrast, likely generated a larger variety of employment, due to its modality of subsidizing private sector hiring of programme beneficiaries.<sup>61</sup>

In some countries, lower wages are paid to women than to men in executed projects. In Peru's Foncodes projects in the area of the Sierra, for example, women's wages by traditionally half those of men, and this appears to have continued in the payments made by private contractors, NGOs and community groups [Goodman et al, 1997]. There is a role here for social fund administration in supporting the principle of equal pay for equal work.

An interesting determinant of the degree of gender bias in employment schemes, which may have been of importance elsewhere is the form which payment for work takes. Where food rather than cash is offered in return for work, there is an enhanced likelihood that women will seek employment. This has been observed in many cases, including a Food-for-Work programme launched in 1986 in Negroes Occidental, in the Philippines [Subbarao et al 1996], and a food-for-work programme in Zambia, where "90 percent of the program workers are women, as the majority of men refuse to work for food rather than cash" [Graham, 1996].

SSNs also may reflect traditional conceptions of the gender division of labour in the pattern of beneficiaries across their different components. Thus, it has been argued that SSNs "target social assistance projects to women while reserving employment and income generation for men" Grinspun, 1995]. This may help to explain (along with the types of employment generated) why programmes such as Zambia's PUSH which deliver services have tended to be less male biased than employment generation schemes. In the Bolivian ESF, for example, women workers played a much more important role in its non-employment generation components, such as school feeding, which relied on community organization and voluntary effort [Graham, 1996]. This is an area of bias of which designers of SSNs should be aware.

Graham (1996) has argued that women are likely to benefit on the whole from the move towards demand-driven SSNs. Women in developing countries, Graham argues, tend to have greater political voice in NGOs and community organizations than in other social institutions.<sup>62</sup> Therefore, insofar as the emergence of "demand-driven" SSNs entails a greater role for NGOs, it can also entail a greater and more beneficial role for women [Graham, 1996]. There is reason to doubt this analysis however, for the reason that women, just as do the poor and otherwise excluded, may face the usual problems in "demand-driven schemes" of organizing and articulating themselves as effectively as the

---

<sup>61</sup> This explanation too has its deficiencies, however, as programmes such as Peru's PAIT, have apparently had less difficulty attracting women even to heavy tasks [Graham, 1996]. Further research is required to understand these intriguing gender dynamics more clearly.

<sup>62</sup> Graham [1996] writes about Senegal, for instance, "NGOs tend to be the only organizations that attempt to foster women's organization and participation".

more privileged.<sup>63</sup>

Some initiatives have emerged within recent SSNs to face the challenge of incorporating women, and particularly the most excluded among them, as beneficiaries, more squarely. Chile's recent FOSIS SIF, for example, has launched as one of its components a programme to provide job-skills to women, particularly heads of households [Graham, 1996]. In El Salvador as well, projects benefitting women are given priority in allocations by the Social Investment Fund, although the focus appears to be on assisting women in their reproductive role rather than in assisting women as such [ibid], which should be held to be of independent value.

The examples and analysis above illustrate that the gender dimension of SSNs is complex and requires careful treatment. Recent SSNs have been neither uniformly biased against women nor uniformly beneficial. As a result, gender-sensitive design and evaluation of SSNs is both essential and difficult.

### III.9 *POLITICAL DIMENSIONS OF SSNs*

Although SSNs invariably have social protection objectives, they also often have political objectives. Many recent SSNs have been designed in response to actual or anticipated political challenges. Additionally, a range of political factors can permeate the ongoing actual operation of SSNs. These political dimensions of SSNs require and deserve greater attention if SSNs are to be designed and implemented in a manner which is not only theoretically -- but actually -- effective, efficient, and equitable.

The idea for the very first ESF, in Bolivia, is said to have emerged from a Bolivian ex-politician who served as a consultant to the World Bank. This consultant helped to convince the Bank that its proposed reform package would have a much greater likelihood of success if accompanied by this well-publicized "compensatory" measure [Vivian, 1995]. An official of the International Monetary Fund is reported to have stated that "in essence, the underlying rationale of [social safety nets] was the necessity to buttress the social and political acceptance of the adjustment effort" [Vivian (1995)]. As noted earlier, most SSNs have originated in the aftermath of adjustment programmes. Senegal's AGETIP for example, originated after major civil unrest in protest of the social costs of adjustment [Graham, 1994]. SSNs have been intended either expressly to compensate those most directly injured by the adjustment process ("the new poor") or to build "new coalitions for reform" [in the phrase of Graham (1993)] from among the already poor, even without directly benefitting those hurt. In the latter case it is expected

---

<sup>63</sup> One response to this, provided by Graham, is that even if poor women are not the primary membership of many NGOs composed of more affluent women, they may nevertheless be likely to benefit. Although this is certainly conceivable, it is hard to see why it is *likely*.

that the new beneficiaries from SSNs (including the “old poor”) will come together to support the overall adjustment effort, and help to compensate the political leadership for the opposition of those harmed by the adjustment process.<sup>64</sup> It has been commonly argued that large-scale economic restructuring provides an important *opportunity* to redirect resources towards the poor, and simultaneously gain their support for this process [Graham (1993) in IDB/UNDP (1993)].

A common feature of a large number of recent SSNs (social funds and social action programmes) has been that they have attempted to be highly visible. Often visibility is an explicit criterion of project selection. In Ghana, the requirement of visibility was actually written into PAMSCAD's governing document, and an official of an international financial institution referred to it as “a big public relations exercise” [Vivian (1995)]. One expert on PAMSCAD has gone so far as to refer to it as “a ‘face-saving’ rather than a ‘human face’ component of Ghana’s adjustment”. In Mexico, Honduras, Bolivia Egypt, and Peru, similarly, SSNs have been highly publicized through the official or private media. This publicity is aimed not only at national but also at international audiences.

As already discussed in section 111.4, it is not evident whether SSN autonomy furthers or diminishes its susceptibility to political manipulation. Although an SSN may well be autonomous from existing governmental machinery, this need not mean that it is independent of political influence. In fact, in many instances the direct link to the executive and “personal interest” taken by political leadership in SSNs can entail their greater rather than lesser political manipulability. In Mexico for example, Pronasol’s finances are largely controlled by the Office of the President and the Ministry of Planning and the Budget. This enables rapid dissemination of funds but also, in the view of some critics, has allowed resources to be “targeted according to the electoral calendar” and directed according to political preferences and objectives [Beneria and Mendoza, 1995; Graham, 1996]. As well it has been said that the President has been less willing to allow local Pronasol committees to operate independently in municipalities controlled by the opposition [Graham, 1996].

At the level of actual operation, many SSNs have been heavily politically manipulated. “In Chile (under Pinochet, jobs programmes were withdrawn from communities involved in political opposition activities; in Peru [PAIT] the social fund employees were brought to cheer at political rallies, and jobs were increased prior to elections and phased out afterwards; in Senegal, clientilism was incorporated into the working of the scheme, with the only proposals funded coming from mayors of the governing party” [Vivian (1995), drawing from Graham (1993)]. In Ghana’s PAMSCAD, projects were selected in Accra partially out of political concerns for regional balance, and sometimes in

---

<sup>64</sup> The idea that this is possible has been vigorously argued by Graham (1993, 1996). The underlying logic of this argument seems incomplete however. Even if the beneficiaries of SSNs come to support the SSN itself, it is not evident why as a result they must support the adjustment process as a whole, even though they may have appeared together. In specific cases where SSNs are explicitly supported through financial “spoils” from the adjustment process (as in Mexico where financing for the Solidarity (Pronasol) programme was explicitly linked to the privatization process [Beneria and Mendoza, 1995], or where the continuity of SSNs is seen as linked to a specific political leadership which is in turn seen as indissolubly committed to the adjustment process, the logic of this argument is more clear. However it is hard to see why it should be applicable universally.

response to promises made at political rallies [Gayi,1995]. In Egypt, members of the board of directors of the Social Fund for Development are overwhelmingly “representatives of various factions of the ruling coalition”, and as a result “influential persons seem to claim, and get, priority treatment in SFD funding” [Fergany, 1994]. These forms of extensive political manipulation of SSNs usually seriously undermined the credibility and successfulness in meeting the social goals of these programmes.

In some instances, project selection has been affected more subtly by the desire for visibility of project administrators and politicians. Thus, in Honduras for example, projects which were more easily designed and implemented were preferred over others which may have been preferable on the basis of other criteria, in order to give the appearance of maximum benefit to local populations, and to enable politicians to take credit for as many of these achievements as possible in public [Beneria and Mendoza, 1995].<sup>65</sup>

Political manipulation can occur at the community level of project execution, and not simply at the level of selection of project proposals. Thus, in Pakistan’s Zakat-Ushr programmes, “beneficiaries are selected by local committees according to personal preferences”, and very few of these are accordingly poor, while in Sri Lanka’s Janasaviya programme, “ruling party candidates running for reelection were asked to submit lists of potential beneficiary families in their districts” [Jayarajah et al, 1996].

There are however many recent SSNs which have presented themselves in their everyday operations as being driven (especially in project selection) by technical rather than political criteria, in order to gain maximal acceptability and support, from constituencies well outside the existing support base of a government. @ Bolivia, El Salvador and Zambia are cases in which SSNs are reported to have been run in a fairly transparent and politically independent manner. Administrators perceived as neutral, often from the private sector, have been an important asset in many such cases. In Bolivia, financing was perceived early on to be awarded on the basis of technical criteria, to supporters of a variety of political parties.<sup>67</sup> In El Salvador, it is reported that the harshest critics of the SIF are “members of the governing party who are frustrated with the extent to which the FIS benefits other political groups” [Graham, 1996].

A more fundamental concern expressed by some critics is that the capacity of NGOs and other community organizations to maintain a critical vantage point on the state is reduced by their acting as intermediaries for SSNs. In the view of others, SSNs offer ways to encourage and foster the development of a more vibrant autonomous civil society. The issue of trust between NGOs and SSNs has been discussed in section 111.7.

---

<sup>65</sup> This example runs contrary to the view of Graham (1994) that demand-driven funds make it difficult for any one political actor to claim credit for fund supported projects. Graham offers the lack of correlation between Bolivian ESF allocations and outcomes in municipal and presidential elections in support of this view.

<sup>66</sup> Although an SSN may be operated in an apolitical manner, it may well still have an overall political *motivation*.

<sup>67</sup> Some doubt has however been expressed as to the sustainability of this distance from politics. Kingsbury (1994) reports that the Bolivian ESF became less protected from political pressures over time.

The close association of many recent SSNs with particular political interests makes them not only potentially inequitable and inefficient but also possibly unsustainable. This is a difficulty insofar as SSNs are seen as desirable long-term institutions, and not only as short-term compensatory programmes. Changes in political leadership are likely in these circumstances to lead to diminished support for SSNs. In keeping with these concerns, Gayi (1991) cited the “need to ‘depoliticize’ the PAMSCAD to ensure that a wider section of the population participate in it, and to guarantee that its fate is divorced from that of the government, thereby assuring its long-term survival”. Although high levels of political interest have underpinned the successfulness of many recent SSNs, their use in order to meet narrowly political ends can also fundamentally undermine them. The design of SSNs so that they are not hostage to narrow political pressures will mitigate the problem.

### ***III.10 LINKS WITH THE MACRO-ECONOMY***

The operation of SSNs can potentially both be affected by and affect macroeconomic variables, even in the short-run.<sup>68</sup> Very large-scale and ambitious SSNs can potentially have the effect of enlarging fiscal deficits, increasing external debt, and raising the level of wages and prices. For example, Jayarajah (1996) reports that “When Sri Lanka’s Janasaviya Program was conceived in 1988, it intended to provide the poorest 50 percent of the population with additional income sufficient to meet basic needs that were above average wage rates. The program was never implemented in its original form because of the destabilizing macroeconomic impact expected from such expenditures (especially the fiscal burden), the upward pressure on local wages, and the disincentive to labor from such large transfers”.

In a different vein, Stewart and van der Geest (1995) point out that employment generation programmes assume the existence of idle resources in the economy which can be more fully utilized through aggregate demand expansion. However, this assumption is contrary to that employed in the standard approach to economic adjustment, which assumes that -- quite to the contrary -- “the level of aggregate demand within the economy exceeds the production possibilities” -- and seeks accordingly to reduce it through a variety of contractionary macroeconomic instruments. Finally, they point out that most recent SSNs focus on the expansion of output in the non-tradables sector, whereas the adjustment process as a whole typically seeks to shift resources from the non-tradable towards the tradables sector. In this respect the orientation of SSNs is contradictory to that of adjustment policies.<sup>69</sup> Insofar as SSNs are seen as compensating for precisely these contrary effects produced by adjustment policies, there may be no cause for worry. However the inconsistencies also suggest that the redesign of adjustment policies may be an alternative approach to many of the same issues addressed by SSNs during periods of economic crisis.

---

<sup>68</sup> The long-run inter-linkages between economic growth and social protection have been widely documented and will not be gone into here. For an excellent recent treatment see Mehrotra and Jolly (forthcoming).

<sup>69</sup> It is ironic in this respect that Ghana’s PAMSCAD imposed a requirement that projects selected “be consistent with the overall objectives of the adjustment programme” [Gayi, 1995].

SSNs can also be significantly affected by macroeconomic developments. The most obvious and common channel by which this can occur is through the effect of inflation on programme benefits. This is a problem which besets cash benefits as well as cash-denominated benefits. In Jamaica, in Sri Lanka, and in Mexico (the “Tortibono” programme) the value of food stamps eroded sharply over time due to inflation, although these losses were later expressly compensated in the former case [World Bank (1990) (World Development Report); Kingsbury (1994)]. Chu and Gupta (1993) point out that when inflation is large, cash benefits may have to be adjusted regularly. However, if price changes vary significantly across regions (as they argue is the case in the Russian federation) this may prove difficult to monitor. As a result, transfer of some items such as milk, food staples, and preventive health care, through in-kind transfers may be superior to cash transfers in such circumstances. Cornia (1991) reports accordingly that as a response to hyperinflation, cash schemes have been supplemented by direct transfers through rationing schemes (in Bulgaria, Romania, and the Soviet Union). In response to the “existing monetization of social assistance” in Central and Eastern Europe, and the difficulty of fully compensating for this through indexation, Cornia calls for greater use of in-kind transfers.

These examples illustrate the importance of analyzing linkages between SSNs and the macroeconomy. SSNs cannot be viewed as isolated interventions if they are to be designed in a fully effective manner.

## CONCLUSIONS AND RECOMMENDATIONS

SSNs are the institutions and regularized practices which serve to protect individuals from remaining or falling below a defined minimum standard of living. A variety of SSNs have existed in developing countries for decades -- employment generation schemes, food subsidies, targeted programmes for the provision of health and social services, etc. In recent years, these have been complemented by new social safety net models -- known as emergency social funds, social investment funds, and social action programmes, which are the central subjects of study of this paper. The new forms of SSNs have been typically multi-sectoral, demand-driven (in the sense that they finance projects in response to proposals received from decentralized entities), and often administered by independent and specially created institutions. Projects sponsored by these SSNs can be designed and implemented by NGOs, municipalities, private contractors, or existing ministries.

The heightened interest in SSNs, and in seeking innovative approaches to their design, has derived jointly from the need to compensate for heightened economic pressures experienced in a range of developing countries, and from increasing disenchantment with the capacity of the existing state apparatus in many developing countries to provide social services and infrastructure.

The comprehensive study and analysis of recent SSNs (social funds and social action programmes) undertaken here leads to the following conclusions:

(1) Emergency social funds, social investment funds, and social action programmes have been implemented or are being implemented in at least 45 countries, in Latin America, Africa, and Asia. Although they are extremely prevalent in Latin America and the Caribbean (22 at least), they are also widely present in Africa (16 at least) and increasingly common in Asia (6 at least). This tally should correct the widespread misconception that social funds and social action programmes are predominantly a Latin American phenomenon. UNICEF staff outside the Latin American region should enhance their capacity to analyse and engage in dialogue concerning the new forms of SSNs.

(2) The level of resources devoted to recent SSNs (ESFs, SIFs, and SAPs) has often been sizable, and of a magnitude sufficiently large to make them of vital interest to UNICEF. Their total size has varied between 7 million and 3 billion dollars. In a sample of countries, SSN expenditure was estimated to average 10.3 % of total public social expenditures and 32.6 % of expenditures on basic social services. As a result, SSNs provide a significant opportunity for UNICEF to attempt to influence allocation priorities, and to shape expenditures so that they are effective, efficient, and equitable, and best serve the interests of the poor. Although SSNs already devote substantial resources to the provision of basic social services, there is considerable scope for increasing this share. UNICEF has played an important role in the design or implementation of a small proportion of recent SSNs, particularly in the Americas.

(3) Recent SSNs have delivered a variety of benefits, varying from the direct provision of basic social services through to the generation of productive assets among individuals, public infrastructure and employment. As well, the majority of recent SSNs have been multi-sectoral, in the sense that they have financed activities that which would otherwise fall under the jurisdiction of a variety of ministries. Multi-sectoral schemes have the advantage that if well-targeted and designed, they can potentially serve

as the basis of a more concentrated and sectorally integrated approach to social protection and poverty reduction. They have the disadvantage that they may require greater expertise and administrative capacity on the part of SSN administrators than if parcelled into sectoral components, and that they can easily become diffuse and unmanageable. Multi-sectoral programmes should not be entirely avoided but rather confined to a manageable scale and operated according to appropriate principles:

- (i) clear coordination mechanisms and procedures, and an explicit division of labour should be established
- (ii) the potential for synergistic use of diverse programme components to launch an integrated attack on poverty should wherever possible be exploited
- (iii) project selection and implementation should where possible be monitored or overseen by a single management unit
- (iv) support from high levels of political leadership should be sought to minimize inter-ministerial coordination difficulties.

(4) Many recent SSNs have been “demand-driven” in the sense that projects financed by the SSNs have been largely selected in response to proposals from external entities, such as NGOs, municipalities, and community organisations. In supply-driven SSNs, in contrast, the SSN management designs projects. Demand-driven schemes can potentially lead to the selection of projects better suited to beneficiaries’ needs and enable SSN administrators to spend reduced effort and expenditure on project design. On the other hand, demand-driven schemes require that greater effort be expended by administrators in project selection. Finally, demand-driven schemes may be inequitable where the poor have a lesser capacity than the non-poor to articulate their demands effectively. In contrast supply-driven schemes may be better targeted by SSN administrators at known pockets of poverty. As well, some types of projects -- especially those for which there is limited demand (such as sanitation projects in many countries) -- may be better served by supply-driven than demand-driven approaches. Demand-driven schemes should be accompanied by measures which enhance the capacity of the poor to formulate and present project proposals, and by selection procedures which discriminate in favour of projects presented by the poor.

(5) A common characteristic of many SSNs is that they are administered by bodies which are relatively autonomous from existing social ministries and other branches of government. An autonomous SSN administration, if well-financed and well-staffed, may allow an SSN to bypass many of the sources of bureaucracy and inefficiencies permeating the existing structure of governmental social service delivery. However, there is also reason for concern about this model of reform of the mechanisms of social service delivery. Autonomous SSNs may generate inefficiency in the patterns of social service delivery, through wasteful duplication of effort, or lack of coordination with line ministries. Secondly, it is possible that resources and effort directed toward autonomous SSN administrations occurs at the cost of the revitalization of existing social ministries, and thereby undermines their long-run sustainability. Autonomous SSNs are likely to generate the greatest efficiency disadvantages where existing social ministries are already fairly strong. In contrast, where existing social ministries are ineffective, autonomous SSNs can offer significant short-term gains and

even serve as a model or foundation for the ultimate renovation of existing social ministries.

(6) Recent SSNs have featured a number of managerial innovations. These include pay scales substantially above those in the national civil service, more flexible methods of recruitment, and extensive use of information technology. In addition, many “demand-driven” SSNs have used standard estimates of unit costs of goods and services procured, in order to assist the rapid assessment of proposed projects. Administrative costs of recent SSNs appear on the whole to have been relatively low, although this may be in part simply a reflection of their frequent reliance on external agencies for project design and execution.

The managerial innovations employed in recent SSNs merit serious consideration for broader use in social ministries. However, some of them (for example high salaries or formulaic project selection procedures) may not be sustainable or conducive to creating benefits of lasting value.

(7) There are a range of reasons to be seriously concerned as to whether recent SSN models are consistent with sustainable fulfilment of social objectives. Resources devoted to semi-autonomous SSNs may undermine the long-term effectiveness of existing social ministries. Projects financed by SSNs, while providing short-term benefits, may not generate lasting value unless specific measures are taken to ensure this. There is a need to take explicit account of the recurrent cost implications of projects, and ensure that administrative responsibility for these future costs is clearly established. SSNs may also not be a fully sustainable model of social protection and social service provision insofar as they have relied for their success upon specific and difficult to maintain conditions, such as heavy financing from external sources or privatization of state owned enterprises, high-level interest and commitment, high publicity, high salaries, and exemption from usual civil service procedures.

There is good reason for worry about each of these possible sustainability issues. However, appropriate measures can mitigate each of these concerns. In particular, new institutions should not automatically be preferred over old ones and considerably greater attention should be devoted to enhancing the long-term capacity, and flexibility, of existing social ministries, in part through many of the same managerial and technical innovations employed in recent SSNs.

Similarly, selection of projects which generates ongoing value, and explicit allocation of responsibility for recurrent costs, is feasible and desirable. If SSNs are to be not only compensatory measures but long-term instruments of social policy, then it may be desirable--with regard both to financial and political sustainability--that they should be financed nationally through stable measures such as earmarked taxes.

(8) Equity in access to the benefits delivered must be an overriding concern when evaluating and designing SSNs. In particular, it is of central importance to target available benefits to the poor by reaching as few unintended beneficiaries as possible (minimizing “errors of exclusion”) and reaching as many intended beneficiaries as possible (minimizing “errors of”). SSNs may seek to reach, in addition to the poor as such, the elderly, the disabled, children, and women. They may also seek to reach the “new poor” (those made poorer by recent events or policies), rather than the “old” (existing) poor.

This last choice is often driven in practice by political rather than equity considerations. The equity record of recent demand-driven SSNs is mixed. Evidence from some cases suggests that their beneficiaries have been moderately although not especially poor and have been often disproportionately male. Regional imbalance has also been a significant feature of a number of demand-driven schemes. Supply-driven SSNs -- especially employment generation schemes -- have sometimes been highly effective in reaching the poor, in part because of their sheer size, but also due to their ability to deliver a well-defined and modular benefit to a pre-identified beneficiary population. However, unless specifically designed to avoid them, supply-driven SSNs too can generate regional, gender and class biases. All varieties of SSNs face serious challenges in reaching the poor, although these may be partially ameliorated through the use of instruments such as “poverty maps” in conjunction with formalized “pro-poor” project selection procedures.

Finally, designing SSNs so as to further equity requires attention to long-run considerations of political sustainability including the direct interest of the non-poor in maintaining anti-poverty programmes, which creates an argument for weakly rather than strongly targeting programmes.

(9) Recent demand-driven SSNs have employed a variety of intermediary organisations to demand, design, and implement projects and deliver benefits, including community organisations, non-governmental and private voluntary organisations, municipalities, and private for-profit organisations. Although this approach has had notable success, there is also some reason for caution. In a number of cases, the participation of non-governmental agencies has been limited in significance or more formal than substantive. In other instances it has to a greater degree involved the devolution of responsibilities (through for example community co-financing of projects) than the devolution of authority, and has therefore been less than fully successful. Genuine attention to participation requires genuine devolution of authority as well as responsibility.

Greater participation can undoubtedly lead to enhanced equity, effectiveness, and sustainability. However, communities often “participate” in a manner which is weak and abstract. Participation is often inequitable both in the sense that it is not fully representative of a community, and that some communities (especially poorer ones) may have lesser ability to articulate their demands. Finally, the availability of funds often results in the proliferation of NGOs and “community organisations” of dubious authenticity.

Demand-driven SSNs should be expressly accompanied by measures designed to enhance the capacity of NGOs, and to ensure that they are representative of communities. A number of practical examples of such measures already exist, such as NGO forums which ensure mutual monitoring and certification.

Finally, where private contractors are employed in project execution, there is a need for appropriate monitoring and supervision to ensure that social objectives such as labour-intensive choice of technique are met. Even in these cases, there is a role for significant community participation in project design.

(10) Recent SSNs have had mixed consequences for women. Some programmes, such as Chile’s PEM and Zambia’s PUSH, have had women as their prime beneficiaries. Others, such as Bolivia’s ESF,

Chile's POJH, and Honduras's SIF, have benefited men disproportionately. Achieving gender equity in the design and implementation of SSNs requires attention to such factors as the form of benefits (for example, in cash vs. kind, or employment generation vs. service provision), and the nature of executing agencies (NGOs vs. private contractors).

(11) The political dimensions of SSNs have been of considerable importance. Many recent SSNs have been formulated with political objectives at the forefront. These include generating support for ruling interests, and building support more broadly for a programme of economic adjustment. As a result many have been specifically designed to be highly visible. Some recent SSNs, although "autonomous" from existing ministries, have not necessarily been autonomous from political interests. There is evidence that project selection in a number of instances SSNs, particularly of the demand-driven type, has been highly politicized, and often inequitable. There are, however, many notable exceptions which suggest that it is possible for SSNs to operate in a manner which is less expressly politicized, if they are specifically designed with this goal in mind.

More fundamentally, social funds can serve as a vehicle of political co-optation of independent NGOs and community organisations or alternatively as the basis for the development of a more vibrant and potentially independent "civil society". Appropriate design and management of social funds can facilitate the latter.

(12) The links between SSNs and the macro-economy should also be considered in design and implementation. Where SSNs are large they can have consequences for fiscal deficits, external debt, and the level of wages and prices. In turn, the value of SSN benefits over time can be eroded by inflation. This possibility should explicitly be addressed in the design of SSNs which are intended to be sizable or to exist over a long period. More generally, there is a need to ensure that the fulfilment of social objectives, whether through SSNs or other means, is included at the centre of the process of economic planning and management, rather than as an afterthought or purely "compensatory" device.

These conclusions underline that the design of social safety nets so as to fulfill social objectives effectively, efficiently, and equitably is a complex exercise. Recent SSNs in developing countries have been neither universally outstanding successes nor outstanding failures. Their significance is that they suggest that a range of social policy innovations are still possible and necessary, if goals of social protection are to be fully achieved.

Recent SSNs have not by themselves been large enough or effective enough to serve as the "answer" to the social costs of adjustment or economic crisis. They should not therefore be advertised as such. Similarly, recent SSNs are not also a "model" for the wholesale restructuring and revitalization of existing social ministries. Social ministries have much broader, long-range tasks which require specific attention and alternative approaches. Nevertheless, there are important lessons to be learnt by existing social ministries from recent SSNs in relation to improved management techniques and practices, and the possibility of centrally involving communities in the design and management of projects intended to affect their lives, so that they may go from being "target populations" to being empowered citizens.

Recent SSN innovations are not a panacea. They do, however, add to the repertoire of social

policy innovations which can be used judiciously to further economic empowerment and social equity.

## REFERENCES

- Addison, T. (1993), "A Review of the World Bank's Efforts to Assist African Governments in Reducing Poverty". Education and Social Policy Department Discussion Paper Series No. 10. (Washington, D.C.: The World Bank). (20).
- Ahmad, E. (1993), "Protecting the Vulnerable: Social Security and Public Policy" In: *Including the Poor: Proceedings of a Symposium Organized by the World Bank and the International Food Policy Research Institute*. M. Lipton and J. Van Der Gaag, eds. World Bank Regional and Sectoral Studies. (Washington, D.C.: The World Bank). (December).
- Awoonor-Williams, M. et al. (1994), "The Pattern of Poverty in Ghana, 1988-1992". Revised Draft. (Accra: Ghana Statistical Service).
- Batley, R. (1994), "The Consolidation of Adjustment: Implications for Public Administration". *Public Administration and Development: 14: 489-505. (17)*
- Beneria, L. and Mendoza, B. (1995), "Structural Adjustment and Social Emergency Funds: The Cases of Honduras, Mexico and Nicaragua". *The European Journal of Development Research: 7 (1): 53-76. (53)*.
- Bernstein, B. and Boughton, J.M. (1993), "Adjusting to Development: The IMF and the Poor". IMF Paper on Policy Analysis and Assessment. Secretary's Department. (Washington, D.C.: International Monetary Fund). (18)
- Besley, T. and R. Kanbur (1988), "Food Subsidies and Poverty Alleviation", *Economic Journal*, Sept. 1988. vol. 98.
- Blanchard, O., Commander, S. and Coricelli, F. (1994), "Unemployment in Eastern Europe". *Finance and Development: 3 1(4):6-9. (50)*.
- Burt, J.-M. (1996), "Local NGOs in Peru Devise Alternative Anti-Poverty Program". In: *NACLA: Report on the Americas: 29(6):p.34-36*.
- Carvalho, S. (1994), "Social Funds: Guidelines for Design and Implementation", Human Capital Development Working Paper (HROWP 34), The World Bank, Washington, D.C.
- Chatterjee, M. (1993), "Health for Too Many: India's Experiments with Truth". In: *Reaching Health for All*. J. Rohde, M. Chatterjee and D. Morley, Eds. (New Delhi: Oxford University Press).
- Chia, N.-C., Wahba, S.M. and Whalley, J. (1992), *A General Equilibrium-Based Social Policy Model for Côte d'Ivoire*. Poverty and Social Policy Series. Policy Analysis Paper No. 2. (Washington, D.C.: The World Bank).
- Chu, K.-Y. and Gupta, S. (1993), "Protecting the Poor: Social Safety Nets During Transition". *Finance & Development: June: 24-27. (6)*

- Cornelius, W.Z., Craig, A.L. and Fox, J., eds. (1994), *Transforming State-Society Relations in Mexico: The National Solidarity Strategy*. Center for U.S.-Mexican Studies. (San Diego, CA: University of California). (84).
- Cornia, G.A. (1991), "Economic Reforms and Child Welfare: In Pursuit of Adequate Safety Nets for Children". In: *Children and the Transition to the Market Economy: Safety Nets and Social Policies in Central and Eastern Europe*. G.A. Cornia and S. Sipos, eds. A Study by UNICEF. (Aldershot, UK: Avebury Publishing Group).
- and Stewart, F. (1990), "The Fiscal System, Adjustment and the Poor". Innocenti Occasional Papers No. 11. Special Subseries: Fiscal Policy and the Poor. UNICEF International Child Development Centre. (Florence: Spedale degli Innocenti).
- \_\_\_\_\_ and Sipos, S., eds. (1991), *Children and the Transition to the Market Economy: Safety Nets and Social Policies in Central and Eastern Europe*. A Study by UNICEF. (Aldershot, UK: Avebury Publishing Group). (30)
- Datt, G. and Ravallion, M. (1994), *Income Gains for the Poor from Public World Employment: Evidence from Two Indian Villages*. The Living Standards Measurement Study Working Paper No. 100. (Washington, D.C.:The World Bank).
- Dayton, J. et al. (1993), "Country Policies for Poverty Reduction: A Review of Poverty Assessments". Education and Social Policy Department Discussion Paper Series No. 15. (Washington, D.C.: The World Bank). (21)
- Delaine, G., et al. (1992), *The Social Dimensions of Adjustment Integrated Survey: A Survey to Measure Poverty and Understand the Effects of Policy Change on Households*. World Paper No. 14. Special Subseries: Surveys and Statistics. (Washington, D.C.: The World Bank).
- Drèze, J. and Sen, A. (1989), *Hunger and Public Action*. WIDER Studies in Development Economics. (Oxford: Clarendon Paperbacks).
- Ebel, B. (1991), "Patterns of Government Expenditure in Developing Countries During the 1980s: The Impact on Social Services". Innocenti Occasional Papers Economic Policy Series, No. 18. Special Subseries: Fiscal Policy and the Poor. UNICEF International Child Development Centre. (Florence: Spedale degli Innocenti).
- ECLAC (1992), "Anti-Poverty Activities of the Governments of Latin America and the Caribbean". Background document for the Third Regional Conference on Poverty in Latin America and the Caribbean, Santiago, Chile, 23-25 November 1992. LC/L.713(Conf.82/5). 21 October 1992. ( New York: United Nations Economic Commission for Latin America and the Caribbean). (76).
- \_\_\_\_\_ (1992), "Apoyo a la Productividad de los Poblres Rurales: Nuevas Experiencias en America Latina y el Caribe. El cambate a la pobreza rural a través del apoyo a la produccidn en Mexico." Preparado por la señora Rosa Elena Montes de Oca L., consultora de la Division de Desarrollo Social de la CEPAL, dentro del marco des proyecto PNUD/CEPAL de apoyo a la prparación de la Tercera Conferencia Regional sobre la Pobreza en America Latina y el Caribe (Santiago de Chile, 23-25 de

- \_\_\_\_\_(1995), "Adjusting to the Social Costs of Adjustment in Ghana: Problems and Prospects." *The European Journal of Development Research*: 7 (1): 77-100. (53).
- Goodman, M. et al (1997), "Social Investment Funds in Latin America: Past Performance and Future Role", Inter-American Development Bank, Washington, D.C.
- Government of Ghana (1994), "National Development Policy Framework" Vol. I. Long-Term Development Objectives. Draft text. (Accra: National Development Planning Commission).
- Government of Malawi (1994a), "Project Concept Document (PCD)". Draft . Malawi Social Action Fund (MASAF). Poverty Alleviation and Social Welfare Section. (Lilongwe: Ministry of Economic Planning and Development). (11)
- (1994b), "Project Operational Manual". Draft. Malawi Social Action Fund (MASAF). Poverty Alleviation and Social Welfare Section. (Lilongwe: Ministry of Economic Planning and Development). (10)
- \_\_\_\_\_(1994c), "The Public Sector investment Programme (PSIP): 1995/96 Financial Year." (Lilongwe: Ministry of Economic Planning and Development). (12)
- Government of Panama/UNICEF/United Nations (1994), "Methodología Para la Medición del Gasto Social en Panamá" Documento de Trabajo, No.35. (Panama: Ministerio de Planificación y Política Económica).
- Graham, C. (1992), "The Politics of Protecting the Poor During Adjustment: Bolivia's Emergency Social Fund". *World Development*: 20(9): 1233-1251.
- \_\_\_\_\_(1994a), "Comparing Experiences with Safety Nets During Market Transitions? New Coalitions for Reform? Latin America, Africa, Eastern Europe". Paper presented to the United Nations Research Institute for Social Development, Programme on Economic Restructuring and New Social Policies. (Washington, D.C.: The Brookings Institute).
- (1994b), "Safety Nets and Market Transitions: What Poland Can Learn from Latin America", *Brookings Review*: 12 (1):37-39. (77)
- \_\_\_\_\_(1994c), *Safety Nets, Politics, and the Poor: Transition to Market Economies*. (Washington, D.C.: The Brookings Institute). (58).
- \_\_\_\_\_(1996), *Gender Issues in poverty Alleviation: Recent Experiences with Demand-based Programs in Latin America, Africa and Eastern Europe*. Issues in Development. Discussion Paper No. 11. Development and Technical Cooperation Department. (Geneva: International Labour Office). (8).
- Grinspun, A.J. (1995), Social Funds: Fertile Ground for South-South Cooperation. In: *Cooperation South*, May. (1)
- Grootaert, C. and Marchant, T. (1991), *The Social Dimensions of Adjustment Priority Survey: An*

*Instrument for the Rapid Identification and Monitoring of Policy Target Groups. Social Dimensions of Adjustment in sub-Saharan Africa. Working Paper No.12. Special Subseries: Surveys and Statistics. (Washington, D.C.: The World Bank).*

Grosh, M.E. (1990), "What Should Social Funds Finance?: Portfolio Mix, Targeting, and Efficiency Criteria". View from LATHR No.3. Human Resource Division, Technical Department, Latin America and Caribbean. (Washington, D.C.: The World Bank). (39)

Guhan, S. (1988), "Aid for the poor: Performance and Possibilities in India". In: *Strengthening the Poor: What Have We Learned?*, J.P. Lewis et al. (New Brunswick, MA and Oxford, UK: Transaction Books). (22)

\_\_\_\_\_(1994), "Social Security Options for Developing Countries", *International Labour Review*, 133(1):35-52. (60)

Gupta, S. and Nashashibi (1990), "Poverty Concerns in Fund-Supported Programs". *Finance & Development*: September. (63).

Gupta, S. and Hagemann, R. (1994), "Social Protection During Russia's Economic Transformation". *Finance and Development*: 31(4):14-17. (50).

Hardy, D.C. (1991), "Soft Budget Constraints, Firm Commitments and the Social Safety Net". IMF Working Paper. International Monetary Fund European Department. (Washington, D.C.: International Monetary Fund). (47).

Harriss-White, B. (1995), "Economic Restructuring: State, Market, Collective and Household Action India's Social Sector." *The European Journal of Development Research*: 7 (1): 124-147. (53).

Harrold, P. and Associates. (1995), *The Broad Sector Approach to Investment Lending: Sector Investment Programs*. World Bank Discussion Papers No. 302. Africa Technical Department Series. (Washington, D.C.: The World Bank).

Holland, J. (1994), "Urban Poverty and Sustainable Growth Under Structural Adjustment : Kingston, Jamaica". *Journal of International Development*: 6(5):645-654. (2)

Hopwood, I. (1994), "World Bank-UNICEF Collaboration in the Field". (New York: UNICEF).

ILO(1988), *Empleos de Emergencia*. (Geneva: International Labour Organisation).

\_\_\_\_\_(1992), *Stabilisation, Structural Adjustment and Social Policies in Costa Rica: the Role of Compensatory Programmes*. Occasional Paper No. 1. Interdepartmental Project on Structural Adjustment (Geneva: International Labour Organisation). (43).

(1993a), *Structural Change and Adjustment in Zimbabwe*. Occasional Paper No. 16. Interdepartmental Project on Structural Adjustment. (Geneva: International Labour Office).

(1993b), *World Labour Report*. (Geneva: International Labour Organisation). (67)

noviembre de 1992). LC/L.711(Conf.82/2) Add.4. 1° de octubre. (New York: United Nations Commission for Latin America and the Caribbean).

\_\_\_\_\_ (1992), “Focalización y Pobreza: Nuevas Tendencias en la Política Social: Fondo Social de Emergencia (ESE) y Fondo de Inversión Social (FIS): dos experiencias de focalización en Bolivia.” Preparado por el señor Armando Godínez, consultor de la División de Desarrollo Social de la CEPAL, dentro del marco del proyecto PNUD/CEPAL de apoyo a la preparación de la Tercera Conferencia Regional sobre la Pobreza en América Latina y el Caribe (Santiago de Chile, 23-25 de noviembre de 1992). LC/L.714(Conf.82/3) Add.1. 1° de octubre. (New York: United Nations Commission for Latin America and the Caribbean).

(1992), “Pobres Urbanos Y Productividad: Claves de Intervención: Capacitación para el empleo en la juventud popular urbana. Aporte y potencial de la oferta pública en Chile”. Preparado por el señor Ricardo Sánchez, consultor de la División de Desarrollo Social de la CEPAL, dentro del marco del proyecto PNUD/CEPAL de apoyo de la preparación de la Tercera Conferencia Regional sobre la pobreza en América Latina y el Caribe. Santiago de Chile, 23-25 de noviembre de 1992) LC/L/715(Conf.82/4) Add.2.1° de octubre. (New York: United Nations Economic Commission for Latin America and the Caribbean).

B\_a (1992), “Targeting and Poverty: New Trends in Social Policy”. t f o r t h e Third Regional Conference on Poverty in Latin America and the Caribbean, Santiago, Chile, 23-25 November 1992. LC/L.714(Conf.82/3). 21 October 1992. ( New York: United Nations Economic Commission for Latin America and the Caribbean). (80)

Edwards, S. (1995), *Crisis and Reform in Latin America: From Despair to Hope*. A World Bank Book. (New York: Oxford University Press).(34)

Egger, P. (1992), “Rural Organizations and Infrastructure Projects: Social Investment Comes Before Material Investment”, *International Labour Review*: 13 1( 1): 45-61.

Engebak, P. (1994), “UNICEF at the Crossroads: Post World Summit Perspectives”. (Guatemala City: UNICEF).(9)

Fergany, N. (1994), “On the Impact of Economic Restructuring on Human Development and Proposed Strategies to Alleviate Poverty: The Case of Egypt”, UNRISD, Geneva, Mimeograph.

Fessenden, A. (1993), “Two CDIE Studies Evaluate Compensatory and Social Safety Net Programs”. Development Experience Review. A. I.D. *Evaluation News: A Newsletter on Recent Evaluation Findings and Methods*: 5( 1): 1-5. (Arlington, VA: US Agency for International Development).

Fox, J. W. (1995), “What Do We Know About World Poverty?” USAID Evaluation Special Study No. 74. Center for Development Information and Evaluation. (Arlington, VA: U.S.Agency for International Development). (19)

Gayi, S.K. (1991), “Adjustment and ‘Safety-Netting’: Ghana’s Programme of Actions to Mitigate the Social Costs of Adjustment (PAMSCAD). *Journal of International Development*: 3 (5):557-564. (48.5)

- Inter-American Development Bank (1996), "Sector Summary: Evaluation of Social Investment Funds", mimeographed, Washington D.C.
- Isard, P., Mathiesen, D.J., and Rojas- Suárez, L. (1992), "A Framework for the Analysis of Financial Reforms and the Cost of Official Safety Nets". IMF Working Paper. International Monetary Fund European Department. (Washington, D.C.: International Monetary Fund). (46)
- Jayarajah, C., Branson, W., and Sen, B. (1996), *Social Dimensions of Adjustment: World Bank Experience, 1980-93*. A World Bank Operations Evaluation Study. (Washington, D.C.: The World Bank). (26)
- Jolly, R. (1988), "Poverty and Adjustment in the 1990s". In: *Strengthening the Poor: What Have We Learned?*, J.P. Lewis et al. (New Brunswick, MA and Oxford, UK: Transaction Books). (54)
- Jolly, R. (1989), Memorandum to Rolph van der Hoeven. Re: Ghana PAMSCAD and adjustment issues. Dated 5 December. (75)
- Jolly, R. and Van der Hoeven, R. (1989), "Protecting the Poor and Vulnerable During Adjustment: The Case of Ghana". Preliminary Version. (74)
- Jorgensen, S. Grosh, M. And Schacter, M. (1992), *Bolivia's Answer to Poverty, Economic Crisis, and Adjustment: The Emergency Social Fund*. World Bank Regional and Sectoral Studies. (Washington, D.C.: The World Bank).
- Killick, T. (1994), "Effects on Poverty Alleviation of Structural Adjustment Programmes, Job Creation Policies and Means for the Participation of Small Scale and Micro-Enterprises in International Trade: Structural Adjustment and Poverty Alleviation". UNCTAD/PA/7, 18 May. Standing Committee on Poverty Alleviation. (New York: United Nations). (69)
- \_\_\_\_\_(1995), "Structural Adjustment and Poverty Alleviation: An Interpretative Survey". *Development and Change*: 26(2):305-327. (5)
- Kingsbury, D. (1994a), "Compensatory Social Programs and Structural Adjustment: A Review of Experience". A.I.D. Evaluation Special Study No. 72. (Arlington, VA: US Agency for International Development). (5 1)
- \_\_\_\_\_(1994b), "Programs for Mitigating Adverse Social Impacts During Adjustment: The A.I.D. Experience". A.I.D. Evaluation Special Study No. 73. Center for Development Information and Evaluation. (Arlington, VA: US Agency for International Development).
- Kopits, G. (1993), "Reforming Social Security Systems". *Finance & Development*: June: 21-23. (3)
- Korboe, D. (1995), "Extended Poverty Study (PPA Phase 3): Access and utilisation of Basic Social Services by the Poor in Ghana". Report commissioned by UNICEF under Phase 3 of the Ghana Participatory poverty Assessment series. Prepared in association with Centre for the Development of People (CEDEP) with additional material from Andy Norton. (Kumasi, Ghana: UNICEF).

- Levinson, F.J. (1991), *Addressing Malnutrition in Africa: Low-Cost Program Possibilities for Government Agencies and Donors*. Working Paper No. 13. Special Subseries: Program Design and Implementation. (Washington, D.C.: The World Bank).
- Lipton, M. and Van Der Gaag, J., eds. (1993), *Including the Poor: Proceedings of a Symposium Organized by the World Bank and the International Food Policy Research Institute*. World Bank Regional and Sectoral Studies. (Washington, D.C.: The World Bank).
- Lodh, B.K. (1995), "Poverty Alleviation in Malawi: Problems and Prospects". Executive Summary and Report. (Lilongwe: Malawi Institute of Management). (16) (17)
- Mackintosh, J. (1995), "Competition and Contracting in Selective Social Provisioning". *The European Journal of Development Research*: 7 (1):26-52. (53).
- Malloy, J. (1979), *The Politics of Social Security in Brazil*. Pittsburgh: Univ. Of Pittsburgh Press, 1979.
- Maret, X. And Schwartz, G. (1993), "Poland: The Social Safety Net During the Transition". IMF Working Paper. Fiscal Affairs Department. May. (Washington, D.C.: International Monetary Fund). (24)
- Martin, M. (n.d.), "Neither Phoenix Nor Icarus". In: *Hemmed In: Responses to Africa's Economic Decline*. T.M. Callaghy and J. Ravenhill, eds. (New York: Columbia University Press). (78).
- Mathur, A. (1993), "The Experience of Consultation During Structural Adjustment in India (1990-92)". *International Labour Review*: 132 (3):331-345. (49)
- McGreevey, W. (1993), Book review of G.A. Cornia and S. Sipos (Eds.) *Children and the Transition to the Market Economy: Safety Nets and Social Policies in Central and Eastern Europe*, in *Population and Development Review*, vol. 19, no. 9.
- Mhone, G.C. (1995), "The Social Dimensions of Adjustment (SDA) Programme in Zimbabwe: A Critical Review and Assessment." *The European Journal of Development Research*: 7 (1): 101- 123 (53).
- Morgan, R. (1994), "Safety Nets, Targeting and Poverty-Oriented Development Planning: Some Considerations (with reference to Eastern and Southern Africa)". Background Discussion paper for World Bank/EDI Regional Workshop on Integration of Poverty Alleviation Strategies into Economic Policies, Blantyre, Malawi. July. (Nairobi: UNICEF Eastern and Southern African Regional Office). (14)
- \_\_\_\_\_(1996), "Public Safety Nets, Social Welfare, Human Development and Empowerment: Some Approaches and Experience in Eastern and Southern Africa". ESAR ESP Occasional Paper No. Paper for the ESAR Economic and Social Policy Network. (Nairobi: UNICEF Eastern and Southern African Regional Office).
- Moser, C.O. (1996), *Confronting Crisis: A Comparative Study of Household Responses to Poverty*

and

*Vulnerability in Four Poor Urban Communities*. (Washington, D.C.: The World Bank).

Nelson, J.M., ed. (1990), *Economic Crisis and Policy Choice: The Politics of Adjustment in the Third World*. (Princeton, NJ: Princeton University Press). (33)

Nelson, J.M. et al. (1989), *Fragile Coalitions: The Politics of Economic Adjustment*. U.S.-Third World Policy Perspectives, No. 12. Overseas Development Council. (New Brunswick, NJ: Transaction Books).

Newman, J., Jorgensen, S. and Pradhan, M. (1991), "How Did Workers Benefit from Bolivia's Emergency Social Fund?" *The World Bank Economic Review*: 5 (2): 367-393.

Nigam, A. (1993), "Visit to Sri Lanka for NPA Support, 8-19 March". Trip Report. (New York: UNICEF). (13)

Paull, G. (1991), "Poverty Alleviation and Social Safety Net Schemes for Economies in Transition". IMF Working Paper. International Monetary Fund Research Department. (Washington, D.C.: International Monetary Fund). (48)

Rakodi, C. (1994), "Urban Poverty in Zimbabwe: Post-Independence Efforts, Household Strategies and the Short-Term Impact of Structural Adjustment," *Journal of International Development*: 6(5):655-663. (56).

Ramachandran, V.K. (1996), "Kerala", in J.Dreze and A.Sen (ed.), *India: Economic Development and Social Opportunity, Vol. II: Selected Regional Perspectives*, Oxford: Clarendon Press.

Ribe, H. and Carvalho, S. (1990a), "World Bank Treatment of the Social Impact of Adjustment Programs". Policy, Research and External Affairs, Working Papers Series No. 521. Special Subseries: Review and Analysis. (Washington, D.C.: The World Bank). (October) (35).

\_\_\_\_\_(1990b), "Adjustment and the Poor: Experience from the Bank's Lending for Structural Reforms". *Finance & Development*: September. (65).

Ribe, H. et al. (1990), *How Adjustment Programs Can Help the Poor: the World Bank's Experience*. World Bank Discussion Paper No.71. (Washington, D.C.: The World Bank). (82).

Rodrik, D. (1990), "How Should Structural Adjustment Programs be Designed?", *World Development*: 18(7):933-947. (27)

Sala-I-Martin, X. (1996), "Transfer, Social Safety Nets, and Economic Growth". IMF Working Paper. International Monetary Fund Research Department. (Washington, D.C.: International Monetary Fund). (45).

Saleh, T.(PAMSCAD Officer/ Economist) (1990), Memorandum to Rolph van der Hoeven, Senior Planning Officer, Planning Division, NYHQ. Dated September 21, 1990. (New York: UNICEF).

- Salmen, L.F. (1992), *Reducing Poverty: An Institutional Perspective*. Poverty and Social Policy Series Paper No. 1. Special Subseries: Program Design and Implementation. (Washington, D.C.: The World Bank).
- Sen, A. (1993), *Inequality Reexamined*, Oxford: Clarendon Press.
- Sen, A. (1994) "The Political Economy of Targeting", Annual Bank Conference on Development Economics, The World Bank, Washington, D.C., mimeograph.
- Siri, G. (1996), "Los Fondos de Inversion Social en America Latina". *Revista de la Cepal*: 59: 72-8 1.
- Sollis, P. (1992), "Multilateral Agencies, NGOs, and Policy Reform". *Development in Practice*: 2 (3):163-178. (7)
- Stahl, K. (1996), "Anti-Poverty Programs: Making Structural Adjustment More Palatable". In: *NACLA: Report on the Americas*: 29(6):p.32-34. (70).
- Stewart, F. and van der Geest, W. (1995), *Adjustment and Social Funds: Political Panacea or Effective Poverty Reduction?* Employment Papers No. 2. Employment Department (Geneva: International Labour Office).
- Subbarao, K., Ahmed, A.U. and Teklu, T. (1996), *Selected Social Safety Net Programs in the Philippines: Targeting, Cost-Effectiveness, and Options for Reform*. World Bank Discussion Papers No. 317. (Washington, D.C.: The World Bank). (January). (57).
- Ul-Haq, Mahbub (1993), "Political Systems and Poverty". In: *Social Reform and Poverty: Toward a Comprehensive Agenda for Development*. Proceedings of the Forum on Social Reform and Poverty (Washington, D.C.: Inter-American Development Bank/New York: United Nations Development Programme). (66).
- UNCTAD (1993), "Recent Developments in Social Funds and Safety Nets: Background Note by the UNCTAD Secretariat." UNCTAD/PA/2. Standing Committee on Poverty Alleviation. Intergovernmental Group of Experts on Poverty Alleviation, Geneva, 24 January 1994. Item 3 of the Provisional Agenda. (New York: United Nations). (68)
- UNDP (1990), "Aiming for 'High Quality Growth'". *Finance & Development*: September. (62).
- (1993), "Mexico: A Forward-looking Partner in TCDC". *Cooperation South*: November, Sharing Innovative Capacities. (83).
- UNICEF (n.d.), "Ghana: Adjustment Policies and Programmes to Protect Children and other Vulnerable Groups". (Accra: UNICEF). (79)
- Van der Hoeven, R. and Anker, R. (1994), *Poverty Monitoring: An International Concern*. (New York: St. Martin's Press). (59)
- Van der Hoeven and Stewart, F. (1994), *Social Development During Periods of Structural Adjustment*

*in Latin America*. Occasional Paper 18. Interdepartmental Project on Structural Adjustment. (Geneva: International Labour Office). (25)

Van Dijk, M.P. (1992), "Socio-economic Development Funds to Mitigate the Social Costs of Adjustment: Experiences in Three Countries". *The European Journal of Development Research: 4* (1):97-111. (37)

Van de Walle, D. (1990), "Policies for Reducing Poverty". *Finance & Development: September*. (61).

Vandemoortele, J. (1995), Memorandum to Mr. Turhan Saleh, UNICEF Asmara. Re: Proposed Study of PAMSCAD. Dated 19 September 1995. OSPEA 95-528. (New York: UNICEF).

\_\_\_\_\_(1996), "Instruments and Indicators for Poverty Monitoring". CCPOQ Brainstorming Workshop on Poverty Eradication, Turin, 21-23 February . (New York: UNICEF). (40)

Vivian, J. (1994), *Social Safety Nets and Adjustment in Developing Countries*. Occasional Paper No. 1. World Summit for Social Development. (Geneva: United Nations Research Institute for Social Development).

\_\_\_\_\_(1995), "How Safe Are 'Social Safety Nets' ? Adjustment and Social Sector Restructuring in Developing Countries". *The European Journal of Development Research: 7* (1):1-26. (53)

Walton, M. (1990), "Combating Poverty: Experience and Prospects". *Finance & Development: September*. (64).

Weyland, K. (1997), "Social Investment Funds in Latin America: Promise and Problems", mimeograph, UNDP/HIID Conference on Social Policy, Poverty Alleviation and Governance, Harvard Univ., Nov. 12-14, Cambridge, MA.

WFC (1990), "Agenda Item 2: Agency Experiences with Adjustment, Food Security and Nutrition in Ghana: Lessons for the Future." WFC/UNICEF/ILO Informal Group on the Impact of Economic Adjustment on Food Security and Nutrition. Fourth Meeting: Rome, 29 January 1990. (Rome: World Food Council).

Whitehead, C. (1995), "Emergency Social Funds: the Experience of Bolivia and Peru." *Development in Practice: 5*(1): 53-57. (4)

World Bank (1987), *Protecting the Poor during Periods of Adjustment. No. 13* . Development Committee. No. 13. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1990a), "Bolivia: Social Investment Fund Project". Staff Appraisal Report No. 8248-BO. Human Resources Division, Country Department III, Latin America and the Caribbean Regional Office. March 26. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1990b), *Making Adjustment Work for the Poor: A Framework for Policy Reform in Africa*. A World Bank Study. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1990c), *Primary Education*. A World Bank Policy Paper. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1990d), *World Development Report 1990: Poverty*. World Development Indicators. Published for the World Bank (New York.: Oxford University Press). (71)

\_\_\_\_\_(1990e), “Socio-Economic Development Funds: An Operational Guideline”, mimeograph.

(1991), “Zambia: Social Recovery Project”. Staff Appraisal Report No. 9471-ZA. Population and Human Resources, Southern Africa Department. May 21. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1992a), *Fondos y Programas de Compensación Social: Experiencias en América Latina y el Caribe*. Serie Salud en el Desarrollo. Programa de Desarrollo de Políticas de Salud. (Washington, D.C.: Panamerican Health Organization/ World Health Organization).

\_\_\_\_\_(1992b), *Namibia: Poverty Alleviation with Sustainable Growth*. A World Bank Country Study. (Washington, D.C.: The World Bank). (August).

(1992c), *Poland. Income Support and the Social Safety Net: Policies for the Transition*. Report No. 9661 -POL. Human Resources Operations Division, Country Department II, Europe and Central Asia Region. June 17.(Washington, D.C.: The World Bank).

(1992d), *Poverty Reduction Handbook*. (Washington, D.C.: The World Bank). (85.)

\_\_\_\_\_(1992e), “Rwanda: Food Security and Social Action Project”. Staff Appraisal Report No. 10373-RW. Population and Human Resources Operation Division, South Central and Indian Ocean Department, Africa Region. May 26. (Washington, D.C.: The World Bank).

(1992f), *World Development Report 1992: Development and the Environment*. World Development Indicators. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1993a), “Democratic Republic of Madagascar: Food Security and Nutrition Project”. Staff Appraisal Report. Population and Human Resources Division, Department III, Africa Region. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1993b), “Indonesia: Public Expenditures, Prices and the Poor”. Report No. 11293-IND. Indonesia Resident Mission, Country Department III, East Asia and Pacific Region. August 3 1. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1993c), “Peru: Poverty Assessment and Social Policies and Programs for the Poor”. Report No. 11191-PE. Human Resources Division, Country Department I, Latin America and the Caribbean Region. May 5. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1993d), “Peru: Social Development and Compensation Fund (Foncodes) Project”. Staff Appraisal Report No. 12245-PE. Latin America and The Caribbean Regional Office, Human Resources Operations Division, Country Department I. November 16. (Washington, D.C.: The World Bank).

- \_\_\_\_\_(1993e), *Ukraine: The Social Sectors during Transition*. A World Bank Country Study. (Washington, D.C.: The World Bank). (August).
- (1994a), "Ecuador. Third Social Development Project: Social Investment Fund". Staff Appraisal Report No. 12436-EC. Human Resources Operations Division, Country Department IV, Latin America and the Caribbean Regional Office. January 26. (Washington, D.C.: The World Bank).
- \_\_\_\_\_(1994b), "El Salvador: The Challenge of Poverty Alleviation". Report No. 123 15-ES. Country Department II. Human Resources Operations Division, Latin America and the Caribbean Regional Office. June 9. (Washington, D.C.: The World Bank).
- \_\_\_\_\_(1994c), "Guyana: Strategies for Reducing Poverty". Report No. 12861-GUA. Country Department III, Country Operations Division 2, Latin America and the Caribbean Region. May 6. (Washington, D.C.: The World Bank).
- \_\_\_\_\_(1994d), "India: Andhra Pradesh First Referral Health System Project". Staff Appraisal Report No. 13402-IN. South Asia Country Department II (India), Population and Human Resources Operations Division. November 2. (Washington, D.C.: The World Bank).
- (1994e), "Islamic Republic of Pakistan: Social Action Program Project". Staff Appraisal Report No. 12588-PAK. Country Department III, Population and Human Resources Division, and South Asia Region. March 8. (Washington, D.C.: The World Bank).
- \_\_\_\_\_(1994f), "Kyrgyz Republic: Social Safety Net Project". Staff Appraisal Report no. 12986-KG. Country Department III, Europe and Central Asia Regional Office. June 13. (Washington, D.C.: The World Bank).
- (1994g), "Nicaragua. Poverty Profile: Preliminary Findings of the 1993 Living Standard Measurement Survey". Prepared for Consultative Group Meeting for Nicaragua, Paris, June 16, 1994. Human Resources Operations Division. Country Department II. Latin America and the Caribbean. (Washington, D.C.: The World Bank).
- (1994h), "Paraguay. Poverty and the Social Sectors in Paraguay: A Poverty Assessment". Report No. 12293-PA. Country Operations Division, Country Department IV, Latin America and the Caribbean Regional Office. June 29. (Washington, D.C.: The World Bank).
- \_\_\_\_\_(1994i), "Republic of Guinea: Equity and School Improvement Project". Staff Appraisal Report No. 13472-GUI. Population and Human Resources Operations Division, Western Africa Department, Africa Region. April 7. (Washington, D.C.: The World Bank).
- (1994j), *Turkmenistan*. A World Bank Country Study. (Washington, D.C.: The World Bank). (May)
- \_\_\_\_\_(1995a), "Cambodia: Social Fund Project". Staff Appraisal Report no. 14010-KH. Human Resources Operations Division, Country Department I, East Asia and Pacific Region. May 11. (Washington, D.C.: The World Bank).

(1995b), “Ghana. Growth, Private Sector, and Poverty Reduction: A Country Economic Memorandum”. Report No. 1411 I-GH. Country Operations Division, West Central Africa Department. May 15. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1995c), “Honduras: Third Social Investment Fund Project (FHIS Second Stage)”. Staff Appraisal Report no. 1418 1 -HO. Country Department II, Human Resources Operations Division, Latin America and the Caribbean Regional Office. June 16. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1995d), “Republic of Angola: Social Action Project”. Staff Appraisal Report no. 14822-ANG. Human Resources Operations Division, Southern Africa Department, Africa Region. November 28. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1995e), “Republic of Madagascar: Social Fund II Project”. Staff Appraisal Report No. 14489-MAG. Population and Human Resources Division, Central Africa and Indian ocean Department, Africa Region. August 15. (Washington, D.C.: The World Bank).

(1995f), “Republic of Zambia: Second Social Recovery Project”. Staff Appraisal Report no. 14329-ZA. Human Resources Operations Division, Southern Africa Department, Africa Regional Office. June 5. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1995g), “Structural Adjustment and the Poor,” *OED Précis:96: October* (Washington, D.C.: Operations Evaluation Department, The World Bank). (31)

\_\_\_\_\_(1995h), “The Social Impact of Adjustment Operations: An Overview”. Operations Evaluation Department. Report No. 14776. June 30. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1995i), *Understanding Poverty in Poland*. A World Bank Country Study. (Washington, D.C.: The World Bank). (July).

(1996a), “Arab Republic of Egypt: Second Social Fund Project”. Staff Appraisal Report No. 15267-EGT. Human Resources Division, Middle East Department, Middle East and North Africa Region. April 25. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1996b), “China: Animal Feed Project”. Staff Appraisal Report no. 14492-CHA. Rural and Social Development Operations Division, China and Mongolia Department, East Asia and Pacific Regional Office. March 14. (Washington, D.C.: The World Bank).

(1996c), *Hungary: Poverty and Social Transfers*. A World Bank Country Study. (Washington, D.C.: The World Bank). (May).

\_\_\_\_\_(1996d), “Malawi: Social Action Fund Project”. Staff Appraisal Report No. 15345-MAI. Human Resources Division, Southern Africa Department. April 12. (Washington, D.C.: The World Bank).

(1996e), “Peru: Second Social Development and Compensation Fund Project”. Staff Appraisal Report No. 15497-PE. Country Department III, Human and Social Capital Development Group, Latin American and the Caribbean Region. June 24. (Washington, D.C.: The World Bank).

(1996f), "Russian Federation: Community Social Infrastructure Project". Staff Appraisal Report no 14977-RU. Human Resources Division, Country Department III, Europe and Central Asia Region. April 2. (Washington, D.C.: The World Bank).

\_\_\_\_\_(1997), "Portfolio Improvement Program: Review of the Social Funds Portfolio", The World Bank, Washington D.C.

Wurgaft, J. (1992), "Social Investment Funds and Economic Restructuring in Latin America". *International Labour Review*: 13 1 (1): 35-44.

Zám, M. (1991), "Economic Reforms and Safety Nets in Hungary: Limits to Protection". In: *Children and the Transition to the Market Economy: Safety Nets and Social Policies in Central and Eastern Europe*. G.A. Cornia and S. Sipos, eds. A Study by UNICEF. (Aldershot, UK: Avebury Publishing Group).

Zuckerman, E. (1989), *Adjustment Programs and Social Welfare*. World Bank Discussion Paper No. 44. (Washington, D.C.: The World Bank).

Zuckerman, E. (1991), "The Social Costs of Adjustment" In: *Restructuring Economies in Distress*. V. Thomas et al., Editors. (New York: Oxford University Press). (38)