



The Role of Social Protection in Poverty Reduction

2019 China Poverty Reduction International Forum:
Knowledge Sharing to Promote Global Poverty Reduction Governance

Hotel Nikko New Century, Beijing, 16 October 2019

Outline

The growing global emphasis on social protection

The contribution of social assistance to poverty reduction

Social assistance as social investment: building human capital

Conditional cash transfers in the Philippines: design, impact and results, and challenges for poverty reduction

New directions in social assistance: building on cash transfers with a holistic set of interventions to promote sustainable poverty reduction

Social protection in the SDGs



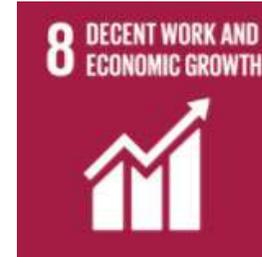
Target 1.3: nationally appropriate **social protection systems** and measures for all, including floors, and substantial coverage of the poor and vulnerable



Target 3.8: Universal health coverage, including **financial risk protection**, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.



Target 5.4: Recognize and value unpaid care and domestic work through the provision of **public social protection policies** and the promotion of shared responsibility within the household and the family



Target 8.5: full and **productive employment and decent work** for all men and women, including young people and persons with disabilities, and equal pay for work of equal value. [*Social protection is one of the four pillars of decent work.*]



Target 10.4: Adopt policies, especially fiscal, wage, and **social protection policies**, and progressively achieve greater equality.

Social protection in ADB's Strategy 2030

STRATEGY 2030 VISION

PROSPEROUS
INCLUSIVE
RESILIENT
SUSTAINABLE

ASIA AND THE PACIFIC



Operational priority 1



**Addressing remaining
poverty and reducing
inequalities**

1. Emphasize human development and social inclusion
2. Generate quality jobs
3. Improve education and training
4. Achieve better health
5. **Ensure social protection**

Overview of social protection instruments

Social Insurance

- pensions
- health insurance
- unemployment and disability insurance
- maternity benefits

contributory

Social Assistance

- cash transfers
- in-kind transfers (e.g. food, assets)
- child grants or benefits
- social pensions
- disability benefits

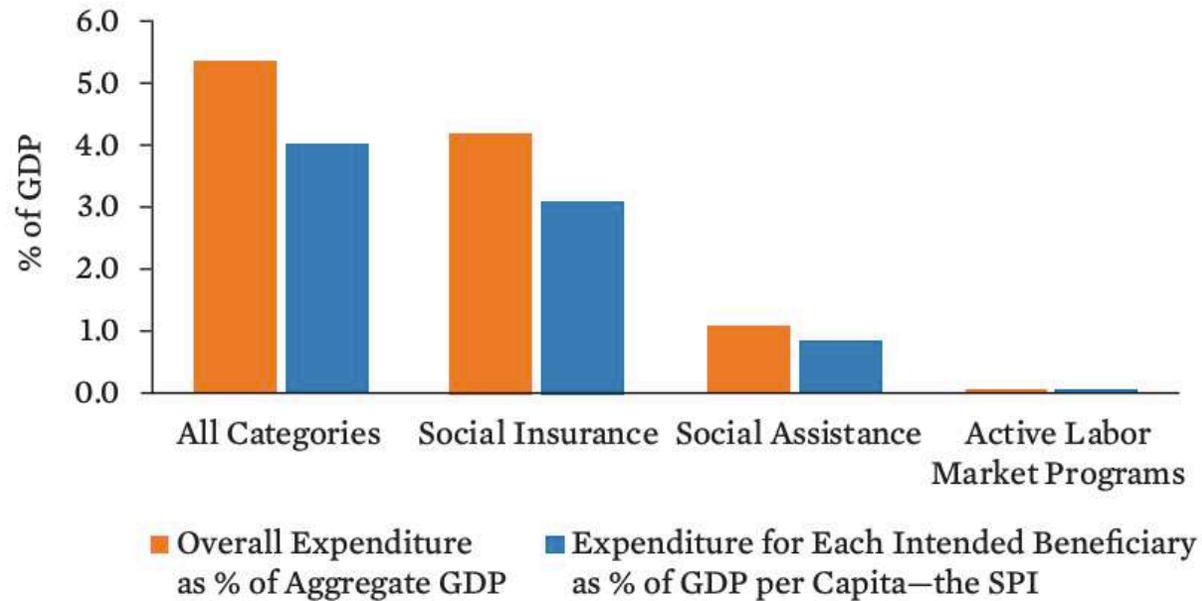
non-contributory

Labor Market Programs

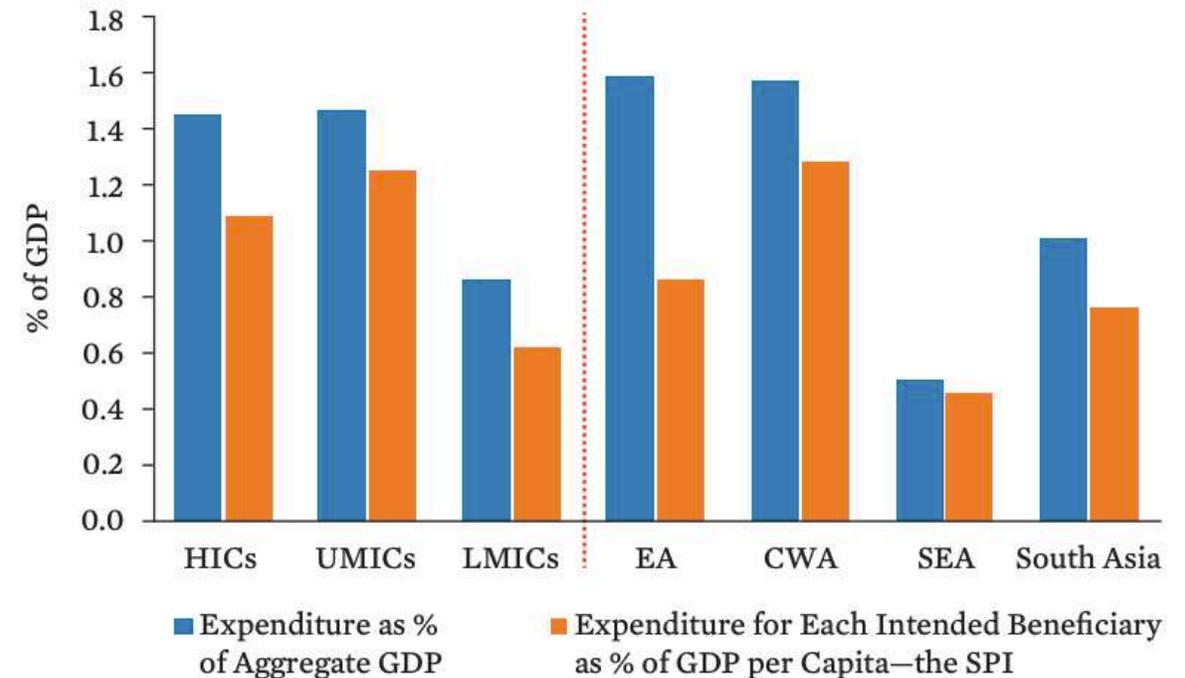
- labor-intensive public works programs, e.g. cash-for-work, food-for-work
- skills development and training for the unemployed
- employment facilitation

Social protection expenditure in Asia

Social protection expenditure
25 countries in Asia, by category, 2015



Social assistance expenditure, 25 countries in Asia,
by income group and region, 2015



Social assistance reduces poverty

How?

- helps mitigate extreme poverty
- closes the poverty gap
- reduces inequality
- builds human capital
- strengthens resilience to shocks

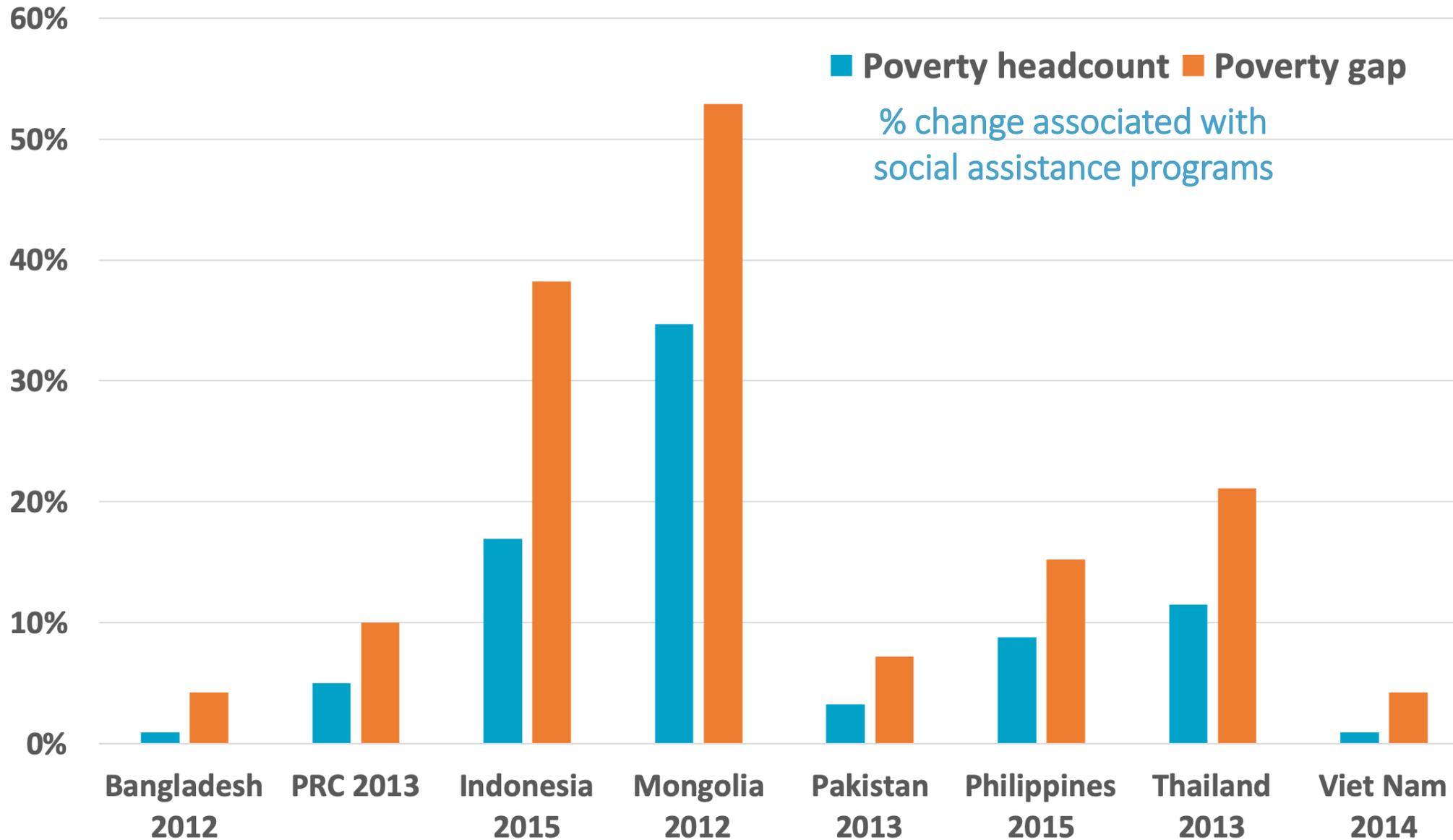
By how much?

Depends on:

- program coverage
- targeting accuracy
- benefit levels
- implementation capacity
- design choices



The impact of social assistance on poverty



Source: World Bank ASPIRE database

Social assistance as social investment: building human capital

- Immediate consumption support for the poor is essential, but:
- Sustainable exit from poverty requires a longer-term approach
- Social assistance plays an social investment role by promoting investment in human capital and productive capacity
- **Conditional cash transfer programs** provide incentives for poor parents to invest in their children's human capital: benefits are tied to 'co-responsibilities' including pre-natal care, school enrolment and attendance, regular health checks, parenting seminars
- **Cash plus programs** include unconditional cash transfers, an asset transfer, technical training, financial inclusion, life-skills training, and frequent home visits for coaching and mentoring

Conditional cash transfers in the Philippines: design, reach, and ADB support

- **Pantawid Pamilyang Pilipino Program**, Department of Social Welfare and Development
- **Coverage expansion:** from 340,000 families in 2008 → 4.4 million families in 2019, from age 0-14 years → age 0-18 years
- 87% of grant recipients are women
- **2018 budget:** \$1.7 billion (92% cash grants, 8% administrative costs)
- **ADB lending support:** Social Protection Support Project (\$400 million, 2010), additional financing (\$400 million, 2016), Expanded Social Assistance Project (\$500 million, planned 2020)
- **ADB technical assistance grants** to support capacity for targeting, implementation, impact evaluation, social protection policy, gender mainstreaming: \$5 million total, various years

CCTs in the Philippines: impact and results

- 3 rounds of rigorous impact evaluation
- compliance verification system
- independent spot checks
- benefit incidence analysis
- independent research

Health & Nutrition

- increase in pre-natal care
- more deliveries in health facilities
- more child growth monitoring
- reduction in severe stunting
- higher likelihood of eating vegetables

Education

- higher enrolment rates for older children
- higher age-appropriate enrolment
- lower dropout rates
- higher expenditure on education

Other

- Grants do not increase spending on alcohol or tobacco
- No dependency: adults work more hours
- More participation in community activities
- Children show more grit and determination
- Parents feel less poor and more optimistic

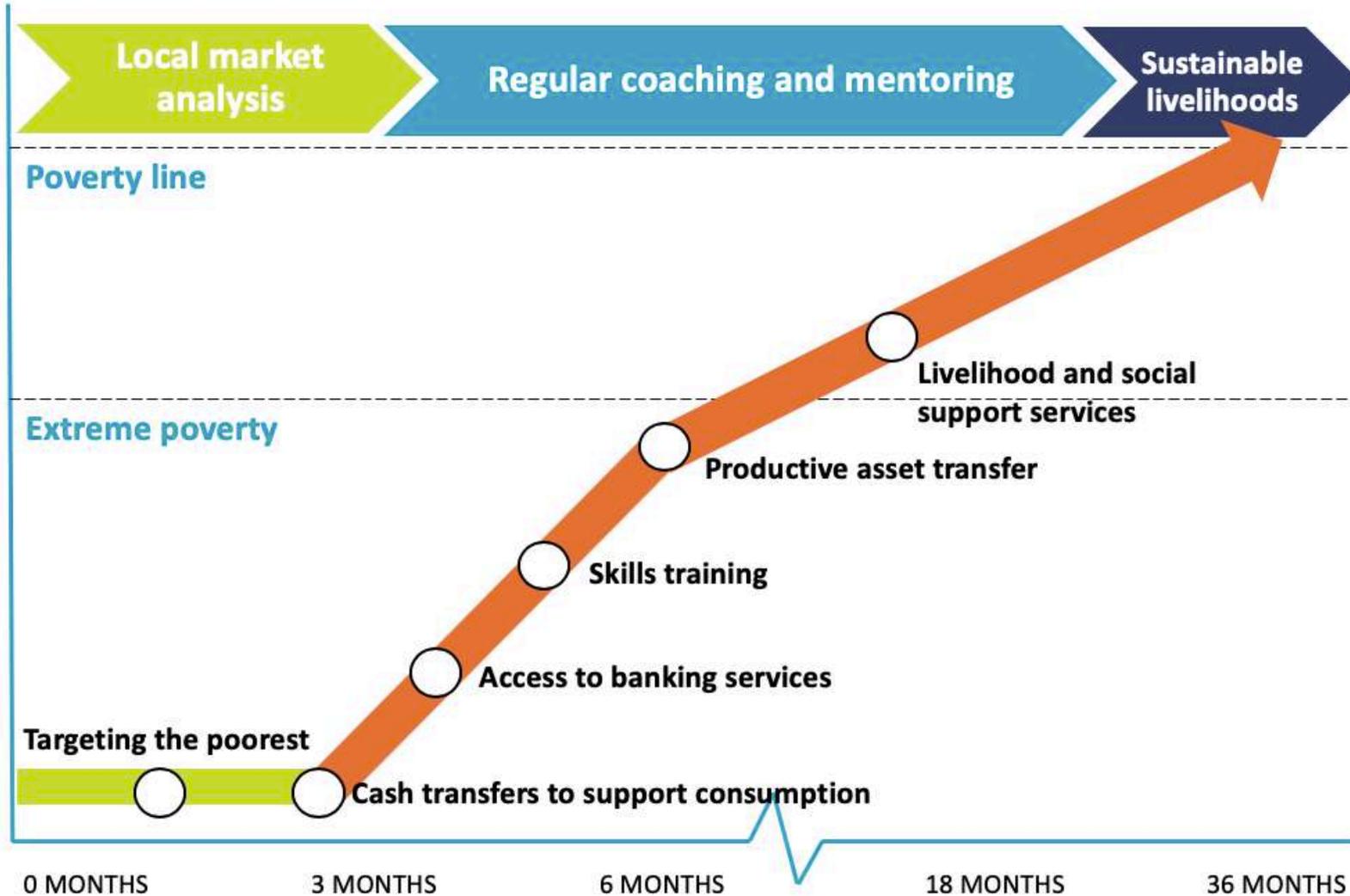
Government social transfers contributed about 25% of the reduction in poverty from 2006 to 2015

On the strength of the evidence base, the *Pantawid Pamilyang Pilipino Program* was signed into law in April 2019

CCTs in the Philippines: Challenges for poverty reduction

- **Benefit levels:** grants not updated for inflation, low grant amount is insufficient to bring many households above the poverty line
- **Budget:** coverage has not increased in 3 years
- **Design:** the program only covers 3 children per household
- **Targeting:** inclusion and exclusion errors, poverty targeting database is out of date
- **Supply-side:** availability and quality of education and health services can be uneven

New directions in social assistance: cash plus programs (the graduation model)



For more information:

www.adb.org/themes/social-development/social-protection

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THE ROLE OF SOCIAL ASSISTANCE IN REDUCING POVERTY AND INEQUALITY IN ASIA AND THE PACIFIC

Armando Barrientos

NO. 62

September 2019

ADB SUSTAINABLE DEVELOPMENT
WORKING PAPER SERIES

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2015

ADB BRIEFS

KEY POINTS

- The *Pantawid Pamilya* conditional cash transfer program reached more than 4.4 million poor families in 2014.
- Rigorous impact evaluation in 2012 and 2014 confirms that *Pantawid Pamilya* improves access to health services, keeps children in school, reduces child labor, and does not encourage dependency.
- The *Listahan* poverty targeting system is among the best in the world and ensures that benefits reach the poorest.
- ADB's Social Protection Support Project supports

SOCIAL PROTECTION BRIEF

The Social Protection Support Project in the Philippines

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PIONEERING POLICY REFORMS
FOR POVERTY REDUCTION

EFFECTIVE APPROACHES TO POVERTY REDUCTION

SELECTED CASES FROM
THE ASIAN DEVELOPMENT BANK

OCTOBER 2019

ASIAN DEVELOPMENT BANK

ADB