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Where Next for Social Protection?

Stephen Devereux, Keetie Roelen and Martina Ulrichs

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The IDS programme on Strengthening Evidence-based Policy works across seven key themes. Each theme works with partner institutions to co-construct policy-relevant knowledge and engage in policy-influencing processes. This material has been developed under the Policy Anticipation, Response and Evaluation theme.

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Abbreviations

ADB	Asian Development Bank
AU	African Union
CCT	conditional cash transfer
CSP	Centre for Social Protection
DFAT	Department of Foreign Affairs and Trade (Australia)
DFID	Department for International Development (UK)
EPRI	Economic Policy Research Institute
ESCAP	Economic and Social Commission for Asia and the Pacific
HIC	high-income country
ICSW	International Council on Social Welfare
IDRC	International Development Research Centre
IDS	Institute of Development Studies
IFPRI	International Food Policy Research Institute
ILO	International Labour Organization
LA	Latin America
LIC	low-income country
MFA	Ministry for Foreign Affairs (Finland)
MIC	middle-income country
NGO	non-governmental organisation
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OPM	Oxford Policy Management
SOIF	School of International Futures
SP	social protection
SPF	Social Protection Floor
SPI	social protection index
SSA	sub-Saharan Africa
STEEP	social, technological, economic, environmental and political
UNICEF	United Nations Children's Fund
UNRISD	United Nations Research Institute for Social Development
WHO	World Health Organization

Summary

The rapid ascendancy of social protection up the development policy agenda in the past ten to 15 years raises questions about whether its current prominence will be sustained, or whether it will turn out to be just another development fad that declines and ultimately disappears. If social protection does remain high on the agenda, what trajectory will it follow, which actors will drive it forward and what will be the main issues and challenges it faces? This project attempted to find some answers, under the broad question: **Where next for social protection?**

A range of research methods was used, including (1) a review of forward-looking academic literature and social protection strategies of development agencies; (2) interviews with 20 key informants who are leading global thinkers in social protection; (3) a four-day moderated online discussion involving more than 200 participants; (4) two Foresight workshops with 18 participants that used three forecasting methods – drivers of change analysis, scenario building, and windtunnelling.

The literature on social protection traces its evolution from its origins in the ‘social safety nets’ of the 1980s through to the rights-based ‘Social Protection Floor’ that was adopted by all of the International Labour Organization’s (ILO) 183 member states in 2012. As social protection has evolved from a set of uncoordinated *ad hoc* projects to a more holistic vision of society, so the need for a systemic approach with social protection linked to other social and economic sectors has become increasingly recognised. This is reflected in several recent social protection strategies of governments and agencies – for example, the title of UNICEF’s policy framework, published in 2012, is ‘Integrated Social Protection Systems’.

Across the world, social protection is at different stages of development, from ‘limited’ coverage in low-income countries with high needs but limited fiscal resources through to ‘consolidated’ systems in middle-income countries with well-developed social assistance and social insurance mechanisms. In some countries in **Latin America**, social protection started in the 1920s with contributory social insurance for formal sector workers but has more recently become dominated by government-run conditional cash transfer programmes such as *Bolsa Familia* in Brazil. **Asia** is a very heterogeneous region with diverse trajectories. Crudely, social insurance has been dominant in East and Southeast Asia since the mid-twentieth century, social assistance is more prevalent in South Asia – with recent shifts from food to cash and towards rights-based approaches – and there is a long-standing balance between assistance and insurance in Central Asia, while food and fuel subsidies absorb much of the social protection budgets of countries in the Middle East. Social protection in **Africa** evolved out of humanitarian relief interventions such as food aid and public works, but has recently seen a rapid proliferation of unconditional cash transfer projects, though coverage remains extremely low.

Drivers of change that might influence social protection in the coming years can be classified across five broad categories: social, technological, economic, environmental and political – ‘STEEP’. Relevant **social** drivers include rising inequality, demographic shifts (both ageing and youthful populations), migration and urbanisation, all of which will shift the nature of vulnerability and patterns of need for social protection. **Technological** advances are likely to lead to enhanced delivery of social protection, while the spread of social media could improve awareness of social protection rights and enforce government accountability. A positive **economic** driver is economic growth while negative drivers include economic volatility and increasing ‘flexibilisation’ of labour markets, with the associated loss of social security benefits. Climate change and its unpredictable consequences for rural livelihoods is the main **environmental** driver identified in this project. Finally, **political** drivers operate at many levels, from trends in multilateral and bilateral development policies and aid flows to political commitment at national level.

Among many issues that are expected to dominate debates in the next phase of social protection's evolution, five stood out.

1. Donor agencies and some governments are becoming preoccupied with **building national systems** for social protection, though this requires adequate capacity, which is often lacking, as well as coordination between development partners.
2. The challenge of **fiscal affordability** remains a major barrier to the expansion of social protection, especially in low-income countries with high levels of poverty and vulnerability but a low tax base.
3. Work is urgently needed to improve the **understanding of political processes** around social protection policy, including the roles of civil society and social accountability mechanisms and the challenge of delivering social protection in fragile states, given that much attention has focused on 'building the evidence base' and not enough on understanding the political drivers that result in social protection being either adopted or resisted by governments.
4. There is a drive towards strengthening **linkages with labour markets**, firstly by enhancing access to employment opportunities through social protection, secondly by extending social insurance to the informal sector, thirdly by replicating 'graduation' programmes that deliver packages of social protection plus livelihood support to move people out of poverty.
5. Despite its rapid rise as a development policy agenda, actual **coverage** of social protection programmes remains very low, especially in low-income regions like sub-Saharan Africa, and much more investment and advocacy are needed to reach those who are currently excluded.

Participants in the Foresight workshops identified two fundamental drivers for analysing trajectories of social protection under alternative possible future scenarios: 'progressive/regressive politics', and 'high/low institutional capacity'. Three scenarios were selected for in-depth analysis:

- **Scenario 1a: 'The spirit is willing...'**: *progressive* local politics, *progressive* international politics, *low* institutional capacity
- **Scenario 2a: 'Oh dear'**: *regressive* local politics, *progressive* international politics, *low* institutional capacity
- **Scenario 3b: 'All dressed up...'**: *regressive* local politics, *regressive* international politics, *high* institutional capacity.

This scenario-building exercise revealed that there is no single linear pathway for social protection, but multiple trajectories that are highly context-specific and subject to change over time, as political ideologies shift domestically and in the global development discourse, and as institutional capacities either grow or are undermined. A 'windtunnelling' exercise selected different policies and tested them for feasibility against each scenario. Here the nature of the country's political regime emerged as the most fundamental determinant of which policies will be adopted. Rights-based approaches such as the Social Protection Floor might be adopted by progressive governments, while regressive governments will prefer minimalist safety nets and contributory social security schemes. Better understanding of political processes is needed to protect gains made in social protection systems against possible reversals when the political climate shifts against pro-poor redistributive policies.

1 Introduction

Social protection is incontrovertibly one of the success stories of development policy in the early twenty-first century. Every year new social protection programmes are launched, more countries adopt a National Social Protection Policy (NSPP) or National Social Protection Strategy (NSPS), and rigorous evaluations generate further empirical evidence of the positive impacts of various forms of social protection. Current trends in social protection thinking and practice are taking two potentially contradictory directions: crudely, 'rights-based' versus 'growth-oriented'.

1. **rights-based:** institutionalising social protection in national policy frameworks, underpinned by legislation that endows justiciable claims to social protection entitlements to all citizens or residents, including refugees;
2. **growth-oriented:** using social protection instrumentally, as a toolkit for achieving poverty reduction and economic growth; for example, by 'exiting' participants out of programmes when they reach a 'graduation' threshold.

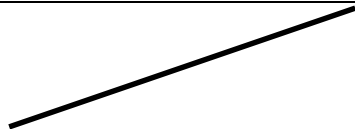


These two directions are not necessarily mutually exclusive but their inherently different focus on what social protection aims to achieve tends to result in different emphases in terms of who should receive what type of support, under what conditions and for how long.

The trajectory of social protection as a policy discourse is worthy of scrutiny. Although 'social safety nets' were introduced as a response to economic crises in the 1980s or before, the broader concept of social protection originated in the late 1990s. It was encapsulated first in the World Bank's growth-oriented 'Social Risk Management' framework (World Bank 2001), and later advanced by rights-based frameworks such as IDS' 'Transformative Social Protection' (Devereux and Sabates-Wheeler 2004) and ILO's 'Social Protection Floor' (ILO 2011). In the mid-2000s the analysis shifted to specific design issues (e.g. targeting, dependency syndrome) and efforts to build the evidence base on impacts of specific instruments (e.g. conditional cash transfers, school feeding). In the 2010s the focus has moved on to establishing social protection as a policy sector within government ministries and to challenges of coordination and systematisation (e.g. building a 'single registry').

Since the introduction of 'social safety nets' in the 1980s, social protection has expanded greatly as a component of social policy. Common indicators used to measure this growth include the number of social protection policies in place, the percentage of the population covered by such policies and the proportion of public expenditures allocated to social protection (ILO 2014). The 'Social Protection Index' (ADB 2013) captures both the 'breadth' and 'depth' of social protection coverage, measured by the number of beneficiaries and the level of benefits provided by social protection programmes.

This crude trajectory raises an obvious question: where next for social protection? We identify three broad potential scenarios: (a) expansion; (b) plateau; (c) decline.

Figure 1.1 Potential future trajectories of social protection

	2000	2015	2025
(a) Expansion			
Social protection continues to grow both conceptually and operationally, generating interesting new issues to research, new policies to design and new programmes to evaluate.			
(b) Plateau			
Social protection becomes entrenched as a permanent fixture of development discourse, consolidating its place in government and donor policy and steadily increasing its coverage.			
(c) Decline			
Social protection becomes just another development fashion that follows a conventional project cycle, peaking around 2015 but declining thereafter, just as rapidly as it rose.			

Source: Authors' own.

Against this backdrop, this project aimed to do the following:

1. to critically review the policy discourse on social protection **since its origins** in the late 1990s and how it has been shaped by the main influencing actors;
2. to identify and explore themes that are likely to be high on the social protection agenda in the **short to medium term**;
3. to identify drivers of change that are likely to shape the social protection landscape in the **medium to long term** and to develop and test future scenarios for social protection;
4. to identify entry points for responding to **future** themes, challenges and opportunities that will shape the future of social protection and determine appropriate forms of ongoing engagement.

This report is structured as follows. Section 2 describes the methodologies used for each component of this research. Section 3 provides a brief overview of the current 'state of play' with respect to social protection globally and in three world regions (Latin America, Asia and the Pacific, and Africa). Section 4 explores the 'drivers of change' likely to affect social protection in the coming period, under the five 'STEEP' categories: social, technological, economic, environmental, political. Section 5 unpacks expected trajectories of social protection by considering the main issues and debates that might affect which trajectory is actually followed. Section 6 looks forward by describing potential future scenarios and policy options for social protection in the next ten to 15 years, drawing on the Foresight methodology. Section 7 concludes. Four annexes provide: the questionnaire designed for key informant interviews; an overview of the Foresight methodology; a list of individuals who were interviewed as 'key informants'; and a list of participants in the Foresight workshops.

2 Research methods

The research questions identified under this project require looking ahead and predicting the future by extrapolating from the current state of play and the recent trajectory of social protection as a policy agenda. This demands a different set of research methods and tools to conventional research projects. It is important to emphasise that this project aimed to elicit views and opinions from a wide audience regarding the future possible trajectories of social protection. We do not pull out conclusions or impose our own opinions about the most likely future scenario, nor do we offer recommendations about what roles different actors should be playing.

An eclectic mix of methods was designed and implemented:

1. a background **literature review** of relevant and secondary data;
2. structured one-on-one **interviews** with key informants active in social protection policymaking, conceptualisation or research;
3. a moderated **online discussion** event that engaged a wider audience interested in or working on social protection from across the world;
4. two face-to-face Foresight **workshops** involving internal IDS and external participants.

2.1 Literature review

A review of secondary literature was undertaken to provide background contextual information for the primary data collection activities. The literature review had two main objectives. The first was to describe the evolution of social protection as a policy agenda across the world and in specific regions since its origins in the 1990s. The second was to identify trends in social protection thinking by key stakeholders, with a view to projecting forward into social protection thinking and practice in the future. This review did not intend to be exhaustive or even extensive, rather we identified about 30 widely cited documents that provided useful information and insights towards addressing these two objectives.

Three main types of documents were reviewed. For descriptive information on the state of social protection across the world, overview reports such as the ILO's *World Social Protection Report 2014/15* were especially valuable. Regional analyses drew on documents from regional agencies, including the African Union (AU), the Asian Development Bank (ADB) and the Economic and Social Commission for Asia and the Pacific (ESCAP).

For understanding the current thinking of agencies that are driving the design and financing of many social protection programmes and systems in low-income countries, as well as the challenges that these actors face in achieving their social protection objectives in their development cooperation activities, we reviewed the latest social protection strategies or policy statements by agencies including the European Commission, the Organisation for European Co-operation and Development (OECD), ILO, United Nations International Children's Emergency Fund (UNICEF) and the World Bank.

Finally, relevant academic journal articles which analyse major thematic as well as regional trends in the social protection field were consulted (see the list of 'References' for details). These provide insights both on historical developments as well as potential future trajectories of social protection in different global regions and economic contexts.

2.2 Key informant interviews

A small group of influential social protection thinkers and practitioners was approached and asked to be interviewed for their opinions and insights on the future of social protection.

Interviewees were purposively selected, sometimes using a snowballing technique, based on the authors' assessment of each interviewee's contribution to social protection thinking and/or practice. Only one individual declined to be interviewed.

Interviewees included representatives of (see Annex 3 for a complete list):

- Bilateral development agencies – Australia (Department of Foreign Affairs and Trade, DFAT), Finland (Ministry of Foreign Affairs, MFA), UK (DFID)
- United Nations agencies – ILO, UNICEF, United Nations Research Institute for Social Development (UNRISD), World Bank
- International non-governmental organisations (NGOs) – International Council on Social Welfare, Save the Children
- Universities and research institutes – Economic Policy Research Institute (EPRI, South Africa), International Development Research Centre (IDRC, Canada), International Food Policy Research Institute (IFPRI, USA), ODI (UK), University of Manchester (UK).

All interviewees were told that their responses might be quoted and acknowledged in this research report. Most gave their informed consent. In a few cases where consent was not given, these responses were either anonymised or deleted. Interviews were conducted by Skype or telephone, following a structured questionnaire that was designed for this purpose (appended as Annex 1).

Interviewees were told in advance that the interview would take approximately 30 to 40 minutes, and that the following topics would be covered:

- whether social protection is likely to become more or less prominent in development policy in the coming years;
- major issues and emerging debates in social protection thinking in the next five to ten years;
- key factors and actors likely to shape the evolution of the social protection agenda;
- regional differences or potential convergences in the evolution of social protection policy;
- practical challenges in building national social protection systems.

2.3 Online discussion

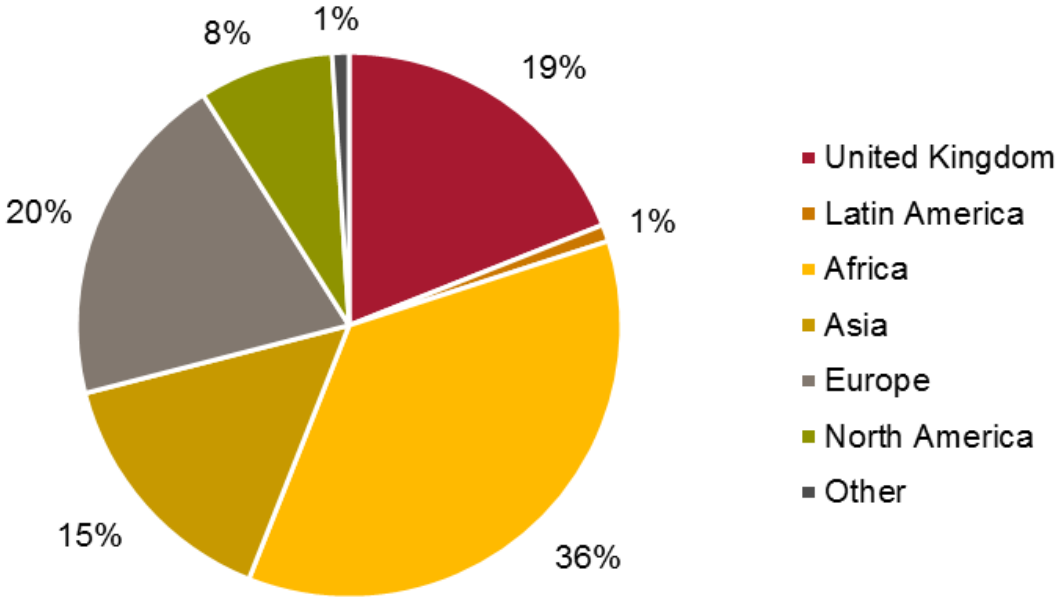
The Centre for Social Protection (CSP), with the support of Knowledge Services at the Institute of Development Studies (IDS) and Elliptics Ltd, facilitated an online discussion event on the topic '*Where next for Social Protection?*', which ran for four days, from 9 to 12 September 2014. The online discussion was structured around four questions, one for each day.

- **Day 1 – Predicting the future:**
Do you think that social protection will become more or less prominent in the development policy agenda in the next five to ten years? Why?
- **Day 2 – Issues and debates:**
What will be the most important issues and debates in social protection in the next five to ten years?
- **Day 3 – Drivers of change:**
What will be the most important drivers of change affecting social protection in the next five to ten years?
- **Day 4 – The way forward:**
What needs to be done, and by which actors, to ensure that social protection remains high on the development policy agenda in the coming five to ten years? What can we do?

More than 200 participants registered for the online discussion from all over the world, which contributed to a wide diversity of opinions and experiences being shared with the group. Just over half of the participants came from or were based in Africa, Asia or Latin America, while just under half came from Europe (including the UK) or North America.

Altogether 138 postings were made at an average of 34 postings each day.

Figure 2.1 Online discussion participants by region



Source: Authors' own.

2.4 Foresight workshops

Two 'Foresight' workshops were hosted by the Centre for Social Protection at the Institute of Development Studies, on 22 September and 17 November 2014. The workshops brought together 18 people who work intensively on social protection, from research institutes (IDS, International Poverty Centre (IPC), ITAD, ODI, Oxford Policy Management (OPM)), donors (DFID) and NGOs (Save the Children) (see Annex 4 for the full list of participants). The workshops were jointly facilitated by Horizon Scanning and the Centre for Social Protection.

Three forecasting methods were used in the two workshops: drivers of change analysis, scenario building, and windtunnelling (see Annex 2 for a detailed description of the Foresight methodology).

1. **Drivers of change analysis:** Workshop participants brainstormed around the driving forces in the broader contextual environment that are likely to influence the direction of social protection programming and systems-building in the next ten to 15 years, under five 'STEEP' categories – *social* (demographics, lifestyles, social trends, etc); *technology* (ICTs, media, etc); *economy* (economic policies, growth rates); *environment* (climate change, natural resource management), and *politics* (welfare regimes, development policies and international aid flows).
2. **Scenario building:** Workshop participants selected two of the most powerful drivers identified in the 'drivers of change' exercise, and constructed four scenario 'spaces', using one driver as an x-axis and the other driver as a y-axis to create four quadrants. These scenarios were developed into narratives by reflecting on what kind of world each quadrant in the scenario represents, and the implications of that possible future world for social protection programming.

3. **Windtunnelling:** Next, the workshop participants proposed several possible social protection policies to be introduced into the scenarios, and discussed how effectively each policy would perform given the contextual situation described for each scenario. The purpose was to identify what is possible in terms of robust social protection measures under different possible future conditions in specific country contexts.

3 Current state of play of social protection by region

With such widespread recognition, and much empirical evidence to substantiate the case for social protection, including possibilities to limit costs and disincentives, one could be forgiven for being only optimistic regarding the future development of social protection as a core part of the development agenda.

(de Haan 2014: 315)

Social protection has been one of the youngest, yet fastest-growing sectors in international development since the late 1990s. Building on the 'social safety nets' that were introduced across Latin America, Africa and South and East Asia in the 1980s following a series of economic crises and structural adjustment reforms, the importance of providing protection to poor and vulnerable people became increasingly recognised even in non-crisis contexts. Until recently, however, social protection in practice was dominated by projects and programmes, often externally designed and financed, with little traction in the domestic political discourse. Most commonly these interventions took the form of discrete projects such as public works (food-for-work) or school feeding schemes.

Social protection emerged as a broader set of responses, reaching people not covered by formal social security schemes or social welfare benefits. Social protection became popular among donor agencies as part of an 'inclusive neo-liberal' agenda (Craig and Porter 2005), yet the term itself remained contested and its definition and purpose still varies across agencies and governments. Different actors have approached social protection from a range of pragmatic and ideological angles – '*from macroeconomic stabilizer to humanitarian responses; from risk management to promoting social justice*' (Gentilini and Omamo 2011: 329). Many low-income countries initially resisted social protection, believing that it would generate 'dependency' and be fiscally unaffordable at scale. This perception is changing, however, and even the world's poorest countries now have social protection policies or strategies.

The global financial crisis in 2008–09 played a big role, once again, in making the case for social protection as a public policy instrument to protect the most vulnerable from economic shocks and instability. Approximately a quarter of the funds for stimulus packages in 48 high- and middle-income countries, totalling US\$2.4tn, were invested in counter-cyclical social protection measures. Optimism around placing social protection higher up the public policy agenda waned somewhat after 2010, when governments changed course and embarked on fiscal consolidation and premature contraction of expenditure. There are, however, divergent trends between richer and poorer areas, with many high-income countries contracting their social security systems while middle- and low-income countries are expanding theirs (ILO 2014). Particularly middle-income countries are focusing efforts on expanding systems, while low-income countries are extending temporary safety nets targeted to the most vulnerable groups of the population (Andrews *et al.* 2012). Hubs of innovation of new types of social protection will predominantly be seen in emerging economies such as the 'BRICS' – especially Brazil, India, China and South Africa – which are increasingly shaping the social protection agenda (Barnett and Chalk 2010; Devereux 2010; Gentilini and Omamo 2011; Ribe, Robalino and Walker 2010).

Social protection aims to reduce vulnerability as well as poverty, and different programmes and systems conceptualise vulnerability differently. Initially the focus was either on income vulnerability – sometimes defined simplistically as people with incomes no more than 20 per cent above the poverty line – or on demographic vulnerability – defined in terms of inability to earn an independent livelihood, such as persons with severe disability – but assistance was

provided mainly in material forms (cash grants). Recently the emphasis has shifted towards meeting human capital deficits for economic growth (e.g. through conditional cash transfer programmes), which links the poverty reduction and vulnerability objectives. Social protection is also concerning itself more with non-economic and non-material vulnerabilities, by strengthening linkages to social services including child protection and support to women's unpaid care responsibilities. These trends seem likely to continue in the future.

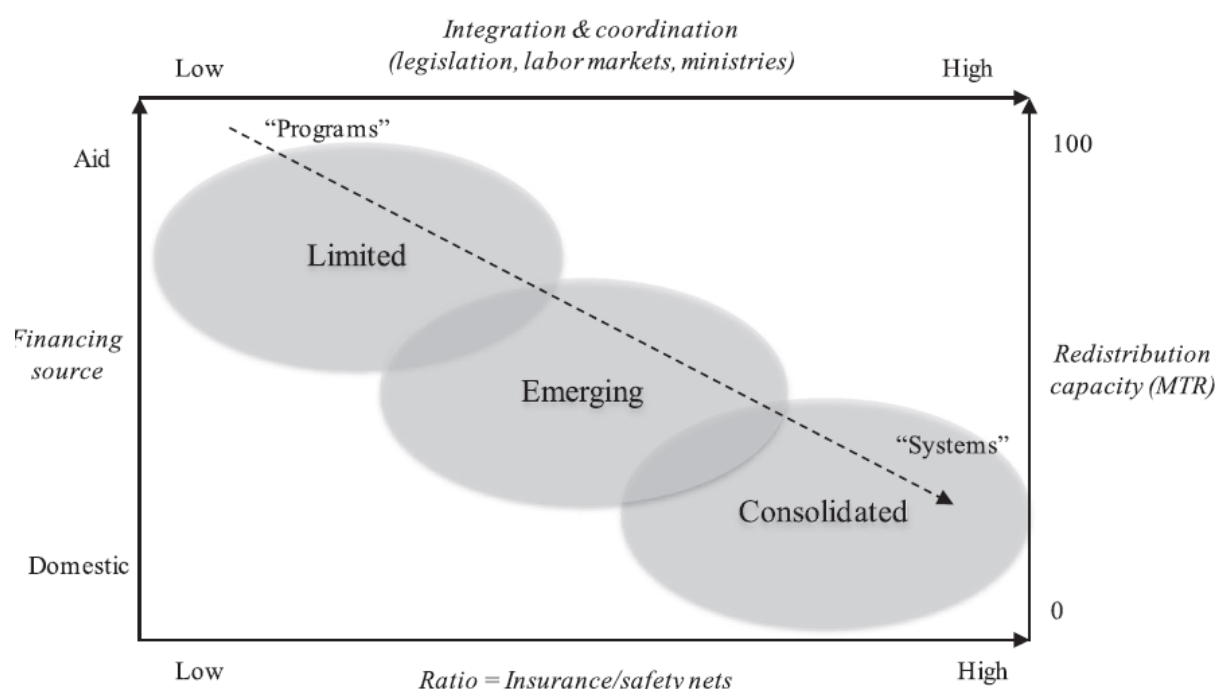
In an effort to move from 'residual' social protection towards more holistic and human-rights based approaches, the United Nations Systems Chief Executive Board for Coordination Social Protection Floor Initiative (SPF-I), led by the ILO and World Health Organization (WHO), developed the concept of a universal 'social protection floor' and provided guidance on its implementation. The social protection floor integrates a set of social policies to guarantee income security and access to essential social services for all across the life-cycle, with particular attention paid to vulnerable groups (ILO 2011). This represents a holistic approach in linking the provision of services ('supply-side') with facilitating access to these services through income transfers ('demand-side').

The social protection floor coincided with an emerging global consensus on the need for a systemic approach to social protection. The need for strengthening coordination and linkages with other social sectors and economic policies is reflected in recent social protection strategies and policy statements of several major international and multilateral organisations, including the OECD (2009), the European Commission (2012), UNICEF (2012), and the World Bank (2012a).

Social protection has been developing differently across countries and regions, with high levels of specificity according to national contexts and political processes. Generalisations are thus difficult to make, but there have been several attempts to create a taxonomy of social protection models. Gentilini and Omamo (2011) define three types of social protection, which are characterised by the level of local ownership and institutionalisation in national processes (see also Figure 3.1):

- **'Consolidated' social protection** is institutionalised in national domestic budgets and political processes, as well as linked to formal labour markets. It includes both contributory social insurance and non-contributory social assistance, with the main challenge being to maintain and reform these systems and keep them financially sustainable.
- **'Emerging' social protection** can be found in Southeast Asia, the Middle East and Latin America. There are wide differences in the specific models, but usually international assistance plays a minor role in funding their set-up and most systems are domestically funded. The main focus in these countries lies on expanding social protection, particularly formal contributory social security, and improving the coordination, coverage, effectiveness and efficiency of the programmes.
- **'Limited' social protection** is found in countries where the need for social protection is high, but national fiscal capacity is limited. In some countries, social safety nets are donor-funded or basic longer-term social protection systems are slowly scaled up, as in Ethiopia.

Figure 3.1 A typology of social protection systems



Source: Gentilini and Omamo (2011: 336). This article was published in Food Policy 36, 'Social Protection 2.0: Exploring Issues, Evidence and Debates in a Globalizing World', pp. 329–40. © Elsevier (2011). Permission to reuse this article must be requested directly from Elsevier.

The level of advancement of social protection programmes, in terms of their institutionalisation and local ownership, differs in general terms across global regions. 'Limited' social protection is more represented in sub-Saharan Africa, where fiscal and institutional capacity are restrained and donor dependence is high. 'Consolidated' programmes can mainly be found in industrialised countries in the 'global North', while 'emerging' social protection is more dominant in emerging economies in Latin America and Southeast Asia. However, there are significant differences between countries within these global regions. Some general trends can be observed, which are highlighted in the following sub-sections.

3.1 Latin America

In Latin America, although the development of social protection programmes cannot be described as a homogenous process, there are some generalisable trends, which run parallel to the development model and the role of the state in the region at the time. Social security for the urban formal sector started early on in some Latin American countries. Following the Great Depression in 1929, social assistance started in the form of consumer subsidies for food and energy. The debt crisis in the early 1980s and the economic crisis in the late 1990s following structural adjustment policies shifted the focus of social assistance from universal subsidies to targeted social investment funds. Currently, there are two dominant approaches to social protection in Latin America. The first sees the state as a subsidiser and promoter of poor households, aiming to break the intergenerational transmission of poverty. The second follows a more rights-based approach to social protection and regards the state as a guarantor of a minimum standard (Cecchini and Martínez 2012: 27).

The scale of social protection programmes and social investment per capita varies greatly across countries, not always being consistent with their level of economic development.

Cecchini and Martínez (2012: 48–49) identify three groups of countries with similar social investment indicators and common characteristics:

1. countries with **lowest social investment** per capita: focus lies on non-contributory social protection initiatives, e.g. conditional cash transfers (CCTs) as a first step to extending protection to those who have been historically excluded (e.g. Bolivia, Nicaragua, Peru);
2. countries with **medium social investment** per capita: efforts lie in combine targeted non-contributory social transfers with initiatives for universal benefits (e.g. old-age pension in Mexico City);
3. countries with **highest social investment** per capita: rights-based social protection systems in which non-contributory policies are coordinated to ensure or guarantee access to benefits offered by various programmes (e.g. Argentina, Brazil, Chile, Mexico).

While contributory social insurance has existed in some countries for a minority of formal urban workers for several decades, social assistance, mainly in the form of ‘co-responsibility’ conditional cash transfer programmes, only emerged in the late 1990s as risk mitigation strategies, and are now expanding in the region as protection from risks and promotion out of poverty through the accumulation of human capital (Fiszbein and Schady 2009). The scale of these programmes varies greatly, the largest being *Bolsa Família* in Brazil, which reaches 46 million people or approximately a quarter of its population. Similar programmes with different types of outreach have been implemented in 16 other Latin American and Caribbean countries (ILO 2014: 19).

Only 38 per cent of workers in Latin America are eligible for benefits (contributory and non-contributory), which places a strong focus on integrating informal workers into the labour market (ILO 2014: xxii). To guarantee the financial sustainability of social protection, particularly with views towards an ageing population, it is necessary to make use of the youth dividend and to integrate informal workers into the formal labour market to enable them to contribute to their own pensions. Furthermore, the tax system needs to become more effective and efficient, increase its revenue base and move from mainly regressive to progressive taxes.

In contrast to regions that only introduced social protection recently, Latin America is now facing ‘second generation’ systemic challenges, where the need to address high poverty and inequality levels calls for a better harmonisation of social assistance and social insurance programmes, and for increasing coverage (Andrews *et al.* 2012: 47). Issues related to governance of programmes are also rising to the fore, especially relationships between national and subnational levels of government, often linked to processes of decentralisation and the emergence of social accountability mechanisms at local (district and community) levels.

3.2 Asia and the Pacific

In Asia and the Pacific there is probably the highest level of heterogeneity between countries in terms of their economic development, as well as the advancement of social protection systems. South Asia has been at the forefront of social protection in the region with India implementing its first poverty alleviation scheme in the 1960s and Bangladesh putting pensions in place in the 1970s. Most countries now operate an extensive set of social protection programmes with public works programmes and employment guarantee schemes forming strong components in India and Bangladesh and gaining increasing prominence in Afghanistan, Nepal and Pakistan (Köhler, Cali and Stirbu 2009). Southeast Asia has a long-standing experience with contributory social insurance schemes, particularly in ‘developmental states’ including Japan, South Korea and Taiwan. The region has seen an expansion and reframing of social protection systems in countries such as Indonesia and

Thailand following the 1997–98 financial crisis and recognition that existing social safety nets did not provide adequate support against shocks (Cook 2009).

In general, comprehensive social protection systems are not yet in place in the majority of countries, but there are increasing efforts from governments to scale up social protection – particularly after the global financial, food and fuel crisis and the recurrence of natural disasters in the region (ESCAP 2011). This section will draw some general trends, based on the Asian Development Bank’s social protection index (SPI). However, the high level of diversity in the region would require a more in-depth analysis per country of vulnerability profiles and factors beyond GDP per capita that enable or constrain the effectiveness of social protection programmes (Kabeer, Cook and Chopra 2010).

All countries in the region have some sort of social protection, which can be used as ‘building blocks’ for systemic approaches. Yet, political and financial commitment to expand social protection varies. The ADB suggests that a social protection expenditure of 5 per cent of GDP per capita is a realistic medium-term objective for middle-income countries (MICs) in Asia – yet only four of the 35 countries in the region assessed by the ADB meet this standard. These are two high-income countries (HICs) – Japan and Republic of Korea – and two post-Soviet transition economies – Mongolia and Uzbekistan (ADB 2013: xiii).

Nineteen countries in the region spend less than 2.5 per cent of GDP per capita on social protection, and only five among them are low-income countries (LICs) that are financially constrained. The rest are either low-middle-income or upper-middle-income countries, which should have sufficient resources in theory to scale up their social protection systems. The majority of low-middle-income and low-income countries fall significantly below the regional average for the social protection index, which is a weighted average of expenditure, coverage and proportion of poor people covered in the country in question (ADB 2013).

There are also strong differences within the region, with East Asia demonstrating the highest SPI values, followed by Central and West Asia where many transition economies retained some social protection measures from the socialist era. Southeast Asia’s lower ranking is noteworthy, since it contains one HIC (Singapore) and several large MICs (Indonesia, Malaysia, Philippines and Thailand), and social protection expenditure is considered to be low considering that the region’s GDP per capita is above average. The Pacific and South Asia are the lowest ranking sub-regions in terms of average spending measures through the SPI, but they also have the lowest average GDP per capita. The average spending on social protection is less than 2 per cent of GDP.

Of the types of social protection, social insurance is in general the predominant form in Asia and the Pacific, rather than social assistance and labour market programmes – particularly in East Asia and Southeast Asia. In Central and West Asia social insurance is dominant, but there is more of a balance with social assistance programmes, and in South Asia social assistance programmes are approaching the same levels as social insurance, but informal social protection continues to play a predominant role, as it does in the Pacific. However, many forms of informal social protection are breaking down due to forces of ‘modernisation’ and globalisation, and are less equipped to address increasingly frequent covariant shocks in the region (Kidd *et al.* 2009; ESCAP 2011).

Among social insurance programmes, pensions and health insurance stand out as the most important, with unemployment benefits constituting on average only 1 per cent of all social protection expenditure, but higher in richer countries. Social assistance programmes in the region are characterised by cash or in-kind transfers and child welfare programmes, comprising a third of the expenditure. The rest are disaster relief programmes, assistance to the elderly and health assistance, as well as disability benefits (which are the significantly smallest sub-component). Labour market programmes comprise a relatively small part of social protection in the region, and consist mainly of skills development training programmes

and cash-/food-for-work programmes. There are some important innovations in rights-based approaches in the form of 'employment guarantee schemes' in India, Bangladesh and Nepal (Köhler *et al.* 2009).

The dominance of social insurance is problematic, since the region has the highest levels of labour market informality of all the global regions. Social insurance only benefits a minority of workers in the formal sector, and social assistance targets only the poorest households in a fragmented and inefficient way. This leaves a 'missing middle' of low-income, vulnerable households around the poverty line who work in the informal sector and have no access to benefits. There are few universal programmes in the region, and extending health insurance will pose a question of financial sustainability. However, with most countries due to reach middle-income status soon, the question is more around ensuring the revenue-generating capacity of governments and making the expansion of social protection a political priority. Despite most countries having some form of social protection, it is yet not based on a notion of entitlements that people can claim as citizens and governments need to deliver (Cook 2009; Köhler *et al.* 2009; ESCAP 2011). Economic growth will also have to be accompanied by an increase in productive formal employment tied to social security and an expanding fiscal capacity of governments.

3.3 Africa

Social protection is increasingly being recognised by governments in sub-Saharan Africa as an important intervention to reduce poverty and vulnerability to recurrent shocks and climate change. An estimated one-third of African countries has now developed social protection strategies (World Bank 2012b). In particular, the aftermath of the 'triple F' crisis in 2008 and the 2011 drought in the Horn of Africa highlighted the importance of putting in place formal safety nets for the most vulnerable people. In 2008 members of the African Union endorsed the Social Policy Framework (African Union 2008), which highlights social protection as an important element of inclusive growth strategies.

In comparison to other global regions, the predominant form of social protection in Africa is social assistance. Safety nets have a long history, particularly in the context of humanitarian response. Some countries, notably Ethiopia, are attempting to shift away from reactive appeals for emergency food aid towards institutionalised 'productive safety nets' that provide protection against drought shocks when required but also livelihood support with the ambition of 'graduating' food-insecure rural populations into resilient and sustainable livelihoods. There is still a high degree of fragmentation of transfer programmes, which tend to be small-scale and mainly donor-funded. The World Bank (2012b) estimates that there were 123 cash transfer programmes in 34 African countries in 2010, but only 20 per cent of Africans benefit from some type of publicly provided social protection.

A number of countries have initiated efforts to reform their pension systems to expand coverage and consolidate different schemes, such as Cape Verde, Nigeria, Sierra Leone and Zambia. The high proportion of informal workers poses challenges to extending social security to the most vulnerable people, but countries such as Ghana are introducing innovative schemes where self-employed citizens can voluntarily contribute into a pension scheme. Insurance markets are also growing in the region, particularly for life, agriculture and health insurance, but their scale and success vary.

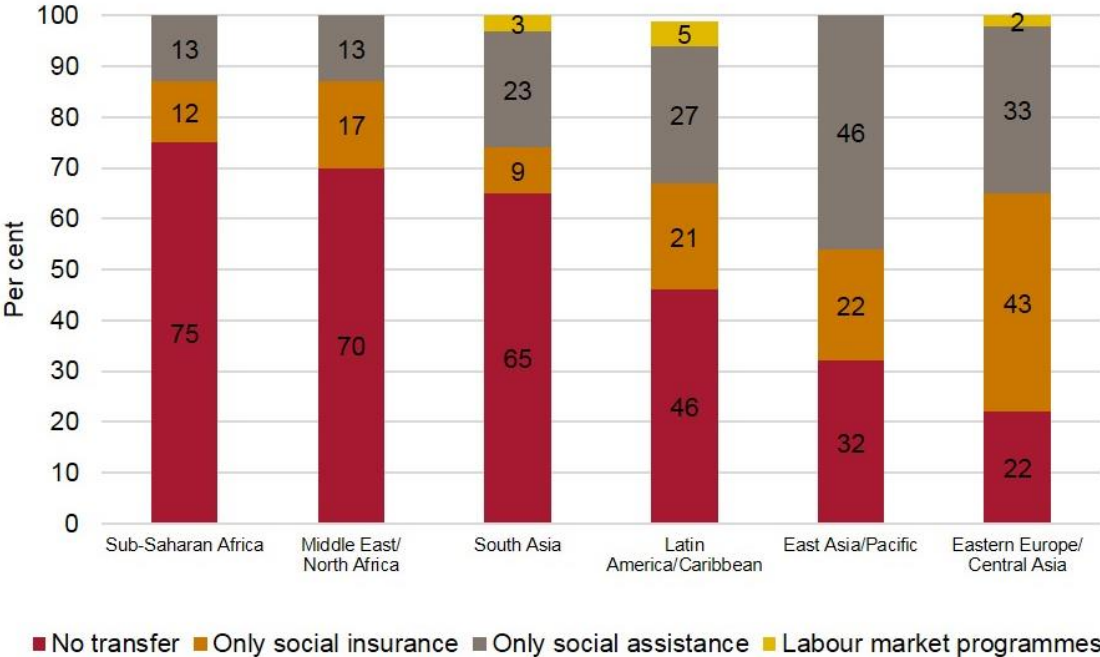
In order to harness labour market programmes more labour-intensive economic growth is needed, that increases productivity and generates better paying jobs. There is a long history of public works programmes in Africa, with rural people being paid in food or cash to build or maintain community infrastructure. However, these are not permanent jobs, they are not linked to social security schemes and they rarely transfer skills that can equip public works participants to find well-paid employment in the formal labour market (McCord 2013).

As in all regions, there are context-specific characteristics that make generalisations across countries difficult. Nonetheless, there have been attempts to distinguish between two types of models, mainly based on the level of economic development in the countries. Middle-income countries, notably in southern Africa, have a longer history with a broader range and deeper coverage of social protection, including well-developed formal social insurance schemes, as well as labour market and employment interventions. Low-income countries and fragile states are more constrained in their financial and institutional capacity, yet have greater numbers of people in need of social protection. Apart from different levels of economic development, some argue that there are fundamental differences in the policy processes and selection of social protection interventions between LICs and MICs in Africa. As Niño-Zarazúa, Barrientos, Hulme and Hickey (2012) argue, MIC governments have focused more on developing social transfers that target age-based vulnerability, such as the Old Age Grant and Child Support Grant in South Africa, which are rights-based (underpinned by legislation) and tax-funded.

In LICs, by contrast, development partners (donor agencies, multilateral financial institutions and international NGOs) have played a strong role in advocating for social protection. As a result, many social transfers in these countries take the form of pilot projects that are externally funded and have a limited degree of institutionalisation and political commitment at national level. It has been questioned whether the current rise of social protection in the region is due to the strong influence of external actors and whether it will wane as donor fashions change, or will the social protection agenda be fully taken on by African governments? The sustainability of social protection systems in the region hinges on national ownership, and more thinking needs to be put into how donors can support and engage with domestic policy processes (Cherrier 2014; de Haan 2014).

Figure 3.2 highlights the extremely low coverage of social protection programmes in Africa (and, to a lesser extent, in South Asia), relative to other regions. Social protection might be on the rise in Africa, but it still has a very long way to go.

Figure 3.2 Coverage of social protection and labour market programmes, by region



Source: Adapted from World Bank (2012b: 23).

4 Drivers of change

Drivers of change are factors that are considered likely to shape the world in the next ten to 15 years and thereby the landscape that social protection operates in, determining the trajectory and shape of social protection in the future. Following the Foresight methodology (see Annex 2), drivers of change were considered in five possible categories, namely Social, Technological, Economic, Environmental, and Political (STEEP). These drivers of change were assessed using all methods in this project. Findings from the literature review point more towards historical drivers of the current state of social protection, while findings from the key informant interviews, online discussion and Foresight workshops are more forward looking and consider drivers that are deemed important and likely to play an important role in the shaping the future world in which social protection will operate.

4.1 Social

A number of social factors emerged across all different methods of investigation in this project. Key issues that are considered to play an important role in shaping the future social protection landscape include increasing inequality, demographic shifts, and urbanisation and rural-urban migration.

Rising inequality has incentivised several governments, particularly in middle-income countries, to introduce social protection as a redistributive mechanism that has the potential to reduce inequality. The frequent mention of inequality as a driver of social protection also implies that it is considered an important intervention for addressing needs of particularly vulnerable groups that are moving up the development policy agenda, such as people with disabilities and adolescent girls. Various key informants pointed towards the potentially dangerous social impacts of inequality and the role for social protection as a palliative mechanism:

Social inequality and exclusion are simmering under the surface. This might increase the demand-side of social protection or other programmes emphasising equity. Also, governments may see a role for social protection in preventing social discontent and start looking at social protection to prevent civil unrest.

(Jennifer Yablonski)

Indeed, social protection can be an attractive policy instrument in contexts where governments aim to reduce income inequality and enhance social cohesion. In contexts with high levels of income inequality, social protection is more affordable since there is usually a larger tax-base to finance it with domestic resources (Hickey 2008), while in contexts with high levels of social inequality (as in many countries of North Africa and the Middle East) the associated political volatility has triggered increased investment in social protection. So income and social inequalities have consequences on both the supply- and demand-side.

Demographic shifts will transform the composition of societies. Some countries will be confronted with a 'population dividend' provided by a large percentage of young people, while others are already foreseeing an increasing need for pensions due to a growing proportion of older people. Will a higher demand for social protection for particular groups of society translate into more and better-quality supply? During the online discussion, some thought that the key question is '*whether population ageing stimulates the expansion of social protection – and especially pensions – or will ultimately lead to its unaffordability (or both)*'.

Certainly not all discussion participants and key informants agreed that demographic shifts will determine the course of social protection:

I think there is an 'over-talk' of demography. These are the underlying conditions that you have to react to, but whether the system actually reacts to them depends on the political will. The system demographics are not forcing change to the extent that we would think.

(Michael Cichon)

Higher levels of **urbanisation** also increase the need for social protection since rural-urban migration often leads to a disruption or disintegration of traditional (rural) safety nets. Social protection has traditionally focused on the rural poor and has developed instruments which address particular vulnerability profiles. A few key informants indeed indicated that this issue is not yet given due attention: '*Urbanisation will become a big issue; it is currently still undervalued. Most systems have been set up in rural settings. Much of this can be translated into urban settings but it will need to be adapted*' (Nicholas Freeland). However, the types of vulnerabilities change when people move from rural to urban areas, as increasing numbers of poor people are doing. The loss of traditional safety nets and social capital, and the transition from rural livelihoods to mostly informal paid work will change the type of risks people are exposed to.

Urbanisation not only increases the need for formal social protection to reduce vulnerability among the labour force, but also increases the demand for social protection by 'urban citizens' who are more likely to mobilise and lobby for their rights. Niño-Zarazúa *et al.* (2012) argue that in Southern Africa the higher levels of urbanisation in MICs have played a role in determining the socialisation of formal social protection, in comparison to LICs. Labour market structures in urban areas are still characterised by high levels of informality, mobile workers and gaps in the provision of social security for the poorest. This does not only affect migrants from rural areas but also international migrants, particularly as eligibility for social protection is often tied to citizenship status. This gives rise to the question of how social protection will have to change to fill these gaps and address the new sets of emerging vulnerabilities.

Further social drivers of change that were identified in the Foresight workshops include changing social relations within families and communities, changing societal expectations around demand for social protection, changing ideologies and ideas of solidarity.

4.2 Technological

Technological factors were not considered to be greatly important in shaping the future landscape for social protection. Technology was mostly considered as an aspect of **delivery** of social protection programmes. Rapidly spreading information technology like mobile phones, GPS identification and cheap data processing can help countries to leapfrog to flexible and effective service delivery and system integration mechanisms (World Bank 2012a). Technology was not considered by our key informants to greatly change the demand for social protection:

Not significant. Important for implementation and effectiveness, but I don't think there will be a big technological breakthrough tomorrow that will make a massive difference to relinquish social assistance problems in developing countries.

(Armando Barrientos)

Technology won't change the shape of the system, but how it is administered.

(Michael Cichon)

Two additional technological factors were considered in the Foresight workshops. Firstly, the role of technology in **changing skills requirements** in labour markets, shifting demand for labour even further towards high-skilled and away from low-skilled labour. This trend may have implications for the demand for social protection, particularly for low-skilled workers.

Secondly, the role of **social media** and its rapid increase in the use of advanced technology may allow for greater civil society mobilisation and organisation, thereby generating greater demand for social protection.

4.3 Economic

In terms of economic factors, issues regarding economic growth and economic volatility were discussed in the online discussion and key informant interviews.

High levels of **economic growth** in many developing countries and the reclassification of low-income as middle-income countries, gave rise to the question whether social protection will expand as a result:

In developing countries, as they become better off as incomes grow, as middle classes and upper-middle classes begin to expand, it will be interesting to see whether or not that will increase the demand for social protection, as in countries wanting to provide safety nets for their poor rather than being externally funded.
(John Hoddinott)

A strong focus on economic growth as a development objective is also increasing the pressure on social protection to demonstrate positive impacts on reducing inequality, increasing the productivity of the poor and contributing to economic growth (World Bank 2012a). This could on the one hand increase political support for social protection, but could also divert attention from its main objective – to protect people against risks and reduce vulnerability (de Haan 2014). Various key informants emphasised the importance of reconciling the objectives of economic growth and reducing inequality and the role of social protection in such ‘inclusive economic growth’: *‘Inclusive growth agenda and inequality: bringing them together will be a key factor for social protection’* (Nicola Hypher).

Recent financial crises and **economic volatility** were referred to many times as suggesting a greater need for social protection. The financial crisis in 1997–98 in Southeast Asia acted as a wake-up call regarding the inadequacy of existing social safety nets and proved an important milestone in the region’s development of social protection (Cook 2009). Nonetheless, it was pointed out that recent crises have not yet raised enough awareness about the need for social protection:

If the triple-dip comes, if we have another impact of the financial crisis, this could lead back to more discussions on social protection. But somehow, inexplicably, the financial markets’ turbulences and crises don’t seem to rock the boat as we expected it [sic] would, such as the crisis in Argentina.
(Gabriele Köhler)

Further economic factors identified in the Foresight workshops include the changing levels and characteristics of poverty, increasing flexibilisation of labour markets and shifts in private versus public service provision, including a potential for more public-private partnerships in the delivery of social protection.

4.4 Environmental

Environmental drivers of change were identified in relation to issues of climate change and revenue from natural resources. Poor people in rural areas, whose livelihoods depend on natural resources, are particularly likely to be impacted negatively by changes in the natural environment.

The consequences of **climate change**, including recurring disasters, as well as the unpredictability of the weather and consequently agricultural productivity, are increasing the

need for social protection to mitigate livelihood risks (ESCAP 2011; UNICEF 2012). Many online discussants and key informants pointed towards the role of social protection in making people more resilient to climate shocks by supporting them to adapt their livelihoods:

Climate change will play a big role. It will require adaptation and changes of livelihoods. People will have to take the risks of transforming livelihoods and most people have little tolerance for these changes since it is too risky. Governments need to promise social protection or minimum standard of living. If so, then poor people will be able to take more risks and adapt.
(Timo Voipio)

Notwithstanding the importance that climate change will play in shaping the world in ten to 15 years' time, not everyone agreed that this would be an important issue for social protection to engage with: '*It's not fundamental, it's mainly a buzz-word*' (Anna McCord) and '*There are better mechanisms to address that [climate change] than social protection*' (Arjan de Haan). Clearly, this is an area where opinion is sharply divided, with one view being that climate change will continue to rise up the agenda and that social protection offers an appropriate response, and an opposing view being that social protection has only a marginal role to play in addressing the fundamental challenges to livelihoods that climate change poses.

In terms of natural resources, there was also discussion regarding the extent to which revenue from **natural resources** can help finance social protection:

There is a natural resource revenue point, and an ongoing debate on whether you can use natural resources directly to fund cash transfers, for example, or whether that is subverting government assistance. Whether that is a good or a bad thing, that debate is going to continue to run, I am sure.
(Matthew Greenslade)

4.5 Political

Political drivers were considered crucial in shaping the future world that social protection will be part of and to which it will need to respond. These drivers were identified as operating at different levels and include global development paradigms, political realities in donor countries and political commitment at national level.

Inequality is widely seen as a major force that could drive a rationale for social protection and create a political incentive within the **global development paradigm**. Reducing inequality – encompassing income inequality and inequalities along socio-demographic characteristics – is also a 'hot topic' in current development debates, and social protection is often mentioned as one of the main policy instruments to achieve this. One of the authors, contributing to the online discussion, wrote: '*Whether driven by genuine altruism, enlightened self-interest or political opportunism, social protection will continue to expand as long as intolerable gaps in wealth and wellbeing persist between the rich and the rest.*'

How this will happen is still unclear and it could go in different directions: '*Will growing inequalities cause greater social schisms and the development of parallel systems (comfortable social security for the better off, and meagre poor relief for the poor), or will they fuel demands for more universal and redistributive social protection systems?*' At the regional level in Africa, for example, the African Progress Panel and the African Development Bank are emphasising the need for governments to step up their investments in health, education and social protection, with a view to moving towards universal access to these basic social services. Consolidating regional integration and harmonising social security will help to address challenges posed to social security systems, for example by migrant workers.

This leads into a second political driver, namely the **political reality in donor countries**, or influential countries that have a strong impact on policy in developing countries. ‘Chindia’ was coined as a term during the Foresight workshops to denote the expanding and increasingly important role of China and India in sub-Saharan Africa and other developing countries. Whether the political climate in countries that are driving social protection as a global development policy agenda is ‘progressive’ (rights-based) or ‘regressive’ (austerity-driven), has profound implications for levels of financing and the nature of technical support offered. While progressive agendas may be supportive of more universal and redistributive systems that are embedded in legal frameworks, regressive policies are more likely to focus on maintaining the status quo and providing only discretionary support to those in absolute need.

While international agreements, UN conventions and donor agendas can put social protection into the limelight and provide the tools to think about establishing social protection systems, whether this translates into action will ultimately depend on **political commitment at the national level**. What determines such political commitment will be context-specific. Democratic processes and the ability of society to organise itself and influence welfare policies are thought to be essential: *‘Democracy is and will be one of the key drivers. Expansion of social protection towards universal comprehensive systems depends in the end on how much organised society and voters wish to see it.’* At the same time, countries such as Ethiopia, Rwanda, China and Vietnam may not fit such a characterisation of their political contexts but have seen strong commitment to and expansion of social protection. National ownership of social protection programmes is emerging unanimously as a necessary pre-condition for the sustainability of programmes, and forms a strong pillar of social protection strategies: *‘It will be crucial to raise the political profile of social protection at the national level. In countries with high levels of political buy-in progress is much faster’* (Nicholas Freeland).

Yet, how and why governments decide on committing to social protection is highly context-specific. Frequently, the popularity of social protection is explained along social-democratic (or Polanyian) lines – growing inequalities and vulnerabilities trigger expansions of public policies. There is, however, no direct causality between increasing needs (demand) and increasing delivery of social protection (supply), since it leaves the political drivers of social policies out of the equation (de Haan 2014). Public and political opinions on social provisioning and the role of the state are deeply ideologically motivated.

In some regions, political commitment will derive from a determination to uphold the rights of their citizens. Nevertheless, they will also be strongly influenced by immediate political pressures, particularly in electoral democracies, or by longer-term considerations if social stability is seen as critical to political legitimacy (ESCAP 2011; Cecchini and Martínez 2012). In other contexts where social protection is externally financed, policy processes and sources of financing are still detached. Evidence is built around ‘what works’ rather than on what kind of evidence will be credible and useful to influence national policy processes (Devereux and White 2010; Gentilini and Omamo 2011).

Indeed, some key informants pointed towards the importance of championing social protection and showcasing positive effects:

There will always be opponents to social protection and champions. And this is not going to change, but the overall opinion could move into the favour of champions, as time passes and people will see how social protection can work at scale and have positive impacts on poverty reduction. For example, in sub-Saharan Africa, cash transfers are still new, and things are still evolving. It will be important to share experiences across countries and also with regions like Latin America on how it works.

(Matthew Greenslade)

This ties into a final driver that was discussed extensively during the Foresight workshops, namely that of **institutional capacity**. In other words, what level of financial, human and technical resources do countries have (or are willing to dedicate) for social protection programmes, and do they have institutions strong enough to deliver them effectively?

5 Future issues and debates

In its initial phase in the early 2000s, when social protection was being introduced to low-income countries, most of the issues that generated debate were conceptual and technical, and were often expressed as polarities or choices between alternative approaches. Conceptual questions included: Is social protection about managing risk and vulnerability or reducing poverty? Is social protection only for the poor or is it for everyone? Should social protection be needs-based or rights-based? Technical debates revolved around design and implementation aspects: cash transfers or food aid? Conditional or unconditional transfers? Targeting or universal provision?¹

The past ten years have seen a proliferation of efforts to find answers to these questions, partly by experimentation – pilot projects using different targeting mechanisms, or applying conditionalities to some beneficiaries but not others; and by building the evidence base – rigorous impact evaluations to demonstrate the effectiveness of social protection in achieving various objectives in relation to poverty, food security, access to education and health services, women’s empowerment, and so on.²

Few clear answers have been found, often because there are no ‘right or wrong’ answers: choices need to be made involving trade-offs, e.g. between targeting costs and targeting accuracy. Nonetheless, most of these debates have been more or less resolved. We now know under which conditions cash transfers are more effective than food aid, for instance, and that whether to apply conditionalities is an ideological choice rather than a technical decision. As a consequence, the main issues and debates in the social protection arena during the next ten to 15 years are likely to be very different.

Among the many issues that were raised during the course of this project, the following five stand out as likely to dominate social protection thinking and practice in the years ahead: building national systems, fiscal affordability, understanding political processes, labour market linkages, and coverage.

5.1 Building national systems

International organisations as well as academics are now putting the need for national systems-building at the centre of future social protection development. There is a broad consensus on the imperative to move away from the fragmented approaches of short-term pilot projects and lack of coordination across government entities between national social assistance and social insurance schemes, towards a harmonised and more efficient system. International actors also acknowledge that efforts to harmonise social protection should apply not only to governments, but also to development partners. Better coordination and coherence of international actors is considered vital to assist national governments to set up efficient and effective systems that address the underlying causes of vulnerability (ESCAP 2011: 45; ILO 2014; UNICEF 2012: 20; World Bank 2012b).

Several governments are pursuing systemic approaches to social protection or social policies through national strategies. However, this varies significantly across regions and countries, being more prevalent among middle-income countries of Latin America and parts of Asia than low-income countries in Africa. Some countries are resistant to endorsing systemic approaches, particularly where low financial and institutional capacity poses obstacles to introducing systems, or where ideology and political interests oppose universal access to social protection due to fears of dependency (Cherrier 2014: 16; Andrews *et al.* 2012: 37).

¹ Arguments for and against these issues were made in an *IDS Bulletin* titled ‘Debating Social Protection’ (Devereux and Sabates-Wheeler 2007).

² For overviews of the evidence base, see DFID (2011); Alderman and Yemtsov (2012); Barrientos (2013).

One key informant questioned whether the focus on building systems is more of a donor-driven agenda than a priority at national level.

Donors talk about systems, but I am not sure that national governments do so much. Systems are far too ambitious for many countries. Most of the development around social protection has happened around flagship programmes – like PSNP in Ethiopia, Bolsa Família in Brazil, or the Child Support Grant in South Africa – and not around systems.

(Armando Barrientos)

5.2 Fiscal affordability

Debates around the need for comprehensive, nationally owned social protection systems lead logically to the question of financial affordability and sustainability. Economic growth in many LICs and MICs is generating fiscal space that could be harnessed for establishing and maintaining social protection systems. Where there is growth and fiscal space, the allocation of resources becomes a question of political priorities as well as of increasing domestic revenue-generating capacity through efficient, effective and progressive tax systems (Cecchini and Martínez 2012; European Commission 2012). It does not inevitably follow that an increasing capacity to finance social protection will lead to rising allocations of the national budget.

In Africa, assuming that economic growth will continue, the question is financing and how state revenues can pay for social protection – so moving more from external funding to national funding. Countries will have to assess how high a priority social protection will play in comparison to other interventions, and each country will answer this differently depending on their political economy.

(Arjan de Haan)

A challenge for financial sustainability, particularly in LICs, lies in the fact that there is a large population in need of social protection, and a relatively small group of the population that is better off and paying tax. Creating a social contract and recognition of social protection as an entitlement, will be crucial to build public support for tax-funded programmes (Cherrier 2014). A fear of creating dependency in contexts with limited public resources has created resistance among elites to expand social assistance (Kabeer *et al.* 2010).

However, in contexts with very low rates of economic growth and political instability, redistribution of public resources becomes a challenge, which leads to a ‘chicken-and-egg’ question: which should be prioritised first – economic growth or redistribution? (Gentilini and Omamo 2011). Financing of social protection thus relates to the pursuit of economic growth models that promote inclusiveness through redistribution of resources and the generation of employment with increasing access to formal social security (ADB 2013; World Bank 2012a). But this has its own risks:

Will growing inequalities cause greater social schisms and the development of parallel systems (comfortable social security for the better off, and meagre poor relief for the poor), or will they fuel demands for more universal and redistributive social protection systems?

(Charles Knox-Vydmanov)

In these contexts it has been argued that development partners will continue to play an important role in providing financial support to countries in the initial (and costly) phases of setting up systems. However, a contradictory trend is evident between the promotion of increasing financing for social protection in LICs, and the fiscal consolidation of public expenditure on social protection, particularly in HICs and MICs. The global financial crisis in 2008 initially led to a boost in global financing for social protection as part of stimulus

packages, but this was rolled back in 2010 in a large number of countries – in some cases to levels below pre-crisis levels (ILO 2014). According to some, the austerity measures in donor countries could be one of the biggest threats to social protection – not only in their own countries, but also in countries that depend on external funding (de Haan 2014). One key informant noted that *‘developing countries are watching what is happening in Europe now and will take this into consideration for building welfare systems in their own countries’*.

5.3 Understanding political processes

Moving from small-scale projects to large-scale systems requires strong political commitment by national governments. This still varies across countries and regions, with stronger national leadership in Latin America and MICs in Southern Africa. International actors recognise the importance of context-specificity for the formulation of national social protection programmes and stress the importance of building national ownership. The academic literature, however, has highlighted throughout the past decade that international actors have been paying too little attention to local policy processes, and too much attention to technical issues. As noted above, building the evidence base has focused on resolving technical questions (such as how to target accurately and cost-effectively) and quantifying impacts of social protection, but not enough on understanding why social protection is attractive to some governments more than others. In countries with high levels of donor influence this limited understanding of policy processes and political incentives has inhibited the ‘nationalisation’ and scale-up of donor-driven pilot projects. Understanding political processes better is increasingly recognised as an issue that needs to be prioritised in the future (Hickey 2008; Niño-Zarazúa *et al.* 2012; Cherrier 2014; de Haan 2014).

We need a better understanding of political processes. There is much on this in Latin America around this, but very little in Africa or South Asia. This is an important gap. It is a challenge: unless you can work out the politics you will not be able to get effective programmes on the ground.
(Armanda Barrientos)

There was broad agreement among online discussion contributors that the presence or absence of democracy and democratic institutions, notably a campaigning civil society, is crucial for generating demand for social protection. International agreements, regional declarations and UN conventions can put social protection into the forefront of political debates – but whether this translates into action will ultimately be decided at the national level. One contributor argued that democratic processes and society’s ability to organise itself and influence policies will be essential. *‘Democracy is and will be one of the key drivers. Expansion of social protection towards universal comprehensive systems depends in the end on how much organized society and voters wish to see it.’*

It follows that understanding political processes is also crucial at the sub-national level. To ensure that citizens achieve access to social protection in countries where it is just starting to emerge, or to protect their access in places where it is being eroded, grassroots movements and local civil society need to be strengthened. Strengthening public accountability for social protection requires *‘a shift away from central government advocacy towards including more awareness-raising on rights, empowerment of communities, creating functioning case management systems and expanding public advocacy’* (Sarah Hague).

5.4 Labour market linkages

An emerging feature of the trend towards more systemic approaches to social protection is a call for more explicit linkages to labour markets, in at least three ways. On the one hand, social protection should be linked to active labour market policies that aim to increase the employability and earnings of those who have traditionally been excluded from formal employment, e.g. through skills development programmes, thereby promoting the creation of

formal jobs that are linked to social insurance (Cecchini and Martínez 2012; ILO 2014). This is sometimes interpreted as a rights-based agenda. It will require *'civil society activism and effective state intervention that delivers the right to decent work, attached to employment-related benefits which are guaranteed, enforceable – and enforced'* (Colette Solomon).

On the other hand, it is necessary to improve the conditions of work by enabling access to social security for those in the informal sector. The coverage and scale of social insurance varies across countries and regions, but in general coverage is low particularly for those who are not working in the urban formal sector. International organisations are promoting the extension of social protection, particularly social insurance, to the informal sector and to groups who have been excluded from formal insurance mechanisms, and some innovative ideas are beginning to emerge (ADB 2013; World Bank 2012a).

Thirdly, there is growing belief in the power of 'graduation' programmes to move people out of extreme poverty and food insecurity by delivering an integrated package of support that includes consumption support (cash transfers, access to savings) and livelihood support (asset transfers and training). Impressive evidence of success from NGO programmes in Bangladesh has led to replicas or variants being introduced in several other countries in Asia, Africa and Latin America (Hashemi and Umaira 2011). These efforts to move poor people out of dependence on social assistance and into self-reliance and resilient livelihoods is sometimes interpreted as an innovative approach to poverty reduction, but has also been criticised as an attempt by governments to reduce their responsibility for delivering social protection to vulnerable citizens.

5.5 Coverage

Several international organisations are promoting universal access to social protection as an entitlement that citizens should be able to claim (ILO 2011; UNICEF 2012; ESCAP 2011), and a range of countries in Africa, Asia and Latin America have laid the legal foundation for the provision of social protection in national legislation or even in their constitutions. While there remains an ideological divide between targeted approaches versus rights-based universalism, the focus on systems-building is changing the tone of the debate and making a case for a more efficient provision of social protection through 'targeting within universalism'. This is not to suggest a move away from designing social protection targeted at specific groups, but that targeting should be embedded within a framework of universal coverage of social protection, particularly extending it to those who have been excluded (ESCAP 2011: 54; ILO 2014: 80). A universal approach to social protection also implies improving the supply-side of social services, such as health, water and sanitation and education and embedding it within a wider social policy framework.

A more fundamental concern is the continuing low level of coverage of social protection across the world, especially in most LICs and many MICs. This is well illustrated by Figure 3.2 above, which highlights that more than 70 per cent of Africans lack access to any form of social protection, notwithstanding the rapid and impressive rise of social protection in the development policy discourse.

When you start concentrating on the technical support and building of systems, donors can lose sight of the fact that coverage is still very low. I think there will be an important role for the UN and civil society, international NGOs to play in pushing on the coverage point.

(Matthew Greenslade)

6 Future scenarios

This section presents the data generated by the fourth research methodology deployed in this project – two ‘Foresight’ workshops that formulated scenarios and identified policy options for social protection in each scenario (see Annex 2 for a detailed description of the Foresight methodology).

Two Foresight workshops were held at IDS, in September and November 2014, on the topic: *Where next for social protection?* They entailed a facilitated and collaborative process during which (i) key challenges and opportunities for social protection were identified (‘drivers of change’); (ii) possible alternative scenarios for the future of social protection were elaborated (‘scenario-building’); and (iii) potential social protection policy responses were ‘tested’ against each of these scenarios (‘windtunnelling’). The methodology and process encouraged ‘out-of-the-box’ thinking and working through specific policy options and their feasibility or applicability in different situations.

6.1 Scenario-building

Following the identification of drivers of change likely to shape the world that social protection operates in (a full description of which has been given in section 4), two drivers were selected to underpin the ‘scenario-building’ exercise. **‘Progressive/regressive politics’** and **‘high/low national institutional capacity’** emerged as key drivers along which scenarios should be framed.

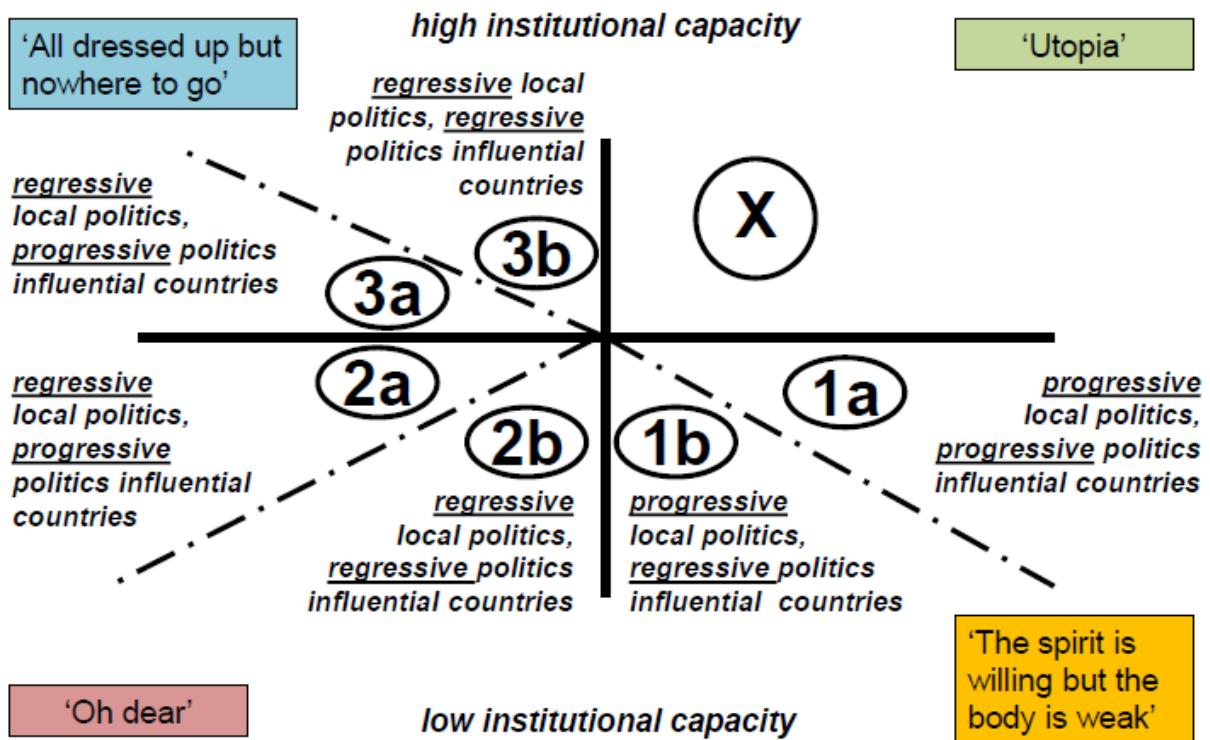
These two drivers were subsequently placed on a continuum on an X-axis and Y-axis respectively, such that four potential scenarios emerged (corresponding to the quadrants in Figure 6.1):

- **‘Utopia’** (top right): progressive politics, high capacity
- **‘The spirit is willing but the body is weak’** (bottom right): progressive politics, low capacity
- **‘All dressed up but nowhere to go’** (top left): regressive politics, high capacity
- **‘Oh dear’** (bottom left): regressive politics, low capacity.

It was decided that the ‘ideal’ scenario (top right – ‘Utopia’) would not be discussed as it was considered to be the least interesting scenario for further exploration, and least likely to occur in the low-income countries where social protection is currently being introduced or expanded, within the ten- to 15-year timeframe for this analysis.

In the process of scenario-building, however, it became evident that the driver on ‘politics’ was not specific enough and conflated political processes at two different levels: (1) national or local level and (2) global or ‘influential countries’ level, where influential countries are those dominating the design and financing of social protection programmes in low-income countries. Sub-dividing the politics driver to account for this bifurcation resulted in the emergence of six scenarios for further exploration (see Figure 6.1).

Figure 6.1 Scenarios



Source: Authors' own.

To keep the analysis manageable, it was decided to choose one slice – (a) or (b) – of each quadrant only. In order to maximise diversity, the following scenarios were chosen for further elaboration:

- **Scenario 1a: 'The spirit is willing...'**
- **Scenario 2a: 'Oh dear'**
- **Scenario 3b: 'All dressed up...'**

They were elaborated as follows:

Scenario 1a: 'The spirit is willing...'

progressive local politics, progressive international politics, low institutional capacity

In this scenario there exists goodwill and good intentions, both domestically and internationally, but limited capacity to deliver social protection and other services effectively. Factors that might hold back progress in this scenario include: high or rising civil insecurity, food price and climate-related shocks, a youthful population with low skills, the dominance of the private sector over societal interests, and rising social frustrations about government failures leading to service delivery protests.

Positive features of this scenario include: an alignment of national governments and donors and development partners around what needs to be done, high aid flows with a particular emphasis on strengthening institutional capacity and technical expertise, an active civil society which could be strengthened and rights-based policies – at least on paper. There is potential for technology to help tackle or bypass delivery challenges.

There is a risk of donor dependence or that social experiments will be trialled as pilot projects. Social protection initiatives that are launched in this context might be unsustainable because they rely heavily on expatriate financial and technical inputs, and government lacks the capacity to take over their management and scale them up.

Scenario 2a: ‘Oh dear’

regressive local politics, progressive international politics, low institutional capacity

This scenario is characterised by high levels of poverty and inequality. Citizens have no voice and civil society is weak or repressed, so government is effectively unaccountable. Civil society exists mainly as implementing partners for development projects of international donors, rather than as activists campaigning for change. Government has no interest in rights-based approaches, clientelism is rife, public provision of services is weak, the middle classes depend on private social services, and there is low commitment by public officials to help the poor.

Apart from the dire political situation, the economic situation is equally challenging. Labour markets are insecure with a large informal sector and unregulated markets; there is little social protection against livelihood shocks such as extreme weather events, price shocks and financial crises; people face multiple vulnerabilities, such as high health risks and low health outcomes.

Because of these political and economic challenges, there is extensive ‘economic’ migration within and between countries, including unplanned and poorly serviced urban informal settlement, as well as ‘political’ migration inside and beyond national boundaries (population displacement, refugees). International actors have a limited role, which is often restricted to humanitarian relief.

Scenario 3b: ‘All dressed up...’

regressive local politics, regressive international politics, high institutional capacity

Because politics in this scenario are regressive both locally and internationally, external relations are dominated by ‘trade, not aid’ – international trade agreements rather than aid flows. The labour market is stagnant and unemployment is high. There is inadequate state regulation of private sector employers. This is a low-wage economy dominated by informalisation. Societal expectations and ambitions are low. Those who can, migrate to more vibrant economies in more progressive countries elsewhere.

Because local capacity is relatively high, financing for social protection is generated by economic growth and a mix of public and private provision. However, only a minimal safety net is installed, to quell social unrest. Public expenditure is rolled back and public sector budgets are cut for ideological reasons. Social insurance is based on private contributions while social assistance comes with conditionalities attached. This leads to rising inequality and polarisation, with limited redistribution of public resources and few groups being adequately covered by government-run social protection programmes.

Perhaps the most useful insight to emerge from this scenario-building exercise was the recognition that future trajectories for social protection depend on factors beyond the control of people who are advocating or designing or administering social protection programmes, and that these factors are not generalisable but are highly context-specific and subject to change over time. There is no single linear pathway for social protection going forward, but a number of pathways that will move in complex ways as political ideologies shift both domestically and in the global development discourse and as institutional capacities grow steadily over time, or are undermined by conflict and insecurity.

6.2 Windtunnelling

The windtunnelling exercise aimed to formulate policy options for social protection within these three scenarios. The focus was on identifying viable and feasible options in the three different 'future worlds'. Policy options formulated for one scenario were subsequently 'tested' against the other scenarios to assess their feasibility and opportunities for application in radically different contexts. Discussions on the basis of this exercise are summarised here, while the data generated in the workshop are presented in Tables 6.1, 6.2 and 6.3 below.

Scenario 1a: '*The spirit is willing...*'

Proposed policy options included: building consensus on a single national vision and platform for social protection; using technical assistance in innovative ways to strengthen local capacity; signing up to the Social Protection Floor and adopting a 'progressive realisation' approach to achieving it, increasing public demand for social services, including accountability mechanisms such as grievance procedures, and introducing right-to-work schemes (employment guarantees rather than public works projects). All of these proposals were agreed to be appropriate in a context of progressive local and international political regimes but low institutional capacity.

These proposals received mixed reactions from scenarios 2a and 3b. There was little enthusiasm for a national vision and no interest at all in signing up to the Social Protection Floor, which was dismissed as 'too progressive'. Public services would be delivered alongside private providers and there would definitely be no accountability mechanisms. The 'right-to-work' proposal was rejected in favour of old-style public works: 'No right to work, but duty to work'.

Scenario 2a: '*Oh dear*'

Proposed policy options were very limited and unambitious, reflecting the limited commitment and accountability of this regressive regime and its low capacity to deliver public services. Social protection would effectively take its most basic 'safety net' forms: humanitarian response during crises (probably delivered by international agencies rather than the government), public works projects (also externally funded and run by donors or NGOs), mother and child feeding schemes, and contributory pensions for civil servants as part of the government's clientelist orientation.

The regressive government of scenario 3b endorsed these suggestions, as both regimes share a common ideology. But since scenario 3b has higher capacity to deliver services, the government would be the main implementing agency for all interventions. The progressive government of scenario 1a did not oppose these ideas in principle, but would implement them as part of a coordinated national vision for social protection rather than as isolated projects. Contributory pensions for civil servants would only be acceptable as one component of a universal pension scheme.

Scenario 3b: '*All dressed up...*'

Policy options in this scenario were highly regressive. The regime is assumed to be pro-business so deregulation of business is favoured, implying low social security coverage and contributions, and no minimum wage to protect low-paid workers against exploitation. Social protection will be dominated by conditionalities and a focus on graduating people off programmes and into the labour market as quickly as possible. Minimal social assistance will take the form of food banks that will be run by non-profit 3rd sector plus private partnerships.

The equally regressive government of scenario 2a supported these proposals in principle, but noted that international donor partners might not endorse excessive

deregulation of the private sector and restricted social security protections for workers. They might also lack the capacity to implement graduation programmes, even while agreeing with the intention behind them. The government of scenario 1a disapproved of this entire set of proposals on ideological grounds. Favouring business, conditionalities, graduation, and soup kitchens are all antithetical to the more pro-poor and rights-based orientation of this progressive regime and its progressive international partners.

This exercise revealed that the fundamental determinant of a country's social protection trajectory is likely to be the nature of that country's political regime. A progressive government will be open to rights-based approaches such as the Social Protection Floor and employment guarantee schemes, civil society mobilisation and accountability mechanisms. Low institutional capacity can be partly rectified with the support of development partners, especially if the international political climate is also progressive. Conversely, regressive governments will reject rights-based approaches in favour of minimalist safety net approaches such as food banks, public works projects and limited conditional cash transfers. The economic and political contexts will be conducive to business and the private sector, and contributory social security for formal employees is preferred to large-scale social assistance programmes such as social grants. The exercise further revealed that the role of the international political regime is likely to be limited. While it may be important in creating an enabling environment for progressive and innovative policy design (through the launch of global initiatives such as the Social Protection Floor and provision of technical assistance, for example) or acting as a brake on regressive interventions, it is unlikely to form a decisive factor in shaping national social protection landscapes.

Table 6.1 Windtunnelling results: Policy options for scenario 1a

Policy options	Scenarios 1a: ‘The spirit is willing...’ <i>progressive local politics,</i> <i>progressive international politics,</i> <i>low institutional capacity</i>	2a: ‘Oh dear’ <i>regressive local politics,</i> <i>progressive international politics,</i> <i>low institutional capacity</i>	3b: ‘All dressed up...’ <i>regressive local politics,</i> <i>regressive international politics,</i> <i>high institutional capacity</i>
Single national vision and platform for social protection (operational, pie on the ground/pie in the hand, not just pie in the sky) – capacity-building: new models for technical assistance (TA) by development partners	+ +	+/- (May be possible, but even if a regressive regime would have aim for a national vision, but it would be very limited and restricted.)	+/- (There is a national vision, but no pie. We have capacity, but don't want to provide a pie.)
Sign up to Social Protection Floor (income security to all vulnerable groups) – measures put in place incrementally, try to use mobile phone technology to start cash transfers in most deprived geographical areas	+ +	-- (It would be too progressive for this regressive regime.)	-- (Don't support Social Protection Floor.)
Build public demand for services – TA, analytical work. In terms of policies, there would be grievance mechanisms for public programmes, to increase accountability (incl. social protection) since it is a key issue in a low capacity setting	+ +	– (Could be positively dangerous in this environment, too many grievances.)	+ (There would be competition of different delivery mechanisms of private providers. But no accountability mechanisms.)
Right-to-work schemes – invite applications! (working-age population) – stick to the broad model of public works, but be more imaginative in terms of the nature of the work done. E.g. encourage orgs to apply for funding for a particular project, could be more market-oriented or livelihoods-oriented. Public works sector is badly in need of new thinking	+ +	+ (Some kind of public works programmes would work.)	+ (No right to work, but duty to work.)

Table 6.2 Windtunnelling results: Policy options for scenario 2a

Scenarios Policy options	1a: 'The spirit is willing...' <i>progressive local politics,</i> <i>progressive international politics,</i> <i>low institutional capacity</i>	2a: 'Oh dear' <i>regressive local politics,</i> <i>progressive international politics,</i> <i>low institutional capacity</i>	3b: 'All dressed up...' <i>regressive local politics,</i> <i>regressive international politics,</i> <i>high institutional capacity</i>
Humanitarian response to shocks, mainly through (international) NGOs: food > education	+ (Ideally it would be part of the national vision.)	+ +	+ (Yes, but the implementing actor would be government.)
Public works programmes funded and run by donors and NGOs (at lowest common denominator to avoid internal conflict and opposition)	– (These would be isolated, fragmented projects and oppose our national vision of Social Protection of a unified approach.)	+ +	+ (Implementing actor would be government.)
Child/mother feeding programmes by (I)NGOs/ government, as part of a minimalist view of social protection	+ (Yes, but shouldn't be the only thing.)	+ +	+ (Implementing actor would be government.)
Contributory pensions for civil servants (government-run programmes for government, high clientelism)	+/- (Would be part of a vision, but if is the only part of pension then it is regressive. Has to be part of a universal pension scheme.)	+ +	+ + (Yes, but no other pensions. No universal scheme.)

Table 6.3 Windtunnelling results: Policy options for scenario 3b

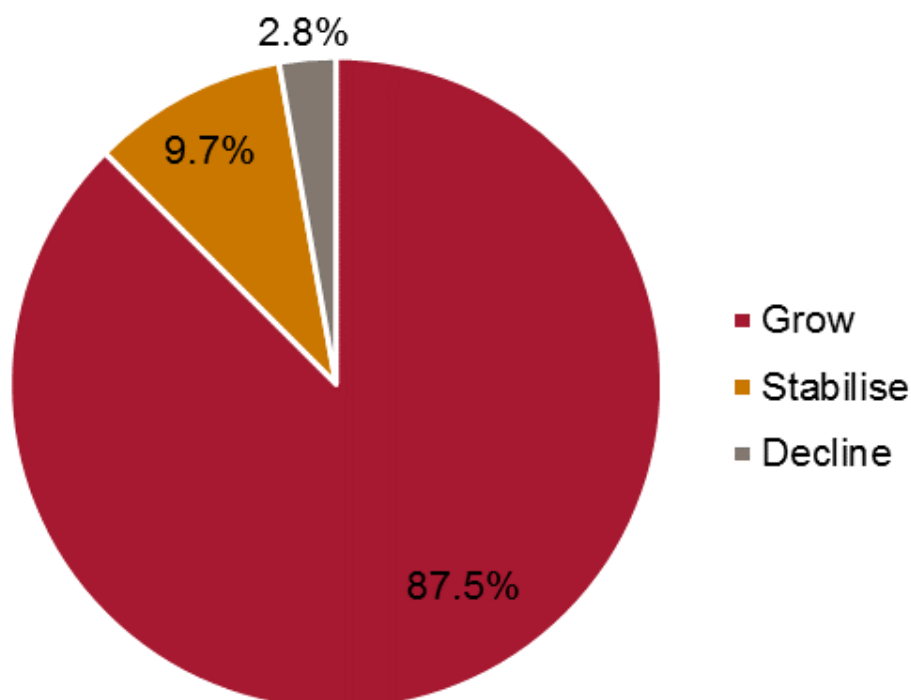
Policy options	Scenarios 1a: ‘The spirit is willing...’ <i>progressive local politics,</i> <i>progressive international politics,</i> <i>low institutional capacity</i>	2a: ‘Oh dear’ <i>regressive local politics,</i> <i>progressive international politics,</i> <i>low institutional capacity</i>	3b: ‘All dressed up...’ <i>regressive local politics,</i> <i>regressive international politics,</i> <i>high institutional capacity</i>
Deregulation of business (lower contributions to social security to lower cost of labour) – more pro-business, lower contributions to social security, no minimum wage	– (Could be positive – some deregulation.)	+/- (Local governments might like it, but international donors would push against this.)	+ +
Tighter conditionalities (‘compulsory’ internships to continue to receive benefits) – stronger focus on increasing productivity, short-term graduation, pushing people into the labour market	– – (Don’t support it, would be on the basis of cost efficiency, sacrifice people’s lives.)	– (Fits the regressive local policies, but lack of capacity doesn’t allow for enforcing them.)	+ +
Food banks (3rd sector + private partnerships) – minimal safety net for poorest, hand-out politics, non-profit private partnerships	– (Not if it’s the only thing.)	+ (Could be a nice, easy bit of ‘window-dressing’.)	+ +

7 Conclusion

As noted earlier, this is not a conventional study that investigated a research question or hypothesis in order to draw out recommendations for improved practice from the empirical findings. Instead we used a variety of methods and tools to draw out a range of views on possible future trajectories for social protection as a policy domain in low-income and middle-income countries, and we have presented these views without imposing our own prejudices or a false consensus where none exists.

At the start of the online discussion event for this project, registered participants were asked to vote on whether they believe that social protection will grow, stabilise or decline in the next five to ten years. Responses were overwhelmingly optimistic. No less than 87 per cent (63 of 72 who answered) predicted that social protection will continue to grow, 10 per cent (7 out of 72) thought it will stabilise at its current level, and only 3 per cent (2 out of 72) believed that it will start to decline from its present position on the development policy agenda.

Figure 7.1 Results of vote on the future of social protection



Source: Authors' own.

Key informants interviewed for this project expressed a diversity of views on this question. Many shared the dominant view that social protection will continue to rise on national policy agendas.

People will not tolerate the rising inequalities. Governments will have to find credible ways to show they care for their people. Social protection is an effective and transparent way to reduce inequalities. Some governments will use it to buy votes, and why not? But more and more governments realise that social protection also boosts aggregate demand, inclusion and social mobility – without which sustainable economic growth will not be feasible.

(Timo Voipio)

Others predicted that social protection will reach a natural plateau fairly soon.

I would say that the most likely scenario is that social protection will stay about the same. The second most likely is that it will increase and the least likely is that it will decline. This is due to a proven success of social protection in many countries and it has now become part of the development mainstream. There was a big expansion in the past so I think it will plateau eventually, once all the programmes are set up.
(John Hoddinott)

A few key informants reflected the minority view that social protection will decline, especially at the level of the global development policy discourse.

I think at the global level social protection will become less prominent. It already reached its peak with the ILO Declaration in 2012 and it will fizzle out now. In the past there was a lot of tension around targeted safety nets versus universalism, conditional versus unconditional, but now you can see that the World Bank is going back to simple safety nets. The SDGs stress that social protection should be only for the most marginalised. We are losing the transformative element of social protection. So at the global level there will be a decline, but individual countries will continue building social protection systems.
(Gabriele Köhler)

Reinforcing the pre-discussion vote, the dominant view among the online participants, as well as key informants, was that social protection will continue to become more prominent on the development agenda in the next five to ten years, for both 'demand-side' and 'supply-side' reasons.

On the demand side, social protection will grow because there will be a continual increasing need for it. Social protection can help in bridging inequality and reducing vulnerability. It can function as a stabilising force post-crisis (economic and political) and address social exclusion of the poorest. However, the increasing need for social protection should not be taken as a sign of its success, if it is used instrumentally as a 'band-aid' for failed economic strategies and systemic failure. As one discussant stated:

Unless systemic problems in the labour market are resolved, there will be a growing need for even more inclusive and comprehensive social protection [in South Africa] to reduce vulnerability, poverty and inequality. In this context, the social safety net will inevitably continue to expand but this is more an indicator of a failed economic strategy (a failure to generate secure, full-time, well-paid employment) than a successful social protection policy.
(Colette Solomon)

On the supply side, social protection is increasingly gaining political support. The demand will be met because there is increasing political interest in supplying social protection. The last decade has seen an exponential growth in the number of developing countries that are introducing social protection programmes. Countries like Brazil and Mexico in Latin America, or Rwanda and Ethiopia in Africa, have pioneered national social protection programmes that have served as models for their regions. Some countries, such as South Africa and India, have even integrated legal provisions for social protection into their constitutions. This trend will not only continue, but it will likely move towards a more holistic agenda linked to the provision of basic services, such as health and education, as well as to economic sectors such as agriculture and job creation. Political will and national ownership remain decisive in the evolution of national social protection programmes and systems.

It is never easy to predict the future, but a few projections can be made with some degree of confidence.

Social protection will continue to consolidate, especially in middle-income countries, where projects and programmes will increasingly become components of integrated systems with linkages to other social and economic sectors and (where appropriate) harmonised financial and technical support from development partners. Challenges of affordability and extending coverage will persist in low-income countries – there might even be reversals in unfavourable economic and political contexts.

Economic shocks and political crises, whether at national, regional or global level, will continue to either undermine the deepening of social protection systems or will motivate increasing investments in building systems to protect people against the consequences of these shocks – this could go either way. Social protection will increasingly become a response to income inequality and social inequities rather than being driven only by poverty and demographic vulnerabilities. It is not yet clear whether rights-based approaches towards universal provision underpinned by justiciable legislation, such as the Social Protection Floor, will gain traction globally or only in certain countries.

The governance of social protection will gain increasing attention, particularly with respect to such issues as decentralised programming, the role of civil society, and bottom-up social accountability mechanisms. Development partners will need to redefine their role, probably moving away from financing social protection projects directly and building the evidence base on impacts, towards innovative approaches to technical support and building national capacities.

Ultimately, the direction that social protection takes will vary from country to country and will shift over time, as capacities to deliver fluctuate and as governments and political ideologies change. Better understanding of political processes around social protection, and innovative approaches to building institutional capacity, are essential to consolidate progress and to exploit both 'progressive' periods and times of austerity as windows of opportunity for reshaping social protection, as it moves forward into its next phase.

Annex 1 Questionnaire for key informant interviews

1. Do you think that social protection will become more or less prominent on the development agenda in the next five to ten years? Why?
2. What do you think will be the most important issues and debates within the social protection discourse in the next five to ten years?

Prompt for whether the following topics will rise or decline:

- cash transfers versus food assistance
- conditional versus unconditional transfers
- cost-effectiveness across instruments
- decentralisation and local governance
- delivery mechanisms
- dependency
- extending coverage to the informal sector
- financing
- graduation
- grievance and complaints mechanisms
- inclusive growth
- informal social protection
- labour market linkages
- national ownership
- resilience
- rights-based approaches
- scaling up
- systems-building
- targeting versus universal programmes.

3. What do you think are likely to be the most important factors shaping the evolution of the social protection agenda in the coming years? Why?

Prompt for disaggregated responses by five 'drivers of change' categories:

- economic
- political
- social
- technological
- environmental

4. Who do you think are likely to be the most important actors shaping the future social protection agenda? How and why?
5. Do you think that there will be major differences in the way the social protection agenda evolves in different global regions? (e.g. between Latin America and Africa and South Asia.) Or do you think there will be a convergence across regions? Why?
6. Can you comment on how you think social protection will evolve in one specific region that you know well?

We should try to get at least one respondent to comment on each major region:

- Latin America and the Caribbean (LAC)
- sub-Saharan Africa (SSA)
- North Africa and the Middle East (MENA)
- Eastern Europe and Central Asia (or former Soviet Union)
- South Asia
- East Asia (especially China)

7. What do you think will be the main practical challenges regarding building national social protection systems in the coming five to ten years?

Differentiate between the challenges:

- for different actors – national and local governments, development partners, civil society
- at different levels – global, regional, national, sub-national

8. Do you have anything else to add that you have not yet mentioned?

Annex 2 Overview of Foresight methodology

The three principal forecasting methods used in this project were:

- Drivers of change analysis ('STEEP')
- Scenario-building, using the 'two-axes' method
- Options testing ('Windtunnelling')

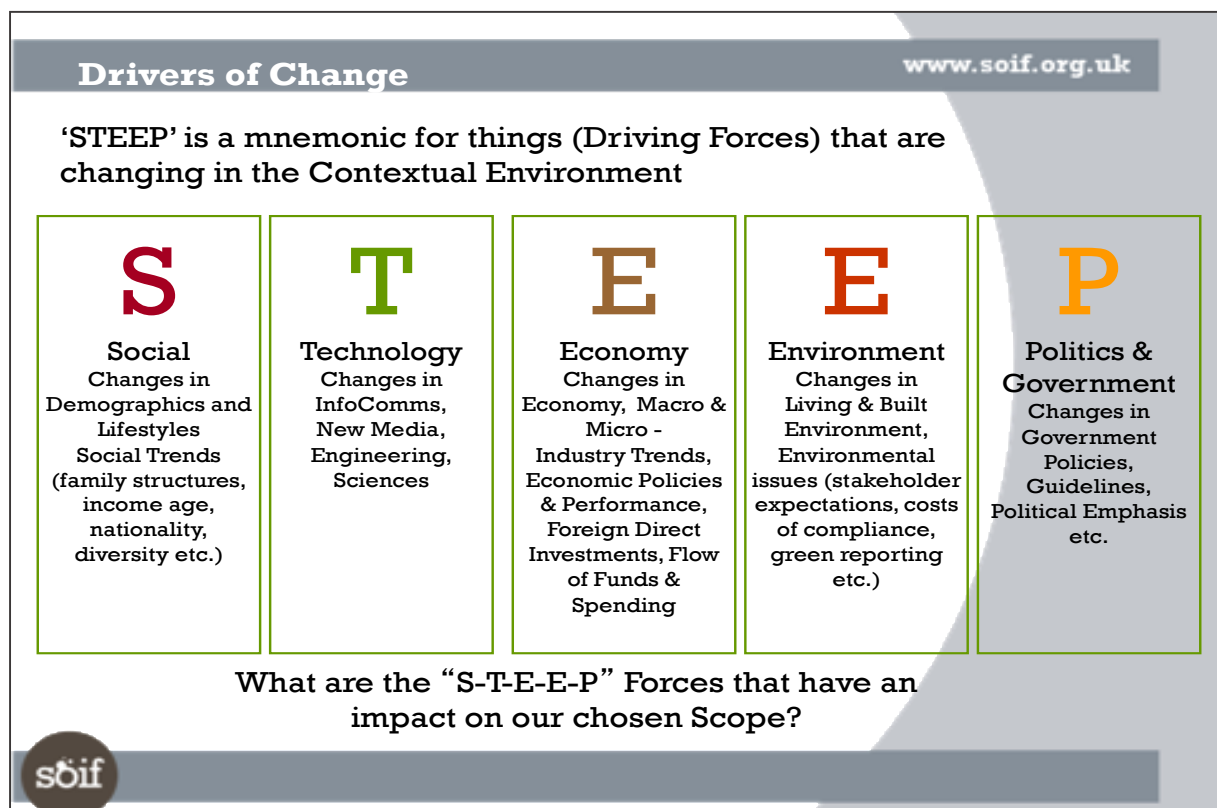
Below is a brief overview of these methods. For more in-depth explanation, and alternative or complementary approaches, see the *Foresight Scenario Planning Guidance note*.³

1. Drivers of change analysis ('STEEP')

A group of participants identifies major trends and drivers of change, usually in a workshop. Participants draw on their knowledge and awareness of different kinds of information, including research and horizon-scanning data, economic and demographic models, political and legislative trends, and cross-country analysis. They also apply their judgment and intuition to assess which drivers of change will play an important role in shaping future trends and outcomes relevant to the topic they are looking at.

We use the **STEEP** framework to ensure that there is coverage of **S**ocial, **T**echnological, **E**conomic, **E**nvironmental and **P**olitical factors. In discussion, participants identify the ten to 15 most important and most uncertain drivers for the period under consideration.

Figure A.1 STEEP drivers of change



Source: Foresight Horizon Scanning Centre, Government Office for Science (2009)

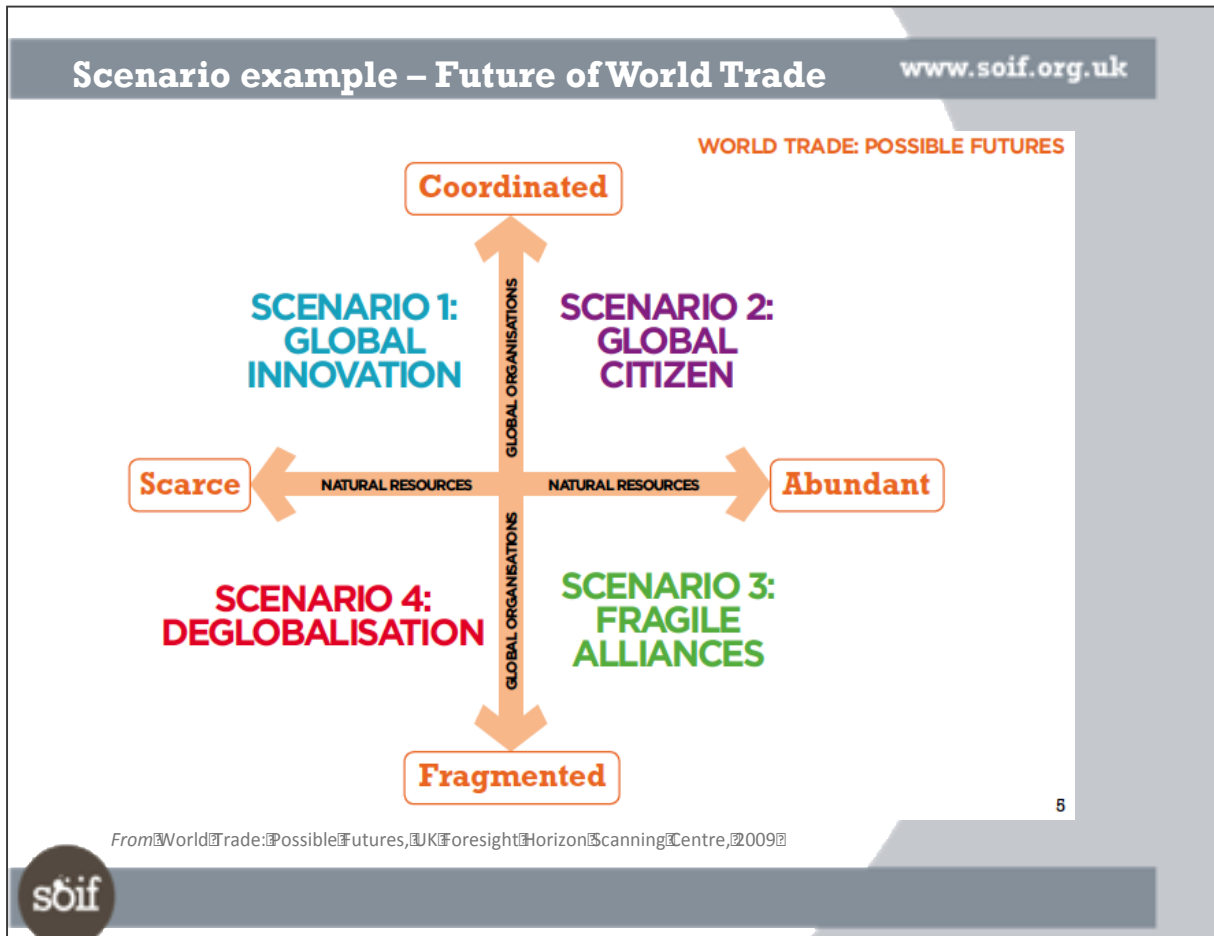
³ www.soif.org.uk/wp-content/uploads/2014/12/Foresight-Scenario-Planning-Guidance-2009.pdf (accessed 8 January 2015)

2. Scenario building

One of the most common approaches to build scenarios is the 'two-axes' method (also known as 'axes of uncertainty').

Four scenario 'spaces' are constructed, based on the two most uncertain and highest impact drivers identified in the STEEP drivers of change exercise. Each scenario is written up as a narrative of what the world in each of the quadrants is like for the people living in it.

Figure A.2 Example scenario building using two-axes method



Source: Foresight Horizon Scanning Centre, Government Office for Science (2009)

The scenarios provide alternative versions of the future, relevant to the policy or plan you are developing. They are not predictions of the future, but plausible versions of what *could* happen in discrete and contrasting futures.

3. Options testing (Windtunnelling)

Having broadened our perspective on the future through the drivers of change and scenarios exercises, this third method focuses on the implications of the different scenarios (possible futures) for policy choices.


Windtunnelling is used to assess how a set of policies or objectives would perform in different scenarios. We first identify the policies or objectives to be 'tested'. This can be done by reference to an existing (or draft) strategy; alternatively, candidate policies can be formulated by groups in a workshop exercise.

Once policies have been identified, participants examine how effective the policies are likely to be in each scenario. Policies that perform well in several scenarios are considered to be more 'robust' than those that are well adapted to only one or two scenarios.

Figure A.3 Windtunnelling template

Windtunnelling template		www.soif.org.uk			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4	
Policy/objective 1	☺	☺	☹	☹	
Policy/objective 2					
Policy/objective 3					
Policy/objective 4					

☺ = Robust
 ☹ = Needs modification
 ☹ = Does not work



Source: Foresight Horizon Scanning Centre, Government Office for Science (2009)

For examples of windtunnelling, see the annex to the *Foresight Scenario Planning Guidance note*.

Annex 3 List of key informants

	Name	Organisation
1	Arup Banerji	World Bank
2	Armando Barrientos	University of Manchester
3	Michael Cichon	International Council on Social Welfare
4	Sarah Cook	United Nations Research Institute for Social Development (UNRISD)
5	Nicholas Freeland	Independent consultant
6	Matthew Greenslade	Department for International Development (DFID)
7	Arjan de Haan	International Development Research Centre (IDRC)
8	Lisa Hannigan	Department of Foreign Affairs and Trade, Australia
9	John Hoddinott	International Food Policy Research Institute (IFPRI)
10	Nicola Hypher	Save the Children
11	Stephen Kidd	Development Pathways
12	Gabriele Köhler	Independent consultant
13	Anna McCord	Independent consultant/ODI
14	Richard Morgan	Save the Children
15	Isabel Ortiz	International Labour Organisation (ILO)
16	Katherine Richards	Save the Children
17	Michael Samson	Economic Policy Research Institute (EPRI)
18	Rachel Slater	Overseas Development Institute (ODI)
19	Timo Voipio	Ministry for Foreign Affairs, Finland
20	Jenn Yablonski	UNICEF

Annex 4 List of workshop participants

	Name	Organisation	Workshop I	Workshop II
1	Francesca Bastagli	Overseas Development Institute (ODI)		X
2	Chris Béné	Institute of Development Studies (IDS)	X	
3	Stephen Devereux	Institute of Development Studies (IDS)	X	X
4	Matthew Greenslade	Department for International Development (DFID)	X	X
5	Sung Kyu Kim	Institute of Development Studies (IDS)	X	
6	Dolf de Lintelo	Institute of Development Studies (IDS)		X
7	Richard Longhurst	Institute of Development Studies (IDS)		X
8	Allister McGregor	Institute of Development Studies (IDS)	X	X
9	Fred Merttens	Oxford Policy Management (OPM)	X	X
10	Richard Morgan	Save the Children	X	X
11	Luca Pellerano	Oxford Policy Management (OPM)	X	
12	Keetie Roelen	Institute of Development Studies (IDS)	X	X
13	Alun Rhydderch	Horizon Scanning	X	X
14	Rachel Sabates-Wheeler	Institute of Development Studies (IDS)	X	
15	Ana Solorzano Sanchez	Institute of Development Studies (IDS)	X	
16	Phillipa Tadele	ITAD		X
17	Martina Ulrichs	Institute of Development Studies (IDS)		X
18	Fabio Veras	International Policy centre (IPC)		X

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