2 Types of social protection

Social protection includes:

- **Social assistance** – non-contributory transfers in cash, vouchers, or in-kind (including school feeding) to individuals or households in need (White, 2016: 1); public works programmes; fee waivers (for basic health and education services); and subsidies (e.g. for food, fuel).
- **Social insurance** – 'contributory schemes providing compensatory support in the event of contingencies such as illness, injury, disability, death of a spouse or parent, maternity/paternity, unemployment, old age, and shocks affecting livestock/crops' (ibid.).
- **Social care services** 'for those facing social risks such as violence, abuse, exploitation, discrimination and social exclusion' (ibid.).
- **Labour market programmes** – 'active (promoting labour market participation) or passive (ensuring minimum employment standards)' (ibid.).

Social assistance and social insurance together constitute 'social security', a term often used by ILO and other UN bodies interchangeably with social protection (Sepúlveda & Nyst, 2012: 20–21; ILO, 2017).

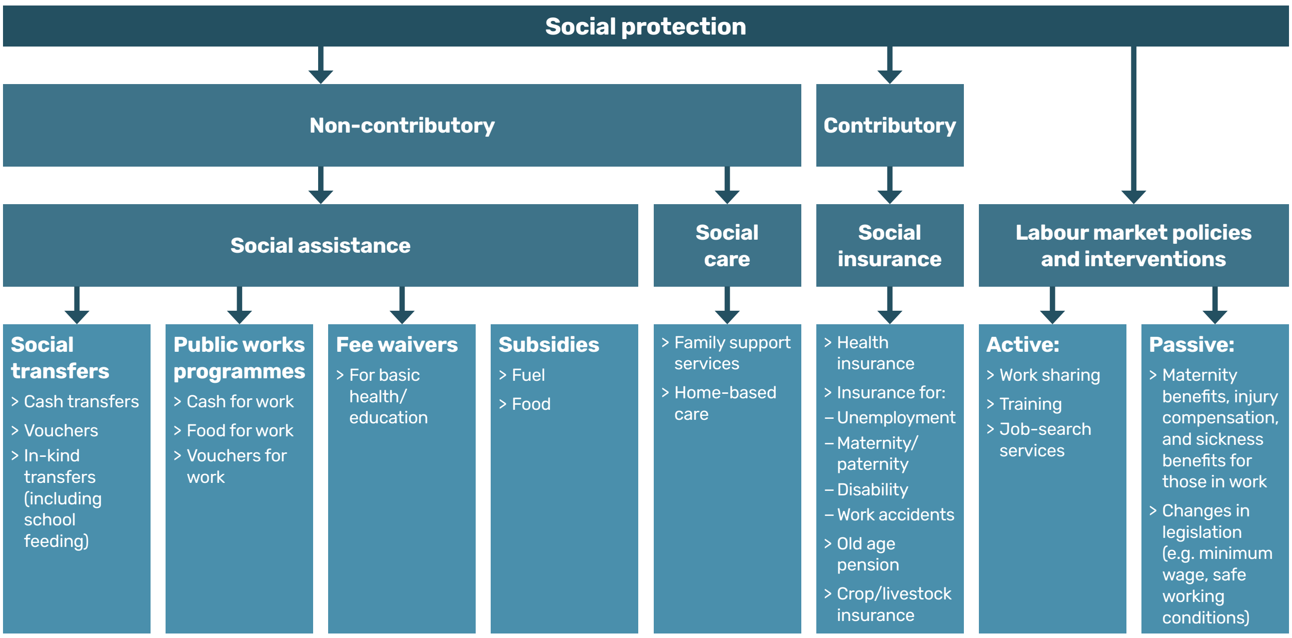
This section explores these categories, and also looks at **traditional or informal social protection**. Figure 1 shows a taxonomy of social protection instruments adapted from O'Brien et al. (2018: 6).

2.1 Social assistance

Social assistance is defined as non-contributory interventions (i.e. the full amount is paid by the provider) designed to help individuals and households cope with poverty, destitution, and vulnerability. These programmes target the poor and vulnerable. Some are targeted based on categories of vulnerability, and some are targeted to low-income households. They are usually provided by the state and financed by national taxes (Barrientos, 2010). Support from donors is also important in lower-income contexts. This is the primary form of social protection available in most developing countries (ibid.). Examples include unconditional and conditional cash transfers, non-contributory social pensions, food and other in-kind transfers, school feeding programmes, public works programmes, and fee waivers (World Bank, 2018b: 5).

Another term, 'social safety nets' (sometimes known as 'safety nets'), is used by the World Bank interchangeably with social assistance (World Bank, 2018b). However, for other development actors, safety nets denote a more short-term and/or emergency-focused form of social protection, particularly to help people meet immediate basic needs in times of crisis. For consistency, when including findings from World Bank resources on 'social safety nets', the term 'social assistance' is used throughout this report.

Figure 1. Taxonomy of social protection instruments



Notes: (1) 'Non-contributory' schemes are defined by the International Labour Organisation (ILO) as those that, 'normally require no direct (financial) contribution from beneficiaries or their employers as a condition of entitlement to receive benefits' (ILO, 2017). Public works programmes are usually counted as 'non-contributory' even though the recipient contributes labour. (2) Social transfers may be conditional or unconditional. A conditional transfer requires the recipient to meet certain behaviours (such as ensuring school attendance) to receive the benefit. Source: Adapted from O'Brien et al. (2018: 6).

Cash transfers are direct, regular and predictable transfers, increasingly paid through secure electronic systems, such as directly into bank accounts, mobile phone accounts, or on smart cards. They have the twin-track objective of providing immediate relief and reducing poverty, as well as contributing to increased resilience of poor households by enabling them to save, invest and cope better with risks and shocks. Cash transfers may take different forms: simple transfers, transfers conditional upon certain requirements, and transfers combined with the provision of or linkages to other services:

- ***Unconditional cash transfers (UCTs)*** do not have any requirements in terms of how they are spent or any conditions for when they are received. They are implemented both at national level by governments and at smaller scale by NGOs (**HLPE, 2012**).
- ***Conditional cash transfers (CCTs)*** are given with the requirement that the beneficiary meets certain conditions – often related to human capital development, such as visiting a health clinic or ensuring children go to school. In this way, CCTs aim to reduce both short-term food insecurity and the long-term intergenerational transmission of poverty and vulnerability (**HLPE, 2012**: 14; **World Bank, 2018b**: 7).
- ***Cash plus programmes*** combine cash transfers with one or more types of complementary support, based on the understanding that 'cash alone cannot alleviate non-financial and structural barriers to improving living standards and well-being' (**Roelen et al., 2017**). These are a fairly new wave of interventions that have expanded in the past few years. They tend to focus either on improving human development and human capital outcomes (e.g. improving nutrition, reproductive health, reducing violence against women and girls) or on productive inclusion (more sustainable livelihoods). The 'plus' element is provided either as integral elements of the cash transfer intervention or through offering linkages to services provided by other sectors.
- ***In-kind assistance*** includes school feeding, which is a free nutritious meal at school – usually lunch – and sometimes take-home rations for children most in need. School feeding programmes aim both to reduce hunger and improve food security, as well as increase school attendance and learner performance (**HLPE, 2012**).

Social (non-contributory) pensions are direct, regular and predictable payments made to people above a certain age, and often constitute state pensions.

Public works programmes (PWPs) are activities which entail the payment of a wage (in cash or food), often but not always by the state, in return for the provision of labour. The aim is to enhance employment and produce a physical or social asset, with the overall objective of promoting social protection. They are sometimes classified as labour market interventions depending on whether their function is primarily poverty alleviation or job creation. Sometimes referred to as public employment programmes (PEP) defined as 'programmes creating state sponsored employment which is not market based (known as Public Works Programmes, Workfare, Welfare to Work, Cash for Work, Employment of Last Resort, Employment Guarantee programmes, etc.)' (**McCord, 2018**: 10).

Graduation programmes provide a sequenced package of support – including cash transfers, asset transfers, access to savings and credit, and training and coaching – for a limited period of time with the aim of strengthening livelihoods and promoting a sustainable move out of poverty. These programmes are primarily productivity focused and target households with labour capacity. Graduation programmes have expanded rapidly in the last decade and are currently in place in more than 43 countries (**Arévalo et al., 2018**). Given their intensity of support and high cost, most programmes are currently implemented by NGOs (**ibid**.).

Fee waivers usually subsidise services for the poor while **subsidies** are used to keep prices low for certain goods and services (**World Bank, 2018b**: 38). Examples include: health insurance exemptions, reduced medical fees; education fee waivers; food subsidies; housing subsidies and allowances; utility and electricity subsidies and allowances; agricultural inputs subsidies; and transportation benefits (**ibid**.: 7). While common, they tend to have limited coverage of the poorest quintile – 13%, on average, in the sample of 82 countries in the World Bank ASPIRE database that have information on fee waivers and subsidies (**ibid**.: 38). The World Bank report cautions this is likely to be a considerable underestimate as it is hard to capture this data through household surveys. Nonetheless, subsidies are often regressive: 'The rich often capture more benefits from state-funded price subsidies, as they consume more fuel and related products' (**Canonge, 2015**: 2).

2.2 Social insurance

Social insurance programmes are contributory schemes where participants make regular payments to a scheme that will cover costs related to life-course events (**Barrientos, 2010**). Sometimes costs are matched or subsidised by the insurance scheme provider. They include old-age, survivor and disability pensions; unemployment, sickness/injury, and health insurance; and maternity/paternity benefits (UNDP, 2016: 35; World Bank, 2018b: 5). The benefits can be paid through a bank or employer, or informally through a community-based pooled fund.

There are various forms of social health insurance. 'National or social health insurance (SHI) is based on individuals' mandatory enrolment' (Spaan et al., 2012: 685). Voluntary mechanisms include private health insurance (PHI), which is implemented on a large scale in Brazil, Chile, Namibia and South Africa, and community-based health insurance (CBHI) in the Democratic Republic of the Congo, Ghana, Rwanda and Senegal (ibid.).

There are ongoing efforts to increase the coverage of social insurance beyond the formal labour market to cover informal workers (the majority of the working-age population in most low- and middle-income countries (Holmes and Scott, 2016: iv)) and other marginalised and vulnerable groups who have tended to be excluded from formal schemes. These efforts include:

1 Non-contributory universal programmes – for example social pensions, universal health insurance and unemployment assistance, which are financed out of general taxation.

2 Parallel schemes – for example, Tunisia has different pension programmes for public and private sector workers, while Mexico has separate contributory and non-contributory health insurance schemes with eligibility dependent on an individual's labour market status.

3 Nationally integrated pensions with explicit subsidies – for example, Chile's pension system (Winkler et al., 2017: 8).

Winkler et al. (2017: 20) conclude that integrated social insurance systems combining 'an actuarially fair contributory system with explicit subsidies for the poor and informal seem to be more financially sustainable than universal non-contributory systems, and less distortionary than fragmented parallel schemes'.

Some countries combine funding from contributions and taxation to achieve universal coverage. For example, in Mongolia self-employed and informal herders can elect to join the social insurance scheme to receive maternity cash benefits, on top of which the Social Welfare Scheme provides a maternity payment to all pregnant women and mothers of infants regardless of social insurance contributions, employment status, or nationality (ILO, 2017: 39).

2.3 Social care

Social care and support is highly complementary to social protection, and is sometimes classified as social protection. Economically and socially vulnerable people have complex challenges. Providing the appropriate support requires direct outreach to assess challenges faced and required responses, which 'may range from psycho-social support to connections to needed services' (UNICEF, 2019a: 57). UNICEF considers 'outreach, case management and referral services integral to effective child sensitive social protection' (ibid.: 37). Such services 'allow the range of needs of families to be understood and families connected to relevant services, including those such as violence prevention that may fall out of the social protection sphere' (ibid.).

2.4 Labour market policies and interventions

Labour market policies and interventions provide protection for poor people who are able to work and aim to ensure basic standards and rights (Barrientos, 2010). These government-led policies and interventions can be contributory or non-contributory, active (helping people acquire skills and connect them to labour markets), or passive (helping protect people against loss of income from unemployment, underemployment, diminishing real wages, and precarious and informal employment) (World Bank, 2018b: 5, 6; ILO, 2017: 24).

Active labour market policies and interventions aim to help the unemployed and the most vulnerable find jobs. Traditionally, this includes interventions such as '(i) matching jobseekers with current vacancies; (ii) upgrading and adapting jobseekers' skills; (iii) providing employment subsidies; and (iv) creating jobs either through public sector employment or the provision of subsidies for private sector work' (ILO, 2017: 40). In high-income countries, such policies mostly extend to formal workers. In developing countries – with labour markets characterised by higher informality and lower unemployment than in higher-income countries – active labour market policies often include anti-poverty measures and blend interventions (Malo, 2018: 3). For example, training programmes may be accompanied by public works and some type of income support, or employment subsidies may be aimed at hiring participants targeted by cash transfer programmes who are at risk of poor labour market outcomes such as underemployment and/or informality (ibid.). There is sometimes an overlap in classifying active labour market activities with public works and graduation programmes.

Passive labour market policies include legislation to underpin maternity benefits as well as wider rules regarding parental leave (period, who can take it, etc.), injury compensation, early retirement incentives, and sickness benefits for those already in work, financed by the employer. Passive interventions also include changes to legislation, for example establishing a minimum wage or safe working conditions. These interventions are primarily aimed at those working in the formal sector. Many poor people work within the informal sector, particularly in developing countries, and some people with disabilities, the chronically ill, and the old may not be able to work at all, so labour market interventions cannot always reach them. There is an overlap in classifying passive labour market activities with social insurance mechanisms (e.g. unemployment insurance is an example of a passive labour market policy).

2.5 Traditional or informal social protection

'Informal social protection draws on traditional coping strategies, social capital and community-based actions' (**Twigg, 2015**: 187). Community-based forms of social protection are usually defined as 'an informal grouping of activities that protect community members from risk through "locally arranged social protection measures that are predicated on people's cultural beliefs, norms and value"' (**UNDP, 2016**: 48, citing **Mupedziswa & Ntseane 2013**). They can include community-based 'funeral insurance services, village grain banks, rotating services and credit groups, [and] community-based health insurance' (**UNDP, 2016**: 36). They are often self-funded. They can be effective at local level, providing an important source of security, but they may have limited outreach, as different groups will have access to different social and political networks and sources of support (**Twigg, 2015**: 197).

Community approaches to social protection can also be supported by the state and donors, such as with village savings and loan associations (see, for example, **Ksoll et al., 2016; Flora et al., 2015**) and community-based health insurance services (see, for example, **Yilma et al., 2015**). With external support, the schemes can evolve from 'pure' forms of voluntary membership and community management to mandatory enrolment and other external influences (**Chemouni, 2018**). Sometimes state and donor-supported social protection schemes attempt to support or encourage localised community-based approaches. For example, the Yemen Social Fund for Development – set up in 1997 by the government and supported by donors – works directly with local communities, establishing community contributions and participation (**Al-Iryani et al., 2015**).

Key texts

(See summaries in **Section 3.1: Coverage, spend and systems – Key texts.**)

- **World Bank. (2018b). *The state of social safety nets 2018*. Washington, DC: World Bank.**
- **ILO. (2017). *World social protection report 2017–19: Universal social protection to achieve the Sustainable Development Goals*. Geneva: ILO.**
- **UNDP. (2016). *Leaving no one behind. A social protection primer for practitioners*. New York: United Nations Development Programme.**

See page 13 for a taxonomy of social protection instruments.

- **Barrientos, A. (2010). *Social protection and poverty* (Social Policy and Development Programme Paper 42). Geneva: United Nations Research Institute for Social Development.**
  What is the potential for social protection programmes to address poverty and vulnerability in developing countries? This comprehensive report provides an overview of social protection and an assessment of its impact in Latin America, South and East Asia, and sub-Saharan Africa. Countries with stronger social protection show lower levels of poverty and vulnerability and are more resilient in the face of social and economic change or shock. However, financial sustainability and capacity limitations are challenges that must be addressed. It is helpful to view social protection financing as a 'remix' of public expenditure rather than a new expense.

See also:

- **Twigg, J. (2015). Livelihoods and DRR. In Twigg, J., *Disaster risk reduction. Good Practice Review 9* (pp. 169–188). London: ODI.**

Other resources

'Social protection. With examples of passive labour market policies'. (2018). European Parliament. (5m:36)