

“GLOBAL SOUTH” INNOVATIONS IN SOCIAL PROTECTION*

Radhika Lal**

Fábio Veras Soares***

This paper discusses a series of innovations that took place in the field of social protection in the “global South”. It uses a broad definition of social protection in order to identify the different experiences of expansion and adaptation of the social protection systems, particularly, as a response to the financial crisis. Such approach aims at identifying the main features of these processes. It highlights the construction of integrated social protection systems with special emphasis on the productive inclusion of the beneficiaries of social programs with a view to increase their access to economic opportunities.

Keywords: social protection; inclusive growth; employment; south-south cooperation.

INOVAÇÕES NA PROTEÇÃO SOCIAL NO SUL GLOBAL

Este artigo discute uma série de inovações que ocorreram recentemente no campo da proteção social no chamado sul global. A partir de uma definição ampla de proteção social, o artigo busca identificar experiências de expansão e adaptação dos sistemas de proteção social, particularmente como resposta à crise financeira internacional. A análise destas experiências permite identificar seus principais elementos. Destaca-se a construção de sistemas mais integrados de proteção social, com especial ênfase na inclusão produtiva dos beneficiários dos programas sociais com o objetivo de aumentar suas oportunidades econômicas.

Palavras-chave: proteção social; crescimento inclusivo; emprego; cooperação sul-sul.

JEL: 138; 015.

The Perspective of the World Review, 4 (2): 37-58 [2012]

1 INTRODUCTION: COMPARING SOCIAL PROTECTION SYSTEMS

The first obstacle in comparing social protection systems from different countries is the need to adopt a common definition of social protection. The more usual definitions present a high level of overlap, but also show remarkable differences. There is no universal definition of what social protection is, and what programs it would comprise, and what would be left out of its scope. In addition, in developing countries, the boundary between social protection and social development policies is even more difficult to determine. Barrientos (2010), for example, define social protection as public actions taken in response to the vulnerability, risks and deprivations, considered socially unacceptable by the values of a society.

* This article is based on certain sections of the document published by the Centro Internacional de Políticas para o Crescimento Inclusivo for one of the Working Groups established at the G20 and received financial support from AusAID.

** Researcher at the International Policy Centre for Inclusive Growth (IPC-IG).

*** Researcher at Ipea and the International Policy Centre for Inclusive Growth (IPC-IG).

According to this definition, the “private actions” of philanthropy would not be part of the concept of social protection.¹

Along these lines, social protection would comprise social assistance programs, social security programs, and employment regulations. Social assistance would consist in programs dedicated to fight poverty which would be non-contributory, and would be financed by governmental resources generated by general taxation. The purpose of social security would be to protect people from the risks they face throughout their lifecycle: disease, disability to work, aging, or unemployment. In general, social security is financed by tripartite contributions (employers, workers, and government) and is limited to family members attached to the formal sector. Lastly, employment policies would include protection against unjustified lay-offs, and the workers’ right to representation. Other definitions include in this category active employment policies, such as professional training, and job placement. Wider definitions, such as the Asian Development Bank’s (ADB) include, among other interventions, microcredit, rural credit, and social funds for investment in communities (at the local level).

Devereux & Sabates-Wheeler (2004) propose a typology for social protection programs/policies that classify them according to the purpose they fulfill: protective, preventive, promotive, and transformative measures. The purpose of protective measures is to relieve conditions of poverty and deprivation, and they are directly related to the social assistance policies – monetary or cash transfers and social services – of non-contributory nature.

Preventive measures are more related to contributory or partially contributory insurances that imply some connection with the formal labor market, as for example, contributory retirement plans and the rights and benefits related to social security, which involves employee, employer and government contributions. In low income countries, other measures such as savings groups, and strategies to deal with risks such as the diversification of rural products, are considered preventive measures.

Promotive measures are those with the purpose of increasing families’ income and their potentially productive capabilities. In developed and middle income countries, the labor market’s active policies, such as professional training

1. Devereux and Sabates-Wheeler (2004) include private, family and/or community initiatives in the field of social protection. The definition adopted by these authors is wider at the social protection supply side, including themes related to equity and social justice (including legislation to protect the rights of ethnic minorities and other vulnerable groups, depending on the country’s context), but at the same time, it may have a reduced scope regarding the beneficiaries of social protection, identifying “vulnerable groups”, despite the fact that these are not necessarily only the “poorest”. Such difference may be partially explained by the “development” perspective adopted by the authors, and focus on social protection in low income countries. They tend to emphasize the contribution of social protection to a society’s economic and social development, as observed by Barrientos (2010), and do not limit their interpretation to the categories developed by a theoretical outline traditionally applied to developed countries.

and job placement programs comprise these measures scope. In low and middle income countries, microfinance and school meal programs would represent this category. This last example used by Devereux & Sabates-Wheeler (2004) uncover the blurry intersection between the classic definition of social protection programs and development-related programs (microfinance) to social policies (school feeding), as observed in Barrientos (2010). However, the authors argue that these programs may be classified as such only if they had among their objectives the stabilization and mitigation of income and consumption of families that benefit from them.

Lastly, transformative measures are concerned with fighting social exclusion and promoting social equality through the protection of workers and vulnerable minorities' rights. Its purpose is to transform daily practices that may hurt these rights both through legislation that discourages the discrimination and exploitation of vulnerable groups, and the promotion of these rights.

A possible interpretation would be to impose a value scale that would imply that protective measures would be less adequate or have a smaller impact than promotive measures. However, in practice, the programs end up having different purposes. An income transfer program of assisting nature for a vulnerable category, when transformed in legislation, generates a transformative process in which a vulnerable category becomes the beneficiary of a right, for example. Similarly, public works program may generate assets that are potentially capable of promoting economic opportunities and, at the same time, guarantee an income to the program's participants (protective and preventive). In the case of India, where public works programs became guaranteed employment programs, based on the concept of "right to work", the legislation that introduced it gave it a transformative nature, according to the Devereux and Sabates-Wheeler's typology.

In the absence of a consensus about social protection, the International Policy Centre for Inclusive Growth (IPC-IG), a partnership of the Brazilian Government and the United Nations Development Programme (UNDP), and the locus where this research was developed, adopted an operational definition of social protection that would be useful to be related to inclusive growth processes. From that theoretical outline's perspective, social protection is not perceived only as a short term palliative measure and, in general, adopted *ex-post*, in order to ease the inequalities generated by the economic growth process itself, but also as an important component of the economic growth process itself.

In this sense, social protection would be composed of a set of actions financed by the State that would: *i*) support individuals and families in dealing with vulnerabilities along their lifecycle; *ii*) help especially the poor and vulnerable groups to have resilience to respond to crisis and shocks, including social-environmental risks;

iii) favor social inclusion and support families, particularly the most vulnerable to poverty, in building up (and keeping) their human and social capital through smoothing of income and consumption and ensuring their access to basic goods and services; and *iv*) stimulate productive inclusion through the development of capabilities, skills, rights and opportunities for the poor, marginalized and excluded groups, as well as low income workers from the formal sector in order to guarantee that everyone benefits from the economic growth process and gets engaged in it. This definition is wide enough to contemplate the traditional categories normally used in high and middle income countries, as well as categories (and functions) that prevail in the lowest income countries, but that are also present in the developing countries.

In any comparative study it is important to recognize that countries have different traditions, determined by different social norms and historical processes (including in some cases, its colonial past). Thus, it is common that different instruments, but with similar purposes, prevail in one or other country within their social protection system. As an example, while cash transfer programs (or income assurance programs) such as the Brazilian Continuous Benefit (BPC) and the *Bolsa Família* Program, tend to get more attention in Latin America, particularly in upper-middle income countries, and countries such as South Africa; guaranteed employment programs and/or public works, tend to prevail in countries like India, as well as many African countries. This predominance does not mean that there are no initiatives such as social pensions or child transfers in those countries, it only means that the priorities (which include budgetary allocation) and the debate over policies tend to focus on these programs. In this sense, this paper intends to contribute to the exchange of experiences between developing countries, particularly those in the so called global South in the field of social protection, focusing on the recent transformations that took place in the social protection field in several countries.

2 SOCIAL PROTECTION AND INCLUSIVE GROWTH: PROMOTING INCLUSION AND RESILIENCE

When analyzing the theoretical assumptions and practical innovations that have occurred within the social protection and inclusive growth fields in the global South, five elements should be highlighted. First, several countries are trying to identify ways to increase the “employment content” of their growth trajectories and to mitigate the vulnerability of the poor and the so-called new lower-middle class upon a context of structural transformations. For example, South Africa released a document by the end of 2010 entitled “New Growth Path” with the purpose to identify job creation triggers and actions that would be able to generate five million jobs until 2020 (Government of South Africa, 2010).

Structural transformation (sectoral, education, trade and private sector development) and macroeconomic policies remain the core policies of interest for driving sustainable employment for inclusive growth. However, it is also becoming evident that these policies are unlikely to have significant traction with regard to the numbers of workers in various countries that are engaged in 'survivalist' types of activities. Countries are exploring ways in which to address what Campbell (2011) calls 'employment-led-growth' as opposed to focusing solely on 'growth-led-employment' where growth is expected to stimulate employment. A twin-track focus is thus being proposed in policy circles to support increases productivity and incomes in growth-led-employment sectors as well as in activities and areas where employment-leads growth. Social protection interventions aimed at fostering productive inclusion are an important component of this policy package.

Second, the timeframe for interventions is changing as is their focus. Social protection interventions were typically conceived of as short term measures to mitigate or compensate for the adverse impact of policy reforms and to provide support for poor and vulnerable groups. The short-termism also had to do with the idea of not encouraging dependency on public 'welfare'. There is now a growing acknowledgement of the role of medium-term interventions which aim to transform livelihoods either through fostering investment in human capital and thus seeking to mitigate the intergenerational transmission of poverty or through seeking to transform the ways in which the poor and the vulnerable are inserted into labor markets and productive activities.

In the first group of policies, we highlight unconditional cash transfers and subsidies to facilitate income/consumption smoothing for eligible poor families; conditional cash transfers (CCTs) which provide support for investment in human capital over the education life-cycle of children (Mexico's *Progresal Oportunidades*; Brazil's *Bolsa Familia* – PBF – and other CCTs in Latin America). In the second group, the social protection policies related to work provision stand out.

Employment safety nets have also evolved to focus on the provision of predictable amounts of work opportunities which are available for the unemployed/underemployed to tap into as needed to complement their existing livelihood strategies and to serve as what some are calling a kind of underemployment insurance for the poor. For example, India's National Rural Employment Guarantee Scheme (NREGA) offers up to a hundred days/employment per year to rural households. Bangladesh has sought to implement a hundred days programme as well. South Africa's launched the Community Work Programme (CWP) that aims to offer up to two days a week, eight days a month or equivalent permutations in the areas where it is being implemented.

In the third place, there is a growing focus on exploring the impact of social protection measures on productivity. This involves a greater focus on identifying the direct and indirect productive impacts of social protection and an exploration of how to strengthen the different channels of influence (Yemstov, 2011). This is evident particularly in the design of public works interventions which are not only aimed at providing work opportunities but in paying attention to realizing co-benefits – work opportunities as well as productive assets and services.

Fourthly, the boundary between the preventive and transformative functions of social protection is no longer that clear. Several countries have organized their social protection programs in order to respond to new vulnerabilities and priorities through the integration of different programs. The purpose of this kind of integration is to come up with immediate responses in the short term (protection) and, at the same time, ensure in the medium term that families are more resilient towards economic crisis and idiosyncratic shocks. The food price crisis, followed by the fuel price crisis and the global financial crisis led several countries in the global South to review their social protection instruments in order to increase the families' level of protection. Some of these reforms are discussed in the next section with the purpose of understanding how different social protection instruments were expanded, integrated, and/or transformed during the crisis.

In the fifth place, there is a movement towards a greater complementarity between programs capable of consolidating an approach strongly based on systems instead of isolated programs. The integration of programs has also been supported by the use of common information and by benefits' payment (and delivery) systems, as well as by the use of flagship programs with wide coverage whose structures may be used by new programs (for example, the relationship between the Popular Health Insurance and the information base built by the *Oportunidades* program in Mexico).

This kind of integration can also be observed in the case of employment programs, developed in order to supply a predictable quantum of assistance to individuals depending on their needs (purpose equivalent to the unemployment benefits) and at the same time, supply the communities in which they live with "socially useful" investments in some specific sectors (the Expanded Public Works Program, EPWP, in South Africa, for example), in activities pre-identified as labor-intensive (i.e., the Guaranteed Rural Employment Scheme, NREGA, in India) and, in public works and services chosen as priorities by the participant communities – Community Work Program, CWP, also in South Africa).

A combination of factors contributed to the constitution of these five elements. On the one side, the growing awareness about the limitations involved in the design of short-term programs with limited goals, such as the traditional/emergency public works. On the other, the collective accumulation of experiences obtained

from new experiments that increased the knowledge base about how to create long term programs that are, at the same time, financially sustainable, flexible, and adaptable to changes. These facts increased the potential of these programs to serve as policy instruments and to be used during crisis, but, particularly, to be programs which support the inclusive growth process and increase the resilience of families and countries against economic shocks.

As suggested by Yemtsov (2011), the "productive" impacts of social protection may be analyzed within the macro, meso and micro levels. When implemented in large scale, income transfer programs work as a new source of growth and stimulate the domestic production to increase the income of social groups with a greater marginal tendency to consume, which also contributes to deviate the consumption towards goods and services that are more likely to be produced locally, therefore reducing leakages through imported goods that are demanded by the richest groups. Araújo *et al.* (2011) show that the Brazilian growth regime between 2001 and 2009 was determined, domestically, by the increase in salaries, but when external factors are incorporated, the growth process was determined by the profits. Santos (2011) points out that the Welfare policies predicted by the Brazilian Constitution of 1998 demanded an increase of the tax burden for its implementation, but they have also contributed to make the economy more dynamic. The increase in income of the lowest income deciles due to the pro-poor performance of the labor market, as mentioned above, and the redistributive programs, allowed the Brazilian economy to count on a different source of economic dynamism, in addition to the external demand for primary products of low aggregate value. The domestic consumption stimulated by the rise of a numerous lower-middle class and the expansion of credit for consumption, together with the anti-cyclical measures adopted in 2008-09 helped to explain both why the crisis was relatively mild in Brazil (reduction of 0.8% of the gross domestic product – GDP – in 2008), and the vigorous return to growth in the following year (7.5% in 2009).

The impact of the growth in demand is even more important at the local level, especially in poorer areas. Jonasson and Helfand (2008) show that, in Brazil, the poorer and more isolated regions with great concentration of vulnerable populations in urban areas, non-rural agricultural activities are unlikely to offer an alternative way out of poverty. Cassell (n.d.) shows that between 2003 and 2008, the family agricultural income increased 30%, while the employment income contributed with 56% for this growth, retirements and pensions contributed 29% and the cash transfer programs, with 15%. The multiplying effects of these transfers and the impacts on the local economy were not appropriately studied yet, neither the impacts at the macro level, but there is some evidence that these impacts are not negligible.

The impacts of the income injections at the local level are probably much stronger in services offered and consumed locally. Antoponopoulus (2011) and Hirway (2008) predict multipliers for public works and guaranteed employment programs, the EPWP and NREGA, respectively, which suggest significant profits resulting from strategies that focus on social sectors (EPWP) or in investments in local infrastructure (EPWP and NREGA). These programs offer co-benefits and, therefore, reinforce the achievement of multiple goals in a development agenda.

Until today, however, the role of social services as a stimulus to local development is not appropriately emphasized. For example, in several developing countries, the deficits associated with public services such as early childhood care (day care facilities) and elderly care are compensated by the increase in unpaid “domestic” work performed by women and children. The decrease of these deficits would bring multiple benefits and positive results including the increase in women’s participation in the workforce. Guaranteed employment programs or public works that incorporate the social services dimension include the EPWP and the CWP in South Africa, and the phased-out program *Jefes y Jefas*, in Argentina. In particular, the basis for the social development of the EPWP and the CWP has prioritized the offer of “home-based care”, offered by the community (HCBC) and initiatives to stimulate childhood development (ECD).

The second important channel which is not adequately emphasized in the literature in regards to social policies is the potential positive impact that both cash transfer programs and guaranteed employment programs may have on the labor market. The idea is that, when increasing the reservation wage and offering employment alternatives at a reasonable wage, the programs could distort labor markets, competing for the workforce with other productive sectors, and discouraging workers to accept jobs offers from those sectors. In countries where guaranteed employment programs were adopted as an instrument for long-term policy development, some precautions were taken in the elaboration of a strategy to avoid that such competition creates an obstacle to productive activities. For example, jobs tend to be offered in periods of low work demand, in order to avoid that the shortage of workforce affects the economy as a whole. However, there is a growing awareness that, for several vulnerable groups, labor markets do not work well, and to distort them would not be a matter of concern. Those who live in areas where there is no job availability, but are not able to migrate or cannot afford their transportation to areas where jobs are offered, are particularly affected by the absence of a labor market and/or economic opportunities. In some cases, as with women, they cannot go job-hunting away from their homes, due to their “domestic” duties. Besides, in many rural areas, labor markets are dominated by monopolist employers and workers who do not have another alternative but to accept poor working conditions and low wages. For many of these poor workers,

the labor market can offer only casual employment, resulting in low levels of income security. Social protection programs can positively "distort" these markets, helping the establishment of a minimum wage (effective wage) and offering the population an alternative to the under-employment. The so-called additional worker effect is also important both for households and the general economy, and the guaranteed employment programs have frequently had this impact, when it facilitates the participation of women on the labor market and reducing wage differentials between men and women, guaranteeing wage equality between genders. Based on the recent results from the household surveys of the Indian NSS, Chandrasekhar and Ghosh (2011) show that the NREGA program had a significant and positive impact on market wages in rural areas, which got a little closer to the minimum wage (value offered by the NREGA). Besides, the authors show that there was a significant reduction of the rural wages differentials per gender.

A third channel is the impacts on the productivity and income of the poorest through the creation of assets and/or their more productive application. The instruments used to do that are the productive investments of part of the transfers received through social protection programs; the creation of assets and public services that help to increase productivity (i.e., cisterns, soil maintenance, flooding contention, water management, road maintenance are some of the activities supported by the Productive Safety Net Programme (PSNP), in Ethiopia, and by the NREGA, in India; support for the reduction of the vulnerability of households through social services such as the EPWP and the CWP in South Africa and the production of community gardens also supported by the CWP; besides productive investments such as the construction of cisterns in households/properties of small holder farmers as in the case of NREGA in India and the Brazilian *Brasil sem Miséria* program (Brazil without poverty), to be deeply discussed in the next section. The use of these modalities of programs to strengthen productivity and income of small low income producers offer different forms to promote the equity from the bottom up in order to complement the policies aimed at the labor market and sectorial policies.

It is interesting to note that besides the existing concern in minimizing the negative impacts on the labor market, some positive impacts have been documented. In the case of Brazil, Machado *et al.* (2011) and Soares (2011) review the results of several papers and conclude that the negative impacts on the participation of beneficiaries of the *Bolsa Família* program in the labor market, if any, tend to be generally small. Teixeira (2010) shows that the impact on the number of hours worked tends to vary according to the gender and the household composition, with a small, but statistically significant, decline of hours worked by women who have children. This result is probably associated with the difficulty that young mothers face in reconcile the child's care with the need to have a job in the

absence of child care services. In the South African case, Eyal and Woolard (2011) show that beneficiaries of children's transfers (CSG) have a greater probability of being employed. These effects are not small and can reach 15% for some groups. These results suggest that these transfers can help to mitigate the cost of the job search for the beneficiaries. They also reveal the difficulties faced by women with small children. The Social Development Department of South Africa (2006) produced a document in which it discusses some of these challenges. According to the profile of most of the CSG beneficiaries who are child caretakers, more than 65% are mothers or single parents, 11% never received formal education, and more than 85% were unemployed. Altman and Boyce (2008) note that only 18% of the adults responsible for the children benefitting from the CSG were working. Thus, the challenge is how to improve job opportunities for these caretakers, particularly those with working ages.

The Community Work Program (CWP) in South Africa offered an outline that does exactly that through its focus on the regular access to a minimum level of employment, in a predictable basis, with a social protection network based on employment. The program was initiated in 2007. Its expansion to one million jobs between 2013 and 2014 is one of the top priorities of the job creation plan within the scope of the "New Path to Growth", from the South African government (2010). Inspired by India's NREGA program, the CWP offers a minimum number of regular workdays, usually two days a week and/or its equivalent per month. It is a program rooted at the local level and focused on poor communities in urban and rural areas and informal settlements. The goal is to create part-time jobs for about one thousand people in each place of operation, depending on the community's dimension. In addition, as Philip (2010) noted, the work to be done must be a job that contributes to the common good and/or to improve the life quality of the communities being benefited. A key feature of the CWP program is that the future intervention is identified and prioritized through participating processes at the community level.

3 THE ECONOMIC CRISIS AND INNOVATIONS IN THE SOCIAL PROTECTION PROGRAMS DESIGN

The recent economic crisis motivated a review of the design and revealed the efficiency of several instruments in controlling its impacts. Cash transfer programs (conditional or not), subsidies and guaranteed employment programs became the object of discussions about how viable their expansion would be during the crisis.

A trade-off may potentially occur between policies and programs that increase resilience in a context of crisis and those that respond to the development's long term needs. For example, targeted programs that encourage investment in human capital and also smooth income and consumption flows are not necessarily

able to rapidly respond to the needs of the "new poor", created by the crisis. The use of proxy means tests based on the structural determinants of chronic poverty are, by definition, not very sensitive to the income volatility and variation; which rose questions about the adequacy of using these programs to control the crisis, particularly in the case of the CCTs that place more emphasis on the accumulation of human capital than in immediate poverty relief. Countries that adopt CCTs, however, adapted their programs to respond to this challenge through different means. The enrollment of potential CCT beneficiaries, especially in countries where they were widely applied and where information in the social databases cover a larger proportion of the population rather just the population benefitted by the program, were used under the hypothesis that the crisis would mainly reach those who are above, but still very close, to the poverty line or the eligibility criteria defined for the program. From the technical viewpoint, CCTs could be adapted ex-ante to a situation of negative crisis/shock by means of the introduction of variables associated with these events at the proxy means tests, as for example, more conjunctural and less structural determinants of poverty. (De Janvry *et al.*, 2008); and also ex-post, if it allowed a continuous process of supporting families that are vulnerable to this type of crisis, aiming at the prompt update of their records, so they can become quickly entitled to the benefits in the midst of a crisis.

Many questions regarding the targeting mechanisms remain unanswered. In a context of limited resources, how is it possible to find a balance between the focus on chronic poverty, and the demands generated by the temporary poverty of vulnerable groups? In Africa, for example, income transfer programs concentrated primarily in chronic poverty, the model with 10% of the poorest adopted in trial programs both in Zambia and Malawi, with a focus on households with elderly or disabled residents with no support of adult members of their extended families. But how to handle new poor groups created by the volatility of growth and by the fluctuation of the food and fuel's prices, particularly, in urban areas at the African continent? The CCTs, where they exist, can respond to these new challenges or new programs should be implemented? How to connect the focus on structural middle-term changes with the new developments of public works and the guaranteed employment programs aiming at the promotion of productive inclusion of poor communities? How to generate job and training opportunities to unemployed and under-employed young people and, at the same time, with higher levels of education, as observed in North African countries? Is it possible to think in a wide protection network based on employment that is not only a short-term response to a crisis situation and that is related to middle and long-term goals?

Besides the evidence based on the social protection programs' evaluation (isolated), there is also some signs, non-documented academically, that more integrated social protection schemes/systems were able to protect countries and

their populations from the economic-financial crisis more efficiently. Countries with more integrated social protection systems were capable of showing macroeconomic resilience (impacts at the micro and meso levels), recovering more rapidly from the crisis, as well as improved the resilience of families against the shocks (micro level), limiting the crisis impact over poverty and the inequality, in order to minimize its impacts on important dimensions of human development: food and nutritional safety, education and health.

3.1 Adaptation to the availability of resources and different realities

It is important to recognize that countries have different capacities to respond to crisis and to adapt their social protection and employment policies in order to respond to them. Middle income countries and large emerging countries were able to make resources available for the counter-cyclical measures. In these countries, the expansion of social protection programs had also the additional purpose of maintaining the consumption level and the aggregate demand.

That was not the case, however, of low income countries with less fiscal space and that are greatly dependent on Official Development Aid (international aid, ODA). In these countries, a movement towards wider social protection systems requires a clear definition of priorities when selecting programs with more synergy with production and more potential to be integrated to the development priorities defined domestically. The challenge is even greater because the ODA is the most volatile among all sources for public financing (Roy *et al.*, 2009) and, during a time of global crisis, the fiscal consolidation in donor countries tend to cut it exactly when it is most needed.

Some innovative programs such as the PSNP, in Ethiopia, have produced important lessons that can be shared among low income countries. Four PSNP program's characteristics seem to have a great potential for south-south learning: *i*) high level of coordination and alignment between donors and the government of Ethiopia, under the leadership of the latter; *ii*) a design that recognizes the different needs of chronically poor households (or victims of food insecurity, as defined by the program) with the offer of a blend of direct support (income transfer) for those who cannot work (elderly and disabled) and a work front program for households with adults in appropriate work age and condition, during the dry seasons (which lasts for six months), or whenever there is a lack of productive work available in the areas (*woredas*) covered by the program; *iii*) the ability to integrate multiple goals in one single program without overburden it and dissipating it, for example, improve food security, prevent the sales of assets during moments of crisis and promote the generation of community assets in an integrated manner; *iv*) be a model or chief program, being part of a strategy, in the case of food security, which is wider and includes other programs such as the Program for the

Construction of Assets to Families, Settlement Program, and a larger complementary investment program in the communities benefitting from the PSNP.

3.2 The use of information in the expansion, integration, and reform of the social protection programs

The use of single registries or interconnected databases is considered an important innovation that, even if initially led by isolated flagship, can be implemented and be widely applied, acting as important mechanisms for the consolidation of social protection systems. In Latin America, such records became very popular, and their potential for different applications turned to be very useful during the economic-financial crisis.

In the Dominican Republic, the SIUBEN – a registry of potential beneficiaries of social protection programs – whose extension was a result of the implementation of the *Solidariedad* program, a CCT that supports the poor population (moderate and extreme), was used to help in rationing the gas subsidies. These subsidies were targeted to the poorest groups and the lower-middle class through the Bono Gas program. The SIUBEN's database covers 60% of the country's population, while the CCT, *Solidariedad*, covers 21%. Therefore, the SIUBEN is not simply a registration of poor people, but it can be used to support the implementation of programs that have a more universal coverage, as in the case of the Bono Gas Program. The resources saved with the adoption of the gas subsidies reform allowed a more significant expansion of the CCT, both in number of beneficiaries and the values paid to them. As a result of this rapid government response to the crisis situation, the extreme poverty continue to fall – a trend that had initiated in 2005, immediately after the implementation of the *Solidariedad* program – and poverty remained steady, despite of the strong impact that the crisis had on general inflation of food, in particular, as well as the level of economic activity (Gamez, 2011).

Mexico also used its CCT, *Oportunidades* (Opportunities), to promptly respond to the food and fuel price crisis and the international economic and financial crisis. New components were added to the monetary transfers as the "energetic support", an additional sixty Mexican pesos per month to compensate for the increase in expenses with cooking gas and the "better living child support" in the amount of a hundred pesos per month for each child between zero and nine years old. Besides that, the number of beneficiaries from the Opportunities program and the Food Support Program (PAL) was raised. The PAL, differently than the Opportunities, is a food and nutritional safety program directed to extremely poor families, regardless of the supply of services in the areas in which they live, in other words, it is an income transfer program without eligibility conditions (or co-responsibilities) (Soares, in press).

As with the Dominican Republic, Mexico was also able to rapidly respond to the crisis because it already had the instruments necessary for the expansion and/or adaptation of existing programs. The expansion of the PAL did not implicate the need to start a new program from scratch. It used the same technology (registries, databases and targeting mechanisms) used by Opportunities. In addition, the idea is that once the supply of health and educational services is available in the areas covered by the PAL, the families benefitted will then be incorporated by the Opportunities program.

In regards to the crisis impacts, poverty increased from 44.5% to 46.2% in Mexico between 2008 and 2010, according to Coneval (2011), while extreme poverty slightly decreased from 10.6% to 10.4%. These results suggest that the transfers were able to avoid an increase of extreme poverty levels, but they were not enough to prevent an increase in moderate poverty. This could be due to the fact that the crisis was more severe in urban than rural areas, reminding us of the need to develop new components and adapt the targeting mechanisms in order to protect those who, despite not being poor for long periods of time, experienced poverty during the crisis. These groups vulnerable to poverty, in general, are not eligible for the standard social assistance programs and, at the same time, have no access to the social security typical of the formal sector.

The Opportunities program has also helped the development and implementation of other social protection programs, such as the “Seventy and more” program (non-contributive social pension), which changed from a modest component of the *Oportunidades* program to an independent program, applying the same technologies and methodologies adopted by *Oportunidades* to identify potential beneficiaries and plan its national expansion. *Oportunidades* also helped in the implementation of the Popular Health Insurance, which provides the poorest/most vulnerable population a health insurance plan that allows them to access a set of basic health services. The Mexican experience reveals that it is possible to improve the integration and coordination of these programs, based on isolated programs, without causing any overburden due to multiple goals.

More important than having registries developed by the CCTs or similar programs was the ability to respond to the crisis, that is, use these sources of information to be more proactive in the design of policies in order to make the growth process more inclusive. Chile gives us an example of how these registries can be widely used, with the *Puente* Program, the port of entry to the *Chile Solidario* program, an integrated program with the purpose of fighting extreme poverty and social exclusion through a strategy adapted to and built in conjunction with the families benefitted. The idea behind the program is that extreme poverty, or the hard core of poverty, was insensitive to the growing process observed in Chile

throughout the 1990s, and that this is due to the lack of access to opportunities, social programs and policies (Larranaga *et al.*, 2009). In this context, it is paramount to give customized attention to the families with psycho-social support offered by social workers and ensure their access to social policies that are adequate to their situation. The program focuses on the following dimensions: health, education, housing, employment and income, family dynamics and identification with the purpose of ensuring that the families reach a minimum acceptable level in each one of these dimensions.

The Puente Program's approach requires a good database that allows us to identify different vulnerabilities of extreme poor families and list them according to this degree of vulnerability in order to indicate the priorities in psycho-social support. This is done through the use of the information available in the Social Protection Application Form (FPS), the instrument used to collect the information used to calculate the vulnerability index (proxy means) of families, which covers 65% of the Chilean population. This information feeds the database of the Social Information Registry (RIS) and is compared with administrative information about the social programs. This system, as a result of the existence of a single identification number, identifies the potential beneficiaries of the social programs as in the FPS database, allowing social workers and program managers to have access to the socio-economic information about the program's beneficiaries and their families. This process is consolidated by the Social Information Integrated System (SIIS), whose purpose is to improve the coordination and the complementarities between different programs managed by different public departments (Robles, 2011).

This technology also allowed Chile to use its social protection programs as part of the economic stimulus package designed to mitigate the effects of the crisis between 2008 and 2009. A temporary benefit, the Family Support Bonus, was paid to four million families, around 23% of the population, in March and August of 2009 and March 2010 with the purpose of easing the crisis impact on income levels within the poor and vulnerable groups. Differently from Mexico, this new component was not incorporated in the benefit package, and it was only paid in these three occasions. However, a new income transfer was introduced with the purpose of complementing the transfers paid within the scope of the *Chile Solidario* program, the *Asignación Social*. This new component led to a 56% increase in the *Chile Solidario* budget for 2011 in comparison with 2010 numbers (Robles, 2011). The new benefit had one unconditional and one conditional component. The first varies between US\$ 9 and 15 per capita (per family member), depending on their level of vulnerability according to the FPS numbers. The conditional benefit refers to health, education, and the woman's insertion in the labor market. This last condition represents an innovation in regards to the

typical conditions imposed by CCTs in Latin America. More than a punitive condition, it works as a negative tax, providing an incentive to employment, as women receive an extra transfer if they prove they have worked in the formal sector for a minimum period of time. It is interesting to observe that *Chile Solidario*, differently than the other CCTs in the region, did not present any eligibility conditions, and this recent reform places it in line with the other programs.

With respect to the crisis impact, the data from the Chilean household survey, the CASEN, show that, despite of the crisis, there was a reduction in poverty from 1.7% to 11.5% between 2006 and 2009, but an increase in extreme poverty from 3.2% to 3.6% in the same period. Besides, the total income inequality measured by the Gini index remained steady at 0.54%. Meanwhile, the net income inequality of transfers increased from 0.54% to 0.55% (Robles, 2011). These data suggest that without the monetary transfers of the Chilean social protection system, the impact of the crisis over poverty and inequality could have been much greater. In addition, these data reveal the need to increase the amounts received by the extreme poor and to re-evaluate the methodology used for its identification. Both measures were recently taken by the Chilean government, as mentioned above.

If, on the one hand, the design of social protection systems can be a difficult task with regards to time and resources, on the other, the gains and synergies that lead to an increase of these policies' effectiveness are clear. In a south-south learning example, the South-African government is adopting a system to register and handle the beneficiaries' information similar to the Mexican system. In the future, the databases of social pensions could be linked to the EPWP and the CWP's registries, in order to facilitate a precise diagnosis of these families' needs and allow a better planning of the type of jobs that should be offered by both employment programs. Taking into consideration the importance of the intercommunication of databases to avoid duplications and inclusion errors, its greatest contribution must be in the sense of extending the set of opportunities available to families, lowering the exclusion errors and improving the coordination between these programs. Besides, these systems can be used as important data sources in the process and impacts evaluations of the programs with results that can feed a continuous process of redesign and reformulation of different programs' purposes.

The single register developed in Brazil is another example of a database of potential beneficiaries of targeted social programs that was designed due to the consolidation of a CCT. Recently, this register became the informational pillar for a new poverty elimination strategy, *Brasil sem Miséria*. This strategy has three components: *i*) guarantee of a minimum income; *ii*) access to basic service; and *iii*) inclusive production.

The consolidation, expansion, and improvement of the *Bolsa Família* program is the main mechanism used to reach the minimum income goal, which would allow families to become more productive, not only through the investment in their children's human capital, but also through short and middle-term food subsidies for all family members, as well as transportation costs, which are pre-requisites for the access of these families to economic opportunities and their ability to take advantage of them (SAE, 2011). The active search for potential beneficiaries not enrolled in the *Bolsa Família* program and, more importantly, in the single register, is a priority of this part of the strategy. The efforts involved will concentrate in the cities with low levels of program and register coverage in regards to poverty estimates.

In addition to the active search process, the program recently increased the upper limit for the number of benefits a family could receive from three to five. This benefit is dependable on school attendance and regular visits to the health center. This change in the maximum number of benefits will allow poor families that generally have a higher number of children to receive a greater total benefit. Another measure in the pillar of the minimum income guarantee is the creation of a new monetary transfer: the "*Bolsa Verde*". This program will also be implemented to support services for the conservation of ecosystems and forest and extractive reserves. The *Bolsa Verde* will be paid four times a year and will correspond to the amount of R\$ 100.

The purpose of the component related to the access to basic services is to develop an integrated approach to guarantee the access of the extremely poor population to the programs in the following area: health (i.e., family health program), electricity, housing and sanitation, food security, education (i.e., adult literacy and early childhood education), social assistance and civil register. This process will require the extension of the underserved areas and the integration of different programs' registers in order to identify these service "gaps", as well as the training of social workers to increase their knowledge of existing programs that can be important for the extremely poor population.

In regards to productive inclusion, the goals of the strategy is to reinforce the connection between the food security programs and the beneficiaries of the *Bolsa Família* program, as 47% of the extremely poor population lives in rural areas. The family farmers will receive technical assistance based on technologies to be developed in partnership with Universities and Embrapa. Until 2014, 250,000 families should have received a financial support of R\$ 2,400 in the first and second years of the plan to subsidize the investment in inputs and equipment. Seeds especially developed by Embrapa will be distributed to the beneficiaries. Another important measure is the expansion of the food acquisition program pro-

duced by the family farming, PAA, from 66,000 to 255,000 families until 2014. The program still foresees the integration of the PAA program and the school meals and the food distribution programs to hospital, daycare and penitentiaries. It is an example of integration between inclusive production and food security.

Within the urban areas, the inclusive production dimension will focus on professional training, job placement, microcredit and incentives to the practice of solidarity economy. With the support of the Federal Government, states and municipalities will map the opportunities available at the local level, and will match them with the profiles of the families targeted by the strategy. The information available in the single registry will help to identify the needs of families regarding their productive inclusion.

3.3 Experiences in other parts of the global South

Latin America has led the process of applying information systems to integrate its programs more efficiently, but this type of innovation did not occur only in this region. Soon after the Asian crisis of 1997, Indonesia was able to rapidly develop a database of potential beneficiaries of an unconditional income transfer program designed to decrease the negative impacts of the gradual elimination of general fuel subsidies. This experience was very important for the design and implementation of two large scale social programs, a standard CCT – the *Keluarga Harapan* (PKH) – and a community CCT called *PNPM Generasi*, in place today in the country.

In Egypt, a pilot of a CCT with light eligibility conditions is being designed to be implemented in High Egypt (poorest and most rural region in the country) with the purpose of empowering the women from that region. In India, the income transfer schemes LADLI, implemented in several states, but with different designs, aim at increasing the school enrolment and attendance of girls, besides avoiding the marriage of children through monetary transfers and eligibility conditions. Also in India, the government of Delhi is designing a program called “*Convergence Mission*” to improve the quality of the targeting mechanisms and the information available from different transfer programs, such as support pensions, children benefits, and disabled benefits. The idea is to rationalize the existing programs and improve the delivery process of new components of the transfer system in order to make the process more transparent. In this sense, the introduction of a new universal identification document with a single number for the whole country will represent a great step to mitigate cases of fraud and duplication, but also will allow a better integration between the programs within the conception of the construction of wider social protection systems.

The "convergence" concept is also important for NREGA and it is associated with efforts and complementation of assets and improvements made by the "public work" with other programs of the Rural Development Ministry. The challenge resides in moving beyond the ministry's programs and "matching" the smaller works performed by the program to the larger infrastructure works that guarantee the durability and quality of the assets that are being created. Moreover, the program also allows some of the works to be performed in the areas belonging to marginalized groups of small producers and farmers from lower or tribal castes. Similarly to the inclusive production approach in Brazil, this can be a tool to directly increase the productivity of these populations.

4 FINAL REMARKS

This article discussed ways in which several social protection programs were adapted and expanded within the context of the world's economic-financial crisis in order to learn some lessons about how the programs can be designed in order to increase resilience. We argue that several countries were able to expand social protection using some anchor-programs as a starting point, but not limiting themselves to them.

Fundamental to the ability of the programs to promptly respond to the crisis was the fact they already had a delivery platform for the benefits and registries of potential beneficiaries. In countries where the registry covers large population groups and not only the beneficiaries of the anchor-program, it was possible to extend the existing program's coverage or add new components or release new programs using the previous existing technology.

Emerging economies moved towards the extension of these programs' coverage, as well as towards a greater integration among them. This process allowed the generation of economies of scale and the reduction of transaction costs. However, it is important to recognize that several low income countries are still not ready to make this type of investment, but innovative approaches such as the PSNP in Ethiopia reveals several reasons for optimism, even in the most difficult circumstances.

Besides the fact that the evidences indicate that the programs discussed in this paper are relatively cheap in terms of each country's GDP, even when applied in large scale, they are still seen as a "luxury" that should be limited to short periods of time and crisis situations. However, what is really troublesome is that in the emerging countries, the so called new middle class is still extremely vulnerable to poverty. These groups, in some cases, do not qualify for non-contributive benefits typical of social aid and, at the same time, do not receive the benefits associated to the formal labor market. Similarly, the unemployed, particularly, unemployed young educated people do not seem to be under any

kind of protection in different regions of the world. When they are not classified as vulnerable groups, the protection policies do not reach them. In any case, it seems clear that social protections programs, when implemented in large scale and within a medium to long term horizon can, in fact, contribute to an inclusive growth process.

REFERENCES

ALTMAN, M.; BOYCE, G. **Policy Options to Leverage the System of Social Grants for Improved Access to Economic Opportunity**. Human Sciences Research Council. Feb. 2008. Available at: <http://www.hsrc.ac.za/research/output/outputDocuments/5174_Altman_Policyoptionstoleverage.pdf>.

ANTONOPOULOS, A.; KIM, K. **Public Job Creation Programs: The Economic Benefits of**

Investing in Social Care Case Studies in South Africa and the United States. 2011. (Levy Working Paper n. 671) Available at: <http://www.levyinstitute.org/pubs/wp_671.pdf>

ARAÚJO, E.; GALA, P.; BRUNO M. **Economic Growth Regimes in Brazil: Empirical Evidence and Policy Implications**, 2011. Available at: <<http://www.conferencedevelopments.com/files/Araujo-Gala-Bruno.pdf>>.

BARRIENTOS, A. The Boundaries of Social Protection. **Poverty in Focus**, n. 22, p. 3-4, 2010. Available at: <<http://www.ipc-undp.org/pub/IPCPovertyInFocus22.pdf>>.

BRASIL. Presidência da República. Secretária de Assuntos Estratégicos (SAE). **Portas de saída, inclusão produtiva e erradicação da extrema pobreza no Brasil**. Ago. 2011. Available at: <<http://www.sae.gov.br/site/wp-content/uploads/Portas-de-erradica%C3%A7%C3%A3o-da-extrema-pobreza.pdf>>

CAMPBELL, D. Employment-led Growth and Growth-led Employment in the Recovery. **The Global Crisis. Causes, responses and challenges**, 2011. Available at: <http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_155824.pdf>.

CASELL, G. **Development Policies for Rural Brazil 2003-2009**. [s.d.]. Available at: <<http://www.rimisp.org/FCKeditor/UserFiles/File/documentos/docs/sitioindia/documentos/PPT-Country-Vision-Brazil.pdf>>.

CONEVAL – CONSEJO NACIONAL DE EVALUACIÓN DE LA POLÍTICA DE DESARROLLO SOCIAL. Comunicado de Prensa, 2011. Available at: <http://internet.coneval.gob.mx/informes/Pobreza%202010/COMUNICADO_Prensa_MEDICION_DE_POBREZA_2010.pdf>.

DEVEREUX, S.; SABATES-WHEELER, R. **Transformative Social Protection**. 2004. (Working Paper, n. 232). Available at: <<http://www.ids.ac.uk/download.cfm?file=wp232.pdf>>.

GAMEZ, S. **Safety Nets and Food Price Volatility**. Case Study: Dominican Republic. 2011. Mimeografado. Available at: <http://siteresources.worldbank.org/SAFETYNETSANDTRANSFERS/Resources/281945-1131468287118/1876750-1297875636846/7739471-1307033800818/Gamez_Food_05-31-11_eng.pdf>.

HIRWAY, I.; SALUJA, M. R.; BHUPESH, Y. Reducing Unpaid Work in the Village of Nana Kotda, Gujarat: An Economic Impact Analysis of Works Undertaken under the National Rural Employment Guarantee Act (NREGA). **Levy Research Project**, n. 34, 2008. Available at: <http://www.levyinstitute.org/pubs/UNDP-Levy/India/RA_India_report_March_3_updated_may_2010_appendix.pdf>.

JANVRY, A.; SADOULET, E.; VAKIS, R. **Protecting Vulnerable Children from Uninsured Risks: Adapting Conditional Cash Transfer Programs to Provide Broader Safety Nets**. Dec. 2008. (Série Politiques de développement). Available at: <<http://www.ferdi.fr/uploads/sfCmsContent/html/112/DTP%204.pdf>>.

JONASSON, E.; HELFAND, S. M. **Locational Determinants of Rural Non-Agricultural Employment: Evidence from Brazil**. California: University of California at Riverside, 2008. (Working Paper, n. 2). Available at: <<http://economics.ucr.edu/papers/papers08/08-02.pdf>>.

LARRAÑAGA, O., CONTRERAS, D.; TAGLE, J. R. Evaluación de Impacto de Chile Solidario para la Primera Cohorte de Participantes. Santiago: UNDP, 2009. **Mimeografado**.

MACHADO, A. F. *et al.* **An Assessment of the Implications of Bolsa Família Programme for the Decent Work Agenda**. 2011. (Working Paper, n. 85). Available at: <<http://www.ipc-undp.org/pub/IPCWorkingPaper85.pdf>>.

PHILIP, K. Employment Guarantees: Innovation at the Interface between Social and Economic Policy. *In*: DPRU-TIPS CONFERENCE, 27-29 Oct. 2010. Available at: <http://www.dpru.uct.ac.za/DPRU_Conference_2010/Conference_Papers/Philip%20Employment%20Guarantees%20DPRU%20TIPS.pdf>.

ROBLES, C. Sistema de Protección Social de Chile: una Mirada desde la igualdad. Cepal, 2011. **Mimeografado**. Available at: <<http://www.cepal.org/dds/noticias/paginas/5/43675/sistema-proteccion-social-Chile-CR.pdf>>.

SANTOS, C. H. M. Contribuição da Dimac para o texto/diagnóstico inicial da equipe do Ipea encarregada de contribuir para o PPA 2012-2015. 2011. **Mimeografado**.

SOARES, F. V. Bolsa Família y Oportunidades: su evolución en perspectiva comparada. *In*: LA ROCHA, M.; ESCOBAR, A. **Pobreza, Transferencias Condicionadas y Sociedad**. Chapter 3. No prelo.

SOARES, S. **Bolsa Família, its design, its impacts and possibilities for the future**. 2011. Mimeografiado.

SOUTH AFRICA. **The New Growth Path: The Framework**. 2010. Available at: <<http://www.info.gov.za/view/DownloadFileAction?id=135748>>.

_____. Department of Social Development. **Linking Social Grants Beneficiaries to Poverty Alleviation and Economic Activity**. 2006. Available at: <<http://www.sassa.gov.za/Portals/1/Documents/66505010-f30a-4426-ba15-990ccd6c71ae.pdf>>.

YEMTSOV, R. The Productive Role of Social Protection. **Presentation at the South-South Social Protection Learning Forum Addis Ababa**, June 4 2011, Available at: <http://siteresources.worldbank.org/SAFETYNETSANDTRANSFERS/Resources/281945-1131468287118/1876750-1297875636846/7739471-1307983876048/Yemtsov_Productive_Role_06-03-11.pdf>.