Resilience, Equity, and Opportunity
New Strategy – Important Messages

Social Protection and Labor policies and programs...

1. ... Are necessary

2. ... Are effective, if:
   - Systemic
   - Inclusive
   - Responsive
   - Productive

3. ... Need to be
   - Tailored to countries
   - Knowledge-driven
   - Developed collaboratively
Background: *The World Bank’s Social Protection and Labor practice*

- Operates in all regions of the world, in both middle-income and lower-income countries, and fragile contexts
- Provides:
  - Loans and grants
  - Knowledge and analysis
  - Policy advice
  - Technical assistance
  - Capacity-building
- Works on 4 main domains:
  - Social assistance (safety nets)
  - Pensions and social insurance
  - Labor market reforms (including youth employment)
  - Disability and development
Background: *The World Bank’s lending in Social Protection and Labor has been counter-cyclical*

Social Protection and Labor’s Share in World Bank New Lending Commitments

- **Middle-income**
- **Lower-income**

**Asian Crisis**
- 1% (FY92)
- 2% (FY93)
- 3% (FY94)
- 4% (FY95)
- 3% (FY96)
- 4% (FY97)
- 7% (FY98)
- 8% (FY99)
- 10% (FY00)
- 10% (FY01)
- 12% (FY02)
- 11% (FY03)
- 13% (FY04)

**LAC/ECA Crisis**
- 1% (FY92)
- 2% (FY93)
- 3% (FY94)
- 4% (FY95)
- 4% (FY96)
- 7% (FY97)
- 7% (FY98)
- 7% (FY99)
- 7% (FY00)
- 2% (FY01)
- 3% (FY02)
- 4% (FY03)
- 5% (FY04)
- 4% (FY05)
- 3% (FY06)
- 2% (FY07)
- 2% (FY08)
- 5% (FY09)
- 7% (FY10)
- 5% (FY11)
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Social protection and labor programs are necessary in a risky, changing world.

- 912 m. People in poverty below $2/day (2010)
- 674 Average number of disasters 2006-10
- 75 m. Unemployed youth (2011)
- 2 x Number of elderly (over 60) in 2050 compared to 2010
Well-functioning social protection and labor policies let countries help their people achieve:

**Resilience for the vulnerable**
- Insuring against impacts of different shocks

**Equity for the poor**
- Protecting against dire poverty and loss of human capital

**Opportunity for all**
- Promoting human capital and access to productive work
Evidence shows social protection and labor policies contribute to gender equality, opportunities and better access to services.

**Gender equality**
- Transfers/public work for poor women empowers them and improves capabilities.
- Programs provide improved access to education for girls/maternal care for women.

**Nutrition**
- Increased resources for poor families reduce hunger and malnutrition.
- Improved nutrition in first 1000 days of life have huge impact on future incomes/productivity.

**Access to education/health**
- Transfers and school feeding helps meet implicit and opportunity costs of education, boosting enrollment and attendance.
- Transfers during shocks preserve human capital.
Evidence shows social protection and labor policies contribute to sustainable, inclusive growth.

**National level**
- Enables reform
- Stimulates aggregate demand

**Community level**
- Creates productive assets
- Improves functioning of labor markets
- Creates local spillovers from increased demand

**Household level**
- Fosters accumulation of assets
- Increases entrepreneurial activity
- Increases/preserves human capital

Source: Alderman and Yemtsov (2012)
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Fragmentation: *The challenge in social protection and labor programs*

- **Pensions**
- **Social Assistance**

**Generosity**

- **Low Income**
  - **High Income**

- **Security Forces**
- **SOEs**
- **Civil Servants**
- **Private Sector**
- **Social Pensions**

- **Fuel Subsidies**
- **Food Subsidies**
- **Universal Child Benefits**
- **Cash Transfers**
- **Public Works**
From fragmented approaches to harmonized systems

Cash transfers in Sub-Saharan Africa are fragmented across ministries and donors

- Outside government: 45%
- Social welfare: 35%
- Other: 11%
- Social security/labor: 9%

Fragmentation:
- Different ministries/donors implement similar programs
- Some beneficiaries have access to multiple programs, others excluded

Few Integrated Systems imply:
- Incentive incompatibility
- Financing inadequate and non-transparent
- Unclear institutional roles

Source: Garcia and Moore (2012)
Core idea: Social protection and Labor Systems

Portfolios of coherent programs that can
• communicate with each other,
• often share administrative sub-systems,
• work together to deliver resilience,
equity and opportunity
Social protection and labor systems operate at different levels

**Administration level:**
Aim: Building basic subsystems to support one or more programs for security, equity or opportunity

**Program level:**
Aim: Improving design of existing programs and harmonizing across portfolio of programs

**Policy Level:**
Aim: Ensuring overall policy coherence across programs and levels of government

Source: Robalino, Rawlings and Walker (2012)
From exclusion to inclusion

Low coverage concentrated among:

- low-income countries and fragile contexts
- poor populations and vulnerable groups, including women
- informal sector

Meeting the challenge

- Fiscally sustainable inclusion
- Innovation in reaching the excluded
- Institutional capacity building, performance management

Source: World Bank ASPIRE database
From less productive to more productive

Low productivity concentrated
- Low-income countries and fragile contexts
- Poor populations and vulnerable groups
- Informal, rural sectors

Meeting the challenge
- Investment in human capital, especially among children
  - Improve access to basic services in education, health and nutrition
- Improving productivity and access to jobs
  - Improve labor market functioning to enable access to higher productivity work
  - Foster activation programs, skills, capacity building

Source: WDR 2013 Calculations
From inflexibility to responsiveness

The need for effective risk management

- Against both individual shocks and systemic crises
- Crises are increasingly frequent, widespread, severe and concentrated in poor regions among poor people

Meeting the challenge

- Ensure that appropriate programs are in place before shocks hit
- Enhance existing programs to capture the newly vulnerable
- Add programs to the social protection and labor portfolio that can be scaled up during crises
- Strengthen programs to help the most vulnerable in times of crisis

Average number of disasters

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To succeed, work on social protection and labor issues need to be...

Knowledge focused on results and learning from South-South sharing of practice

Tailored

Tailoring operations to country context, and to evidence of “what works”:
No one size fits all

Collaborative

Broad, synergistic partnerships across sectors and actors

Knowledge-Driven
Now that we have a clear Strategy framework in place..

Social Protection and Labor Programs and Policies ..

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... How can we make the strategy a reality in the next 10 years?
Dissemination and Operationalization of the Strategy

You can play a **leading role in spreading the message and operationalizing the Strategy**

In the **immediate to the short-term**, staff can:

1. Increase **internal** engagement to operationalize the SP&L Strategy

2. Increase outreach and engagement with **external** audiences, especially client countries
**Dissemination and Operationalization of the Strategy**

Communications Tools:

1. **Strategy Website**

   Website contains:
   - SP&L Strategy Executive Summary in English, Spanish and Portuguese, French as well as Arabic, Chinese and Russian
   - SP&L Strategy Paper in English
   - Background papers and policy notes
   - Video: Catching Hope
   - Featured Stories and link to ASPIRE: Atlas of Social Protection Indicators

2. **Boilerplate power point presentation** of the SP&L for your customization needs

3. **Social Protection and Labor Strategy Packet** which contains:
   - Resilience, Equity and Opportunity, Gatefold Brochure
   - Hard copy of the Executive Summary Conference Edition
   - Brochure to Aspire: the Indicators of Resilience and Equity
   - 10 policy notes on Strategy background papers

WE ARE ALL STAKEHOLDERS IN THE STRATEGY

Nominate Your Regional Strategy Focal Point

www.worldbank.org/spstrategy

For information, please contact Laura Rawlings
ANNEXES
# From strategy to results: Measuring success

## Quality of World Bank activities to support partner countries
- Percentage of satisfactory projects (IEG Ratings)
- Percentage of projects with satisfactory M&E (ICRs)
- Number of downloads of SP&L knowledge products
- Number of countries involved in World Bank sponsored South-South learning events
- Percentage of SPL staff time spent on cross-support to countries in other regions
- Percentage of lending operations in IDA countries having co-financing partners

## Changes in SPL outcomes and outputs in countries attributable to World Bank support
- Percentage of World Bank SPL lending operations supporting SPL systems
- Number of countries with World Bank SPL engagement
- Number of beneficiaries of World Bank supported SSN programs in IDA countries*
- Number of beneficiaries of World Bank supported labor market programs*

## Country progress on key development outcomes
- Poverty gap at $1.25 per day (PPP)
- Percentage of population in the poorest quintile covered by SPL programs
- Share of working age population accruing pensions rights
- Pension beneficiaries to elderly (>65) population ratio (old age, survivor, disability and social pensions)
- Percentage of children (7-14) employed
- Labor productivity: GDP per person employed
- Youth/adult unemployment rate
Towards an agenda for development partners on building social protection and labor systems

• Help finance and build “nuts and bolts” of systems in poorer countries

• One good example is the Rapid Social Response program

• Has very successfully catalyzed development of analytical and operational building blocks of social protection programs in low-income countries