Social Protection and Labor (SP&L) Delivery Systems
Definitions, objectives, elements, & trends

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Content

I. What do we mean by SP&L systems?
II. Why are SP&L systems necessary?
III. Developing SP&L systems
What is a system?

- An entity with *different parts working together* to generate outcome / or functions
- Where the *whole* is bigger than sum of individual parts
- Something that exists long enough / is sustained over time / can *adapt* to changing environment
What do we mean by SP&L?

Social Protection

Social Insurance
- Schemes that deliver benefits based on contributions of their own members: pensions, unemployment insurance.

Social Safety Nets
- Noncontributory transfer programs targeted to the poor; cash transfers, food stamps, in-kind transfers, school feeding programs, etc.

Labor Policy
- Regulatory aspects of labor; active labor market policies, income support for the unemployed.
What do we mean by a SP&L system?
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What are SP&L systems necessary?

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
What are SP&L systems necessary?

Many countries have achieved to reduce poverty through higher labor income and transfers.

Source: Inchauste and others (2012)
What are SP&L systems necessary?

Headline 2008

Food & Fuel Price Increases, Financial Crisis Hits

Headline 2008/9

2/3s developing countries improve SSN during crisis
Content

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Basic Functions of SP&L systems

3 Ps

Opportunity

Promotion

Prevention

Protection

Security

Equity

Social insurance:
- Pensions
- Unemployment
- Health

Social assistance:
- In-kind transfers
- Cash transfers
- Subsidies

ALMPs:
- Training
- Credit
- Intermediation
Programs often share administrative sub-systems

- Communicate with each other
- Work together to deliver resilience, equity and opportunity
Implementation of SP&L Systems

Outreach

Exit & Graduation
Registration
Evaluation
ID Verification
Svs. Delivery & Payments
Targeting
Pathway to building SP&L Systems

- NO one-size fits all!!

**Low capacity contexts**
Few or no functional formal 3P programs

**Goal: Building the “nuts and bolts” sub-systems to provide one or more 3P functions**

**Emerging capacity contexts**
Existing systems often fragmented, with limited capacity to coordinate

**Goal: Improving efficiency and efficacy of each program, improving coordination across programs**

**Better capacity contexts**
Well-functioning programs with aligned incentives and clear institutional roles

**Goal: Policy coordination to ensure efficiency, equity and incentive compatibility**

Source: Robalino, Rawlings and Walker (2012)
Pathway to building SP&L Systems

Source: Robalino, Rawlings and Walker (2012)
Conclusions

- SP&L systems are entity of programs and institutions working together to promote human capital development, prevent against risks and shocks, and protect individuals (and their generations) from economic exclusion.
- SP&L systems can contribute to poverty reduction and are necessary in a risky, changing world.
- SP&L system in the developing world are nascent and face important challenges (low program coverage, large fragmentation, and modest effectiveness).
- Pathways to develop SP&L system differ based on specific country needs and level of development.
- Generally, it is recommendable to have good programs first and then to foster coordination and integration across programs and institutions.
THANK YOU

For more Information
www.worldbank.org/spstrategy
www.worldbank.org/rsr