

SOCIAL PROTECTION IN SOUTH ASIA: **A REVIEW**



Social Protection in South Asia: A Review

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Preface

The Millennium Development Goal agenda, adopted in 2002 with a vision to improve key outcomes in poverty, hunger, health, education, the environment, and gender equality, are milestones in that they represent a global consensus on development priorities. It is also increasingly clear that policymakers and the international community must work not just towards reaching the MDGs, but towards achieving them with equity.

This fact is, in part, a reflection of the increasingly dynamic and multi-dimensional view of poverty that goes beyond income to encompass issues of vulnerability, social exclusion and disparities, and the inter-generational transmission of poverty. The latter issue, in particular, has made child poverty more visible, as researchers and policymakers alike recognise that children are the most vulnerable in any society. In South Asia, children comprise almost half the population. If their needs are not met in early childhood, the effects can be irreversible. In addition, the situations of the poor, and of poor children, are becoming more precarious – the global economic crisis and rising food prices have raised the numbers of poor in South Asia to an estimated 400 million in 2009, just a few years before the 2015 deadline for reaching the MDGs.

New insights on poverty and vulnerability are triggering significant changes in government policy in South Asia. As a result, social protection interventions are emerging as a key policy element across the region. *Social Protection in South Asia: A Review* describes the most significant programmes in place in each of the eight South Asian countries. It maps out the social protection agenda, as well as programme aims, design, scale and coverage. It highlights some of the innovations, and summarises information from formal evaluations as available.

This *Review* is intended primarily for policymakers in South Asia, offering an accessible overview of regional experiences and practices. Academics, civil society groups and the UN family contributing to the evolving debates around re-defining social protection and assessing the performance of existing programmes will also find the study of interest.

The UNICEF Regional Office South Asia (ROSA) feels this *Review* will contribute to child rights and development in South Asia, since transformative social protection can help achieve the goals spelt out compellingly in the Convention on the Rights of the Child, adopted 20 years ago. We hope that the study will help to inform the important national, regional and global debates currently in progress in South Asia. We hope it will contribute to the global agenda of reaching the MDGs with equity. And most importantly, we hope it will help to put children at the heart of social protection.

Daniel Toole
Regional Director
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Acronyms and Local Terms

| | |
|----------------------|---|
| ADB | Asian Development Bank |
| APL | Above the Poverty Line |
| APWDW | Programme for Widows and Destitute Women, Bangladesh |
| BEHTRUWC | Basic Education for Hard to Reach Urban Working Children, Bangladesh |
| BISP | Benazir Income Support Program |
| <i>Boishka Bhata</i> | old-age allowance, Bangladesh |
| BPL | Below the Poverty Line |
| BRAC | Bangladesh Rural Advancement Committee |
| CAG | Comptroller and Auditor General |
| CCT | Conditional Cash Transfer |
| CDC | Community Development Council |
| CERID | Research Centre for Educational Innovation and Development, Nepal |
| CFPR | Challenging the Frontiers of Poverty Reduction, Bangladesh |
| <i>chars</i> | flood-prone riverine areas of Bangladesh |
| CIDA | Canadian International Development Agency |
| CLP | Chars Livelihoods Programme, Bangladesh |
| CPRC | Chronic Poverty Research Centre |
| CSP | Civil Service Pension, Maldives |
| CSPS | Civil Service Pension Scheme, Sri Lanka |
| <i>Dalit</i> | ' <i>Oppressed</i> '; the term used by the so-called lowest castes to refer to themselves |
| DDC | District Development Committee, Nepal |
| DFID | Department for International Development (United Kingdom) |
| DOE | Department of Education, Nepal |
| DSMC | District School Management Committee |
| EAS | Employment Assurance Scheme, India |
| EC | European Community |
| EFA | Education for All |
| EGF | Employment Guarantee Fund, India |
| EGS | Employment Guarantee Scheme, India |
| EOAB | Employee Old Age Benefits, Pakistan |
| EOBI | Employees Old Age Benefits Institution |
| EPF | Employees' Provident Fund, Sri Lanka |
| EPFO | Employees' Provident Fund Organisation, Sri Lanka |
| ESIS | Employees' State Insurance Scheme, India |
| ESSI | Employees Social Security Institution, Pakistan |
| FAO | Food and Agriculture Organization of the United Nations |
| FEWS | Famine Early Warning System |
| FFW | Food for Work, Afghanistan |
| FP | Family Planning |
| FSESP | Female Secondary Education Stipend Project, Bangladesh |
| FSP | Food Support Programme |
| FSSAP | Female Secondary School Assistance Programme, Bangladesh |
| FWP | Food for Work Programme, India |

| | |
|-------------------------|---|
| GDP | Gross Domestic Product |
| GER | Gross Enrolment Rate |
| GNI | Gross National Income |
| GPF | Government Provident Fund, Maldives |
| <i>grama niladharis</i> | social workers (Sri Lanka) |
| <i>guzara</i> | subsistence allowance (Pakistan) |
| <i>haor-baor</i> | wetlands/water bodies (Bangladesh) |
| HDI | Human Development Index |
| HSMI | Human Settlement and Management Institute, India |
| IAY | Indira Awas Yojana (Indira Shelter Scheme), India |
| ICDSS | Integrated Child Development Service Scheme, India |
| ICESCR | International Covenant on Economic, Social and Cultural Rights |
| IDP | Internally Displaced Person |
| IDPM | Institute for Development Policy and Management, University of Manchester |
| IFPRI | International Food Policy Research Institute, Rome |
| ILO | International Labour Organization |
| IMR | Infant Mortality Rate |
| IOM | International Organization for Migration |
| IRDP | Integrated Rural Development Programme, India |
| IUD | Intrauterine Device |
| JRY | Jawahar Rojgar Yojana (Jawahar Employment Scheme), India |
| <i>kuchi</i> | nomad (Afghanistan) |
| LHW | Lady Health Worker, Pakistan |
| LHWP | Lady Health Worker Programme, Pakistan |
| LSGA | Local Self-governance Act, Nepal |
| <i>madrasha</i> | Islamic religious school |
| MC/PM | Minimum Conditions and Performance Measures |
| MDG | Millennium Development Goal |
| MHEESS | Ministry of Higher Education, Employment and Social Security, Maldives |
| MLD | Ministry of Local Development, Nepal |
| MOLSAMD | Ministry of Labor, Social Affairs, Martyrs and Disabled, Afghanistan |
| <i>monga</i> | a seasonal food deprivation in the north-western part of Bangladesh |
| MOSWSE | Ministry of Social Welfare and Special Education, Pakistan |
| MWS | Million Wells Scheme, India |
| NCAER | National Council of Applied Economic Research, India |
| NEEPRA | National Emergency Employment Programme for Rural Access, Afghanistan |
| NER | Net enrolment ratio |
| NGO | Non-governmental Organisation |
| NOAPS | National Old-Age Pension Scheme, India |
| NORAD | Norwegian Aid Agency |
| NOVIB | Dutch Organisation for International Development Cooperation |
| NREGS | National Rural Employment Guarantee Scheme, India |
| NREP | National Rural Employment Programme, India |

| | |
|------------------|--|
| NSP | National Solidarity Programme, Afghanistan |
| NSPS | National Social Protection Strategy, Pakistan |
| OAAS | Old-age Allowance Scheme, Bangladesh |
| OECD | Organization for Economic Cooperation and Development |
| <i>panchayat</i> | local council (India) |
| PBM | Pakistan Bait-ul-Mal |
| PDS | Public Distribution System, India |
| PESP | Primary Education Stipend Programme, Bangladesh |
| PKSF | Palli Karma Sahayak Foundation, Bangladesh |
| PRIME | Programmed Initiative for the Eradication of Monga |
| PRSP | Poverty Reduction Strategy Paper |
| PSES | Pakistan Socio-economic Survey |
| PTR | Poverty-targeting Rate |
| REGP | Rural Employee Guarantee Programme, India |
| ROSA | UNICEF Regional Office for South Asia |
| <i>Samurdhi</i> | 'Prosperity'; a national alleviation programme in Sri Lanka |
| SES | Socio-economic Security |
| SGRY | Sampoorna Grameen Rozgar Yojana (All Rural Employment Scheme), India |
| SJSRY | Swarna Jayanti Shahari Rojgar Yojana (Golden Jubilee Urban Employment Scheme), India |
| SLC | School Leaving Certificate, Nepal |
| SMC | School Management Committee |
| SP | Social Protection |
| SPCOV | Social Protection Coverage |
| SPEXP | Social Protection Expenditure |
| SPIMP | Social Protection Impact |
| <i>Terai</i> | the lowland area of southern Nepal |
| <i>thana</i> | police station and administrative unit (Bangladesh) |
| TPDS | Targeted Public Distribution System |
| UDHR | Universal Declaration on Human Rights |
| <i>union</i> | the lowest administrative unit in Bangladesh |
| <i>upazila</i> | the primary focus of local administration in Bangladesh |
| USEP | Urban Self-Employment Programme, India |
| USWSS | Unorganized Sector Workers' Social Security, India |
| UWEP | Urban Wage Employment Programme, India |
| VDC | Village Development Committee, Nepal |
| VGD | Vulnerable Group Development |
| WB | World Bank |
| WFP | World Food Programme |
| WPPF | Worker Profit Participation Fund, Pakistan |
| WWF | Worker Welfare Fund, Pakistan |
| <i>zakat</i> | charity to the poor |

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PART 1 REGIONAL OVERVIEW AND FINDINGS

Introduction: Scope and objectives

All eight South Asian countries¹ provide some form of social protection to their citizens, and most are currently reviewing or upgrading their programmes and policies. This partly reflects policymakers' heightened interest in new approaches, policy instruments and tools to address poverty. Most recently, interest in social protection has intensified in light of the food price crisis and the global recession, which since 2008 have increased vulnerability and poverty in the region.²

This Review presents the findings of a desk study on social protection interventions in South Asia. Its primary purpose is to provide an overview of existing government policies, schemes and programmes in social protection and to display country and regional trends and issues relevant to expanding social protection. It assesses the extent to which South Asian countries are engaged in efforts to build integrated, comprehensive and inclusive social protection systems, and examines whether social protection as currently delivered addresses the needs of the entire population – especially of the poor, those who are systemically excluded, and the vulnerable. The Review could therefore inform national-level and regional discussions on approaches, policies and programmes and help shape future policy choices. It is also a database for policymakers and researchers, to be updated periodically.

The Review also attempts to assess whether each country's social protection interventions are part of a larger, overarching national strategy. To the extent information is available, it examines the level of coordination among government agencies and programmes; the adequacy and predictability of budgetary allocations; the proposed versus actual coverage of beneficiaries; and delivery mechanisms in place to ensure beneficiaries are reached. It also reports on existing mechanisms to monitor outcomes, especially poverty reduction outcomes.

The social protection programmes reviewed were selected on the basis of their scale, poverty-reduction focus, inclusiveness and impact. The Review focuses on non-contributory social assistance interventions that are government-funded or initiated, with or without donors' support. Formal-sector contributory social insurance is included, however, to allow gauging the scope of social protection in each country rather than for a systematic analysis. The Review does not consider services related to social protection, and is limited to social protection transfers in cash and kind.

Finally, this Review offers ideas on the further development of social protection in South Asia, using the notion of socio-economic security as a normative orientation. Part I is an overview of the findings and Part II presents a set of Country Profiles.

Some reflections on poverty discourse and the scope of social protection

The discourse on wellbeing and poverty has changed over the past two decades. The Millennium Development Goal (MDG) agenda gave renewed attention to poverty alleviation, and midway to the MDG deadline of 2015, divergent patterns in MDG achievement due to social exclusion are increasingly clear. Thus, a case is being made for reaching the MDGs 'with equity'. Social protection needs related to migration and emergency situations have also come to the fore.³ Perhaps the most fundamental changes, however, are the move to a multidimensional understanding of poverty; a recognition of its dynamics; and the new awareness of age-specific vulnerabilities, notably child poverty. Moreover, poverty is no longer understood simply as an absence of wellbeing, but rather as violation of a fundamental human right, so that the right to social protection becomes part of an overarching agenda for human dignity.

¹ Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka

² UNICEF Regional Office for South Asia, *A Matter of Magnitude. The Impact of the Economic Crisis on Women and Children in South Asia*. Kathmandu, 2009. Also see Aniruddha Bonnerjee et al, *Hunger and the Economic Crisis. Findings from South Asia*, 2009 forthcoming.

³ N. Kabeer, A. Sharma, C. Upendranadh, *Social Security in South Asia: Issues and perspectives*. Draft for discussion, November 2008; United Nations Department of Economics and Social Affairs (DESA), *National Development Strategies. Policy Notes*. New York: United Nations, 2008

MDGs, social exclusion and social protection

Social protection coverage does not feature in the original MDG agenda, which has been the main reference point for assessing progress in social development, and for policymaking and advocacy, since its unanimous adoption by the UN General Assembly in 2002. In the context of the slow progress on the MDGs and the acknowledged role of social protection in reducing poverty and facilitating and multiplying the returns from social investments, social protection is increasingly seen as a mechanism that can underpin the objectives of MDG 1 on poverty, employment and hunger, and facilitate achieving the objectives of MDGs 2-7 by enabling and empowering families to use their rights to education, health, water and sanitation, and shelter. Particular forms of social protection have become popular: the conditional cash transfers pioneered in Latin America and Africa are seen to have improved outcomes in the health and education MDG indicators, along with contributing to reductions in poverty rates and gaps, and have led to increased policymaker interest in various forms of social transfers and social protection.

Despite expectations and predictions, economic growth – which in South Asia exceeded eight per cent annually over the past decade – has not resulted in equitable, sustained reduction of hunger and poverty; instead, income inequalities have widened rather than narrowed, and the poverty gaps remain large, pointing to increasing disparities even among the poor themselves. Thus, there is a need to find policies that achieve the MDGs equitably and ensure social inclusion.

Across South Asia, even in countries that are on track to achieving the MDGs, achievements vary among groups, depending on gender, ethnicity, caste, language, ability, place of residence or other factors.⁴ Individuals and groups face social exclusion on the basis of their ascribed identities or the circumstances of their birth. Usually a numerical minority is subjected to exclusion by a dominant community. Social exclusion deprives individuals and communities of political voice and representation, of equitable access to social services, and of access to assets and

predictable livelihoods and decent work. Across South Asia – and across the globe – economically and socially excluded groups live with gaps in health, education, access to essential social services, adequate shelter, and generally see their rights unfulfilled. Social exclusion is often coupled with vulnerability, which compounds the effects of either idiosyncratic or systematic shocks for these groups. For instance, for a poor *Dalit* family that migrated in search of income sources following the death of an adult breadwinner, vulnerability and insecurity result not merely from the loss of the breadwinner, but from experiencing constant discrimination, lack of legal identity, lack of titled assets, and not being aware of or in a position to exercise their social rights and entitlements.

Although all national constitutions in South Asia are based on principles of equality and human rights, and most have outlawed discrimination and put instruments for affirmative action into place, inequality remains. Social protection can be used to address social exclusion, primarily by addressing income and asset poverty which disproportionately affect socially excluded groups, and possibly through particular measures to enable the excluded to claim their rights. Social protection can address structural inequalities by enabling not just formal but also substantive realisation of rights, through which opportunities could effectively translate into outcomes for the rights-holders. Social protection interventions can be used as tools for affirmative action, and provisions need to be factored into universal social protection to focus transfers and services on vulnerable groups and areas. Possible approaches include universal categorical transfers, such as a child benefit or an old-age pension, calibrated to adjust the level of benefit by the degree of deprivation in the region concerned, and to accompany the intervention with massive campaigns for public information and for behaviour change. Some countries in South Asia also specifically target social protection measures to disadvantaged groups.

To address the shortcomings in MDG progress, social protection interventions need to become systemic, organised and predictable, and to address socio-economic disparities and inequalities.

⁴ UNICEF Regional Office for South Asia, *Stylized Facts about Child Poverty and Disparities in South Asia and Some Policy Implications: A Discussion Note*. Kathmandu, 2009 (forthcoming)

Social protection, migration and displacement

Humanitarian crises and natural disasters are increasing, and conflicts becoming more protracted – notably in developing countries. Internal and cross-border displaced and refugee groups are conservatively estimated at 67 million worldwide. Moreover, migration in search of work, much of it distress-driven, is becoming a way of life, with an estimated 200 million official trans-boundary migrants recorded globally.⁵ By conservative estimates, at least 21 million South Asian migrants work abroad. Of these, over eight million work within the region itself, followed by six million working in high-income non-OECD countries, five million in high-income OECD countries, and two million in the Middle East and North America.⁶ If intra-country and informal sector migrants were recognised, the numbers would be multiples of these. Whether there is a single migrant from a household or the entire family migrates, social and psychological stresses are part and parcel of the experience.

Migrants from developing countries are generally not eligible to receive social protection or other family services in the host country, and usually do not earn health insurance or old-age pension entitlements, leaving them especially vulnerable. Migrant families – either migrating with the main breadwinner or left behind – often face heightened vulnerability and risks, especially if they are low-skilled migrants who earn little. Given the scope and the scale of the problem, social protection for this group is an urgent policy issue, and shows the interface of lack of decent work opportunities and of social protection in home countries that drive low-income migration in the first place, and the gap in international, regional and national provisions for migrants.

Multidimensional and dynamic nature of poverty

Conventionally, incomes have been seen as the main source of wellbeing, and income poverty has been cast as a proxy for shortfalls in material wellbeing. However, since the advent of the human development paradigm and its operationalisation in the MDGs, income has been seen as an imperfect proxy for the various dimensions that make up even material

wellbeing. At the very minimum, these include security in access to and utilisation of food, nutrition, health, education, water, sanitation, shelter, as well as physical safety.

The conventional measures of income poverty and access to social services are static, capturing situations at a point in time. They do not factor in vulnerability to fluctuations in income or wellbeing that reflect exposure to various sources of risk. Static measures of income poverty as well as the framing of vulnerability in terms of ‘shock’ episodes fail to capture the chronic and systemic nature of insecurity.

Individuals and families move in and out of poverty frequently, and low-income groups are under constant fear and anxiety. Vulnerability and insecurity imply risks associated with individual circumstances and characteristics, or the environment. Those close to the poverty line are vulnerable to becoming poor, and those in the greatest poverty are the least likely to be able to acquire assets.

This multidimensional and dynamic character of poverty points to a need to broaden the poverty eradication agenda.

Poverty, vulnerability and children

Children are the most vulnerable group in society, as they do not generally have voice when they are very young, and are not necessarily heard when they do have a voice. In the broad sense, they rely primarily on family to have their rights realised. Children comprise the largest proportion of the population in most developing countries, with the youngest populations often in the poorest countries. Across the globe, children are over-represented among the poor, and the impact of age-based discrimination is compounded for children from marginalised communities, who are additionally excluded due to gender, ethnicity, disability or other factors. Because of income poverty, systemic lack of assets, and volatile access to health and education, children from poor households face a high risk of remaining vulnerable and poor into adulthood and in turn creating low-income and vulnerable families, perpetuating the cycle of chronic poverty and deprivation.

⁵ 26 million persons are conflict-driven IDPs, and 25 million persons are natural disaster-driven IDPs. IOM, www.iom.int

⁶ B. Khadria, *Migration and Social Policy in Asia*, UN Research Institute for Social Development: 2008, based on World Bank data

South Asia's 613 million children comprise 39 per cent of the population; 175 million of them are under age five; and an estimated 300 million children are “poor” – deprived of at least two basic rights.⁷

Child rights are fundamental, and neglect of children's rights to nutrition, health, education and care can have irreversible effects. Therefore children should be prioritised in any social protection programme. Child-sensitive social protection⁸ could follow a set of principles such as:

- addressing the age- and gender-specific risks and vulnerabilities of children,
- intervening as early as possible where children are at risk, to prevent irreversible impairment or harm,
- recognising that families raising children need support to ensure equal opportunity for children and to ease the childcare – work dichotomy for parents and caregivers,
- making special provision to reach the most vulnerable and excluded children, including those without parental care, as well as children who are marginalised within their families or communities due to their gender, disability, ethnicity or other factors.

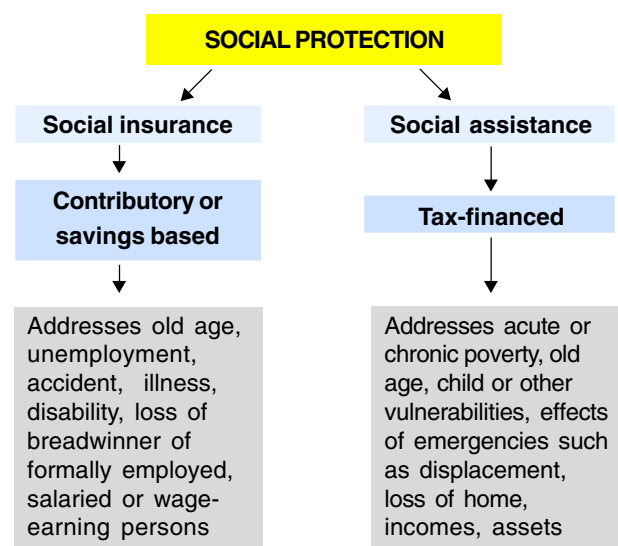
Ultimately, child-sensitive social protection would mitigate the effects of poverty on families, strengthen families in their childcare roles, and enhance access to basic services for the poorest and marginalised, as well as be responsive to children who are at risk by virtue of living outside a family environment, or who suffer from abuse and discrimination at home.

Concepts of social protection

Definitions

Figure 1 presents a schema of social protection, and Box 1 shows a number of definitions. This Review is concerned with social protection as both the policy framework to address poverty and vulnerability, and as the set of instruments encompassing social insurance and social assistance transfers that South Asian governments have put in place. Generally, only programmes involving transfers in cash or kind are included.

Figure 1: Schematic representation of social protection



Source: UNICEF ROSA based on ILO

Box 1: Definitions of social protection

The **International Labour Organisation (ILO)** views social protection in a broad sense as covering all safeguards or guarantees against reduction or loss of income in cases of illness, old age, unemployment or other hardship, and including family and ethnic solidarity. This includes protection instruments based on collective or individual savings, private insurance, social insurance, mutual benefit societies, formal sector social security, etc. It generally distinguishes between *social security* and *social assistance*. The former are contributory systems through which participants acquire rights to transfers to cover situations of ill-health, accident or disability, unemployment and old age. Social assistance refers to transfers not based on prior contributions but instead financed from the general tax system, to assist low income and vulnerable groups. That is the definition followed in this Review.⁹

⁷ UNICEF Regional Office for South Asia, *Stylized Facts about Child Poverty and Disparities in South Asia and Some Policy Implications: A discussion note*. Kathmandu, 2009 (forthcoming)

⁸ UNICEF, *Child-Sensitive Social Protection. An interagency draft*. New York, July 2008

⁹ International Labour Organisation, http://www.ilo.org/global/About_the_ILO/Mainpillars/Socialprotection/lang—en/index.htm

For the **Asian Development Bank (ADB)**, social protection consists of policies and programmes designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, enhancing their capacity to protect themselves against hazards and interruption/loss of income. It defines five main areas of social protection: labour market policies and programmes, social insurance, social assistance and welfare service programmes, micro-and area-based schemes, and child protection.¹⁰

UNICEF defines social protection as a “set of transfers and services that help individuals and households confront risk and adversity (including emergencies), and ensure a minimum standard of dignity and wellbeing throughout the lifecycle”. UNICEF agrees that the concept of social protection needs to be made child sensitive and focus on systemically protecting and ensuring the rights of all children and women, achieving gender equality, and reducing child poverty.¹¹

The **World Bank** defines social protection as public interventions oriented to human capital and social risk management to (i) help individuals, households, and communities better manage risk; and (ii) provide support to the incapacitated poor.¹² This is the definition applied in the World Bank's Social Protection Strategy Paper, its Comprehensive Development Framework, and the Poverty Reduction Strategy Papers (PRSPs).

Comprehensive social protection – socio-economic security

Wellbeing is about achieving a dignified life, which requires material wellbeing, social inclusion, voice and participation, and empowerment – a notion best captured as socio-economic security. This notion can encapsulate the many levels and dimensions of poverty laid out above.

In earlier poverty discourse, income poverty was not seen as linked to the control of assets and entitlements that determine a household's overall economic situation. However, it is the lack of productive assets that causes individuals and households to fall into and remain in poverty. In rural economies crucial productive assets include land, access to irrigation, housing, livestock, implements and equipment, seed stocks, financial assets, and working capital; in urban settings they include a means of livelihood from

employment or self-employment based on access to land and housing, implements and equipment, licences, and financial assets and capital. Most importantly, these include not just the physical possession of these assets but the legally guaranteed ownership title. Often the poor – whether in rural, peri-urban, or urban areas – do not own the assets that they use and are at risk of eviction from land or other resources they may have acquired in an untitled fashion. The use of such assets can be lost due to idiosyncratic or systemic risks, so that households and individuals fall into poverty.¹³

Social protection needs to be a response to this multidimensional and more dynamic definition of poverty laid out above – encompassing risk, vulnerability, and exclusion. This Review therefore proposes a notion of socio-economic security¹⁴ as a normative principle for social protection strategies,

¹⁰ Asian Development Bank, <http://www.adb.org/Documents/Books/Social-Protection/default.asp>

¹¹ See conference papers from “Social Protection Initiatives for Children, Women, and Families: An analysis of recent experiences”, UNICEF Division of Policy and Practice, and the New School for Graduate Research, New York, October 2006

¹² World Bank. 1999. *Social Risk Management: Intellectual underpinnings of the social protection strategy*. Washington, DC. Holzmann, R., and Jorgensen, S. 2000. *Social Risk Management: A new conceptual framework for social protection*. Washington, DC; World Bank. 2000. *Social Protection Sector Strategy*. Washington, DC.

¹³ Sources of risk are generally discussed in terms of idiosyncratic and co-variate ‘shocks’. Idiosyncratic risks are specific to particular individuals or households: the loss of a job or an asset, dowry or funeral demands, illness in the family, death of a breadwinner. Co-variate risks affect large numbers of individuals and households simultaneously: war and conflict, natural disasters, price rises in essential foods, financial crises at national and global levels.

¹⁴ On socio-economic security, see Ashwani Saith, *Towards Universalizing Socio-economic Security Strategic Elements of a Policy Framework*. Indian Journal of Human Development, Vol. 2 Number 1. January 2009. www.ihdindia.org Also see N. Kabeer, “Mainstreaming gender in social protection for the informal economy”, *New Gender Mainstreaming Series on Development Issues*, Commonwealth Secretariat, 2008, p.4 and N. Kabeer, G. Köhler, *Extending and Deepening Social Protection in South Asia: Towards a strategy of socio-economic security for all*. Policy Note. UNICEF ROSA. Mimeo. November 2008

because socio-economic security spans poverty alleviation, social inclusion, socio-political cohesion, and rights. In this vein, social protection would include interventions related to food and incomes, as well as access to services in health, education, water and sanitation and shelter, along with enabling political voice and participation. It encompasses a special effort for the very young, as especially vulnerable.

While the role of social protection in poverty alleviation is implicitly understood, its orientation to social inclusion, socio-political cohesion, or dignity remains somewhat fuzzy. The framework of socio-economic security refers to an approach that covers all areas of vulnerability, and implicitly would ensure a basic minimum standard of protection. Beyond this, the concept also incorporates an underlying principle of social protection as a guarantee for all, irrespective of income or social status. If all people have the same entitlements, a universal guarantee can contribute to socio-political cohesion (regardless of whether everyone chooses to benefit) while still paying special attention to the circumstances of the poor and marginalised. Within a 'blanket' social protection mechanism of universal guarantees, the deprived, marginalised and excluded require special attention; ensuring that these groups are able to access their rights might necessitate special, complementary efforts. Socio-economic security is thus a broader and deeper concept than conventional approaches to social protection that are built on a notion of 'safety nets' as ex-post coping strategies or risk management.

Deficits in relation to voice and dignity can be addressed by facilitating access to essential income, assets and services through legislation, as well as executive and administrative provisions. They are addressed, in other words, through the predictability, quality and inclusiveness of provisions; the degree to which provisions meet differentiated needs; and the ease with which rights and benefits can be claimed. Dignity and voice are particularly challenging variables to investigate; proxies would be affirmative action, right to information, or citizens' monitoring processes.

To the extent that socio-economic insecurity undermines the efforts of poor and marginalised groups

to earn their living with dignity, to realise their full human potential, and to invest in their own and their children's future, social protection is a necessity for pro-poor economic growth. To the extent that it enables them to exercise their voice and influence the collective decision-making processes of their communities, it is essential for their rights as citizens.

This would suggest an objective that social protection interventions guarantee the ability to achieve adequate levels of wellbeing to everyone over the entire course of one's life, and most importantly, in early childhood. 'Ability' would be defined broadly to also refer to the circumstances created by the state for people to be able to exercise their right to social protection. Social protection could be defined as the broad range of interventions through which governments and other development actors seek to contribute to the goal of socio-economic security.

Social protection then becomes a means to address income poverty by providing income, capital and assets to address the intergenerational transmission of poverty. It also serves as a means to ensure wellbeing more generally by enabling access to social services. By addressing vulnerability and risk that affect the whole population, it serves to promote rights. This reinforces the case for conceptualising social protection around the creation of socio-economic security.

In the context of South Asia, it is important to examine social protection interventions that address access to income as well as assets, to social services and emergency support. Income deficits can be addressed through direct food or cash transfers or more fundamentally by enhancing income-earning opportunities. Asset deficits can be addressed through cash transfers/loans for the purchase of assets, or through direct asset transfers (e.g., of housing, land, livestock, and seeds). In the case of social service deficits, one may assess whether existing services in health, education, water and sanitation, protection from violence, and other areas address the needs of excluded groups.¹⁵ This is ultimately how the intergenerational transmission of poverty can be brought to a halt.

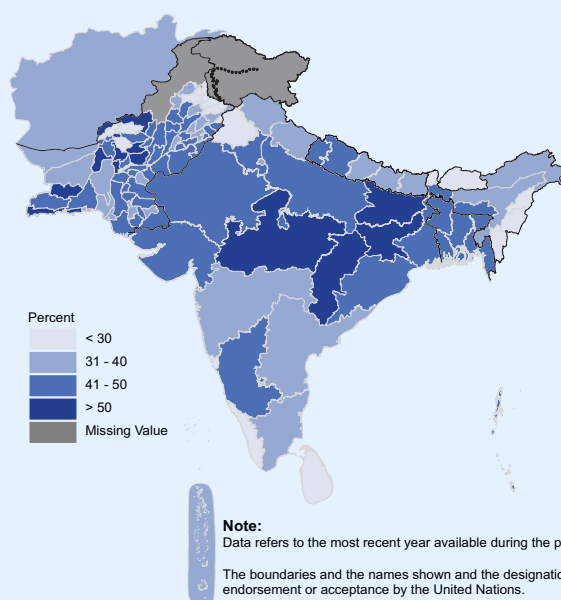
¹⁵ This Review is not exhaustive, however, both because of the sheer number of schemes underway in South Asia, and also because the approach has omitted some forms of social protection, such as access to credit and livelihood-supporting assets.

Box 2: Current human development situation in South Asia

Of the 1.6 billion people in South Asia, 615 million (39 per cent) are under 18 and 175 million (11 per cent) under 5 years of age. At least 20 million are migrants. Almost 600 million persons fall below the \$1.25/person/day poverty line and over one billion are under the \$2/person/day poverty line.¹⁶ Over 300 million (54 per cent) of the region's children are in absolute poverty, as measured by deprivation of at least two basic services, and 81 per cent are severely deprived of at least one basic need.¹⁷

Figure 2: Prevalence of underweight (moderate and severe, 2000-2006)

(Percentage of children under five years old whose weight for age is less than minus two standard deviations from the median for the international reference population ages 0-59 months)



Source:
UNICEF ROSE, South Asia Info database, 2008

Poverty and deprivation manifest in poor development outcomes. For instance, levels of child malnutrition (MDG 1) are the world's highest: 45 per cent of all children in South Asia are underweight, with almost half of them living in three countries – India, Bangladesh and Pakistan. Almost half the under-five child population in Bangladesh, Nepal and India suffers from malnutrition. Despite their rising per capita incomes, malnutrition affects 19 per cent and 30 per cent of the under-five child population in Bhutan and Maldives, respectively.

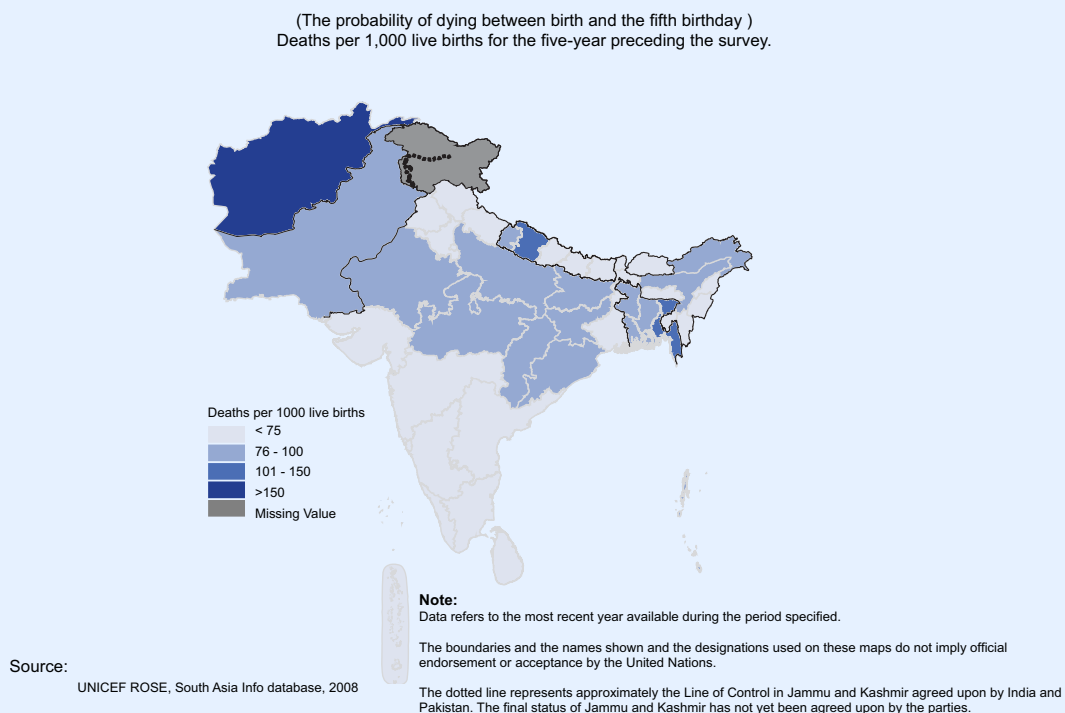
Moreover, malnutrition particularly affects the poor income groups, who spend 60-70 per cent of their household income on food. Often poverty and deprivation result in child death (MDG 4). Child morbidity and mortality are highest among poor groups, who lack adequate and predictable income support and

¹⁶ UNICEF Regional Office for South Asia, *A Matter of Magnitude. The Impact of the Economic Crisis on Women and Children in South Asia*. Kathmandu, 2009.

¹⁷ Source: Townsend Centre for International Policy Research, <http://www.bristol.ac.uk/poverty/child%20poverty.html>. D. Gordon; S. Nandy; C. Pantazis; S. Pemberton; P. Townsend *The Distribution of Child Poverty in the Developing World*; Report to UNICEF by Center for International Poverty Research, University of Bristol, July 2003; available at www.bris.ac.uk/poverty/Child%20poverty_files/Child%20Poverty%20Report%20Unicef.pdf

protection. The world's largest absolute number of newborn deaths occurs in South Asia, with India contributing a quarter of the world total, and South Asia accounts for 32 per cent of worldwide deaths among children under five. But there has been progress: in 1990, 1 in every 8 South Asian children died before age five; by 2006, the ratio had decreased to 1 in 12.

Figure 3: Under-five mortality rate (2000-2007)



Between 2008 and 2009, global price hikes of essential foodstuffs increased South Asia's poor and food-insecure population by an estimated 100 million persons.¹⁸ UNICEF data indicate that the already very high levels of malnutrition in most countries of the region are increasing as a consequence of reduced employment, decreasing real wages and incomes, and therefore reduced purchasing power.¹⁹ In low-income households, this can translate into inadequate food intake, given the high percentage of the household budget typically devoted to buying food. In Afghanistan, for example, where food prices increased 30-50 per cent in 2008 over an 80-100 per cent increase in 2007, 45 per cent of the population is estimated to be food insecure.²⁰ UNICEF estimates that during 2008, levels of severe wasting in children are likely to have increased. In Nepal, for example, as the cost of rice and rice products rose by 28 per cent during July-September 2008, the number of severely food-insecure people increased 50 per cent from the previous quarter.²¹ An estimated additional 4 million people became food insecure, resulting in a total of 12.5 million people at high risk of food insecurity.²²

¹⁸ UNICEF Regional Office for South Asia, *A Matter of Magnitude. The Impact of the Economic Crisis on Women and Children in South Asia*. Kathmandu, 2009.

¹⁹ OPSCEN Note, *The global food and financial crisis*, January 2009, UNICEF, NY

²⁰ UNICEF Afghanistan Country Office, 2009. *Annual Report 2008*. Kabul: UNICEF

²¹ UNICEF Nepal Country Office, 2009. *Annual Report 2008*. Kathmandu: UNICEF

²² World Food Programme Nepal, <http://www.reliefweb.int/rw/rwb.nsf/db900sid/MCOT-7LLE5J?OpenDocument>

Key findings and observations on social protection in South Asia

Country initiatives in social protection

In **Afghanistan**, the social protection system in the sense of social insurance and social assistance has been in place since the early 1990s. Afghanistan has several workfare programmes (e.g., cash for work – National Solidarity Program and National Emergency Employment Program for Rural Access; and Food for Work Program), combining a number of innovative elements. For instance, the National Solidarity Program aims to empower communities in decision-making, inclusive local governance, rural reconstruction and poverty alleviation by providing them with grants for development projects selected by Community Development Councils.

The National Social Protection Strategy adopted in 2008 – designed to consolidate the different social protection programmes under one umbrella policy – has a strong focus on the poorest and particular special categories. It has established a number of deprivation and poverty categories based on location and remoteness, occupational categories, etc. Given the high levels of poverty in the country, this approach covers a large section of the population in the short to medium term. Additional ad hoc social assistance is offered by donors such as FAO and WFP in light of the exacerbated food and nutrition insecurity.

Existing cash transfer schemes target orphans, the disabled, martyrs' families and retired civil servants, and channel assistance through pensions, public works, skills development and microfinance. The approach is driven by the need to respond to the effects of civil strife. Although over 40 per cent of the population lives in poverty, social protection arrangements are patchy and have reached only a minority of those in need. Issues of social exclusion are defined more by categories resulting from recent conflicts than seen in their historical context. Over time this targeting approach will need to move towards providing universal guarantees against vulnerabilities and shocks.

Nevertheless, Afghanistan's achievements are not minor given that the lack of security on the ground makes it impossible to guarantee delivery of social protection services nationwide.

Bangladesh has a long history of social protection, having put its first pensions in place in the 1970s. It has a universal pension programme for civil servants, and a means-tested social pension for persons below the poverty line, separately for men and women. The latter has been shown to be highly pro-poor, with a large segment of the beneficiaries representing the lowest income quintile. Bangladesh is also well-known for its expansive system of microcredit, a form of private- or NGO-based social protection not covered in this Review. Some of its many sector-based cash transfers have been regarded as pioneering efforts in the region, especially in the education area. The primary and secondary school stipends given to girl students have proven successful in addressing girls' education and protection, by contributing to delaying the age of marriage and reducing violence against girls.

Historically, the government has financed a combination of cash and in-kind programmes and relied heavily on workfare. A recent innovation in this sense is the guaranteed public employment scheme which the government adopted in 2009. Social assistance to the urban population includes government-initiated learning centres through the Basic Education for Hard to Reach Urban Working Children programme.

Among the region's eight countries, the Bangladesh government is unique in focussing on addressing the structural issues of inequality in access to income sources and assets, which corresponds to the concept of socio-economic security laid out above. A number of programmes seek to build the asset base of the poor, along with their human capital, such as the Challenging the Frontiers of Poverty Reduction programme and the Chars Livelihoods Programme. These programmes are designed to improve the livelihoods, food and asset security of the poor, although coverage levels remain low. Innovations around subsidies include a price subsidy on cereal grains for women garment and tea workers that is part of the government's larger response to rising food prices in the 2008-2009 budget.

However, there is no overarching framework for the numerous overlapping schemes, and some groups, such as the urban poor, have traditionally been neglected. The present PRSP is a first attempt at a

more systematic approach to social protection. It includes a chapter in which social protection is discussed, and programmes are grouped according to categories of beneficiaries served and risks covered.

Bhutan's widely available free education and health services are seen as part of the social security mechanism, and the government has shown commitment to universal coverage in the traditional social sectors. Pensions for civil servants, armed forces, and private-sector employees are part of the formal social security mechanism. A reform of the pension system is underway. Bhutan has microcredit finance programmes that reach significant proportions of the poor, but there are no specific social assistance interventions such as anti-poverty programmes or safety nets.

In the absence of a formal social protection system and safety nets, the Bhutanese rely on traditional strategies such as inter-household transfers in cash or kind, family support, migration, and borrowing, with the government stepping in cases of sudden disasters like floods.

India has some of South Asia's longest-running social protection programmes. Its social security systems dates from independence, its first poverty alleviation scheme was implemented in the 1960s, and old-age pensions were introduced as a constitutional right in 1995 (albeit restricted to those below a minimum level of subsistence). There is a strong commitment to social inclusion. India has recorded a number of achievements in social protection. It has moved from a top-down approach to social protection characterised by lack of people's participation to new approaches on social mobilisation, participation, involvement of civil society, and the right to information, and guaranteed employment for the rural poor. India's comprehensive system of social protection covers the gamut from individual transfers (old-age, maternity, disability) to family social transfers and housing programmes.

India has child grants, albeit at the level of individual states, such as a variety of girl child grants. India also has long experience with labour-intensive public works, beginning with the Employment Guarantee Scheme of Maharashtra, which started in the 1960s

and shaped the 2005 National Rural Employment Guarantee Act. The latter also creates assets, although doing so remains a highly debated aspect due to concerns regarding sustainability, ownership, and maintenance. In parallel, a system of quotas for scheduled castes, scheduled tribes, freed bonded labour, and for women's representation is in place. Several social assistance schemes specifically target socially excluded groups. The country has one of the largest public food distribution systems in South Asia. The Government is currently in the process of redefining the 'below poverty line' categories of beneficiaries and is looking at a more systematic approach to social protection, partially in response to critiques around low expenditure and coverage, and heightening inequalities. Last but not least, India has experimented with various financing options, including general taxes, dedicated taxes/surcharges called cesses, and mixed funding.

Despite this long history, coverage remains low. However, efforts are underway in the non-government (NGO) and government sectors to address gaps in social security coverage and the needs of households in the informal sector. For example, the Unorganised Workers' Social Security (USWSS) bill is currently before Parliament, which aims to cover all below-the-poverty-line adults in the informal sector, a vast constituency.

In the **Maldives**, formal social security exists for government employees and is widely used; it covers pensions for government employees, along with some healthcare security. Social assistance was introduced only in the 2000s, with programmes like the Absolute Poverty Scheme, which include strict eligibility criteria. There are also a number of sectoral programmes, such as vouchers allowing poor families to obtain textbooks, school uniforms, etc. When necessary, the government also responds with temporary assistance programmes, as in the wake of the 2004 tsunami. Social assistance is delivered by various ministries depending on the area of assistance. Until recently, the majority of the population was not covered by any social protection scheme. The Government of Maldives has recently adopted a law to introduce a basic 'social pension' for all citizens, and is working on a bill to introduce universal social insurance.²³ Discussions are also underway regarding a minimum package of

²³ World Bank Project Information Document, *Maldives Pension and Social Protection Administration Project*, 12 May 2009

social protection appropriate to a middle-income country.²⁴

In **Nepal**, social protection was introduced as a concept and a right in the 1990s. Prior to that time, charity provisions for the poor were an obligation of elites or religious organisations during the monarchy and the *panchayat* period. Employees in the formal sector, government and large businesses are covered by social insurance. The new, republican system is expanding social protection interventions and considering developing a systemic approach to social protection. It has introduced new schemes for the historically disadvantaged, and improved some of the earlier ones (old-age pension, widow, disability allowance, Dalit stipends, girl stipends programmes, etc.) in the 2008-2009 fiscal budget. Coverage and benefit levels are also being enhanced. The government and donors are devoting greater attention to the social protection agenda. Discussions are underway regarding developing a strategy document to guide systematic social protection reform.

Since 1995, Nepal's old-age allowance has stood as a universal social protection intervention. It is non-contributory, with all citizens over age 70 entitled regardless of income, and in that respect can be seen as one of the pioneers in social protection design and delivery in the region.

Recently Nepal established a system of grants to cover expectant mothers' transportation expenses to health facilities or of ensuring that home deliveries are attended by health workers. Nepal also boasts a number of unique elements in its transfer programmes, such as the block grants for districts and village development committees that are disbursed based on a set of poverty and human development criteria and utilised for social and physical infrastructure and employment programmes, through which people benefit directly through cash transfers or through the multiplier effects of the schemes. Along with India and Bangladesh, Nepal has introduced employment schemes such as the One Family, One Employment programme for the Karnali Zone, under which the state provides a guarantee of employment.

Pakistan has a broad approach to social protection. It includes social security programmes for the government and formal sector, along with large social assistance guarantees for individuals and households. A National Social Protection Strategy was approved in July 2007. Its social assistance system is significantly decentralised, with many state-level schemes run independently by the provinces. Traditional Islamic charitable institutions have been invoked through the Zakat Disbursement (based on private, voluntary contributions but administered by the government). The Bait-ul-Mal programme is a government-led social assistance programme. Interesting provincial-level pilot approaches include the Child Support Programme, implemented as a conditional cash transfer programme for the poorest households. The issue of increasing social development and social protection spending figured prominently in the parties' manifestos at the 2008 elections. A new programme – the Benazir Income Support Programme (BISP) – was introduced in 2008, with the first disbursements taking place in early 2009. The programme plans to systematise social assistance over the long term by bringing several programmes together under one umbrella. As currently designed, the BISP is targeted at households below a certain minimum income and delivered to an adult female household member. Public works programmes are not as large scale of those in some other countries, but include the People Works Programme Phase-II (PWP-II).

Pakistan's social protection expenditures are traditionally low and programmes tend to be fragmented and inadequate in coverage and reach. Many locations are not covered by any scheme, while locations tend to feature several programmes.

Sri Lanka, together with India, has one of the longest-running social protection programmes in South Asia, dating since independence, and its philosophy has a strong focus on key elements of social protection. Sri Lanka has been more successful than most South Asian countries in sustainably financing and delivering social protection policies.²⁵

²⁴ See Ministry of Finance and Treasury, Government of the Maldives, and UNICEF - Maldives, *Reaching the MDGs with Equity*, March 2009.

²⁵ A. Barrientos and D. Hulme. *Social Protection for the Poor and Poorest in Developing Countries: Reflections on a quiet revolution*. Brooks World Poverty Institute Working Paper No. 30

Social security coverage in Sri Lanka is extensive, with a pension for public sector employees (around 28 per cent of the working-age population) and schemes providing income support and health care to the elderly, surviving widows, and the disabled, thus achieving high coverage for formal economy workers and some for informal. The country's aging population, a unique demography for the region at the moment, has engendered concern around income security in old age, and the government is considering universalising the old-age pension. Sri Lanka has a number of large social assistance programmes, such as the Samurdhi income transfer to the poor, introduced in 1995 and one of the largest poverty alleviation programmes in the region; it is currently under reform. The existing schemes show some gaps in coverage (both in terms of benefit level and eligible population actually covered), as well as in the value of the benefit vis-à-vis the poverty line, given the country's

lower-middle-income status. Somewhat in contradiction to the perception of Sri Lanka as a good performer in the region, analysts have questioned the efficiency of the current system as well as its poverty reduction impact.²⁶

Commonalities across countries

All countries in South Asia have established some components of social protection, even if social protection is not yet a broadly-based notion in the sense of an entitlement that people claim as citizens. The region has a long history of formal-sector social insurance. Several countries have adopted universal entitlements to some forms of social assistance. Bangladesh, India, Maldives, and Nepal have social pensions, and the latter two are universal. The rural employment guarantee schemes in India, Bangladesh and Nepal establish a right to minimum number of days of employment.²⁷

Table 1: Social Protection in South Asia: some commonalities

| | Social Security | Social Assistance | | | | | |
|-------------|---|--|--|---|---|--|---|
| Country | Formal sector | General social assistance | | Sectoral social assistance - transfers in cash & kind | | | Emergency transfers |
| | Sickness, unemployment, old age, health, insurance (e.g. public service, formal sector) | Poverty-related: (universal or means tested) | Child benefit (e.g. girl child grants) | Health-related transfers (e.g. maternity benefits) | Education-related transfers (e.g. school meals, stipends) | Employment-related transfers (e.g. public works schemes) | Transfers to cope with shocks, conflict and natural disasters |
| Afghanistan | ✓ | ✓ | | | | ✓ | ✓ |
| Bangladesh | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Bhutan | ✓ | ✓ | | | ✓ | | |
| India | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Maldives | ✓ | ✓ | | | ✓ | | ✓ |
| Nepal | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Pakistan | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Sri Lanka | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |

Source: UNICEF ROSA 2009

²⁶ Under the Samurdhi programme in Sri Lanka, the entitlement is lost upon change of residence and requires reapplication. See an empirical evaluation of Samurdhi Programme by Elena Glinskaya, <http://siteresources.worldbank.org/INTDECINEQ/Resources/SamurdhiJune042003.pdf>

²⁷ In Bangladesh, the entitlement applies only to specific geographic locations, and universally applied in that location.

Formal, contributory social security is available in all eight countries for government civil service, staff in public sector enterprises and large-scale private enterprises when applicable. This is in the form of a guaranteed pension, and other coverage such as health coverage for this group. Such formal social security, however, excludes the vast majority of people in South Asia, who are not connected to government or formal employment. In India, for example, 85 per cent of the adult population works in the informal sector.²⁸

No government in the region has as yet established a full-fledged, comprehensive and interlinked social protection system per se. Therefore, in most instances, households and individuals in South Asia primarily rely on informal social protection networks of family, community, women's groups, or savings cooperatives such as rotating chit funds²⁹ and informal credit markets.

Nevertheless, the situation continues to evolve, with many government-based social protection instruments coming on stream over the past decade or so.³⁰ In fact, the South Asian region has a long history of formal-sector social security, and there is also a set of non-contributory social assistance-type transfers taking many different forms (Table 1). Historically, many of these schemes have their roots in the independence and post-war Welfarist tradition, and in some cases in the British-influenced public administrative service.

Social assistance in the form of in-cash or in-kind transfers not based on prior direct contributions takes many forms. It includes social pensions for people living below the poverty line; a few child grants; and sector-specific transfers such as education stipends, health-related benefits, and food transfers. Six of the eight countries have some form of employment-generating public works programmes providing either cash or food in return for work. These have traditionally been offered as a last resort to those stricken by absolute poverty (often seasonally reinforced), and have been a widespread policy tool in India, Bangladesh, Nepal and Pakistan. There are also a

number of ad hoc or programme-based emergency transfers to cope with conflict and natural disasters, and even housing loans.

The genesis of these social protection elements varies considerably. Most countries have a 'building blocks' approach to social protection, with subsets of social protection as stand-alone interventions. In the past, governments have rarely made concerted efforts to categorise the interventions by programme and type of support provided and to bring all schemes under a common umbrella – to use the 'building blocks' to build a system. However, this is now beginning to change. This is the case in Afghanistan, Bangladesh, India and Pakistan, where the countries have applied a particular logic and criteria in their efforts to reorganise their social protection programmes.

Many social transfers are long-term, established programmes; others are ad hoc responses to immediate needs and demands, of which some reflect political opportunism as opposed to a strategic approach to providing social protection as a right. Some schemes are localised, while others are national in outreach. In terms of design, some social protection programmes are subject to means tests or proxy means tests; others use geographical or categorical targeting. Among the categorical targeting programmes, some are universal for an age group or gender, such as the old-age pensions in Bangladesh, India, Maldives and Nepal or the girls' secondary school stipends in Bangladesh. Most are conditional on action by the recipient, usually related to working, to school enrolment, or to utilising a health-care facility.

Innovations in social protection in South Asia

Recent social protection initiatives and innovations in South Asia include:

- Introducing a systemic approach to social protection in Afghanistan, Bangladesh, Maldives, Nepal and Pakistan, with an effort to combine

²⁸ N. Kabeer, A. Sharma, C. Upendranadh, *Social Security in South Asia: Issues and perspectives*. Draft for discussion, November 2008

²⁹ Chit funds are based on money pooled by a group of people, and auctioned at the end of a specified period, rotating among the group members.

³⁰ A. Barrientos and D. Hulme. *Social Protection for the Poor and Poorest in Developing Countries: Reflections on a quiet revolution*. Brooks World Poverty Institute Working Paper No. 30; N. Kabeer, A. Sharma, C. Upendranadh, *Social Security in South Asia: Issues and perspectives*. Draft for discussion, November 2008

and streamline existing disparate schemes and programmes into a unified system;

- Introducing social protection for the informal sector in India through the Bill for the Social Security of the Unorganised Sector Workers Unorganised Sector Workers' Social Security (USWSS) bill, which seeks to incorporate informal urban workers into a basic social insurance scheme;
- Bangladesh's Challenging the Frontiers of Poverty Reduction (CFPR) programme, which addresses the assets base of the poorest and then is related to the socio-economic security concept;
- The universal old-age social pensions in Nepal and most recently in the Maldives create a claimable entitlement to support in old age by virtue of being a citizen;
- Altering the nature of public works-based employment towards making it a right, giving it transformative power for rural livelihoods, through the National Rural Employment Guarantee Scheme (NREGS) introduced in India in 2007.³¹ The entitlement is for 100 days of paid work or a social transfer. This innovation has been replicated in Bangladesh and Nepal, and is under consideration in Pakistan.

A number of innovative targeting approaches and methods that have potential to avoid stigma, discrimination and reduce social divides are also in place. One such approach is geographical targeting, as applied to the employment-guarantee schemes in the Karnali zone in Nepal, which cover six districts (most being low HDI, high food deficit and lower employment districts), or the cluster-based targeting in urban areas in India.

Some shortcomings of social protection schemes

Across the region, social protection interventions share a set of similar shortcomings:

- Many programmes remain piecemeal and ad hoc. The various causes and manifestations of socio-economic insecurity are not addressed, and programmes often overlap. The co-existence of many different programmes of varying scale,

scope, eligibility and duration generates high administrative and transaction costs for both the government and programme beneficiaries, and increases the risk of underserved groups not being aware of their entitlements and how to claim them. Some groups are served by overlapping programmes, while others fall between the cracks and are not eligible for any form of social protection transfer. Existing programmes do not offer an inclusive, holistic, and systemic approach to socio-economic insecurity. They could, however, be considered building blocks for social protection systems and need to be valorised in this sense.

- Many initiatives are inspired by political opportunities, or are donor-driven. This creates an ad hoc, disparate set of programmes that do not cohere.
- There is a lack of objective, transparent and coherent criteria to establish and communicate eligibility and targeting for the individual social protection schemes. Many of the programmes reviewed lack equity considerations in targeting.
- Because of their unsystematic nature, the fiscal sustainability of individual programmes is at risk. This is especially the case in smaller, more aid-dependent countries, where donors have substantial influence.
- Across South Asia, government agencies appear to have devoted limited resources and built insufficient capacity for social protection policy analysis, delivery monitoring, or impact evaluation. This lack of systematic monitoring and evaluation makes it difficult for governments or external evaluators to assess the impact and effectiveness of their programmes regarding actual coverage and reach, impact on excluded groups, or – even more elusive – their transformative power and contribution to human dignity.
- There is great variation within individual countries. Delivery and implementation are highly uneven. For instance, in India and Pakistan there are significant inter-state differences among programmes available, and in many countries, the quality or reliability of delivery varies greatly depending on administrative capacity.³²

³¹ Under the NREGS, rural inhabitants have a right to demand a public works scheme in their area and to demand work on it; if work is not available, they are entitled to a cash transfer as compensation (equivalent to employment benefits).

³² Maharashtra State has a long history of social assistance in the form of employment schemes, and the south-Indian states of Kerala, Karnataka, Tamil Nadu and Andhra Pradesh feature a wide range of schemes, ranging from mid-day meals for schoolchildren and the rural poor to old-age pensions, which are seen to be more effective than those in the northern and north-eastern states.

Financial and other measures of effort and outcomes

Social protection interventions also need to be gauged in terms of the financial effort made. Ideally, this would comprise comprehensive data on all private, informal, or cooperative arrangements, as well as on the contributory social insurance and the tax-funded social assistance expenditures.³³ Such a data set remains to be developed.

Several sources of information on expenditures for social protection in South Asia exist, with various findings. One is the approach to examining fiscal budgets, undertaken by UNICEF's Regional Office for South Asia, to arrive at an approximation of government expenditures devoted to social protection. It finds that, for South Asia in general, services for health, education, social protection, and community

infrastructure averaged 31 per cent of the governments' total expenditures over the 2000-2007 period. Within the social services budget, the share of expenditures on social security and social assistance programmes, such as various transfers and public works schemes, averaged 21 per cent for the period.³⁴

As a share of GDP, however, fiscal budgets are small in most South Asian countries. Despite its comparatively high share of fiscal budgets, therefore, social protection expenditure as a share of GDP is only an estimated 1 per cent across the region (2000-2007), with Sri Lanka having the highest share at 3 per cent; Afghanistan, Bhutan and Maldives at 2 per cent; and the other countries a fraction of 1 per cent (see Figures 4 and 5). One-year data gleaned from country-level sources are in a similar range (see Table 2). This compares with up to 12.5 per cent of GDP in OECD countries.

Table 2: Social protection expenditures in South Asia: Three calculations

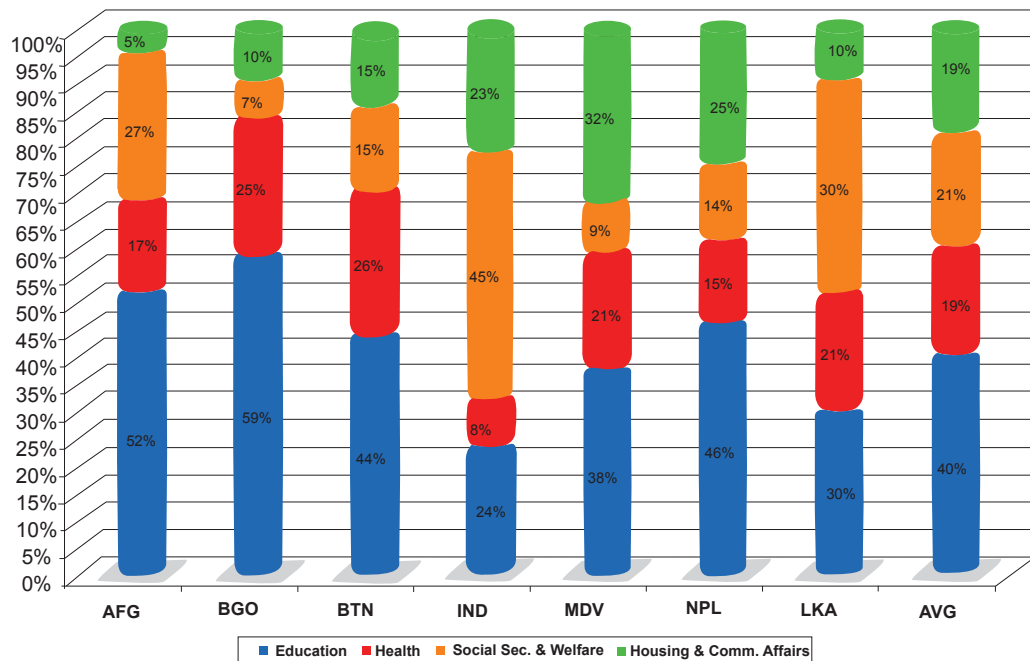
| | Share of GDP % WB | Share of GDP % ADB | Share of GDP % UNICEF ROSA |
|-------------|----------------------|-----------------------|-------------------------------|
| Afghanistan | 0.7 (2008-2009) | n.a. | 2 |
| Bangladesh | 1.1 (2006) | 5.3 (2008) | 0.23 |
| Bhutan | n.a. | 1.4 (2008) | 2 |
| India | 4.4 (2004) | 4.0 (2008) | 1 |
| Maldives | n.a. | 1.5 (2008) | 2 |
| Nepal | n.a. | 2.3 (2008) | 1 |
| Pakistan | 1.4 (2004-2005) | 2 (2002-2003) | n.a. |
| Sri Lanka | 3 (2004) | 5.7 (2008) | 3 |

Source: World Bank 2006, ADB 2008 and UNICEF ROSA fiscal budget database

³³ UN Department of Economic and Social Affairs (DESA), *World Economic and Social Survey 2008: Overcoming economic insecurity*. United Nations, New York 2008

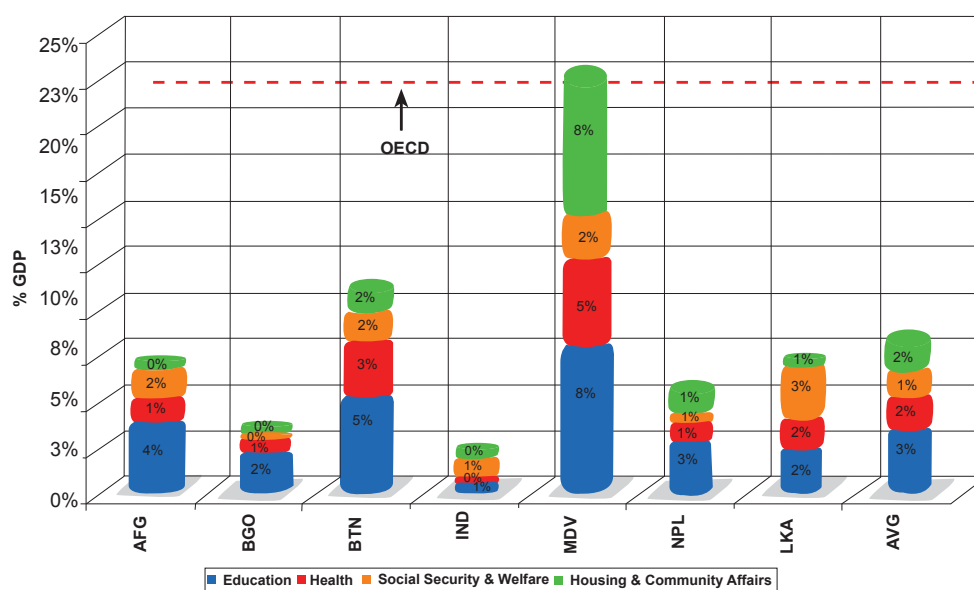
³⁴ This is for seven countries, excluding Pakistan for which data are not available.

Figure 4: Allocation of Social Expenditure (Mean 2000-2007)



Source:
UNICEF ROSA, South Asia Fiscal Budget database, 2008

Figure 5: Average allocation of Social Sector Expenditures as % GDP (2000-2007)

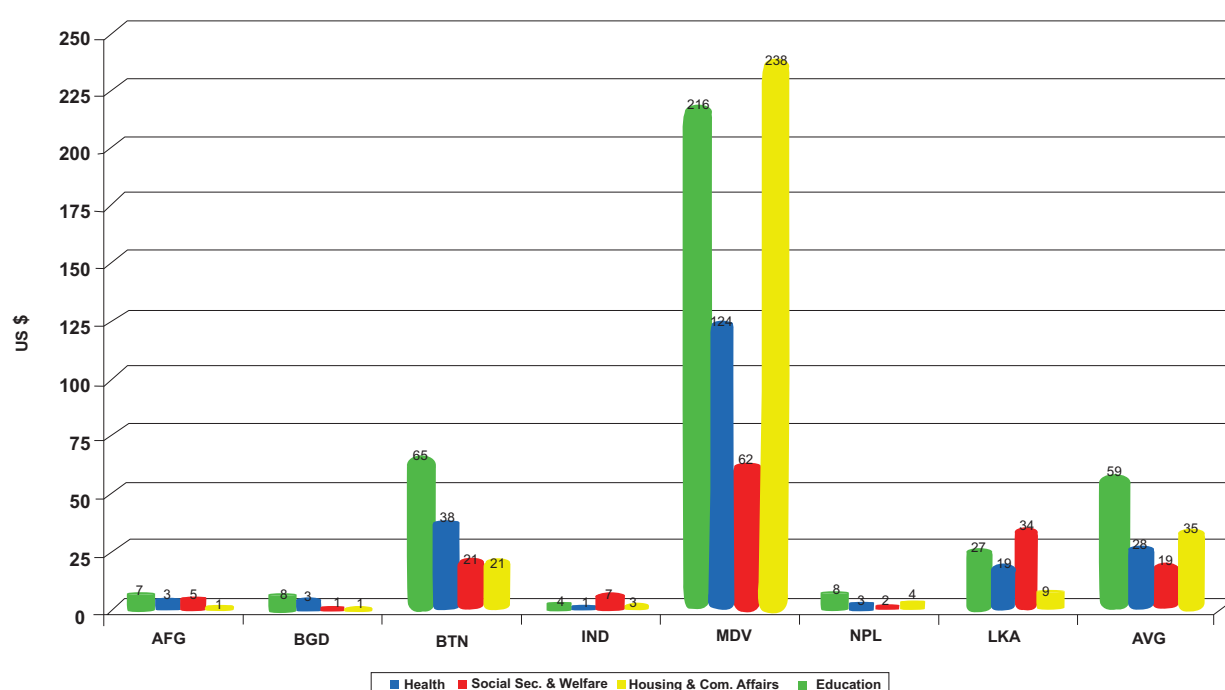


Source:
UNICEF ROSA, South Asia Fiscal Budget data base, 2008

In per capita terms, government spending on social protection in South Asia averaged \$19 per person in the 2000-2007 period: \$62 in the Maldives, \$34 in Sri Lanka, \$21 in Bhutan, \$7 in India, and less than \$5 in Afghanistan, Bangladesh and Nepal (see Figure 6). The Maldives's relatively high payments reflect commitments made to the civil service as well as the

country's middle-income status and larger percentage of formal-sector employment. Bangladesh's low per-capita level is related to the country's deep reliance on microcredit and on the NGO sector (including for social protection), as many donors transfer funds for social development, including social protection, through NGOs rather than through the government.

Figure 6: Per Capita Expenditures on Social Sector (Mean values 2000-2007\$)



Box 3: Fiscal space for social protection

The argument can be made that there is fiscal space to increase government expenditure on social protection to allow for a more systemic approach and for universal coverage of at least basic social protection. This could be initiated through reviewing existing expenditures to explore whether resources can be freed up from areas such as defence, or inefficient payments. With only 1 per cent of GDP devoted to social protection, and with tax rates at less than 10 per cent across most of South Asia, a case needs to be put forward for increasing taxation as a share of GDP. This would increase government capacity to deliver public goods and services; to meet the scale of social protection needed in light of South Asia's poverty and social exclusion; and to introduce the notion of a social compact with an element of income redistribution built into its design, to address the increasing income polarisation. In this regard, some South Asian countries are experimenting with a social protection cess, a dedicated tax introduced exclusively to finance social protection.³⁵

³⁵ See Kabeer, Sharma, Upendranath, op. cit.

Table 3: Definition of summary social protection indicators of the Asian Development Bank

| Component | Description | Comment |
|---------------------------------------|--|--|
| Social Protection Expenditure (SPEXP) | SP expenditure as % of GDP | Actual expenditures, allows for cross-country comparisons |
| Social Protection Coverage (SPCOV) | Combination of coverage rates of 7 priority target groups | Using the narrow reference population and a combination of unweighted and weighted means |
| Poverty-Targeting Rate (PTR) | Poor SP beneficiaries as % of poor population | Indicates coverage but not size of the benefit |
| Social Protection Impact (SPIMP) | Per capita SP expenditure on the poor as % of current poverty line | Similar methodology to PTR but no need to allow for overlaps |

Source: Asian Development Bank, Social Protection Index for Committed Poverty Reduction, 2008.
<http://www.adb.org/Documents/Books/Social-Protection/default.asp>

The efficacy of social protection interventions does not necessarily hinge on expenditure; the quality of the programmes, their coverage, reach and delivery mechanisms are equally crucial. A second approach to measuring effort and outcomes, the ADB social protection index, is therefore of interest. This methodology assesses social protection by a set of four indicators: *expenditure* on social protection as a share of gross domestic product (GDP), *coverage* in terms of reaching priority groups, *distributional effects* in terms of a poverty-targeting indicator, and *impact* in terms of per capita social protection expenditure on the poor in relation to the poverty line. These indicators are defined in Table 3. From this, the ADB analysis builds a social protection index and ranks countries in terms of the quality of their social protection interventions.

This methodology comes to a ranking on coverage and impact, and suggests that Sri Lanka performs above average, the Maldives ranks average, and the remaining South Asian countries rank below average. The Asian Development Bank's numerical scores on social protection are presented in Table 4 below.

A third approach to measuring effort comes from evaluations undertaken by governments and by donors. The methodologies are not necessarily comparable across countries, but as a way of showing assessments available findings of such evaluations have been referred to in the Overview and in the Country Profiles.

Table 4: Social protection ranking in South Asia

| Country | Score |
|-------------------|-------|
| Afghanistan | n.a. |
| Bangladesh | .34 |
| Bhutan | .17 |
| India | .47 |
| Maldives | .30 |
| Nepal | .19 |
| Pakistan | .07 |
| Sri Lanka | .47 |
| Comparator: Japan | .96 |

Source: Asian Development Bank (ADB), Scaling Up of the Social Protection Index for Committed Poverty Reduction. Manila 2007.
<http://www.adb.org/Documents/Reports/Consultant/39261-REG/default.asp> accessed November 2008.

Conclusions: A mixed picture on social protection in South Asia

All governments in the region recognise the importance of social protection as a tool for reducing poverty, all governments have sets of interventions in place, and many are in the process of scaling up social protection to a more systemic level; a few are even casting social protection in the framework of a rights-based approach.

The number and scale of the programmes can be interpreted as reflecting South Asia's welfare state approach, inherited in some cases from the early post-colonial era. They are also a testimony to government recognition of the scale of the poverty challenge. Conversely, the diversity of the schemes reflects the

without claimable support. Overlapping forms of social, economic and political disadvantage mean that many sections of South Asia's poorer population must meet their subsistence needs through patron-client relationships or through casual, poorly paid and often demeaning forms of work in the informal economy. They are denied basic capabilities, including the capacity for exercising control over their own lives and the ability to plan for the future. They cannot easily address their children's requirements for social protection, which means that the poverty cycle persists from one generation to the next. They are also denied dignity within their communities as well as voice and influence in collective forums of decision-making.

Social protection schemes and interventions therefore need to be scaled up, and made systemic, visible, transparent and inclusive. As a next step, a more in-depth analysis of the manifestations and underlying causes of socio-economic insecurity is needed. If, in

the process of scaling up social protection, socio-economic insecurity is addressed holistically, this would suggest social protection systems that guarantee that social protection not only addresses poverty, vulnerabilities and social exclusion but also protects from loss of assets and enhances the political voice and influence of citizens. It would suggest a direction towards universalised social protection as a human right; and to ensuring that all are aware of their entitlements, have a say in social protection design, and are in a position to claim their rights.

Last but not least, social protection systems in South Asia need to respond not only to the dynamics of poverty and vulnerability but also to age-specificity. The large and growing young population implies that governments must develop their capacities so that they can become productive and empowered adults. Socio-economic security is the right of every child, and since they are the most vulnerable, their rights have priority.

Table 5: SOCIAL PROTECTION PROGRAMMES IN SOUTH ASIA

| | SOCIAL INSURANCE | SOCIAL ASSISTANCE | | | | | |
|-------------|---|---|---|--|---|--|---|
| | | Group and Sector-specific Assistance | | | Income and Employment related Assistance | | |
| | Social Insurance | Child Benefits | Social pension | Health-related (e.g., Maternity Benefits) | Education-related (School Meals, Stipends) | Employment-related (e.g., Public Works) | Poverty alleviation, Income Support: Cash/Food Transfers |
| Afghanistan | Sickness and maternity benefits; disability benefits; unemployment benefits; Old-age Allowance Scheme; Programme for Widows and Destitute Women; Boishka Bhata social pension | | | | | National Solidarity Program (NSP); National Emergency Employment Programme for Rural Access; Food for Work Program | Cash transfers to martyrs' families |
| Bangladesh | | | Old-Age Allowance Scheme (OAAS) | | Bangladesh Female Secondary School Assistance Program; Primary Education Stipend Programme | 100-Day Employment Generation Programme | PKSF Programmed Initiative for the Eradication of Monga (PRIME); Vulnerable Group Development Programme (VGD); Food for Work - Challenging the Frontiers of Poverty Reduction Programme (CFPR); 2 Chars Livelihoods Programme (CLP) |
| Bhutan | National Pension and Provident Fund Plan; gratuity scheme; group insurance schemes; funeral benefit | | | | | | |
| India | Employees' Pension Scheme; Employees' State Insurance Scheme; National Old-Age Pension Scheme (NOAPS) | Ladali Lakshmi Yojana; Madhya Pradesh; Girl Child Protection Scheme: Tamil Nadu | National Old-Age Pension Scheme (NOAPS) | National Maternity Benefit Scheme; National Family Benefit Scheme; Integrated Child Development Service Scheme | Grant of Financial Assistance to the Poor Parents Having One Girl Child Who Is Studying 8th to 10th; Grant of Retention Scholarship to S.C. Girl Students; Puducherry | Employment Guarantee Scheme, Maharashtra State; National Rural Employment Guarantee Scheme; Swarna Jayanti Shahari Rojgar Yojana (SJSRY); Sampoorna Grameen Rozgar Yojana (SGRY) | Jawahar Rojgar Yohana (JRY); targeted public distribution system |

| | SOCIAL INSURANCE | SOCIAL ASSISTANCE | | | | | Income and Employment related Assistance | | Emergency Transfers |
|------------------|--|--------------------------------------|------------------------|--|---|---|--|--|--|
| | | Group and Sector-specific Assistance | | | Education-related (School Meals, Stipends) | Employment-related (e.g., Public Works) | Poverty alleviation, Income Support: Cash/Food Transfers | | Shock-related Transfers (e.g., Conflict; Natural Disaster) |
| | Social Insurance | Child Benefits | Social pension | Health-related (e.g., Maternity Benefits) | | | | | |
| Maldives | Civil Service Pension; Government Provident Fund | | Maldives Basic Pension | Assistance for health care in Maldives or abroad | Vouchers to defray textbook costs, one uniform, shoes, and socks for low income families. | | Absolute Poverty Scheme | | |
| Nepal | Provident fund; Gratuity; Old-age allowance; Survivor allowance; Disability cash grant | | Old-Age Allowance | Maternity Scheme | Stipends for Dalit and girl students | One Family, One Employment | DDC block grants; VDC block grants; top-up grants to VDCs | Subsistence allowances to families of those martyred or handicapped as a result of conflict; Subsistence allowance to the People's Liberation army (ex-combatants allowance) | |
| Pakistan | Worker Welfare Fund, Worker Profit Participation Fund, Employee Social Security Institutions, Education Cess Fund, Employee Old Age Benefits. | Child Support Programme | | | Tawana Pakistana | | Zakat Disbursement; Pakistan Bait-ul-Mal; Benazir Income Support Program | | |
| Sri Lanka | Old Age Income Support; Employees Provident Fund; Civil Service Pension Scheme; Voluntary schemes for informal sector workers; Disability and survivor insurance; Unemployment schemes | | | | | | <ul style="list-style-type: none"> - Cash transfers to the disabled; - assistance for IDPs - Samurdhi income transfer to the poor | Emergency assistance to people affected by natural disasters such as drought and floods | |



PART 2 COUNTRY PROFILES

AFGHANISTAN

Total Population

26,088,000 (source: UNICEF ROSA, 2006)

Estimated Social Protection Expenditures as a % of GDP:

0.7% (Government of Afghanistan); 2.0% (UNICEF ROSA)*

General background

Historically, various forms of social protection have existed in Afghanistan through community and patronage systems. Social insurance was introduced in the early 1990s to provide contributory old-age, disability and survivor pensions; sickness and maternity benefits; and workers' compensations in the formal sector. In 2002, the then-transitional Government of Afghanistan expressed a commitment to make state-led social policy a key element of the overall reconstruction programme and to promote social protection while designing its overall social policy. Until then social protection had been delivered by donor and humanitarian agencies; therefore the challenge was to make it an integral and permanent feature of the national economy.¹

Current social protection interventions cover the following groups: martyrs' families, people with war-related disability, orphans and children enrolled in kindergartens, victims of natural disaster, pensioners, unemployed. The main public arrangements include

support to martyrs' families and the disabled; a strategy for children at risk; and the Action Plan on Disability—approved but not yet implemented by the Ministry of Labor, Social Affairs, Martyrs and Disabled (MOLSAMD). Cash for work is the most commonly used approach due to the large number of unemployed, especially among returnees. Moreover, since 2002, over one million returnees have benefited from a rural housing programme implemented throughout the country. A land allocation scheme was launched in 2005 to address the needs of landless returnees and IDPs by providing land for housing. The WFP's High Food Price Mitigation Intervention programme aims to help 5 million people cope with rising food prices and drought between 2008 and the harvest of 2009. Finally, the Famine Early Warning System (FEWS) network monitors food prices and crop levels on a regular basis throughout the country, to anticipate upcoming food shortages.² By 2006, 2.5 million people had benefited from public social protection arrangements, through

* Source: projection 2008-09; source: Ministry of Finance of the Afghanistan Government; http://www.budgetmof.gov.af/units/Budget_Policy_Coord_Reporting/Fact_Sheet/Factsheet_1387.pdf); UNICEF ROSA, *South Asia Fiscal Budget database, 2008*

¹ *From Humanitarian Assistance to Social Protection*. Paper Prepared for the Afghanistan Support Group Oslo Meeting. 17-18 December 2002. Ministry of Rural Rehabilitation and Development. The Transitional Government of the Islamic Republic of Afghanistan.

² Afghanistan National Development Strategy 2008-2013, posted at www.and.gov.af/ands

pensions, public works, skills development or microfinance.³

Recent trends

The recently approved National Social Protection Strategy⁴ will provide a framework to reform and streamline existing programmes. The strategy is rooted in the country's constitution and addresses the issue of consumption inequality based on geographic location; it highlights the disadvantages of the rural and nomadic population, those living in remote areas, people living in larger households, and women.⁵ It is an important step towards recognising the need to address socio-economic vulnerability and exclusion. It could be made more comprehensive, for instance by including minorities and those excluded based on political affiliation, ethnic or linguistic identities. Moreover, the strategy is drafted from a welfarist approach, rather than from a rights-based one. The challenge for the social protection strategy will be to effectively reach the poorest in the short run while covering the whole population in the medium term, all at acceptable cost.⁶ Given that over 40 per cent of the population is below the poverty line measured as the cost of basic needs, this strategy would need to cover almost half of Afghanistan's population.⁷

Recommendations and observations

Despite these achievements, the majority of Afghan poor do not benefit from sufficient public assistance. The report of the Afghanistan Independent Human Rights Commission highlights that protection of persons with disabilities and families of martyrs is largely limited to providing social pensions. Social services for children have been limited to establishing shelters: as of January 2008, there were three

children's shelters in Kabul and four in other cities, with each shelter accommodating 20 children. Despite constitutional provisions for support to the elderly, ill or women without caretakers, no protection mechanisms have been developed and implementation of the law remains sporadic. The main constraints and challenges include fiscal limitations; large obligations towards war survivors; lack of capacity and poverty vulnerability analysis; complex coordination mechanisms between Government, NGOs, and donors; dominance of informal risk-management arrangements; an inefficient monitoring framework; and most importantly, security.⁸ Social protection relies largely on donor resources.

Summary of programmes

I. Social Insurance

Afghanistan's Ministry of Finance oversees contributory schemes covering old-age, disability and survivors, and sickness and maternity benefits for employed persons in the private sector, cooperatives, social organisations, joint enterprises, and government. The old-age pension is for people aged 60 and older with 25 years of contribution or 55 with 20 years of contribution. The benefit's value is up to 100 per cent of salary.

II. Cash Transfers

Direct Cash Transfers

Description: Cash transfers targeted to families of conflict victims and individuals with war and land-mine-related disabilities

Value of benefit: According to the National Social Protection Strategy, the benefit ranges from US\$ 33 to US\$ 10 per month, depending on the number of a conflict victim's family members and the level of disability (no means test). However, the 2008 Report

³ Afghanistan Social Protection Strategy, part of the National Development Strategy (ANDS) (2007). Chapter IV, *Current State of the Social Protection Sector in Afghanistan*, p. 11

⁴ Ibid.

⁵ The right of Afghan citizens to social security and protection from vulnerability is protected by Article 07 of the Constitution of Afghanistan which observes the UDHR. The latter in turn emphasizes that individuals and families have the right to a reasonable standard of health and wellbeing, including food, clothing, housing, medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond their control. Article 9 of the ICESCR recognises the right of everyone to social security and social insurance.

⁶ William Byrd "Afghanistan State Building-Sustaining Growth and Reducing Poverty", World Bank, (2005)

⁷ *Report of the UNICEF Regional Policy Makers' Symposium on Social Protection in South Asia, Dhaka April 2008*. Kathmandu: ROSA

⁸ Ibid.

of the Afghanistan Independent Human Rights Commission states that “a person without a family receives 400 AFS (US\$ 8)⁹ per month, while a person with a family receives 500 AFS (US\$ 10) per month. This does not allow persons with disabilities to live above the absolute minimum standard of US\$ 1 a day and is insufficient in its ability to ensure an adequate standard of living”.¹⁰

Implementing Agency: Ministry of Labor, Social Affairs, Martyrs and Disabled (MOLSAMD)

Targeting: Categorical

Delivery mechanism: The benefit is paid quarterly through banks usually situated in the provincial capitals.

Geographic coverage: Nationwide

Cost and coverage: US\$ 20 million annually. In 2007, there were 68,043 households whose head of household had been killed during the years of conflict or who had a disability registered with MOLSAMD to receive a monthly benefit.¹¹

Evaluations: Misuses due to weak institutional capacity in monitoring eligibility for cash transfers, corruption of provincial courts, and false documentation have been reported. Because beneficiaries must travel to banks to receive their benefits, which are deposited directly, the transportation costs of those living in remote areas can exceed their benefits, which lowers the social protection effect since the poverty in remote areas is the highest.

III. Cash For Work

National Solidarity Program (NSP)

Description: Block grant

The National Solidarity Program is a community-driven initiative that creates directly elected Community Development Councils (CDCs) and disburses grants for development projects proposed by the CDCs. The Government introduced the

programme in 2003 to develop Afghan communities' ability to identify, plan and manage their development projects. NSP aims at empowering communities to take decisions and manage resources during the whole project cycle.

Implementing agency: Ministry of Public Works and Ministry of Rural Rehabilitation and Development is responsible but lacks the capacity to implement it and relies on NGOs.

Delivery mechanism: NSP provides block grant transfers to bank accounts established by the CDCs. Portions of the block grant are released for procurement and phased implementation of approved subprojects.

Value of the benefit: Block grants are calculated at US\$ 200 per family with an average grant of US\$ 27,000 and maximum US\$ 60,000 per community. The programme's ultimate goal is to lay the foundation for inclusive local governance, rural reconstruction, and poverty alleviation.

Cost and coverage: The NSP budget, from the beginning of the programme until the end of Phase II in mid-2010, is US\$ 929 million (multi-donor funding). It will benefit 7,500 communities throughout Afghanistan's 34 provinces in local reconstruction and development.

Evaluations: In 2006, a World Bank mid-term review found implementation progress “highly satisfactory”. A review by the University of York concluded that the NSP was a “central policy instrument for Afghan state building and development”. The most important achievement in this regard has been creation of a mechanism for governance and decision making at the local level. However, the security situation has slowed the implementation of the programme. Dependence on external financial resources and the challenge of ensuring appropriate service delivery at the community level have been the major shortcomings. Another evaluation of the programme was being conducted at the time of writing.¹²

⁹ US\$ 1.00 = 50 Afghanis

¹⁰ Report of the Afghanistan Independent Human Rights Commission, *Economic and Social Rights Report, Afghanistan III*. December 2008, p. 29

¹¹ Ibid.

¹² Information on the study is available at <http://web.mit.edu/cfotini/www/NSP-IE>. For further reference on the programme: www.nspafghanistan.org

National Emergency Employment Programme for Rural Access

Description: Launched in 2002 with pilot road maintenance and rehabilitation projects, the National Emergency Employment Programme for Rural Access (NEEPRA) aims to provide particularly vulnerable rural groups with a social safety net based on cash for work. The programme helps supply jobs in road improvement, which will in turn increase rural access to services. The main beneficiaries of the project are the rural poor who receive access to basic services and rural employment.

Implementing agency: Ministry of Public Works and Ministry of Rural Rehabilitation and Development. The Government lacks the capacity to implement it and relies on NGOs.¹³

Targeting: Self-targeting

Geography: Afghanistan's 34 provinces

Cost: US\$ 137 million, of which US\$ 25 million by the Government of Afghanistan and the remainder by the WB and ILO.

Evaluations: The World Bank's rating for the programme was "satisfactory". Implementation challenges and related lessons learnt are linked to

the volatile security situation and the frequent rotation of staff both at the national and donor levels. Around 9,350 km of rural roads have been built through this programme in 293 districts of Afghanistan's 34 provinces, as well as eight airfields. Approximately 3,000 ex-combatants and rural poor have completed their work-based training in road construction and crafts combined with vocational training. Over 13 million labour-days have been generated since inception of the programme.¹⁴

IV. Food Transfers

Food for Work Program (FFW)

Description: FFW schemes provide food to Afghans while building or repairing community assets, including roads, bridges, schools, reservoirs and irrigation systems. Projects are agreed upon between the Government and local communities.

Coverage: 2 million people worked under the scheme in the first six months of 2008.

Evaluations: Participation is very limited among the most vulnerable (*kuchis*, nomads), but there are more participants from urban areas. Participation rate among the poor is higher than among the non-poor, but the latter receive higher wages. The scheme is not active in the poorest provinces, probably because the possibility of participating is not well known.¹⁵

¹³ HPG Background Paper: C. A. Hofmann, "Cash transfer programmes in Afghanistan: A desk review of current policy and practice". June 2005

¹⁴ "World Bank provides further support to Afghanistan's national rural access program." Press release 13 December 2007. www.reliefweb.int/rw/RWB.NSF/db900sid/LSGZ-79VDL2?OpenDocument

¹⁵ See the Afghanistan Social Protection Strategy.

Table 6: AFGHANISTAN
Social protection programmes

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|--|---|--|---|---|-------------------|--|---|---|
| SOCIAL INSURANCE | Old-age, disability and survivors (as well as sickness and maternity benefits). Contributory benefits for employed persons in private sector, cooperatives, social organisations, joint enterprises, and government. | People aged 60 and older with 25 years of contribution or 55 with 20 years of contribution. | | | | | | | |
| CASH TRANSFERS | Cash transfers to martyrs' families. Targeted. | War martyrs and individuals with only war and land mines related disabilities. (Total beneficiaries 224,850 conflict victims families: 87,717 disabled) | Categorical. No means-tested. Paid quarterly through the banks usually situated in the provincial capitals. | US\$ 10 to 33, depending on the number of a martyrs' family members and the level of disability | n.a. | n.a. | MOLSAMD | US \$20 million annually. | Afghanistan Constitution: Articles 53, Ch2; Article 54, Ch2; as well as Afghanistan Compact Benchmarks. |
| CASH FOR WORK | National Solidarity Program (NSP). Community block grants. | All rural communities in Afghanistan. | Transfers to a bank account established by the Community Development Centers. Portions of block grant are released for procurement and phased implementation of the approved sub-projects. | Calculated at US\$ 200 per family with an average grant of US\$ 27,000 and maximum US\$ 60,000 per community. | Afghanistan's 34 provinces in local reconstruction and development. | 7,500 communities | Ministry of Public Works and Ministry of Rural Rehabilitation. The government lacks the capacity to implement it and relies on NGOs. | As of November 2007, block grant disbursements totaling US\$ 400 million have been made, financing 16,031 CDCs with 30,626 subprojects. | |
| | National Emergency Employment Programme for Rural Access. Self-targeting and widespread social safety net based on cash-for-work. The programme helps supply jobs in road improvement which will in turn increase rural access to services. | Extremely vulnerable rural groups | Self-targeting | n.a. | Afghanistan's 34 provinces | n.a. | Ministry of Public Works and Ministry of Rural Rehabilitation. The government lacks the capacity to implement it and relies on NGOs. | US\$ 137 million of which US\$ 25 million by the Government of Afghanistan | |

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|--|--|---|---------------------------------|---|--|--|-------------------------|------------------------|
| FOOD TRANSFERS | Food for Work Program. FFW schemes provide food to Afghans while building or repairing community assets, including roads, bridges, schools, reservoirs and irrigation systems. Projects are agreed upon between the Government and local communities. | Food insecure population. (The 2005 National Risk and Vulnerability Assessment found that some 6.6 million Afghans do not meet their minimum food requirements. In addition, around 400,000 people each year are seriously affected by natural disasters, such as droughts, floods, earthquakes and extreme weather conditions.) | WFP Assessment (VAM) The 2005 & 2007-2008 National Risks and Vulnerability Assessment (NRVA) of the Ministry of Rural Rehabilitation and Development assessments have also contributed to the targeting of beneficiaries. | n.a. | Food insecure areas, based on WFP-Government assessment | Between January and June 2008, 2 million people worked under the scheme. | Ministry of Public Works and Ministry of Rural Rehabilitation. | n.a. | |

BANGLADESH

Total Population

155,991,000 (source: UNICEF ROSA, 2006)

Estimated Social Protection Expenditures as a % of GDP:

0.23% (UNICEF ROSA), 1.1% (WB), or 5.3% (ADB)*

General background

In Bangladesh the social protection system comprises social insurance and social assistance, as well as many microfinance initiatives. Social protection is one of the pillars of Bangladesh's poverty reduction strategy. The primary form of social protection is social assistance, especially in the area of education where the Government has significantly increased expenditures over the last decade, as well as food assistance and public works. The country has an extensive tradition of social safety nets, especially food and in-kind transfers, of which relevant examples are the Vulnerable Group Development Programme (VGD), ongoing since 1987, and the Food for Work Programme. Cash assistance is provided to help families enrol their children in school, to the elderly or destitute women, and to other marginalised groups. A major income-generating programme is Challenging the Frontiers of Poverty Reduction (CFPR).

Pensions have been in place since the 1970s, and a national policy to systematically guide Government action in this area was introduced in 2006. The Government provides two old-age pension schemes:

a contributory one for civil servants and a means-tested, non-contributory pension for older people (the old-age allowance).

Recent trends

The Government has been expanding cash transfer programmes, including old age pensions, widow allowances and disability allowances. In 2007-2008 there has been a 33 per cent

increase in expenditure on safety net programmes over the previous year's budget, as well as increases in coverage and in the amounts of transfers. As part of its efforts to deal with the food crisis, the Government of Bangladesh has stressed the importance of providing citizens with social protection so that living standards would not deteriorate further. In its 2009 budget, the Government allocated over US\$ 600 million in additional funds for food-based safety net programmes, including US\$ 300 million in the new 100-Day Employment Generation Programme. It has planned to widen and deepen the social assistance

* UNICEF ROSA, *South Asia Fiscal Budget database, 2008*. The WB's 2006 calculation includes all public interventions oriented to human capital and social risk management. The ADB's 2008 calculation includes programmes to reduce poverty and vulnerability, including microcredit schemes.

programmes by increasing the total number of beneficiaries and the rates of subventions. The Government has also increased the budget for women and child welfare and introduced an Allowance for Lactating Mothers (Tk 216 million)¹⁶ as a new pilot programme.¹⁷

Recommendations and observations

Budget increases should be accompanied by efforts to improve targeting mechanisms, expand coverage and enhance inclusiveness of the programmes to ensure that the most vulnerable benefit from them. The CFPR provides a good example of a programme design that effectively reaches the poorest and provides them with assets to help them move out of poverty and vulnerability.¹⁸

Social insurance is regulated by the 2006 labour law, but coverage is minimal; it includes cash sickness benefits for some employees in the formal sector, some cash maternity benefits and medical benefits. To date, programmes have been implemented in the absence of an overarching framework, and with mixed results in terms of their impact on poverty alleviation and vulnerability reduction. Most studies agree that there are too many programmes in Bangladesh run by too many Government departments (including the Ministry of Social Welfare, the Ministry of Food and Disaster Management, the Ministry of Women and Children's Affairs), and thus large administrative overhead as well as many layers of decision making. Targeting failure and leakages have been observed, but often go undetected because of inadequate monitoring. There is no universal and unconditional programme, and limited coverage of urban and excluded groups such as the disabled and street children.

A 2006 World Bank study¹⁹ reviewed a range of safety net programmes aimed at the different risk groups in Bangladesh – the poor (the majority of the population), children, working-age adults, the elderly, the disabled,

widows, and other marginalised groups. The study highlights that over the last decade social protection expenditures have been fairly low and declining. Moreover, the number of people covered represents only a fraction of those in need: social assistance programmes like cash transfers, food transfers and pensions cover less than 10 per cent of the poor, and while it is difficult to compute the number of beneficiaries in any given year, it is estimated that these programmes reach only 4 to 5 million people.²⁰ The ADB concludes that coverage for the six key target groups ranges from 22 per cent for the poor to between 10 and 12 per cent for children, the elderly, and the unemployed or underemployed; 1.4 per cent for the sick and 0.2 per cent for the disabled.²¹

Summary of programmes

I. Social insurance²²

- **Sickness benefit:** The benefit is equal to 50 per cent of wages for factory workers and 100 per cent of wages for workers in shops, establishments, and large factories.
- **Maternity benefit:** A cash benefit, depending on the level of the insured's wages, is paid for six weeks before and six weeks after childbirth.
- **Workers' medical benefits:** A medical allowance of Tk 100 per month is paid to workers whose employers do not provide medical facilities.
- **Disability benefits and unemployment benefits** are small at present, but may be expanded.

Expenditures: Tk 64.89 million in 2002-2003 (last available data)

Administrative organisation: Ministry of Labor and Manpower, Public Health Service

II. Social Assistance

Old-age Allowance Scheme (OAAS)

Programme for Widows and Destitute Women (APWDW)

Boishka Bhata social pension for low-income households

¹⁶ US\$ 1.00 = 69 Takas

¹⁷ An Ordinary Citizen, Bdoza.wordpress.com/2008/06/23/Bangladesh-budget2008-09and-social-safety-net/

¹⁸ A review conducted by David Hulme and Karen Moore (Brooks World Poverty Institute Working Paper No.01/2007) highlights how the programme has improved the economic and social condition of the beneficiaries.

¹⁹ *Social Safety Nets in Bangladesh: An assessment*, Bangladesh Development Series – Paper No. 9. The World Bank Office, Dhaka, January 2006. Available online at www.worldbank.org.bd/bds

²⁰ Ibid. p. 14

²¹ S. Ahmed and A. Rahman, *Social Protection Index for Committed Poverty Reduction*, chapter on Bangladesh, p. 6

²² <http://www.ssa.gov/policy/docs/progdesc/ssptw/2006-2007/asia/bangladesh.html>

Description: OAAS targets the ten oldest and poorest members in each ward in each *union* (lowest administrative unit). APWDW targets the five poorest women in each ward. Boishka Bhata is a non contributory social pension for low-income households introduced in 1998.²³

Implementing agency: Social Welfare Directorate under the Ministry of Social Welfare

Targeting: Categorical: low-income citizens aged 62 and older, and destitute women. Funds distributed by local branches of the Government Sonali Bank (Tk 180, paid quarterly). The Boishka Bhata monthly benefit is 250 Taka and is directed to the 20 oldest and poorest people in each rural district.²⁴

Coverage: 403,000 OAAS beneficiaries; 201,555 APWDW beneficiaries

Cost: 0.03 per cent of GDP (combined cost). The Government has recently increased the number of widowed, deserted and destitute women who will receive an allowance and the value of the benefit (from Tk 220 to 250, approximately US\$ 3.65). The programme will cost US\$ 39 million.

Evaluations: Research shows that the old-age allowance is spent on basic needs such as food, healthcare and income-generating activities. In a country where food insecurity is a worry to older people, the allowance is a welcome source of income during times of hardship.²⁵ Analysis of household data from the 2000 Bangladesh Demographic and Health Survey indicates that 6.4 percent of households in the lowest wealth quintile claimed benefits, 6.0 per cent from the next, 2.5 per cent from the third, 0.8 per cent from the fourth, and 0.2 per cent from the richest

quintile. There is a clear concentration of beneficiary households in the lowest wealth quintiles.²⁶

III. Cash for Work

Programmed Initiative for the Eradication of Monga (PRIME)

Description: The programme was launched in 2006 as an effort to eradicate *monga*, a seasonal food deprivation in the north-western part of Bangladesh. The programme benefits the poorest households through giving them seed money and linking them to 'protection nets' whenever possible. Some interventions under this programme are year-round and others are time specific:

- i. cash for work for one *monga* season;
- ii. emergency credit;
- iii. consumption loans;
- iv. remittances services and specially designed flexible credit support throughout the year;
- v. beneficiaries copying skills and resources for the future.

Implementing agency: Palli Karma Sahayak Foundation (PKSF), a microfinance (microcredit and capacity building) umbrella organisation for 192 NGOs involved in micro-crediting

Geographic coverage: Northern Bangladesh

Evaluations: An evaluation conducted in 2007 in Lalmonirhat *upazila* showed a considerable increase in the number who had three meals a day during *monga* after participating in the scheme. The cash flow substantially improved household welfare both in the short- and in the long-term, by helping households avoid resorting to coping mechanisms that increase their future vulnerability, such as selling their assets during seasonal shocks.²⁷

²³ US Social Security Administration (SSA), Office of Retirement and Disability Policy. Social Security Programs Throughout the World: Asia and the Pacific, 2008. pp 51-52

<http://www.ssa.gov/policy/docs/progdesc/ssptw/2008-2009/asia/bangladesh.html>

²⁴ HelpAge International, 2009. Social Pensions in Bangladesh. Available at <http://www.helpage.org/Researchandpolicy/PensionWatch/Bangladesh>

²⁵ See "Social Safety Nets in Bangladesh: An assessment". Bangladesh Development Series – Paper No. 9. The World Bank Office, Dhaka, January 2006. Available online at www.worldbank.org.bd/bds. "The old-age assistance programme for the poor elderly in Bangladesh", Bangladesh Institute for Development Studies, May 2008. "Social Assistance Programme for Destitute Women in Bangladesh", Bangladesh Institute for Development Studies, February 2008. A. Barrientos, *Cash transfers for older people to reduce poverty and inequality* (2006), posted at: siteresources.worldbank.org/INTWDR2006/Resources/.../Cash_transfers_for_Older_People_Reduce_Poverty_and_Inequality.pdf

²⁶ Barrientos & Smith, *Social Assistance in Low Income Countries, Version 1, March 2005*. IDPM and CPRC, The University of Manchester, p.12

²⁷ For further reference see R. Faridi and M.A. Baqui Khalily, "Impact of Prime Interventions at the Household Level" posted on www.org.bd/sem_monga/document/summary/surhad.pdf

IV. Education-related Transfers

Bangladesh Female Secondary School Assistance Program (FSSAP)

Description: Cash grant, book allowances and examination fee; tuition fees for all 5.2 million girls in secondary schools

The programme's objectives are:

- i. to increase secondary school enrolment of girls through continuing financial assistance;
- ii. to organise teacher education and training to improve secondary education;
- iii. to create mass awareness about girls' education and engender social acceptance for it;
- iv. to provide special facilities for girls' education in inaccessible and disadvantaged areas;
- v. to make the environment of institutions safe, healthy and attractive for girls by providing water and sanitation facilities through increased community participation;
- vi. to enhance the efficiency of project human resources through training to ensure smooth and timely implementation of programmes;
- vii. to develop effective management system for secondary education at the *upazila* level.

Implementing agency: Ministry of Education, Directorate of Secondary and Higher Education

Targeting: Categorical. All unmarried girls of secondary school age studying in recognised secondary level institutions (approximately 5.2 million girls). Beneficiaries must attend school for at least three fourths of the days in the school year, maintain academic performance above a set minimum, and remain unmarried.

Geographic coverage: Nationwide. All secondary schools & *madrashas* of 283 *upazilas* and all *madrashas* of 19 *upazilas* of NORAD assisted Female Secondary Education Stipend Project (FSESP); 119 selected *upazilas* of 61 districts of Bangladesh.

Value of benefit: Stipend between Tk 300 and 720, plus free tuition, book allowance, examination fees

Costs and coverage: US\$ 40 million; over 4 million beneficiaries annually

Delivery mechanism: The stipend is transferred via the commercial banking system to individual bank accounts held in each girl's name. Rural girls' tuition and examination fees are transferred directly to schools.

Evaluations: The programme has broken ground in addressing girls' access to education, and is recognised worldwide as a pioneering undertaking. As a result, the Government expanded the programme nationwide, and is now focusing on how to reach economically and geographically disadvantaged girls, as well as poor boys.

- Female enrolment, as a percentage of total enrolments, increased from 33 per cent in 1991 to 48 per cent in 1997 and about 56 per cent in 2005.
- Secondary School Certificate pass rates for girls in the project area increased from 39 per cent in 2001 to 58 per cent in 2006.
- 66,000 members of school management committees have been trained in school management accountability, with a focus on education quality and a conducive school environment.
- 6,666 schools – many more than originally targeted – are participating in the programme through a cooperation agreement with the Ministry of Education.
- Indirect benefits of the project included delays in the age of marriage and reduced fertility rates, better nutrition, and more females employed with higher incomes.²⁸

Primary Education Stipend Programme (PESP)

Description: The programme provides conditional cash transfers of Tk 100 per month to families with one child in primary school and Tk 125 per month to families with two or more children. The main objectives are to:

- i. increase the number of children from poor families in primary school;

²⁸ Source: Bangladesh Ministry of Education, data reported on the World Bank website: <http://www.worldbank.org.bd/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/BANGLADESHEXTN/0,,contentMDK:21227882~menuPK:295791~pagePK:1497618~piPK:217854~theSitePK:295760,00.html>

- ii. increase attendance and reduce dropout;
- iii. increase the rate of completion;
- iv. control child labour;
- v. increase the quality of primary education.

Implementing agency: Department of Primary Education, Ministry of Education

Targeting and delivery mechanism: An estimated 5.5 million pupils from the poorest households who are enrolled in eligible primary schools in rural areas of Bangladesh. The school managing committees, with the assistance of teachers and approved by *upazila* education officer, identify 40 per cent of pupils enrolled in grades 1-5 from the poorest households. Households of qualifying pupils will receive Tk 100 per month for one pupil (not to exceed Tk 1200 annually) and Tk 125 per month for more than one pupil (not to exceed Tk 1500 annually) as long as the child attends 85 per cent of school days and obtains at least 40 per cent marks in the annual examination.

Geographic coverage: 469 rural *upazilas*

Cost and coverage: Tk 33,123 million annually, solely Government of Bangladesh funded; over 5.3 million beneficiaries per annum.

Evaluations: The programme is the largest cash transfer in the country, but the truly needy or the poorest pupils may not always benefit. Reasons for bias are mainly methodological: identification occurs at the school level, each school proposing 40 per cent of its enrolment, which assumes that prevalence of poverty is evenly distributed across the country. Moreover, not all schools are eligible for the

programme; in order to be eligible a child must first enrol in primary school but there is no guarantee that the poorest families will enrol their children.²⁹

Cash for Education (since 2002; previously Food for Education 1993-2002)³⁰

Description: Provides cash transfers to households with children in poor areas on condition that children are enrolled at school and maintain a minimum attendance level. The objectives are to raise school enrolment and attendance rates, reduce child labour and reduce dropout rates in primary school.

Implementing agency: Ministry of Education

Targeting: Geographic targeting of poor unions (economically backward with low literacy rates) in poor *thanas*. Then categorical targeting of households with less than 0.5 acres or landless, heads of households who are day labourers, female heads of households, and low-income professions; community selection.

Value of benefit: Tk 90 per month, equivalent to nearly 4 per cent of total household expenditures for poor households.

Cost and coverage: US\$ 77 million in 2000

Evaluations: Evaluation results include a 9-17 per cent rise in school enrolment and nearly full attendance among beneficiaries, with improvements in long-term opportunities for the children. One study found that improvement in school attendance did not result in proportionate reduction in child labour, suggesting a reduction in free/play time.³¹

²⁹ For further reference see: *The Bangladesh Primary Education Stipend Project: A descriptive analysis*. A study prepared under the management and guidance of Carolyn Winter (World Bank). Posted at http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2004/03/29/000160016_20040329173239/Rendered/PDF/282570PAPER0BangladeshStipend.pdf

³⁰ Barrientos and Holmes (2007), Social Assistance in Developing Countries Database

³¹ Meng, X. and Ryan, J. 2003. "Evaluating the Food for Education Program in Bangladesh", available at www.worldbank.org

V. Food Transfers

Vulnerable Group Development Programme (VGD) (since 1987; previously named Vulnerable Group Feeding)

Description: The programme is a food-based transfer with a complementary package of development services. It aims to increase the market efficiency of women by providing training, motivating savings for initial capital accumulation, and providing scope for obtaining credit. It also aims to build social awareness on disaster management and nutrition. The complementary package of development services was introduced in 1988, including health and nutrition, education, literacy training, savings, and support in launching income-generating activities. It provides monthly food rations for two years.

Implementing agencies: Ministry of Women and Children Affairs, in partnership with World Food Programme and other bilateral donors

Targeting: The VGD cardholders are physically able women aged 18-49, selected from the most vulnerable and poor households in the union. Their households must meet at least four of the following five criteria, with those meeting all getting priority:

- i. chronic food insecurity (i.e., members of the households often skip meals due to insufficient food);
- ii. household is landless or owns less than 0.15 acres of land;
- iii. housing conditions (material and sanitation facilities) are very poor;
- iv. household survives on casual labour with low income and does not have any other regular source of income;
- v. household headed by a woman or includes no adult male income earner.

Geographic coverage: National programme spread across 296 *upazilas* designated as food insecure regions according to WFP's vulnerability and mapping system. The geographic targeting is managed by a Union Parishad VGD Committee (comprised of male

and female agricultural extension workers, NGO staff, Union Parishad members and three VGD women), based on a wide range of categorical indicators.

Benefit: Each participant receives either 30 kg of wheat or 25 kg of micronutrient-fortified whole wheat flour each month for a 24-month period. The average monthly transfer to beneficiaries is valued at approximately Tk 41, around one fifth of average monthly expenditures.

Costs and coverage: On average US\$ 40 million. The 2008-2009 budget will continue to distribute 30 kg rice or wheat per head to 750,000 women, under the VGD. It will also continue a monthly allowance of Tk 400 per head to an additional 40,000 underprivileged women of eight northern districts. Including family members, a total of 3.75 million people across the country benefit from VGD.

Evaluations: WFP reports good results at improving the nutritional status of malnourished women and children. In-kind transfers have greatly increased wheat consumption.³² A Chronic Poverty Research Centre (CPRC) working paper³³ observes that in this type of programme the process of targeting can be costly and provide scope for bias and corruption. The selection of participants draws on local knowledge and administrative arrangements of local government. "The effectiveness and long-term success of the programme depends on whether the balance is in favour of accountability to communities or corruption and bias to achieve the political goals of local Union Parishad elites".³⁴

Food for Work

Description: Employment generation for the poor, mainly in the dry season, through infrastructure creation and maintenance. It also aims at reducing food insecurity.

Implementing agency: Run by a number of Ministries; formally the coordination of the programme is with the Ministry of Women's and Children's Affairs.

³² World Food Programme, home.wfp.org/stellent/groups/public/documents/liaison_offices/wfp190321.pdf

³³ "The politics of what works: the case of the Vulnerable Development Programme in Bangladesh", December 2007. CPRC Working Paper 92 Posted at www.cprc.abrc.co.uk/pubfiles/92Hossain.pdf

³⁴ *ibid.*, p.3.

Targeting: The functionally landless; those who lack productive assets; generally female-headed households; day labour or temporary workers; those with income less than Tk 300 per month.

Geographic coverage: Rural areas

Cost and coverage: US\$ 40 million; about 1,000,000 participants annually

VI. Employment Schemes

These programmes combine social protection and complementary interventions.

Challenging the Frontiers of Poverty Reduction Programme (CFPR)³⁵

Description: The programme aims to build up the asset base of the poorest, beginning with transfer of income-generating assets, health and education support, training, social development and later integrating with microcredit programmes. It includes:

- i. transfer of productive assets worth 8,000 to 13,000 Taka to the poorest households in northern Bangladesh;
- ii. intensive training and support in managing these assets and stipends until income is generated from the assets (Tk 300 per month);
- iii. subsidised health and legal services;
- iv. the provision of water and sanitation; and
- v. the development of supportive community networks via Village Poverty Reduction Committees.

Implementing agency: Bangladesh Rural Advancement Committee (BRAC)

Targeting: Geographical targeting based on poverty maps to select poorest areas, combined with proxy means testing, followed by selection of villages using BRAC's local knowledge, participatory wealth-ranking exercises to identify locations in villages where the poorest live, and finally ranking households on targeted indicators, later visually confirmed by BRAC staff. Targeting ensures identification of the poorest but is also instrumental in developing partnerships with local communities.

Geographic coverage: Northern Bangladesh

Cost and coverage: Per household cost is US\$ 300; 70,000 households had been covered by 2006. Funded by BRAC Donor Consortium (EC, DFID, CIDA, NOVIB, and WFP).

Evaluations: Targeting has been effective, with 98 per cent of participants having food consumption below the poverty line at the baseline. "At a 2004-mid-term assessment study on the 2002 entrants and a comparison group, it was found that: (i) Programme participants fared significantly better in nutrients and in overall calorie intake; (ii) 97% of participants reported to be in 'food deficit' at the baseline, but this was reduced to only 27% two years later. The corresponding figures for the comparison group of ultra poor households were 82% at the baseline and 75% two years later; (iii) Severe malnourishment (MUAC<125mm) among under-5 children was reduced by 27 percentage points for participants but only 3 percentage points for the comparison group; (iv) An initial asset transfer of US\$ 100 per household in 2002 led to asset value of US\$ 300 in 2005".³⁶

Chars Livelihoods Programme (CLP)

Description: The programme aims at halving extreme poverty and improving livelihood security in the riverine areas of Bangladesh by 2015. CLP provides the poorest households with:

- i. income generating assets (13,000 Taka);
- ii. livelihoods interventions support, including a monthly stipend for 18 months (approximately Tk 300 per month);
- iii. infrastructure development;
- iv. social development training;
- v. seasonal cash for work and safety nets; and
- vi. promotes enterprise to facilitate growth in agricultural and non-farm sectors.

Targeting: Proxy means testing

Implementing Agency: Rural Development and Cooperative Division under the Ministry of Local Government, Rural Development and Cooperatives.

³⁵ Main source: A. Barrientos and R. Holmes, Social Assistance in Developing Countries Database (2007). Available online at <http://www.chronicpoverty.org/2/partners-pages.php>

³⁶ Barrientos and Holmes, Social Assistance Database (2007) p.18. For further review of the programme see R. Holmes, J. Farrington, T. Rahman and R. Slater. "Extreme poverty in Bangladesh: Protecting and promoting rural livelihoods". ODI Project Briefing No. 15, September 2008.

Geographic coverage: 150 riverine unions in 28 *upazila* in five districts

Cost: 50 million GBP for seven years 2004-2011

Evaluations: A descriptive paper was written 15 months into the programme, but no formal evaluation has been done to date.

100-Day Employment Generation Programme

Description: Initiated in September 2008, this is an employment generation programme for the chronically poor, seasonally unemployed people and marginalised farmers that will create 200 million worker-days of employment, with daily remuneration of Tk 100 per person. To overcome the impact of global food shortages and high prices of essential foodstuffs on the poor and the lower middle class, it allocates the 100 days for the rural unemployed poor across the country throughout the whole year and in particular during mid-September to November and March - April.

Implementing agencies: Planning and implementation is by the Ministry of Food and Disaster Management, monitoring and evaluation by the M&E Division at the Ministry of Planning.

Targeting: Proxy means testing, with beneficiaries selected according to the following criteria:

- i. Rural hardcore poor including marginal farmers (owning < 0.5 acre of agricultural land) living in erosion, flood-prone, *monga*, *haor-baor* (wetlands/ water-bodies) and char areas;
- ii. unskilled, unemployed poor people who intend to work;
- iii. those between 18 and 50 who have the nationally issued Identity Cards;
- iv. only one male or member from a family is considered for the programme;
- v. people engaged in other safety net programmes cannot be included in this programme.

Geographic coverage: Countrywide coverage (i.e., in 64 districts), but preference will be given to the abovementioned challenged areas.

Cost and coverage: Tk 20 billion has been allocated for the programme in the current budget. Two million people benefit directly and about ten million indirectly.

Evaluations: n.a.

Table 7: BANGLADESH
Social protection programmes

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|---|--|--|--|---------------------------|---|---|--|---|
| SOCIAL INSURANCE | <ul style="list-style-type: none"> Sickness and maternity benefits Disability benefits Unemployment benefits | Contributory benefits | | | | | Ministry of Labor and Manpower. Public Health Service. | 64.89 million Taka in 2002-2003 | Current Labour Law (2006) |
| SOCIAL ASSISTANCE | Old-age Allowance Scheme (OAAS). Targeted social assistance. | Low-income citizens aged 65 or older. Half the recipients must be women. Additional criteria include lack of land or annual income below 3000 Taka (US\$ 42), chronic poor health and inability to work. | Means-tested. Community selection of beneficiaries. Targets ten oldest and poorest members in each ward in each union. | The Tk 180/month pension is paid quarterly. Recipients collect their pension from local branches of the government-run Sonali bank. Each recipient has a passbook and the Social Welfare Office keeps a register with sample signatures of all recipients. | Nationwide | In 2006, 1.32 million people received the old-age allowance. On average each year a million elderly receive the pension out of an above 60 population estimated at 7.6 million. | Ministry of Social Welfare | Financed from general government revenues. The 2005-2006 budget was Tk 3.2 billion, with 1.5 million intended beneficiaries. Adding the APWDW programme, the total cost rises to 0.03% of GDP. | Constitution of Bangladesh art. 15 (D) (The right to social security, that is to say, to public assistance in cases of undeserved want arising from unemployment, illness or disablement, or suffered by widows or orphans or in old age, or in other such cases.) |
| | Programme for Widows and Destitute Women. Targeted social assistance. | Widows and destitute women | APWDW targets the 5 poorest women in each ward. | Tk 220 to 250 monthly to each group, approximately 3.65 US\$ | 4,488 Unions are covered. | n.a. | Ministry of Social Welfare | US\$ 39 million | |
| | Boishka Bhata social pension for low-income households. Targeted social assistance. | The elderly, rural poor | The 20 oldest and poorest people in each district | Tk 250/month | Rural Bangladesh | | Ministry of Social Welfare | | |
| CASH FOR WORK | PKSF Programmed Initiative for the Eradication of Monga (PRIME). Poverty alleviation and credit through: 1. cash for work employment opportunities for one monga season; | The poorest households | Self-targeting | n.a. | Northern Bangladesh | n.a | PKSF (Palli Karma Sahayak Foundation), a microfinance (microcredit and capacity building) umbrella organisation for 192 NGOs involved in micro-crediting. | | |

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-----------------------------|--|---|---|--|---|--|---|---|------------------------|
| | 2. emergency credit; 3. consumption loans; 4. remittances services and specially designed flexible credit support throughout the year; 5. beneficiaries' copying skills and resources for the future. | | | | | | | | |
| EDUCATION-RELATED TRANSFERS | Bangladesh Female Secondary School Assistance Program. Cash grant, book allowances and examination fee; tuition fees for all girls in secondary schools. | All unmarried girls of secondary school age residing in rural areas, conditional on (a) attending school for at least 75 percent of the days in the school year; (b) maintaining academic performance above a set minimum; and (c) remaining unmarried. | Categorical | Tk 300 - 720 stipend; free tuition; book allowance; examination fees. The stipend is transferred directly to individual bank accounts in each girl's name. The programme also transfers rural girls' tuition and examination fees directly to schools. | Nationwide. All secondary schools & madrasahs of 283 upazilas and all madrasahs of 19 upazilas of NORAD-assisted Female Secondary Education Stipend Project (FESP). | Over 4 million beneficiaries annually. 66,000 members of school management committees have been trained in school management accountability, with a focus on education quality and a conducive learning school environment. • 6,666 schools – many more than originally targeted. | Ministry of Education. Directorate of Secondary and Higher Education. | I) Total : 5,029.86 million Taka. II) GOB : 5,029.86 million Taka. GOB Grant : 5,029.86 million Taka II) In 2000 the cost was 15% of secondary school government expenditure and 6% of education budget. | |
| | Primary Education Stipend Programme. Conditional cash transfers to families with children in primary schools. Families receive benefits as long as the child attends 85% of school days and obtains at least 40% marks in the annual examination. | An estimated 5.5 million pupils from the poorest households enrolled in eligible primary schools in all rural areas of Bangladesh (469 upazillas). | The school managing committees with the assistance of teachers and approved by upazila education officer identify 40% of pupils enrolled in grades 1-5 from the poorest households. | Tk 100/month to families with one child in primary schools and Tk 125/month to families with two or more children. | Rural Bangladesh | Over 5.3 million beneficiaries per annum | Department of Primary Education, Ministry of Education | Tk 6.6 billion in 2002-2003 | |

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|---|---|---|---|--|--|---|---|------------------------|
| | Cash for Education. Cash transfers to households with children in poor areas on condition that children are enrolled at school and have a minimum attendance level. | The poorest households | Geographic targeting of poor Unions (economically backward with low literacy rates) in poor Thanas. Then categorising households with less than 0.5 acres or landless heads of households who are day labourers, female heads of households, and low income professions. Community selection. | Taka 90/month, equivalent to nearly 4% of total household expenditures for poor households. | Poor unions across the country | National average of 2.8%; limited reach to the extreme poor. | Ministry of Education | US\$ 77 m in 2000 | |
| FOOD TRANSFERS | Vulnerable Group Development Programme (VGD). In-kind wheat transfer. Complementary package of development services including health and nutrition, education, literacy training, savings and support in launching income-generating activities. Monthly food rations for two years. | Physically sound, extremely poor women 18-49. Selected from the most vulnerable and poor households in the union based on 4 of the following: chronic food insecurity; household owning no land or less than 0.15 acres; housing conditions; no regular source of earning; female-headed household. | Geographic targeting managed by Union Parishad VGD Committees (comprised of male and female agricultural extension workers, NGO staff, Union Parishad members and three VGD women) based on a wide range of categorical indicators. | Participants receive either 30kg of wheat or 25kg of micronutrient-fortified whole wheat flour each month for 24 months. Average monthly transfer to beneficiaries was approximately Tk 41, around 20% of average monthly expenditures. | VGD covers about 750,000 ultra-poor rural women (female-headed households) that are vulnerable to chronic crisis in all 64 districts of Bangladesh. Total coverage 570,000 households. | 3.75 million people across the country | Ministry of Women and Children Affairs, World Food Programme and other bilateral donors | At its peak, the annual subsidy was US\$ 54 million. Distribution of 30 kg rice or wheat per head to 750,000 women will continue with the 2008-2009 budget, as will a monthly allowance of Tk 400 per head to an additional 40,000 underprivileged women of 8 northern districts. | |
| | Food-for-Work. Employment generation for the poor mainly in the dry season through infrastructure creation and maintenance. It also aims at reducing food insecurity. | Functionally landless; lack of productive assets; generally female-headed households; day labour or temporary workers; income less than Tk 300/month. | | | Rural Bangladesh | About 1,000,000 participants annually. Provided about 75,000,000 hours of work in 2003-2004. | Run by a number of Ministries. Formally the coordination of the programme is with the Ministry of Women's and Children's Affairs. | US\$ 40 million | |

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|--------------------|---|---|---|--|---|---|---|---|------------------------|
| EMPLOYMENT SCHEMES | Challenging the Frontiers of Poverty Reduction (CFPR). Builds the asset base of the poorest, beginning with transfer of income-generating assets, health and education support, training, social development and later integrating microcredit programmes. | Poorest people | 70,000 households (2006). Starts with maps to select poorest areas, then selection of villages using BRAC's local knowledge, participatory wealth ranking exercises to identify where the poorest live; ranking households on targeting indicators, later visually confirmed by BRAC staff. | Transfer of productive assets worth 8,000 to 13,000 Taka to the poorest households in northern Bangladesh; training in managing these assets and a daily stipend until the assets generate Tk 300/month of income. | Northern Bangladesh | 70,000 households covered by 2006. | Bangladesh Rural Advancement Committee (BRAC). Funded by BRAC Donor Consortium (EC, DFID, CIDA, NOVIB, and WFP) | \$ 300 per household | |
| | Chars Livelihoods Programme (CLP). Aims at halving extreme poverty and improving livelihood security in riverine areas by 2015. | The poorest households | | i. income generating assets (13,000 Taka); ii. livelihoods interventions support includes a Tk 300/month stipend for 18 months; iii. infrastructure development; iv. social development training; v. seasonal cash for work and safety nets. | 150 riverine unions in 28 upazila in 5 districts | | Rural Development and Cooperative Division under the Ministry of Local Government, Rural Development and Cooperatives | 50 million GBP for seven years 2004-2011 | |
| | 100-Day Employment Generation Programme | Rural chronically poor living in the river erosion, flood prone, munga (seasonal famine), haor-baor (wetlands/ water-bodies) and char areas who remain unemployed generally for 5 months from mid-September to November and March to April. | The rural chronically poor; unskilled unemployed people between 18 and 50 with national Identity Cards. Only one family member can be considered for the programme. People engaged in other safety net programmes cannot be included. | | Countrywide, but preference to people living in the river erosion, flood prone, munga (seasonal famine), haor-baor (wetlands/ water-bodies) and char areas. | Two million people directly and about ten million indirectly. | Planning and implementation is by the Ministry of Food and Disaster Management. Monitoring and Evaluation by the M&E Division (IMED) at the Ministry of Planning. | Taka 20,000 million has been allocated in the budget. | |

BHUTAN

Total Population

635,000 (source: UNICEF ROSA, 2006)

Social Protection Expenditures as a % of GDP:

1.4% (ADB) - 2.0% (UNICEF ROSA)*

General background

Bhutan has a social insurance system but no social assistance programmes. The Government's efforts to make free education and free health services universally available are impressive in the South Asian context, but do not constitute social protection as such.

Civil servants and military personnel are covered by pension and disability benefits, but in the absence of a formal social protection system and safety nets, most Bhutanese rely on traditional systems of inter-household transfers in cash or kind, family support, migration, and borrowing.

Recommendations and observations

Demographic and economic changes are making traditional family systems less reliable as sources of support, and some groups such as the elderly or youth may become increasingly vulnerable to poverty.

Summary of programmes

I. General:

- Death benefit covering funeral expenses for every citizen.

II. Social Insurance:

Beneficiaries: civil servants and employees of Government and joint-sector corporations

National Pension and Provident Fund Plan (member's pension benefit, permanent disability benefit, and surviving family benefit)

- I Tier- National Pension:
 - > Partially funded pay-as-you-go-defined benefit pension plan.
 - > Financing comes from employee contributions (5 per cent of the monthly pay of a member) matched by employer.
 - > The Government is committed to supporting any future finance deficit.

* UNICEF ROSA, *South Asia Fiscal Budget database, 2008*. The WB's 2006 calculation includes all public interventions oriented to human capital and social risk management. The ADB's 2008 calculation includes programmes to reduce poverty and vulnerability, including microcredit schemes.

- II Tier- National Provident Fund Plan:
 - > Defined contribution scheme payable as lump sum upon retirement.
 - > Contributes 3 – 5 per cent of monthly salary with matching contribution from the employer.

Gratuity scheme

- Based on number of years of service and last monthly salary
- Financed out of general revenue for civil servants
- The benefit is given in a lump sum upon retirement from service
- The benefit is limited to a maximum of Nu 300,000.³⁷

Group insurance schemes **also exist, but are limited in scope at present.**

Beneficiaries: Armed Forces

- Pension and provident fund scheme; gratuity and group savings cum insurance scheme

Beneficiaries: Formal Private Sector Employees

- The formal private sector in Bhutan covers roughly one per cent of the total labour force.
 - > Formal private sector employees are covered under a provident fund scheme, a gratuity scheme, and a group savings cum insurance scheme.

³⁷ US\$ 1.00 = 46.10 Ngultrum

INDIA

Total Population (thousands, 2006):

1,151,751 (Source: ROSA)

Estimated Social Protection Expenditures as a % of GDP:

1.0% (UNICEF ROSA), 4.0% (ADB), 4.4% (WB)*

General background

India has a comprehensive and extensive system of social security that was introduced at independence and has since seen a long evolution. Many programmes are implemented nationally or at state level and may be funded jointly or wholly state funded.³⁸

The first poverty alleviation schemes were introduced in the 1960s. The 'food programme' of the time combined land reforms, new agricultural technologies and crops with an extensive rural employment scheme. It provided food for work in selected areas along with employment generation schemes and the Integrated Rural Development Program (IRDP) to create assets for the landless.³⁹ A limited form of social insurance had existed since 1971 with the Family Pension Scheme, which ceased to exist when the Employee Pension Scheme was introduced in 1995. In 1995, the Government took a significant step

towards fulfilling the constitutionally guaranteed right to social security (enshrined in Article 41 of the Indian Constitution, which guarantees public assistance in old age)⁴⁰ by launching the National Social Assistance Programme, the first comprehensive, pro-poor Government-managed scheme.

There are a number of large national social assistance programmes. They include the food distribution system providing subsidised rice to the poor, labour market/microcredit programmes designed to provide food for work and generate employment especially in rural areas (Sampoorna Grameen Rozgar Yojana, Swarna Jayanti Shahari Rojgar Yojana) and Food for Work Programme, mother and child protection (Integrated Child Development Service Scheme), housing for the poor (Indira Awas Yojana as part of the Jawahar Rojgar Yojana, reviewed below) and social assistance transfers.

* UNICEF ROSA, *South Asia Fiscal Budget database, 2008*. The WB's 2006 calculation includes all public interventions oriented to human capital and social risk management. The ADB's 2008 calculation includes programmes to reduce poverty and vulnerability, including microcredit schemes.

³⁸ Asian Development Bank Social Protection Index for Committed Poverty Reduction Volume 9. India Country Report – Final November 2007. Halcrow China, p.4

³⁹ Ibid., p. 15

⁴⁰ S. Irudaya Rajan, "Chronic Poverty Among the Indian Elderly" in A.K. Mehta and A. Shepherd, *Chronic Poverty and Development Policy in India*, p.189

India has a long experience with labour-intensive public works, starting with the Employment Guarantee Scheme of Maharashtra (EGS) since 1972/73. At the national level, since 1989 there have been Jawahar Rojgar Yojana (JRY), Employment Assurance Scheme (EAS), Complete Village Rural Employment Programme (SGRY) and the most recent innovation, the National Rural Employment Guarantee Scheme (NREGS) introduced in 2005. These programmes generally seem to be well targeted to the poor and have impacted income and unemployment rates. Their indirect or secondary benefits include impact on agricultural growth, upward pressure on agricultural wages, mobilisation of rural poor as a political force, and empowerment of women.

Finally there are a number of community-based and NGO initiatives. For example, 54 NGO and community-based programmes cover around 5 million workers (4 per cent of total workers). These are concentrated in three southern states (16 in A.P., 8 in Karnataka, 12 in Tamil Nadu), and most started in the 1990s or later.

Recent trends

In general, India seems to be moving from a top-down approach to social protection characterised by lack of people's participation to new approaches on social mobilisation, participation, involvement of civil society organisation and decentralisation, and the right to information. The decentralisation process is also geared to increasing accountability.⁴¹

Reflecting the strong commitment to expanding social security coverage expressed in the Common Minimum Programme of the United Progressive Alliance of the coalition government, the Government has recently been developing policies and programmes in response to the gaps in coverage and the needs of households in the unorganised sector. The current Government development plan states a commitment to institutionalise programmes as legal rights, expand existing interventions, and expand social protection coverage to the large unorganised sector.⁴²

Recommendations and observations

Currently, India faces the challenge of improving pension coverage, as only about a fifth of the formal-sector labour force is covered. Of the total earning workforce of 450 million, 85 per cent (about 380 million) work in sectors other than the formal private sector and the Government and are usually classified as belonging to the unorganised sector.⁴³ The Government has responded to this problem with the recently approved Bill for the Social Security of the Unorganised Sector Workers. Various ideas are being considered for financing the expansion of coverage to the unorganised sector, including a surcharge on income taxes, finding resources from existing tax revenues, and/or using earmarked product-group/trade-based taxes.⁴⁴

Summary of programmes

I. Social Insurance

Formal social insurance schemes covering health, pensions and other benefits are available to the majority of those working in the formal sector, public or private. These schemes, however, cover only about ten per cent of the population. India's social security system has seven components – the Employees' Provident Fund Organisation (EPFO) schemes, the civil service schemes, the schemes of public enterprises, superannuation plans of the corporate sector, voluntary tax advantaged schemes, social assistance schemes, and micro-pension schemes. Social insurance takes up about 60 per cent of overall social protection expenditures.⁴⁵

- **Employees' Pension Scheme:** The Employees' Pension Scheme was introduced in 1995 by the EPFO, Ministry of Labour. The scheme includes the following benefits: superannuation on attaining age 58; retirement; permanent total disablement; death during service; death after retirement/superannuation/permanent, total disablement; children pension; orphan pension. Members become eligible on attaining age 58 with a minimum ten years' contributory service. The

⁴¹ M. Dev "Individual Shocks and Social Protection in South Asia" (Special Reference to India); posted at info.worldbank.org/etools/docs/library/233761/Mahendra%20Individual%20Shocks.pdf.

⁴² World Bank, Project Information Document, concept note. Project title: Public works programs in India (October 2008)

⁴³ M. G. Asher, "Pension Reform in India". National University of Singapore; p.22

⁴⁴ S. Mehrotra, Government of India, *Costs and financing of a social insurance in India*, presentation at the UNICEF ROSA Regional Symposium on Social Protection, Dhaka, April 2008

⁴⁵ ADB, SP Index for Committed Poverty Reduction, p. 57

scheme is financed by transferring 8.33 per cent of the Provident Fund contribution from the employees' share and by 1.16 per cent of basic wages contributed by the Central Government. All accumulations in the defunct Family Pension Fund constitute the corpus of the Pension Fund.⁴⁶

- **Employees' State Insurance Scheme (ESIS):** The ESI Act (1948) applies to non-seasonal factories using power and employing 10 or more persons, and non-seasonal and non-power-using factories and establishments employing 20 or more persons. Employees of covered units and establishments drawing wages up to Rs 7,500⁴⁷ per month come under the purview of the Act for multi-dimensional social security benefits.

Only 11.5 per cent (37 million) of India's paid workforce is covered under pensions. The remaining 284 million do not have any formal social security coverage.⁴⁸ Of these, 22 million are Government employees who benefit from a civil service defined pension scheme; 15 million workers are estimated to be covered under defined-contribution employee provident funds. Formal sector employers with at least 20 employees are required to join the EPFO, which offers both defined benefit and defined contribution schemes. These various components are supervised and regulated by different agencies, with little coordination. Other schemes include benefits for sickness and maternity, work injury, and unemployment; Government/civil service social insurance schemes; and the Life Insurance Corporation (LIC) of India Pension Scheme.

II. National Social Assistance Programme

Cost: The cumulative cost for the three programmes described below is Rs 14.3 billion; since 1995, entirely centrally sponsored.

Delivery mechanism: Pensions are credited directly to the account of the beneficiary in a post office or bank.

National Old-Age Pension Scheme (NOAPS)

Description: NOAPS provides an unconditional cash payment to destitute elderly (65 or older) who do not have any regular means of subsistence. The benefit is Rs 450 in two instalments.

Implementing agency: Ministry of Labour and Employment; jointly administered by the Central Government and the various state governments

Targeting: Categorical (65 or older) and means-tested

Delivery mechanism: The district official in charge of coordinating the programme is responsible for processing applications for benefits and for arranging disbursement of the benefits, which may adopt various modes including cash disbursement.

Geographic coverage: Nationwide

Coverage: One fourth of India's elderly receive some social assistance from the state-level pension schemes or from the National Old-Age Pension Scheme.

Evaluations: A 2006 baseline survey carried out by HelpAge and partner organisations in some of India's poorest districts revealed that 84 per cent of the elderly were not aware of their rights. A few years before, another HelpAge study in Uttar Pradesh found that limits on the funding available for the programme provided a disincentive for Government officials to publicise it. It appears that criteria for eligibility are poorly understood, and the registration and selection processes are complex and time consuming. In addition, the delivery of benefits is erratic.⁴⁹

National Maternity Benefit Scheme

Description: Provides lump sum cash assistance to pregnant women in households living below the poverty line subject to the following conditions:

⁴⁶ Ibid., p 22

⁴⁷ US\$ 1.00 = 46.10 Rupees

⁴⁸ World Bank, *Pension at a Glance, Asia and the Pacific*, 2008, p. 84

⁴⁹ HelpAge news, Vol. 5 No.2, July-September 2006. See also: Rajan, S.I. [2001] "Social Assistance for Poor Elderly: How Effective?" *Economic and Political Weekly* XXXVI (8): 613-617 HelpAge International [2003] Non-contributory pensions in India: A case study of Uttar Pradesh, London: HAI.

- i. restricted to pregnant women for up to the first two live births provided that they are 19 years of age or above;
- ii. beneficiaries should belong to a household living below the poverty line;
- iii. the ceiling on the benefit for the purpose of claiming central assistance should be Rs 500 (approx. US\$ 12)

The benefit is disbursed in two instalments 12-8 weeks prior to delivery.

Implementing agency: Ministry of Labour and Employment; jointly administered by the Central Government and the various state governments

Geographic coverage: Nationwide

Targeting : Categorical and means-tested

Delivery mechanism: The district official in charge of the programme processes applications for benefits and arranges disbursement of the benefits, which may adopt various modes including cash disbursement.

Coverage: In 2000, 1.2 million beneficiaries

Evaluations: Benefits are reaching the target group, but more care is needed in areas like selection of beneficiaries and timely disbursement of benefits so they can better benefit mothers and babies. There are some leakages to non-poor families. Overall, the scheme is reported to be benefiting socially and educationally backward poor women.⁵⁰

National Family Benefit Scheme (part of the National Social Assistance Programme)

Description: To provide benefits to the household in case of death of primary earner (defined as the member of the family whose earnings contribute substantially to the total household income).

Implementing Agency: Ministry of Labour and Employment; jointly administered by the Central Government and the various state governments

Geography: Nationwide

Targeting: The death of the primary breadwinner due to natural or accidental causes should have occurred while he or she was aged 18 to 62. The family benefit is paid to surviving members of the household of the deceased head of household.

Coverage: In 2006-2007 a total of 9.3 million people in 30 districts

Value of benefit: Lump sum of Rs 10,000

Evaluations: Monitoring and evaluation is by the Ministry of Rural Development. One evaluation reported that "only a small proportion of the total beneficiary samples felt that the scheme had in a way brought a sense of security to life although the majority of beneficiaries studied were satisfied with the benefit they received. The evaluation suggests that care has to be taken for better and efficient implementation of the scheme especially in selection of beneficiaries, sanctioning of applications, and timely disbursement of benefits to the beneficiaries".⁵¹ Difficulties in obtaining benefits, corruption, and delays in transfers are key challenges to implementing the scheme.⁵²

III. Cash for Work

Jawahar Rojgar Yojana (JRY) (Jawahar Employment Scheme)⁵³

Description: JRY is a poverty alleviation scheme amalgamating two wage employment programmes, National Rural Employment Program (NREP) and Rural Employee Guarantee Program (REGP). JRY includes two sub-schemes, the Indira Awas Yojana (IAY), a housing programme, and the Million Wells Scheme (MWS). The programme aims at providing food and

⁵⁰ For further reference: Ministry of Rural Development, Executive Summary of National Social Assistance Programme, Government of India. Posted at: <http://www.drd.nic.in/jry2/esnsap.htm> National Social Assistance Programme. Posted at: <http://rural.nic.in/book00-01/ch-7.pdf>

⁵¹ A. Barrientos, R. Holmes; Social Assistance in Developing Countries. Database. Version 3.0 July 2007

⁵² For further reference: Ministry of Rural Development, Executive Summary of National Social Assistance Programme, Government of India. <http://www.drd.nic.in/jry2/esnsap.htm>; National Social Assistance Programme, Posted at: <http://rural.nic.in/book00-01/ch-7.pdf>; Ministry of Rural Development, National Social Assistance Programme: Introduction, Government of India. Posted at: <http://rural.nic.in/nsap.htm>

⁵³ A. Barrientos and R. Holmes, "Social Assistance in Developing Countries Database", *Chronic Poverty* (July 2007)

cash to stave off poverty, mainly in rural areas. JRY offers a legitimate minimum wage for unskilled labour, which is generally higher than the prevailing market wage rates.

Implementing agency: Central and state Government; District Rural Development Agency

Targeting: Geographic, demographic and self-targeting. Allocations are made to states based on their share in rural poverty, using headcount index. State allocations to districts are based on index of backwardness, which takes into account the proportion of rural castes/tribes in the overall population, and agricultural productivity. Preference is given to underprivileged groups (scheduled castes/tribes, freed bonded labourers), and 30 per cent of the employment opportunities are earmarked for women.

Evaluations: Although unemployment has been reduced, the impact of the programme at the household level has been modest. Food grains distributed as part of wages were negligible (Rs 0.21 worth of food grains per day per JRY worker). Since the programme wage was higher than the market wage, it tended to attract many of the non-poor.⁵⁴ An analysis of the percentage distribution of workers by income class indicates that on average for the whole of India, 57 per cent of those working under the schemes are non-poor with monthly incomes exceeding Rs 6,400.⁵⁵ The programme creates social assets and has a positive impact on wages.

Employment Guarantee Scheme (EGS), Maharashtra State⁵⁶

Description: This cash for work programme started in the 1960s, with a view to alleviating poverty by providing employment to the poorer sections of the community in the rural as well as the depressed councils in the State of Maharashtra. The State Government gave statutory support to the guarantee of employment through the Maharashtra Employment Guarantee Act, which was brought into force in January 1979. Labourers are paid according to the quantity of work done at the minimum prevailing wage for agricultural labour in the concerned zone.

Implementing agencies: Central and State Government; Food Corporation of India (FCI)

Targeting: Self-targeting; placement of schemes by the State followed by self-selection

Geographic coverage: State of Maharashtra

Cost: The total amount spent on the EGS has increased progressively since its inception. Although Rs 108 billion has been collected under the employment guarantee fund (EGF) – which funds the scheme through professional tax and other taxes collected from citizens – only Rs 46.8 billion was spent on the EGS in 2006-2007.

Evaluations: EGS is one of the most researched and discussed programmes in the country and one of the larger public programmes in the developing world. When introduced it was seen as innovative as it guarantees employment at a defined wage. It is still considered a model because of the underlying philosophy of “fulfilling a guarantee”. However, the effectiveness of the EGS in covering the target group has been debated, as poverty in Maharashtra has not declined more rapidly than average for India. However, EGS has a considerable impact on the social life of workers by increasing their interactions across castes. Leakages have been of two kinds: employment leaks to non-targeted groups and misappropriation of EGS funds by implementing agencies. The first type is not frequent, but corruption has been a major concern since the programme’s inception. Another issue regards the number of agencies having to function at six different levels (from central to local) to administer the programme with many layers of decision-making and a heavy bureaucracy.

A recent Comptroller and Auditor General (CAG) investigation has indicted EGS for falling short on several fronts: planning, financial management, registration of labourers, selection and execution of works, payment of wages, and monitoring. The 2006-2007 CAG report says the scheme has not met its objective of poverty alleviation. Some people have been left out and budgets prepared for the scheme have

⁵⁴ Ibid.

⁵⁵ N. Islam, *Reducing Rural Poverty in Asia*, 2006.

⁵⁶ Barrientos and Holmes, op cit.

not been based on demand. Moreover, registration of labourers is incomplete, works have been left unfinished for years, and payment to labourers is pending or has not been in accordance with the Minimum Wages Act. Monitoring has been deficient, as committees have not been set up for this purpose. The CAG pointed out that district collectors did not prepare human resources budgets to assess employment needs. This resulted in unrealistic plans, which in turn resulted in annual expenditure being just 19 per cent of the funds that these plans demanded.⁵⁷

National Rural Employment Guarantee Scheme (NREGS)

Description: To enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. NREGS provides a rights-based framework for wage employment (employment depends on workers exercising their choice to apply for registration, obtain a Job Card, and seek employment for the time and duration that they wish). The 100 days of guaranteed employment in a financial year is per household and can be shared within the household. To register, households must be local residents, be willing to do unskilled manual work, and apply as a household at the local Gram Panchayat.

As per Schedule I of the Act, the National Rural Employment Guarantee Scheme (NREGS) shall focus on the following:

- i. water conservation and water harvesting;
- ii. drought proofing, including afforestation and tree plantation;
- iii. irrigation canals, including micro and minor irrigation works;
- iv. providing irrigation facility, plantation, horticulture, land development to land owned by households belonging to scheduled castes or tribes, by the beneficiaries of land reforms, or by beneficiaries under the Indira Awas Yojana (IAY; Indira Shelter Scheme)/BPL families;
- v. renovation of traditional water bodies, including de-silting of tanks;
- vi. land development;
- vii. flood-control and protection works, including drainage in waterlogged areas;
- viii. rural connectivity to provide all-weather access;
- ix. any other work proposed by the Central Government in consultation with the State Government.

The programme also entitles beneficiaries to unemployment allowance if a job is not provided within a 15-day period; medical treatment in case of injury under the programme; childcare in cases where at least 20 women are employed on a worksite; and facilities for the employment of persons with physical or mental disabilities in activities that are compatible with their abilities. At least one third of beneficiaries must be women. Drinking water, emergency health care, crèches, and a minder (preferably female) will be at work sites. Transparency, public accountability and social audit are ensured through institutional mechanisms at central level. Participatory planning exists at all levels.

The Act covered 200 districts in the first phase implemented on February 2, 2006, and was extended to 330 additional districts in 2007-2008.

Implementing agency: Government of India (Ministry of Rural Development) and state/local governments

Targeting: Categorical for all rural population: all adults residing in any rural area who are willing to do the work

Geographic coverage: National; from April 1 2008, the Act covers all districts.

Transfers: Wages are paid in cash, in kind or both. The minimum wage across the country has increased over the past three years, and the average daily wage rate of agricultural labourers under NREGS has risen

⁵⁷ Report posted at http://www.cseindia.org/programme/nrml/update_may-june08.htm#CAG For further reference, see M. Dev, *India's Maharashtra Employment Guarantee Scheme: Lessons from Long Experience*. Posted at www.ifpri.org/pubs/books/vonBraun95ch05.pdf; Datt, G. and M. Ravallion [1994] "Transfer Benefits from Public-Works Employment: Evidence for Rural India", *Economic Journal* 104:1346-1369; Imai, K and R. Gaiha (2002) 'Rural Public Works and Poverty Alleviation - The Case of the Employment Guarantee Scheme in Maharashtra', *International Review of Applied Economics*, Vol. 16, No. 2, April 2002, pp.131-151. A version of this paper is posted at: <http://www.socialsciences.man.ac.uk/economics/staffpages/imai/RuralPublicWork-Gaiha-Imai.pdf>; Imai, K (2002) 'Employment Guarantee Scheme as a Social Safety Net-Poverty Dynamics and Poverty Alleviation' 2002, Department of Economics Working Paper, Ref. 149, March 2003, Department of Economics, University of Oxford. Posted at: <http://www.econ.ox.ac.uk/Research/WP/PaperDetails.asp?PaperID=481>

from Rs 65 in 2006 to Rs 83 in 2008. Through December 2008, more than 58 million savings accounts have been opened in banks and post offices across the country due to this scheme.

Cost and coverage: The 2007 budget for NREGA was Rs 126 billion, of which the Central Government's share is Rs 113 billion; the states bear 10 per cent of the total cost. According to Prime Minister Singh, the scheme benefited 35 million rural households in the 2007-2008 financial year and generated 1.38 billion person-days of work up to December 2008. "It has played a role of a catalyst in promoting inclusive growth coverage with over 50% coverage to the women and the weaker sections of the society".⁵⁸

Evaluations:⁵⁹ The Comptroller and Auditor General conducted a review in 2007, and NGOs have also conducted reviews, especially the National Consortium of Civil society organisations.⁶⁰

The local press reports numerous examples around the country of how the programme has enabled children to go to school, improved nutrition within the family, increased wages, reduced indebtedness and even migration. The wages create assets that yield direct benefits to the villages.⁶¹ In a 2006 evaluation, the Ministry of Local Development highlighted a number of challenges, including the need for greater information especially about entitlements; the need to put more emphasis on community mobilisation and communication; the need to match households' employment demands with community works; and the need to improve transparency and accountability. NREGS has raised expectations, but still needs to fully deliver on its massive potential.⁶² Other critical issues include:

- Piece-work rates are low in many places. As a result, even if one works for 8 hours, workers may get less than prescribed.
- Workers do not attend public works although Job Cards are given to many. For example, Job Cards

are given to 4 million in A.P., but only 400,000 seek employment.

- *Panchayats* (local councils) need capacity-building.⁶³

Swarna Jayanti Shahari Rojgar Yojana (SJSRY) (Golden Jubilee Rural Employment Scheme; 1997-present)

Description: An umbrella programme targeting the urban underemployed or unemployed,⁶⁴ defined as those under the poverty line, with two main components: the Urban Self Employment Programme (USEP), and the Urban Wage Employment Programme (UWEP). The scheme is implemented on a whole-town basis with special emphasis on clusters of urban poor. Special attention is given to women, persons belonging to scheduled castes/tribes, and disabled persons and other such categories indicated by the Government from time to time. There is no minimum educational qualification for beneficiaries, but this scheme is not applied to beneficiaries educated beyond the IXth Standard.

Implementing agency: Ministry of Urban Employment and Poverty Alleviation

Targeting: Those living below the urban poverty line, as defined periodically. A house-to-house survey is conducted to identify genuine beneficiaries. Non-economic parameters will also be applied to the urban poor in addition to the economic criteria of the urban poverty line. Women beneficiaries belonging to female-headed households, such as widows, divorcees, or single women of households where women are the sole earners, are given higher priority.

Geographic coverage: All urban towns in India

Cost and coverage: The SJSRY is funded by Union Government and the states on a 75:25 basis. The total allocation in 2006-2007 was Rs 2.36 billion, and

⁵⁸ Government Press Release: <http://pib.nic.in/release/release.asp?relid=46897>

⁵⁹ Barrientos and Holmes, op. cit.

⁶⁰ For full review see R. Datt, "Dismal experience of Nrega: Lessons for the Future", 14 April 2008 // www.mainstreamweekly.net/article641.html

⁶¹ <http://southasia.oneworld.net/fromthegrassroots/women-augmenting-family-income-creating-community-assets>

⁶² SCRIBD, www.scribd.com/doc/2176739/Two-Years-of-NREGA

⁶³ M. Dev, "Individual Shocks and Social Protection in South Asia, Special Reference to India", presentation posted at info.worldbank.org/etools/docs/library/233761/Mahendra%20Individual%20Shocks.pdf

⁶⁴ According to the 2001 Census, approximately 28% of the total population in India lives in urban areas.

the annual target is to assist 2 million urban poor in setting up micro-enterprises for self employment and training.

Evaluations: A comprehensive evaluation was carried out in 2005-2006 through the Human Settlement & Management Institute (HSMI). The major findings are:

- i. good impacts on facilitating employment have been observed in all states;
- ii. participants make decent earnings under the scheme;
- iii. indirect benefit on empowerment of women;
- iv. some states have not reached their target due to, *inter alia*, inadequate skill training and non viability of projects;
- v. awareness of the scheme is still lacking in some states;
- vi. budget allocations are too low.⁶⁵

Sampoorna Grameen Rozgar Yojana (SGRY) (All Rural Employment Scheme; 2002-2008 and subsequently absorbed by NREGS)⁶⁶

Description: To provide additional wage employment in all rural areas and thereby provide food security and improve nutritional levels. The secondary objective is to create durable communities, socio-economic assets, and infrastructure in rural areas. The wages under the programme are paid partly in food grains and partly in cash.

Implementing agencies: Ministry of Rural Development; local governments

Targeting: The programme is self-targeting and meant to benefit the rural poor who need wage employment and desire to do manual and unskilled work in and around their villages.

Geographic coverage: Rural areas

Cost and coverage: Resources allocated in 2007-2008 amount to Rs 291.4 million, with 264 districts covered.

Evaluations: n.a.

IV. Food Transfers

Targeted Public Distribution System (TPDS)

Description: Under TPDS, above the poverty line (APL) families are provided food grains at nearly the full economic cost and below poverty line (BPL) families at about half this rate. TPDS is entirely funded by the Union Government, and its main objective is to improve the PDS consumption of the poor by offering them cereals at highly subsidised prices while simultaneously guiding the non-poor away from the PDS.

Targeting means tested: BPL families whose total annual household income is below Rs 25,985, based on an average household size of 5.3. Family Identity Cards (ration cards) have been issued to all heads of BPL families with details of members in the family listed in the card, entitling them to 20 kg of food grains (rice + wheat) per month (240 kg annually).

Evaluations: The scheme has a near 100 per cent targeting of poor. A 2005 evaluation study confirms this. On the other hand, the official offtake of food grains for BPL families under TPDS is 22.8 million mt. On average, therefore, each family receives about 95 kg annually as against an entitlement of 240 kg – only about 40 per cent of the quota.⁶⁷

V. Child Benefits and Services

A number of state-level and local schemes provide grants directed to children.

Grant of Financial Assistance to the Poor Parents Having One Girl Child Who is Studying 8th to 10th: Puducherry⁶⁸, Tamil Nadu

⁶⁵ Ministry of Housing & Urban Poverty Alleviation, [Mhupa.gov.in/ministry/housing/11thplanChapter-XI.pdf](http://mhupa.gov.in/ministry/housing/11thplanChapter-XI.pdf)

⁶⁶ This programme has been recently evaluated by Icfai University. The evaluation is published in *EconPapers*, 2006, vol II, issue 3, pages 52-68.

⁶⁷ *Social Protection Index for Committed Poverty Reduction Volume 9. India Country Report – Final* November 2007. Halcrow China, p. 28

⁶⁸ Source: Government of Puducherry, http://wcd.puducherry.gov.in/EighttoTenth_Eng.htm

Description: The benefit aims to create awareness among parents about the desirability of girl children, to raise the status of girl children in the family and to share the financial burden of the parents at the time of marriage of the girl child.

Implementing agency: Women and Child Development, Government of Puducherry

Targeting: Categorical

Geographic coverage: Puducherry

Cost and coverage: Rs 25,000 is deposited in a National Savings Certificate in the name of the girl child; the maturity amount is released when she attains age 18. The parents' annual income shall not exceed Rs 24,000, and they should be Indian nationals residing in Puducherry for not less than five years.

Evaluations: n.a.

Grant of Retention Scholarship to S.C. Girl Students: Puducherry⁶⁹

Description: Retention scholarship to encourage scheduled caste girl students to continue their studies.

Implementing agency: Adidraavidar Welfare Department, Government of Puducherry

Targeting: Categorical

Geographic coverage: Puducherry

Cost and coverage: Rs 1,000 per year to girls studying from I to V standard; annual income of parents shall not exceed Rs 24,000.

Evaluations: n.a.

Ladali Lakshmi Yojna: Madhya Pradesh⁷⁰

Description: To improve health and educational facilities for girls and stop female foeticide.

Implementing agency: Women and Child Development, Government of Madhya Pradesh

Targeting: Categorical. Girls born after 1 January 2006.

Geographic coverage: Madhya Pradesh

Cost and coverage: Girls registered under the scheme will receive Rs 118,000 at the time of marriage.

Evaluations: n.a.

Girl Child Protection Scheme: Tamil Nadu⁷¹

Description: Grants to girls in families without male children and with one sterilised parent. Interest helps defray educational expenses, and the girl receives the principal at age 20.

Implementing agency: Social Welfare and Nutritious Meal Programme Department, Government of Tamil Nadu

Targeting: Categorical

Geographic coverage: Tamil Nadu

Cost and coverage: For families with one girl child, Rs 22,200 is deposited; for those with two girls, Rs 15,200 is deposited for each..

Evaluations: n.a.

⁶⁹ Source: <http://Government of Puducherry, //adwelfare.puducherry.gov.in/schemesnext7.htm>

⁷⁰ Source: National Portal of India, <http://india.gov.in/citizen/health/viewscheme.php?schemeid=1241>

⁷¹ Government of Tamil Nadu, Source: <http://www.tn.gov.in/policynotes/archives/policy2002-03/swnmp2002-03-2a.htm>

Table 8: INDIA
Social protection programmes

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|--------------------------------------|---|---|--|---|------------|---|---|-------------------------|--|
| SOCIAL INSURANCE | Employees' Pension Scheme; Employees' State Insurance Scheme | Contributory benefits | | | | | | | 1952 (employees' provident funds), with amendments; 1972 (payment of gratuity); 1976 (employees' deposit-linked insurance); 1995 (employees' pension scheme); and 1995 (national social assistance programme). |
| NATIONAL SOCIAL ASSISTANCE PROGRAMME | National Old-Age Pension Scheme (NOAPS). Provides cash payments to destitute elderly. | People 65 years of age or older | Categorical and means-tested (informal individual assessment). | Rs 450 | Nationwide | 25% of India's elderly receive social assistance from the state-level pension schemes or the National Old-Age Pension Scheme. | Ministry of Labour and Employment; jointly administered by the Central Government and the various state governments | | Indian Constitution: Articles 38-41 |
| | National Maternity Benefit Scheme. Lump sum cash assistance to pregnant women in households living below the poverty line subject to conditions. | Pregnant women for up to the first two live births, 19 years of age and above; households below the poverty line. | Categorical and means-tested | The benefit is limited to Rs500 (US\$ 12). District official responsible for processing applications and arranging disbursement of benefits in 2 installments 12-8 weeks prior to the delivery. | Nationwide | 1,152,558 beneficiaries in 2000 | Ministry of Labour and Employment; jointly administered by the Central Government and the various state governments | | |
| | National Family Benefit Scheme. Unconditional cash transfer. | Households below the poverty line are provided benefits on the death of the primary breadwinner. | Categorical | Lump sum of Rs 10,000 (US\$ 203) | Nationwide | In 2006-07 a total of 9,291 million in 30 districts | Ministry of Labour and Employment; jointly administered by the Central Government and the various state governments | | |

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|---|--|---|---|--------------------------|--|---|---|---|
| CASH FOR WORK | Jawahar Rojgar Yojana (JRY). Provides a minimum wage for unskilled labour and a means of livelihood to people at critical levels of subsistence. | Rural poor | Geographic, demographic and self-targeting. Preference given to underprivileged groups (scheduled castes/tribes, freed bonded labourers), and 30% of the employment opportunities are earmarked for women. | Minimum wage and food | Rural areas | In 1993-94, the first component created 952 million person-days of employment; the second 7.35 million person days. More recent data are not available. | Central and State Government; District Rural Development Agency | | |
| | Employment Guarantee Scheme, Maharashtra State Rural public works for poverty alleviation. | Rural poor | Self-targeting. Placement of schemes by the State followed by self-selection. | Minimum wage prescribed for agricultural labour for the concerned zone. | Maharashtra State | n.a. | Central and State Government; Food Corporation of India (FCI) | Rs 108.18 billion allocated but only Rs 46.77 billion spent in 2006-2007. | NREGA (statutory guarantee; right-based scheme) |
| | National Rural Employment Guarantee Scheme (NREGS). Entitles every individual/household in rural areas to at least 100 days per year of labour at the minimum wage for unskilled work in the public sector. | Rural poor | Categorical and geographic. Every adult who resides in any rural area and is willing to do the work. | Wages paid in cash, kind or both. Daily wage rate of agricultural labourers has risen from Rs 65 in 2006 to Rs 83 in 2008 at the national level. The Scheme is setting a record for the largest number of bank accounts opened through a development programme. | Nationwide | 35 million rural households in current financial year; 1.38 billion person-days of work generated up to December 2008; 50% coverage to women and the weaker sections of society. | Government of India (Ministry of Rural Development) and state/local governments | The 2007 budget was Rs 125.55 billion, with Central Government paying 90% and the states 10%. | |
| | Swarna Jayanti Shahari Rojgar Yojana (SJSRY). Employment programme for urban poverty alleviation. Two main components i) the Urban Self Employment Programme (USEP) and the ii) Urban Wage Employment Programme (UWEP). | Urban poor | Categorical and means-tested. A house-to-house survey identifies genuine beneficiaries. Non-economic parameters are applied in addition to the urban poverty line. Women beneficiaries in women-headed households are given priority. | The SJSRY is funded on a 75:25 basis between central and state governments. Total allocation in 2006-2007 Rs 2.36 billion. | All urban towns in India | In the last three years, the total number of self-employment loans given under SJSRY has been just 952, which is less than one per cent of the below-poverty line families. | Ministry of Urban Employment and Poverty Alleviation | | |

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|---|--|--|---|----------------|----------------------------|---|-------------------------------|------------------------|
| | Sampoorna Grameen Rozgar Yojana (SGRY). Wage employment and food. Part cash, part in-kind transfer. | The poor, with preference given to agricultural wage earners; non-agricultural unskilled wage earners; marginal farmers; women; members of scheduled castes; parents of disabled children or children withdrawn from hazardous labour. | Self-targeting | Wages paid in cash, in kind or both | Rural areas | 264 districts in 2007-2008 | Ministry of Rural Development; local governments | Rs 291.4 million in 2007-2008 | |
| FOOD TRANSFERS | Targeted Public Distribution System. To provide cereal grains to the poor at subsidised prices. | Families below the poverty line | Categorical | 240 kg of food grains annually per family | Nationwide | | | | |
| CHILD BENEFITS | Grant of Financial Assistance to the Poor Parents Having One Girl Child Who Is Studying 8th to 10th. Funds deposited in name of girl students. | Parents' annual income cannot exceed Rs 24,000 | Categorical | Rs 25,000 is deposited in a National Savings Certificate in the girl's name. The maturity amount is released when she becomes 18. | | | Women and Child Development | | |
| | Grant of Retention Scholarship to S.C. Girl Students: Puducherry. Scholarship to encourage girls to continue their studies. | Annual income of parents cannot exceed Rs 24,000 | Categorical: scheduled caste girls | Rs 1000 per year for girls from I to V standard | Puducherry | | Addiravidar Welfare Department | | |
| | Ladali Lakshmi Yojana: Madhya Pradesh. Grant to improve health and education for girls and stop female foeticide. | Girl children | Categorical: Girls born after 1 January 2006 | Rs 118,000 per girl at time of marriage | Madhya Pradesh | | Women and Child Development | | |
| | Girl Child Protection Scheme: Tamil Nadu. Grants to girl children of sterilised parents. | Girl children | Categorical: Girls without brothers and with at least 1 sterilised parent. | Rs 22,000 deposited for single girl children; Rs 15,200 each for two. | Tamil Nadu | | Social Welfare and Nutritious Meal Programme Department | | |

MALDIVES

Total Population:

299,000 (source: UNICEF ROSA, 2006)

Estimated Social Protection Expenditures as a % of GDP:

1.5% (ADB) - 2.0% (UNICEF ROSA) *

General background

Social protection arrangements in the Maldives include social insurance covering public sector employees and some safety net programmes.

Social insurance has two components – the Civil Service Pension (CSP) scheme and the Government Provident Fund (GPF). While there is a constitutional mandate to provide pensions to all employed persons, there is no constitutional definition of the type of pension or the term ‘employed’. Reform efforts are ongoing. In early 2009, the Government introduced a universal social pension. This programme will be financed from general budget revenues and will cost 1.5-2.0 per cent of GDP.⁷² The pension allowance will be available to all those above age 65. Eligible people must register for the pension, a process begun at all inhabited islands of the country in mid-January 2009. The task is being managed by the recently created National Social Protection Agency. The Government has also promised to expand healthcare insurance.

The main social assistance programme, the Absolute Poverty Scheme initiated in 2003, is a cash transfer

programme for the poor. The Government also provides vouchers to defray textbook costs, one school uniform, shoes, and socks for low income families. In addition, the Government provides two types of medical assistance for Maldivians abroad and at home, as well as assistance to disabled people (hearing aids/glasses) and critical drugs for people with learning disabilities.

These programmes are administered by different agencies, some without formal qualifying criteria or a regular schedule of benefits. While social protection expenditures have been increasing, they remain low compared to other countries with similar per-capita incomes. Coverage is also low.

Tsunami-related cash transfers introduced in 2005 have now been completed. In the months following the December 2004 tsunami, a programme of cash transfers was developed to support the affected population. The security forces, relying on inter-ministerial teams, were responsible for implementation. All families whose homes were damaged by the

* UNICEF ROSA, *South Asia Fiscal Budget database, 2008*. The WB's 2006 calculation includes all public interventions oriented to human capital and social risk management. The ADB's 2008 calculation includes programmes to reduce poverty and vulnerability, including microcredit schemes.

⁷² World Bank, www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2006/05/01/000160016_20060501163658/Original/348180MV0Socia1white0cover01PUBLIC1.doc

tsunami were eligible. Multi-sectoral teams from Male' together with island committees identified the beneficiaries, registered them, and disbursed the assistance as a one-time cash transfer. The level of benefit was Rf 1500 per family member to those who completely lost their houses; Rf 1000 per person to those whose houses were damaged and needed repairs; and Rf 500 per family member to those whose houses were flooded and who therefore lost household items and belongings. The programme covered 63,000 beneficiaries and disbursed approximately Rf 50 million. A follow-up income support programme for the poorest among the affected (i.e., the elderly and people with disabilities) has also been proposed.

Summary of programmes

I. Social Insurance

In early 2009 the Maldives Parliament ratified a Pension Bill establishing a contributory scheme with contributions from employers and employees aged 16-65 to cover every working citizen, which means it will open the pension system to the informal economy as well. The government also introduced a social pension of Rf 2,000 (US\$156)⁷³ per month for people over age 65 not covered by the contributory pension scheme. These efforts will complement the pension scheme in place for government officials. The Maldives Pension Administration Office was also created under this Bill.⁷⁴

Civil Service Pension (CSP)

Description: The scheme is a non-contributory, pay-as-you-go, defined-benefit arrangement. Pensions are financed directly from the Government budget. Pensions are paid out for every 20 years of uninterrupted Government service, and there is no requirement to retire. Therefore employees can continue to work for another 20 years and earn a second pension, and in a few cases even a third. The pension accrues at a rate of 2.5 per cent of the last

wage in the 20-year period per year, and pensioners in Maldives can receive benefits along with their current earnings. The pensions are not indexed, however, so their value in real terms declines over time depending on inflation rates.⁷⁵

Coverage: Approximately 26,000 Government employees

The Government Provident Fund (GPF)

Description: A defined contribution arrangement with matching employee and Government contributions of 5 per cent of the employee's basic wage each month. Participation is voluntary and withdrawals are allowed for the education of children, house construction and repair, and health care. The scheme does not play a major role in providing retirement income.⁷⁶

Evaluations: A World Bank/Government of Maldives assessment found two major deficiencies. First, the current parameters of the civil service pension scheme do not result in secure and adequate stream of pension income after a certain age. As a result, and given that the scheme does not stipulate a retirement age, civil servants choose never to retire. The second deficiency is the absence of any safety net for the elderly in a country where only civil servants participate in a pension scheme.⁷⁷

Maldives Pension and Social Protection Administration Project

Description: Rf 2000 monthly pension

Implementing agency: Ministry of Health and Family

Targeting: Categorical. Citizens over 65.

Geographic coverage: Nationwide

Evaluations: n.a.

⁷³ US\$ 1.00 = 12.80 Rufiyaa

⁷⁴ See World Bank.

Press Release No: 2009/344/SAR. <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0>. also see South Asian media net.

<http://www.southasianmedia.net/cnn.cfm?id=579279&category=Social%20Sectors&Country=MALDIVES>;

MIADHU News. <http://www.miadhu.com.mv/news.php?id=10012>; and

Minivan News http://www.minivannews.com/news_detail.php?id=6519

⁷⁵ World Bank, Maldives, *Social Protection in the Maldives: Options for reforming pensions and safety nets*. April 25, 2006 Human Development Unit South Asia Region, p. 15

⁷⁶ Ibid.

⁷⁷ Ibid.

II. Social Assistance

Assistance for health care in Maldives or abroad

The Government provides two types of assistance—medical treatment of catastrophic illness (payment of fees/travel costs). It also provides assistance to the disabled (hearing aids/glasses) and critical drugs for people with learning disabilities.

Coverage: For the three types of scheme, the total number of beneficiaries was 3,583 in 2004.

Cost: Over Rf 12 million

Absolute Poverty Scheme (initiated 2003)

Description: Cash transfer programme for the poor

Implementing agency: The Social Security section of the Ministry of Higher Education, Employment and Social Security (MHEESS). The Rf 500 monthly benefit is disbursed through the atoll offices.

Targeting: Proxy means testing. Based on individuals meeting at least one of the following criteria: not able to eat more than one meal a day, not in possession of more than two sets of clothing, or currently homeless.

Coverage: In 2004, the programme had 1,026 beneficiaries.

Cost: Rf 6 million, less than 0.1 per cent GDP

Evaluations: n.a.

Vouchers to defray textbook costs, one uniform, shoes, and socks for low income families

Description: The voucher programme allows poor families to buy textbooks and other essentials for their children.

Implementing agency: The programme is administered by the Ministry of Education but the selection of eligible children is made by the island and atoll offices. Island offices also handle the distribution of the vouchers.

Targeting: At the discretion of the island authorities, conditions are applied (e.g., the absence of a father's support is one reason for granting textbook vouchers).

Evaluations: n.a.

Table 9: MALDIVES
Social protection programmes

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|--|--|---|--|------------|---|--|----------------------------------|------------------------------|
| SOCIAL INSURANCE | Civil Service Pension (CSP) | | | | | Approximately 26,000 government employees | | | Constitution of the Maldives |
| | Government Provident Fund (GPF) | | | | | | | | |
| SOCIAL PENSION | Maldives Pension and Social Protection Administration Project. Universal pension. | | Categorical. All citizens over age 65. | Rf 2000 per month | Nationwide | | Ministry of Health and Family | | |
| SOCIAL ASSISTANCE | Assistance for health care in Maldives or abroad. Medical treatment of catastrophic illness. | | | | | 3,583 beneficiaries in 2004 | | Over Rf 12 million | |
| | Vouchers to defray textbook costs, one uniform, shoes, and socks for low income families. | Children in low income families | At the discretion of the island authorities conditions are applied (e.g., the absence of a father's support is one reason for granting textbook vouchers). | | | | Administered by the Ministry of Education but eligible children are selected by the island and atoll offices. Island offices also handle distribution of the vouchers. | | |
| | Absolute Poverty Scheme | The ultra-poor | Conditional. Based on individuals meeting at least one of the following criteria: not able to eat more than once a day, not possessing more than two sets of clothing, or currently homeless. | Rf 500/month, disbursed through the atoll offices. | | 1026 beneficiaries (2004) | Social Security section of the Ministry of Higher Education, Employment and Social Security (MHEESS) | Rf 6 million, less than 0.1% GDP | |

NEPAL

Total Population:

27,641,000 (source: UNICEF ROSA. 2006)

Estimated Social Protection Expenditures as a % of GDP:

1.0% (UNICEF ROSA) - 2.3% (ADB)*

General background

The current formal social protection system consists of social and health insurance, social assistance programmes (including the old-age pension, a disability pension, widow-allowances and a maternity scheme), microcredit schemes, and labour market programmes. Social insurance is limited to a provident fund, in place since 1962, that covers civil servants, the army, the police and teachers. Less than 10 per cent of the labour force has formal old-age protection.⁷⁸ Informal sector workers benefit mainly from income-generating programmes such as public works funded by the Food for Work Scheme and block grants. An important component of the social protection system is the old-age allowance, a universal non-contributory social pension in place since 1995 that was expanded in 2008.

Recent trends

Nepal's political transition provides an opportunity to strengthen social protection by introducing new programmes while improving existing ones by expanding coverage and improving service delivery. The 2008-2009 budget places a "reasonable priority" on extending the benefits of economic growth to "the suppressed classes, ethnicities, region, and gender, also guaranteeing social security to the senior citizens, differently able, widows, Dalits and endangered ethnicities".⁷⁹

In particular, the new provisions are:⁸⁰

- I. monthly Rs 500⁸¹ for all age groups of "endangered ethnicities";

* UNICEF ROSA, *South Asia Fiscal Budget database, 2008*. The WB's 2006 calculation includes all public interventions oriented to human capital and social risk management. The ADB's 2008 calculation includes programmes to reduce poverty and vulnerability, including microcredit schemes.

⁷⁸ ILO Technical Note, "Affordable and not an Illusion. Costing of basic social protection benefits for Nepal 2007-2034". Social Security Department. International Labour Organisation. June 2007

⁷⁹ Government of Nepal, Ministry of Finance. Budget speech 2008-2009. 'Endangered ethnicities' is the Government's term for ethnic or linguistic groups so small in numbers that their language may disappear or who pursue very precarious sources of livelihoods, from forest or other resources.

⁸⁰ *ibid.*, par. 47

⁸¹ US\$ 1.00 = 77.80 Rupees

- II. monthly Rs 500 for Dalits, single women, and people above age 60 living in the Karnali zone;
- III. monthly Rs 500 for all other citizens above 70 years (see old-age pension);
- IV. increased monthly allowance for the blind or disabled: Rs 1000 for fully disabled and Rs 300 for partially disabled;
- V. subsistence allowances to families of those martyred or handicapped as a result of the conflict (Rs 1.5 billion in compensation to conflict-affected people in the 2008-2009 budget).

With donors' support, the Government provides a subsistence allowance of Rs 6,800 per month to the ex-combatants of the People's Liberation Army.⁸²

In addition, the Ministry of Health and Population has extended the free healthcare services currently available in health posts and sub health posts to 180 primary healthcare centres. Free health services will be further extended to include district hospitals from mid-January 2009.⁸³

The Government's formal-sector social security plan came into effect in mid-December 2008. The Ministry of Local Development has issued circulars to local bodies regarding creating a beneficiaries' database and issuing identity cards. The budget has already been released.

Recommendations and observations

Social protection in Nepal has traditionally been limited in scope and coverage, and mainly donor driven. According to the ADB Social Protection Index, coverage rates for the seven key social protection target groups (the unemployed, the underemployed, the elderly, the sick, the poor, the disabled, and children with special needs) vary markedly – from over one third the eligible elderly population to under 10 per cent for the disabled, health insurance and the poor.⁸⁴ By the same index, 2.3 million people are estimated to be beneficiaries of some form of social

assistance (less than a quarter of the total poor population). Another feature of the current system is that programmes are administered by a large number of Government agencies, and the finance and governance structure remains highly fragmented.

A recent World Bank evaluation pointed out the “lack of rigorous analysis to determine coverage, targeting, labor to capital ratios, payment systems, share of districts covered, matching with seasons, quality of assets created, wage rates, design, finance and management”.⁸⁵ Donors and government are working together to address some of these issues.

Summary of programmes

I. Social Insurance

Social security only applies to permanent workers in the formal sector. There is no comprehensive social security system under the Nepali labour law. Employees are entitled to receive the following benefits as part of social security under the Labour Act and Rules.

Provident fund: Provident fund is a contributory old-age benefit under the labour law. The employer deducts 10 per cent of basic salary of the employee, adds 10 per cent to it, and deposits the amount in any commercial bank or the *Karmachari Sanchaya Kosh*, the autonomous provident fund authority in Nepal.

Gratuity: Gratuity is also part of an old-age benefit. Employees serving for three years or more and retiring from the service are entitled to get gratuities at different rates depending on the years of service.

Employees are also entitled to treatment expenses; salary during treatment; disability compensation; compensation in case of death; insurance and compensation; termination on health grounds; housing fund; welfare fund; pension (limited to Government employees in civil services, police and armed forces, including some public corporations); retrenchment; sick leaves; maternity leaves.

⁸² *Himalayan Times*, 1 June 2009, “Bank Route for PLA Payment”

⁸³ *Kantipur on Line*, www.kantipuronline.com/kolnews.php?&id=166701

⁸⁴ ADB, Social Protection Index for Committed Poverty Reduction, 2008, p. 216

⁸⁵ “Social Protection in Nepal: Present Characteristics and Future Prospects”. L. Joshua, Social Protection Specialist SAS HD World Bank. Power Point Presentation, Kathmandu, December 4th 2008

II. Social Assistance

Old-Age Allowance

Description: Pension for people aged 70 years and older (lowered from age 75 by the Maoist Government). The 2008-2009 budget has raised the amount to Rs 500 rupees/month from 250.

Implementing agency: Ministry of Local Development

Targeting: Categorical by age. Benefits are distributed quarterly at the Village Development Committee (VDC) offices upon presentation of certificate of entitlement. Coordination and financial management take place at the district level.

Geographic coverage: Nationwide

Coverage: “According to a study based on a survey undertaken among recipients of the social pension (Rajan, 2003), 83 percent of the eligible elderly were receiving the benefit. At the time of the survey in 2002, the old-age allowance was rupees 150. The amount of the benefit was considered as sufficient to meet their daily needs by only 40 percent of the beneficiaries surveyed, whereas approximately 26 percent considered that the benefit should be doubled and about 16 percent that it should be tripled.”⁸⁶

Cost: The entire social security budget for 2008-2009 is Rs 4.4 billion.

Evaluations: HelpAge International is currently preparing a comprehensive evaluation of the scheme.

Survivor Allowance (widow cash grant)

Description: Cash transfer for female Nepali citizens above 60 years of age and who satisfy a means test. Conditions include: no income source, no caretaking family member, no pension income from husbands.

Implementing agency: Ministry of Local Development

Geography: Nationwide

Targeting: Categorical and means tested. Distribution mechanism same as the old-age pension.

Disability Cash Grant

Description: Cash transfer conditional on Nepali citizenship; disability as per the Ministry of Local Development list: age above 16 years with blindness in both eyes or without / dysfunctional two hands or legs. The 2008/09 budget raised the benefit from Rs 250/month to 1000/month for fully handicapped, and disabled; and 300/month for partially handicapped and disabled.

Implementing Agency: Ministry of Local Development

Geographic coverage: Nationwide

Targeting/delivery mechanism: same as above

Evaluations: n.a.

III. Block Grants

District Development Committee (DDC) Block Grant

Description: A block grant to local bodies to support local governance and community development. The main objective is to develop infrastructure and improve service delivery based on the beneficiaries' preferences. The allocation is based on the following formula: population (20%), area of the district (10%), human development index (50%), cost index (20%), along with analysis of internal revenue received from the respective districts. Minimum conditions and performance measures have been introduced.

Implementing agency: The Ministry of Local Development (MLD) and donor/implementing partners

Targeting and delivery mechanism: Nationwide. DDCs and VDCs provide 10 per cent matching grants. Communities are expected to contribute an unspecified amount to the project in cash or kind. Block grants are transferred to DDCs in three tranches upon confirmation of matching funds allocation, first to the DDC account and then to the user committee bank account; six per cent of the block grant is used to employ full-time technical staff (rather than to contract consultants for specific schemes); the projects should cover a large number of VDCs and should not exceed 40 per cent of district budget.

⁸⁶ ILO Technical Note (2007), p. 9

Projects are identified through local planning processes based on social mobilisation of NGOs, etc. The block grants to DDCs are linked to an annual review of their compliance with Minimum Conditions and Performance Measures (MC/PM), derived from the Local Self-governance Act (LSGA), local self-governance regulations, and local financial and administrative regulations.

Geographic coverage: 20 DDCs until the end of 2007; now proposed for replication in all 75 districts and municipalities

Cost and coverage: A total of US\$ 391.5 million for DDC, VDC, and top-up capital grants over 4 years. By end of 2007, almost 1,700 micro-projects had benefitted over 2.7 million people.

Evaluations: “Final Joint Assessment Report”, Local Governance and Community Development Programme, May 2008.

Village Development Committee (VDC) Block Grant

Description: A block grant to local bodies to support local governance and community development. DDCs and VDCs provide 10 per cent matching grants, and communities are expected to contribute an unspecified amount to the project in cash or kind.

Implementing agency: MLD and development partners

Targeting: Untargeted

Delivery mechanism: Being formulated

Geographic coverage: Selected VDCs

Value of benefit: As of 2008-2009, the annual block grant to each of Nepal's 3,915 VDCs to provide local governance and basic services has increased to Rs 1.5 million each (more than \$80 million) per year, or a total of about US\$ 80M.

Cost and coverage: The Government's share totals US\$ 391.5 million for DDCs, VDCs and top-up capital grants, under the Local Governance and Community Development Programme, over a period of four years.

Evaluations: n.a.

Top-up Grant to VDCs

Description: The scheme is aimed at enabling local government to deliver more public goods and services and respond more effectively to citizens' needs and priorities. Top-up grants are also expected to act as a fiscal incentive for empowerment of local communities and citizens. The allocations are formula based (based on population and poverty targeting) and mapping of the disadvantaged group. These grants will be linked to the Government block grant system.

Implementing agency: Ministry of Local Development (MLD)

Targeting and delivery: 7 per cent of the total top-up has been set aside to cover investment costs and technical assistance. VDCs and municipalities can spend up to 5 per cent of their expanded block grants on investment servicing and technical assistance costs. The blended grants (block + top up) will contain a minimum eligible allocation for each local body (20-30 per cent of the total blended development block grants), and the remainder (the largest share) will be allocated in accordance with the MC/PM system.

Geographic coverage: Top-up grants will be piloted in about 900 VDCs in 2008-2009 and in 2000 VDCs the following year. Detailed piloting of systems for VDC block grants will take place in 50 VDCs. Top-up grants will also be piloted in 10 smaller municipalities in 2009-2010.

Cost and coverage: The Government has allocated a total of US\$ 391.5 million for DDC, VDC and top-up capital grants over a period of four years.

Evaluations: n.a.

IV. Cash for Work

One Family, One Employment

Description: Unemployed persons (or those with annual income insufficient to feed the family for more than three months) in the most remote parts of the country will be offered jobs yielding between Rs 180 and 350 per day. With the 2008/2009 budget, 270,000 people will get employment for 100 days through a “labour-oriented Development Programme” based on people's participation, local infrastructure development programmes, and the Karnali Employment Programme.

Implementing agency: Ministry of Local Development

Targeting and delivery: Self-targeting. Funds are disbursed among the 30 VDCs in the Karnali zone. Applicants should form a team with at least five unemployed people of separate families and submit a project proposal. This could be anything from small-scale infrastructure development, self-employment, to trade.

Geographic coverage: 30 VDCs in the Karnali region

Cost and coverage: The amount allocated in 2007 was Rs 41.64 million. Around 55,000 households in the Karnali region have been covered.

Evaluations: n.a.

V. Health-related Transfers

Maternity Scheme

Description: Promotes safe motherhood by enabling women to reach a facility for delivery or by ensuring that home deliveries are attended by a health worker. The scheme includes the following components:

- i. all women who deliver at a Government health facility receive a cash incentive as transport-cost support (Rs 500 in the Terai, Rs 1000 in the Hills, Rs 1500 in the Mountains);
- ii. free delivery service in 25 low-Human Development Index (HDI) districts;
- iii. health institutions that provide free delivery services in 25 low HDI districts receive cash incentive (Rs 1000, used for improving quality of services);
- iv. health workers also receive cash incentives (Rs 300 per delivery) for conducting delivery at facility or home.

Implementing agency: Ministry of Health with support from DFID and NGOs

Targeting and delivery: Categorical. The Department of Health Services (Ministry of Health) allocates funds to the districts. The District Public Health Office provides parts of the funds to health institutions for distribution. The health management committee distributes the incentives.

Geographic coverage: Women and birth attendants; additional free delivery care for the lowest 25 HDI districts.

Evaluations: Data from 2006-2007 indicate that institutional deliveries increased from 13.5 to 15.3 per cent and attended home births from 10 to 14.4 per cent. Lessons learnt include:⁸⁷

- i. Reliable and timely flow of funds is essential to build confidence.
- ii. More information on the scheme is needed, especially in remote areas.
- iii. Strong local leadership and management are critical for successful implementation.

VI. Education-related Transfers

Stipends for Dalits and Girl Students

Description: Incentives in the education area have existed for decades in Nepal, but with the Government's Education for All (EFA 2004-2009) programme emphasis has been put on new and improved scholarship and incentive programmes for girls and children from disadvantaged groups. All major actors involved in the development of education in Nepal – the Government, international development agencies, UN agencies and the donor community – have combined scholarship and incentive schemes with several other reform interventions. There are several type of stipends in primary and secondary schools for girls and Dalit students.

Implementing agency: Ministry of Education and Sport (MOES)

Targeting Categorical: Most of the Government scholarships are in the form of monetary support to individual students. The number of different scholarships allocated to individual schools is determined by the Department of Education (DOE) as per the information provided by schools. At the district level a committee called the District School Management Committee (DSMC) is formed to look after the entire process of school selection and the distribution of scholarships. Provisionally, public notices about scholarships are broadcast on local FM radios and posted in newspapers. At the local level, the School Management Committee (SMC) is responsible for the selection, distribution and overall monitoring of different scholarships. In addition MOES has a separate incentive package for schools. Such incentives are provided on the basis of a school's performance in terms of girls' enrolment, Dalit and

⁸⁷ "The Maternity Incentive Scheme in Nepal: Increasing Demand & Equity". Presentation by the Ministry of Health, 2007. Available at www.womendeliver.org/presentation/slides/103_Marasini.ppt

other disadvantaged children's enrolment, School Leaving Certificate results, girls' retention, etc.

Geographic coverage: Nationwide

Evaluation: No significant improvement is reported as measured in terms of the gross enrolment rate (GER), NER and other educational indicators. While scholarships and incentives have at least 40 years of history in Nepal, very little is known about how these schemes function and the extent to which they have

been effective in meeting the expectations of the beneficiaries. "Looking at the effectiveness of *Dalit* scholarships, various problems such as inadequate incentive quota, untimely delivery of scholarships, and delayed information about students were reported in a study conducted by CERID (1999) for MOES. Furthermore, reports of unavailability of records of the *Dalit* population, even in the Dalit Committee, indicate a messy situation which by no means represents the envisioned system of functioning at the local level".⁸⁸

⁸⁸ UNESCO Kathmandu series of working papers, n.9. S. Acharya, B.C. Luitel, "The Functioning and Effectiveness of Scholarship and Incentive Schemes in Nepal", p.25

Table 10: NEPAL
Social protection programmes

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|--|--|---|---|--|----------|-------------------------------|---|------------------------|
| SOCIAL INSURANCE | Provident Fund. Gratuity. Old-age benefits. | Formal employment | | | Nationwide | | | | Labour law |
| SOCIAL ASSISTANCE | Old-age Allowance. Cash allowance for the elderly. | Beneficiary age is 70 | Categorical | Rs 500/month in 2008-2009 budget. District-level coordination. Benefits are distributed quarterly at VDC offices upon presentation of certificate of entitlement. | Nationwide | n.a. | Ministry of Local Development | All social security is Rs 4.4 billion in 2008/09 budget. | |
| | Survivor allowance. Cash transfer for female Nepalis above 60 years who satisfy a means-test. | Beneficiary age lowered to 60 in 2008-2009 budget. | Categorical. All citizens over age 65. | Rs 500/month; district-level coordination; benefits distributed quarterly at VDC offices upon presentation of certificate of entitlement. | Nationwide | n.a. | Ministry of Local Development | All social security is Rs 4.4 billion in 2008/09 budget. | |
| | Disability Cash Grant. Cash transfer to disabled and handicapped. | Strict disability and age criteria | Nepali citizens with disability as per the MLD list of disabilities | Rs 1,000 for fully handicapped and disabled; Rs 300/month for partially handicapped and disabled. District-level coordination. Benefits distributed quarterly at VDC offices upon presentation of certificate of entitlement. | Nationwide | n.a. | Ministry of Local Development | All social security is Rs 4.4 billion in 2008/09 budget. | |
| BLOCK GRANTS | District Development Committee Block Grant. Grants to support local governance and community development. | Formula-based allocations: population (20%), district (10%), human development index (50%), cost index (20%) along with analysis of internal | | DDC and VDCs provide 10% matching grants; communities contribute in cash or kind (materials, labour). | 20 DDCs until the end of 2007; proposed for replication in all 75 districts, and municipalities. | n.a. | Ministry of Local Development | US\$ 391.5 million for DDC, VDC and top-up capital grants, over 4 years | |

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-----------------------------|---|--|-----------------------------------|---|----------------|---|---------------------------------|---|------------------------|
| | | revenue received from the districts. Minimum Conditions and Performance Measures (MC/PM) also apply. | | Grant transferred to DDC DDF in 3 tranches (upon confirmation of 10% matching funds allocation), then to user committee bank account. | | | | | |
| | VDC Block Grant. Block grant to support local governance & community development. | Formula-based allocations | | As of 2008-2009, the annual block grant to each of Nepal's 3,915 VDCs has increased to at least Rs 1.5 million (more than \$80 million total per year). | Selected VDCs | n.a. | Ministry of Local Development | a total of 391,525,000 USD for both DDC, VDC and top-up capital grants, under LGCDP, over a period of 4 years | |
| | Top-up Grant to VDCs. Allocations linked to the Block Grant system. | Formula-based allocations | | | Selected VDCs | n.a. | Ministry of Local Development | a total of 391,525,000 USD for both DDC, VDC and top-up capital grants, under LGCDP, over a period of 4 years | |
| CASH FOR WORK | One Family, One Employment. Infrastructure development programme. | | Unemployed people in remote areas | Jobs pay Rs 180 - Rs 350 per day | Karnali region | 55,000 households in Karnali region to date | Ministry of Local Development | Rs 41.64 million allocated in 2007. | |
| HEALTH-RELATED TRANSFERS | Maternity Scheme. Helps women reach health care facilities for birth. | | Poor women Categorica | Rs 500-Rs 1500 transportation allowance; free delivery services in low-HDI districts; Rs 300 cash incentive to health care workers | Nationwide | | Ministry of Health | | |
| EDUCATION-RELATED TRANSFERS | Stipends for Dalits and Girl Students. Stipends | | | | Nationwide | | Ministry of Education and Sport | | |

PAKISTAN

Total Population:

160,943,000 (source: UNICEF ROSA, 2006)

Estimated Social Protection Expenditures as a % of GDP:

1.4% (WB) - 2.0% (ADB)*

General background⁸⁹

Social protection in Pakistan is grounded in constitutional norms (Constitution of Pakistan, article 38)⁹⁰ and forms part of the country's poverty reduction strategy. Social insurance was introduced in 1976, with the Employees' Old-Age Benefits Act. The most comprehensive social insurance scheme is the pension for government employees. There are two formal contributory schemes nationwide – the Employees Social Security Institution (ESSI), and the Employees Old-age Benefits Institution – for employees of industries and establishments.⁹¹

Pakistan's social assistance comprises three main federal cash transfer programmes (Zakat, Bait-ul-Mal, and the Benazir Income Support Program introduced in 2008), and small programmes that provide social welfare and care services to seven target groups (the unemployed, the under-employed, the elderly, the sick, the poor, the disabled, and children with special needs).

A People Works Programme Phase-II (PWP-II) formerly known as Khushal Pakistan Programme is in place, available to create employment in electrification

* UNICEF ROSA, *South Asia Fiscal Budget database, 2008*. The WB's 2006 calculation includes all public interventions oriented to human capital and social risk management. The ADB's 2008 calculation includes programmes to reduce poverty and vulnerability, including microcredit schemes.

⁸⁹ Draft Social Protection Strategy for Pakistan. Presentation by P. Tahir, Chief Economist, Planning Commission, Government of Pakistan at the Workshop on Social Protection in South Asia. 17-19 May 2006 Colombo, Sri Lanka.

⁹⁰ "The State shall – (a) secure the well-being of the people, irrespective of sex, caste, creed or race, by raising their standard of living, by preventing the concentration of wealth and means of production and distribution in the hands of a few to the detriment of general interest and by ensuring equitable adjustment of rights between employers and employees, and landlords and tenants; (b) provide for all citizens, within the available resources of the country, facilities for work and adequate livelihood with reasonable rest and leisure; (c) provide for all persons employed in the service of Pakistan or otherwise, social security by compulsory social insurance or other means; (d) provide basic necessities of life, such as food, clothing, housing, education and medical relief, for all such citizens, irrespective of sex, caste, creed or race, as are permanently or temporarily unable to earn their livelihood on account of infirmity, sickness or unemployment; (e) reduce disparity in the income and earnings of individuals, including persons in the various classes of the service of Pakistan; and (f) eliminate *riba* [usury] as early as possible."

⁹¹ All employees of the federal government, provincial governments, armed forces, civilian employees of armed forces, and semi-autonomous organisations, most statutory bodies and Water and Power Development Authority are entitled to pension and other benefits on completion of 25 years of service or on reaching the age of 60 years.

schemes, road schemes, gas schemes and other development schemes project.⁹²

Recent trends

In July 2007 the Government approved the National Social Protection Strategy (NSPS). The NSPS's long-term goal is social protection for all within an integrated and comprehensive social protection system including social insurance and social assistance. In the short-term, the focus is on providing social protection to the poorest households by improving targeting and administration, expanding educational and health services for the poor, and providing school meals and free textbooks. The NSPS commits the Government to increasing spending on social protection and to increasing the number of poor who receive regular cash transfers from just over 2 million to over 6 million in the first five years of implementation.⁹³ A year after adopting the strategy, the Government is auditing several programmes, and people are anxious to see concrete improvements.⁹⁴

At the 2008 general election, the issue of increasing social development and social protection spending figured prominently in the parties' manifestos. This commitment has already translated into new programmes and increased spending (the Government has pledged to increase expenditures from Rs 10 billion to 60 billion).⁹⁵

The Government recently has launched the Benazir Income Support Program (BISP), which involves cash payments to persons below the poverty line. The initial scope is limited due to severe fiscal resource limitations, but is to be expanded to increase the number of beneficiaries. The Government has earmarked Rs 34 billion (US\$ 625 million) for BISP in 2009. This programme will run in parallel with other poverty reduction programmes, including Zakat and Bait-ul-Mal.⁹⁶

Recommendations and observations

Pakistan's social protection expenditures are traditionally low.⁹⁷ Resources are scarce and poorly targeted, resulting in inadequate coverage. The ADB index reports that coverage rates for the six key target groups are low,⁹⁸ with none exceeding 10 per cent. For example, Zakat and Bait-ul-Mal cover less than 35 per cent of households living below the poverty line (7 million). Pension schemes benefit only a small portion of the population in the formal sector and cover less than 3 per cent of the total employed labour force. There are few informal, traditional, community-based insurance arrangements (for example micro-insurance). Social protection schemes often show a gender and rural-urban bias. Overall, around 2.5 million people are covered by some form of social protection (1.6 per cent of the population).

A recent World Bank report recommends that the effectiveness of these schemes could be significantly improved.⁹⁹ Many programmes are seen to overlap and to lack coordination. On the implementation side, the organisations frequently manage multiple activities that are not part of their core competencies (running schools, hospitals, training centres, etc.) and there seems to be a lack of synergy between agencies and programmes. Targeting flaws and leakages of funds have been reported. In terms of geographic coverage, some areas are consistently covered while others do not benefit from any programme. Monitoring, evaluation and data management are weak overall.

Summary of programmes

I. Social Insurance

The main social insurance schemes are run under the Worker Welfare Fund (WWF), Worker Profit Participation Fund (WPPF), Employee Social Security Institutions (ESSI), Education Cess Fund, and the Employee Old Age Benefits (EOAB). Together, they

⁹² National Assembly Secretariat, Government of Pakistan, 8th session, http://www.na.gov.pk/questions/session8/thursday131108_8S.pdf

⁹³ Social Protection Strategy for Pakistan; Government of Pakistan: National Planning Commission; May 2006

⁹⁴ "Social Protection Plans Fail to Reduce poverty" *The Nation*, 18 November 2008 www.thenews.com.pk/editorial_detail.asp?id=126057

⁹⁵ US\$ 1.00 = 79.8 Rupees

⁹⁶ "Social Protection Promise", *The Nation*, www.natino.com.pk/pakistan-news-newspape-daily-english-online/Opinions/Colums/29-Sep-2008/Social-protection-promise

⁹⁷ World Bank Human Development Unit, South Asia Region, "Social Protection in Pakistan", October 18, 2007, p. 30

⁹⁸ Asian Development Bank (2008). *Social Protection Index for Committed Poverty Reduction, 2008*

⁹⁹ World Bank Human Development unit, op. cit.

account for less than 25 per cent of total expenditures on social protection. The ESSI provides health services and some cash benefits to registered employees. The EOAB is a compulsory pension scheme for employees of establishments employing 10 or more persons. This cost the Government Rs 1.7 billion in 2006, or 0.03 per cent of GDP, and covered approximately 850,000 people.

II. Social Assistance

Zakat disbursement

Description: *Zakat* or “charity to the poor” is one of the pillars of Islam. The programme is entirely based on private, voluntary contributions but is administered by the Government. Zakat seeks to provide income and other support to the ‘deserving needy’ among Muslims. Support takes various forms, the most important of which are the subsistence (*guzara*) allowance and the rehabilitation grants for establishing small businesses. The scheme was introduced in 1980 and financed by taxes deducted once a year at the rate of 2.5 per cent at source from specified financial assets. The tax is levied on Muslims and the funds are intended for Muslims, which are over 90 per cent of the population in Pakistan thus making the scheme a nearly universal one. However, more recently Shia Muslims have been made exempt from the tax, reducing the inclusiveness of the scheme.¹⁰⁰

Implementing agency: The Ministry of Religious Affairs seeks guidance by the Zakat Council, headed by a Supreme Court judge.

Targeting: The almost 40,000 local Zakat committees select recipients of *zakat* from among the eligible population. The person’s income must be below the official poverty line.

Geographic coverage: Nationwide

Value of the benefit: The *guzara* allowance is a recurrent monthly transfer of Rs 500 per household, while the rehabilitation grants are one-time payments of Rs 10,000 to 30,000 per household. The programme also provides health and education benefits.

Cost and coverage: According to the World Bank, in 2005, Rs 5.9 billion or 0.17 per cent of GDP; 11.3 per cent of total social protection budget. Benefits approximately 1.7 million people.

Evaluations: Lack of information and clarity on eligibility criteria may explain some of the exclusionary outcomes. Using data from the Pakistan Socio-economic Survey (PSES) for 2000-2001, a 2006 study concluded that public Zakat currently covers far fewer households than the number actually eligible and that most microfinance programmes fail to target the poorest households, while health services have not reached the most disadvantaged areas of the country.¹⁰¹ The scheme’s targeting efficiency varies considerably between urban (64 per cent of the poorest quintile) and rural areas (37 per cent).¹⁰² “Zakat transfers are neither regular nor predictable, nor are the eligibility criteria transparent. The programme is also fragmented along religious and sectarian lines”.¹⁰³

The World Bank reports corruption and patronage in the Zakat distribution system. People perceive eligibility decisions as taken randomly. Zakat’s targeting has some pro-poor elements but coverage is limited relative to needs. The lack of objective targeting tools might be a problem. Zakat’s benefits have limited impact on poverty and income distribution. Impact on rehabilitation through the grant seems positive albeit limited, whereas school enrolment does not seem to be improved by the programme.¹⁰⁴

Pakistan Bait-ul-Mal (PBM)

Description: The programme is a tax-financed safety net combining food subsidies and cash transfers to assist destitute widows, orphans, disabled, needy and poor persons. Funds for Bait-ul-Maal come in the form of non-lapsable grants from the federal Government. PBM’s main programmes directly assisting individuals are the Food Support Programme (FSP), Individual Financial Assistance, Prevention of Child Labour, and Tawana Pakistana (girls’ school feeding programme). Benefits include residential accommodation, free medical treatment, stipends for education, and cash to sponsor self-employment schemes.

¹⁰⁰ N. Kabeer, *Mainstreaming Gender in Social Protection for the Informal Economy*, 2008, p. 269

¹⁰¹ Arif, G. M. (2006) Targeting Efficiency of Poverty Reduction Programs in Pakistan, Pakistan Resident Mission Working Paper No. 4, May. Islamabad: Asian Development Bank

¹⁰² Kabeer op cit., p. 270

¹⁰³ Ibid., p. 273

¹⁰⁴ World Bank Human Development Unit, South Asia Region, “Social Protection in Pakistan”, October 18, 2007, pp. 38-41

Targeting and delivery: Categorical and proxy means testing. Three local people (including a local Zakat Committee member) must support the application, which is then processed both at the district and provincial levels. However, the Prime Minister and other high-level functionaries can approve individual financial assistance in open *kutcheries* (public gatherings) or elsewhere.

Geographic coverage: Nationwide

Value of benefit: Depending on the type of support (e.g., in 2003, households would receive Rs 2000 per year under the food support programme; at the same point in time, support for small business would be approximately Rs 40,000)

Implementing agency: Ministry of Social Welfare and Special Education (MOSWSE)

Cost and coverage: Rs 2.5 billion; 0.05 per cent of GDP; 4.9 per cent of the total federal social protection budget. Since its inception, the FSP (core programme) has provided cash transfers to 1.25 - 1.46 million households. Food assistance is provided to approximately 30,000 households per year.

Evaluations: PBM's performance is similar to Zakat's. As reported by the World Bank, fiscal allocations for Bait-ul-Mal have increased. The two programmes together cover two million households (eight per cent of the population) with cash transfers; in contrast, some eight million households are vulnerable to chronic poverty. PBM's benefit levels are small and payments irregular; governance and eligibility criteria are not transparent; and conditions reduce targeting effectiveness. Both programmes are seen to have little impact on poverty of the recipient households.¹⁰⁵

Child Support Programme

Description: The scheme pays quarterly benefits to chronically poor households with children aged 5-12 who have been selected for participation in the Bait-ul-Mal Food Support Programme. Payments are conditional on the children enrolling in and attending

school regularly. The scheme aims at short-term poverty alleviation and raising primary school attendance. At present the programme is piloted in three districts, and will be scaled up nationally in a phased manner, once approved.¹⁰⁶

Implementing agency: Bait-ul-Mal in the Ministry of Social Welfare and Special Education

Targeting Categorical and proxy means tested: Cash transfer to chronically and extremely poor households with children aged 5-12, conditional on children attending school and passing examinations. The transfer is paid quarterly together with the Food Support Programme transfer.

Geographic coverage: 125,000 households in five districts of every province in the country

Value of benefit: Rs 300 (US\$ 3.50) per month for one child; Rs 600 (US\$ 6) if two or more children

Cost and Coverage: US\$7 million for fiscal year 2006-2007; 10 per cent of Food Support Programme beneficiaries

Tawana Pakistana

Description: Mid-day meals for girls in rural primary schools. The scheme is not only a food supplement, but part of a wider community-based intervention targeting some underlying determinants of malnutrition such as household food security for women and children, food choices, etc. The strategy addresses malnutrition and micro-nutrient deficiencies in girl children, and improvement in school enrolment and cognitive learning. The project uses a participatory approach to build partnership between Government departments and local communities through elected district representatives.¹⁰⁷

Implementing agency: Ministry of Women Development, Pakistan Bait-ul-Mal. The Aga Khan University partnered the Government for the design, management, monitoring and evaluation of the project, and 11 NGOs facilitated implementation in 4,035 rural Government girls' schools.

¹⁰⁵ World Bank Human Development Unit, South Asia Region, "Social Protection in Pakistan", October 18, 2007, p. 38-41

¹⁰⁶ Interview with PBM; Pakistan Bait ul Mal, Child Support Programme, A Conditional Cash Transfer in Pakistan. Powerpoint presentation [Islamabad May 2009]

¹⁰⁷ South Asia Partnership Project: <http://www.sappk.org/tawana.htm>

Targeting Categorical: Targeted coverage of 650,000 girls aged 5 to 12, with equal proportions of enrolled and out-of-school girls. It extends to approximately 250 primary schools for girls in each district (6,500 schools in all) with participation of about 100 girls in each school location.

Geographic coverage: 26 of the most malnourished districts of Pakistan

Cost and coverage (data from 2002-2003): Rs 700 million; 530,000 beneficiaries¹⁰⁸

Evaluations: Tawana Pakistana's strategy is to create safe environments empowering village women to take collective decisions. Women learned to plan balanced menus, purchase food, prepare and serve a noon meal at school from locally available foods at nominal costs (US\$ 0.12/child). Between 2002 and 2005, training was provided to 663 field workers, 4,383 community organisers, 4,336 school teachers and around 95,000 rural women. Height and weight were recorded at baseline and every six months thereafter. Wasting, underweight and stunting decreased by 45, 22, and 6 per cent, respectively. Enrolment increased by 40 per cent. Women's ability to plan balanced meals improved and by end of the project over 76 per cent of all meals provided the basic three food groups. There are some bureaucratic issues, which especially at the district level proved to be the most challenging bottlenecks. Success can be attributed to synergies gained by dealing with nutrition, education and empowerment issues simultaneously.¹⁰⁹

Benazir Income Support Program (BISP)

Description: The Benazir Income Support Programme (BISP)¹¹⁰ was launched in 2008 as a family grant of Rs 1000 per month, primarily to address food price increases, disbursed to the woman in the family. Beneficiaries were

originally identified through parliamentarians' offices which were to identify the poorest in the constituencies. This approach was changed in 2009 to systematic proxy means testing based on a scorecard. The scorecard is being piloted in 16 districts.¹¹¹ The benefit delivered in bimonthly installments via the post offices. In mid-2009, 1.8 million people were receiving a benefit. The programme aims to cover 15 per cent of the population, and 40 per cent of the population below the poverty line.

Targeting: Below-the-poverty-line families; internally displaced persons

Geographic coverage: Nationwide Cost and coverage: Eligibility criteria include that the woman of the household have a Citizens Card and that monthly family income is below Rs 6000. For registered IDPs, the Government will disburse a one-off emergency payment plus monthly transfers.¹¹² The initial budget allocation for 2008-09 was Rs 34 billion or US\$ 425 million, roughly 0.3 per cent of GDP. The allocation for 2009-2010 is \$625 million, of which \$200 million is a World Bank IDA loan for capacity building.

Evaluations: n.a.

III. Cash for Work

People's Works Programme Phase II (formerly Khushal Pakistan Programme)¹¹³

Description: Cash for work

Targeting: Parliamentarians' development schemes as approved by the Prime Minister: electrification, road building, etc.

Cost and coverage: Rs 22 billion has been allocated for 2008-2009¹¹⁴

Evaluations: n.a.

¹⁰⁸ Source: World Bank (2006)

¹⁰⁹ Badruddin SH, Agha A, Peermohamed H, Rafique G, Khan KS, Pappas G. The Aga Khan University, Department of Community Health Sciences, Stadium Road, Karachi, Pakistan. <http://www.ncbi.nlm.nih.gov/pubmed/18296378>

¹¹⁰ See Benazir Income Support Program. <http://www.bisp.gov.pk/benazir/>; Briefing for UNICEF at BISP Office, Islamabad, 27 May 2009.

¹¹¹ The districts were selected based on poverty level, security issues and to cover the provinces and regions of the country. Briefing for UNICEF at BISP Office, Islamabad, 27 May 2009

¹¹² *Dawn Newspaper*. Islamabad, 30 May 2009

¹¹³ National Assembly Secretariat, Government of Pakistan, 8th session, http://www.na.gov.pk/questions/session8/thursday131108_8S.pdf

¹¹⁴ "Social Protection Promise", *The Nation*, www.natino.com.pk/pakistan-news-newspape-daily-english-online/Opinions/Colums/29-Sep-2008/Social-protection-promise

Table 11: PAKISTAN
Social protection programmes

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|---|---|--|--|--|--|---|--|------------------------|
| SOCIAL INSURANCE | Worker Welfare Fund, Worker Profit Participation Fund, Employee Social Security Institutions, Education Cess Fund, Employee Old Age Benefits. | | | | | | | | |
| SOCIAL ASSISTANCE | Zakat disbursement. Entirely based on private, voluntary contributions but administered by the Government. Provides income and other support to the 'deserving needy' among Muslims. | 'Deserving needy' among Muslims | Local Zakat committees select recipients from the population of those below the official income poverty line. | The guzara allowance is a recurrent monthly transfer of Rs 500 per household; rehabilitation grants are one-time payments of Rs 10,000 to 30,000 per household. The programme also provides health and education benefits. | Nationwide | 1.7 million people | The Ministry of Religious Affairs seeks guidance by the Zakat Council, headed by a Supreme Court judge. | Rs 5.9 billion (2006) or 0.17% of GDP, 11.3% of total SP budget | |
| | Pakistan Bait-ul-Mal. Tax-financed safety net combining food subsidies and cash transfers to assist destitute widows, orphans, disabled, needy and poor persons. | Disabled persons, invalids, widows, orphans and households living below the poverty line. | Applications must be supported by three local people (including a local Zakat committee member). The Prime Minister and other high-level functionaries can sanction amounts in open kitcheries or elsewhere for individual financial assistance. | Depends on the type of support. | Nationwide | Since its inception, cash transfers to 1.25- 1.46 million households. Food assistance to approximately 30,000 households per year. | Ministry of Social Welfare and Special Education (MOSWSE) | Rs 2.5 billion; 0.05% of GDP; 4.9% of total federal social protection budget | |
| | Child Support Programme. Pays quarterly benefits to beneficiaries of Food Support Programme with | Poor households with children aged 5-12 | Children attending school and passing examinations. | US\$ 3.50 per child per month, rising to US \$6 if two or more children. This transfer is paid | 125,000 households in 5 districts of every province in the country | In pilot phase (2006), 10% of Food Support Programme beneficiaries. | Bait-ul-Maal in the Ministry of Social Welfare and Special Education | US\$ 7 million for fiscal year 2006-2007 | |

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|---|---|---|--|--|-----------------------------------|-------------------------------|--|------------------------|
| | children, conditional on their children enrolling in and attending school regularly. | | | quarterly together with the Food Support Programme transfer. | | | | | |
| | Tawana Pakistan. Mid-day meals for girls in rural primary schools and community-based interventions to address malnutrition. | Girls in rural primary schools | 650,000 girls aged 5 - 12, half enrolled and half out-of-school, in approximately 250 girls' primary schools in each district (6,500 schools in all). | Mid-day meals | 26 most malnourished districts of Pakistan | 530,000 beneficiaries (2002-2003) | Ministry of Women Development | Rs 0.70 billion | |
| | Benazir Income Support Program. Cash grant to mitigate food price increases. | Monthly family income below Rs 6000; women must have a Citizens Card. | BPL families and IDPs | Rs 1000/month in 2008 | Nationwide | 1.8 million people in mid-2009 | | US\$ 425 million in 2008-2009; US\$ 625 million in 2009-2010 | |

SRI LANKA

Total Population:

19,207,000 (source: UNICEF ROSA, 2006)

Estimated Social Protection Expenditures as a % of GDP:

3% (WB; UNICEF ROSA) - 5.7% (ADB)*

General background

A formal system of social protection, including social insurance and a strong social assistance component, has been in place since independence. Sri Lanka has a well-established tradition of providing social protection and a long history of social programmes. Its social protection efforts include employment protection and promotion, social security/insurance, and safety nets. While some social protection programmes have a universal coverage (i.e., health education), others are specially targeted programmes (Samurdhi, old age, disability, conflict affected). The country has an extensive safety net system comprising income transfers (social assistance) to address chronic poverty and individual risks (illness, disability), and covariate shocks (e.g., conflict, tsunami).

Recent trends

Social security coverage is more extensive than in most South Asian countries and includes schemes

for government employees largely funded by the state, various provident funds essentially for private sector workers, and voluntary schemes in the informal economy funded through employer-employee contributions.¹¹⁵ While Sri Lanka's social security performance is better than most of its neighbours, some gaps remain. For instance, only 28 per cent of the working age population is covered under pension and benefit schemes. Moreover, Sri Lanka is one of the fastest-aging countries in South Asia, so the existing system is unable to guarantee a minimum income for older people and prevent them from living in poverty. In recent months, the Sri Lankan Government has been considering implementing a universal pension. A recent feasibility study revealed that a pension giving around US\$ 27 per month to everyone over 70 would cost only 0.8 per cent of GDP. This is equivalent to less than 5 per cent of current Government expenditure and could be covered by a small increase in VAT.¹¹⁶

* UNICEF ROSA, *South Asia Fiscal Budget database, 2008*. The WB's 2006 calculation includes all public interventions oriented to human capital and social risk management. The ADB's 2008 calculation includes programmes to reduce poverty and vulnerability, including microcredit schemes.

¹¹⁵ ILO, "Social Protection in Sri Lanka", advisory report for the Ministry of Labour Relations and Manpower. Social Security Department, International Labour Office, Geneva, August 2008, p. 4

¹¹⁶ S. Kidd; L. Wilmore, Helpage, *Tackling Poverty in Old Age: A universal pension for Sri Lanka*. November 2008, available at www.pensionreforms.com

Social assistance programmes provide cash transfers to approximately 1.9 million poor families. Existing schemes present some deficiencies such as lack of coherence in the design, management and methods of financing.

Recommendations and observations

A 2006 World Bank evaluation found that the safety net system could be strengthened not only to produce more equitable outcomes but also to promote growth. It pointed out that this could be achieved by: “(i) better targeting existing social assistance/cash transfer programs to the poor; (ii) ensuring that poor participate in human development and income earning programs; (iii) ensuring that programs are designed to help individuals cope with vulnerability (sickness, disability, and loss of employment) by providing them social welfare and care services and by integrating workfare into social assistance programs; and finally (iv) scaling up safety net programs to help address the community level shocks (natural disasters and the civil conflict)”.¹¹⁷

In line with the above, the ADB assessment highlights some contradictions in the overall situation of social protection in Sri Lanka. On the one hand, its social protection indicators are above average for Asian countries. On the other hand, overall expenditure is biased towards the not poor, the average value of benefits to poor households is low relative to the poverty line and there are major targeting issues with the Samurdhi programme, where the majority of beneficiaries are not poor. Coverage rates for the elderly and the disabled are also below the all-Asia average. Finally, the formal social insurance schemes have weak administrations and their financial sustainability is in question.¹¹⁸ Strengthening the current social protection system is thus an important challenge for Sri Lankan policymakers.

Summary of programmes

I. Social Insurance

Old-age income support

- a. Employees’ Provident Fund (EPF)
Established through legislation by the Employees’ Provident Fund Act No. 15 of 1958, administered by the EPF division of the Department of Labour.
- b. Civil Service Pension Scheme (CSPS)

- c. Voluntary schemes for informal sector workers (farmers’ pension scheme; fishermen’s pension scheme; self-employed pension scheme)

Coverage: the EPFO, the CSPS, and the two informal schemes combine to cover one quarter of the working age population and about a third of the labour force.

Disability and survivor insurance

Ad hoc schemes tied directly to coverage in the pension system and provided as defined benefits.

Unemployment schemes

Workfare schemes also exist on an ad-hoc basis to provide employment for low-wage workers. These schemes provide labour-intensive low-skill jobs for the poorest unemployed, self-targeted through the payment of low wages.

II. Social Assistance

The Samurdhi (“Prosperity”) income transfer to the poor

Description: A comprehensive poverty alleviation programme seeking to create opportunities for young persons, women, and vulnerable and disadvantaged groups. It has three major components: (i) consumption grant transfers to eligible households; (ii) savings and credit operated through Samurdhi banks together with loans for entrepreneurial and business development; (iii) workfare and social development programmes to rehabilitate and develop community infrastructures. Beneficiaries are required to participate in microcredit and community infrastructure development programmes.

Implementing agency: Ministry of Nation Building of Estate and Infrastructure Development. The programme is managed by offices at national and sub-national/local levels under the authority of the Commissioner General of Samurdhi.

Targeting: Means tested (based on a household survey conducted in 2005); the Samurdhi Development Officers oversee the selection.

Cost and coverage: According to last available data, 2.1 million households (41 per cent of the eligible

¹¹⁷ World Bank, “Strengthening Social Protection” (April 2006), p. 62

¹¹⁸ ADB, *Scaling Up of the Social Protection Index for Committed Poverty Reduction. Volume 20: Sri Lanka country report - Final Version November 2007*. Halcrow China Limited. In association with Health Policy research Associates (Pvt) Ltd, p. 5

population) benefited from income transfer programmes that cost about 0.4 per cent of GDP in 2004. The 2008-2009 budget allocates Rs 41 million¹¹⁹ for the programme, against expected total Government expenditures of Rs 1,719 billion.¹²⁰

Evaluations:¹²¹ The programme presents an innovative approach that seeks to both reduce vulnerability and help the poor move on to higher income growth paths.¹²²

The main issues observed include: (i) mistargeting: 44 per cent of the richest quintile received transfers in 2000 while only 60 per cent of the poorest quintile received them; (ii) administrative cost and problems with the delivery system; (iii) inadequacy of the benefit. Programme expenditures declined from 0.9 per cent of GDP in 2001 to 0.4 per cent of GDP in 2004. Its welfare impact is minimal. “Thus, as currently designed, the program provides inadequate assistance to the poor. It also does not adequately help the poor escape poverty”.¹²³

Cash Transfers for Disabled

Description: This is the second-largest income-transfer scheme and encompasses several types of disabilities according to a broad definition of the Ministry of Welfare, but is primarily focused on disabled soldiers injured in the conflict, who are the main beneficiaries along with families of soldiers killed in action. This component consumed 92 per cent of transfers by the Ministry in 2003 and 85 per cent of its total budget, leaving very little support for other disabled groups.

Implementing agency: Ministry of Social Service and Social Welfare

Cost and coverage: Rs 3.86 billion, 0.32 per cent of GDP in 2004. The number of beneficiaries is unknown.

Evaluations: Expenditure on disability payments has increased over time due to the conflict. There is often pressure on Government to extend the definition of disability, which increases the number of eligible individuals and therefore expenditures.

Assistance for Internally Displaced Persons (IDPs)

Description: Food assistance for internally displaced persons (IDPs) if their monthly income is less than Rs 1500 for 12 months from date of permanent resettlement

Implementing agency: Ministry of Women's Empowerment and Social Welfare

Evaluations: The relief for the displaced is insufficient to meet basic nutrition needs, and rehabilitation assistance for permanent settlements faces strong fiscal constraints.¹²⁴

Emergency Assistance to People Affected by Natural Disasters such as Drought and Floods

Description: Cash grants or food stamps

Implementing agency: Ministry of Women's Empowerment and Social Welfare

Targeting: Beneficiaries are selected on the basis of the disaster's impact rather than on income poverty. However, a broad income criterion of Rs 3000/month per family exists for long-term assistance to recipients of disaster relief. In the short term, disaster relief covers all affected persons on the basis of the impact and injuries suffered. Divisional Secretaries in the affected regions select beneficiaries with the assistance of *Grama Niladharis* and social service officers at the divisional level. Drought relief is provided to families with incomes less than Rs 2000 a month from agriculture or related activities. Families become eligible for the relief if cultivation has been disrupted or crops damaged for at least two consecutive seasons due to drought, the crops have not been insured, and the family does not have an alternative source of income.

Cost: 0.07 per cent of GDP (2004)

Evaluations: Disaster relief covers all affected persons and works effectively.

¹¹⁹ US\$ 1.00 = 114 Rupees

¹²⁰ Sri Lanka Government Budget Speech, available at www.treasury.gov.lk

¹²¹ ILO (2008)

¹²² M. Vodopivec et al., “Sri Lanka: Strengthening Social Protection”, the World Bank (2006), p.66

¹²³ World Bank (2006), p.8

¹²⁴ World Bank (2006), p.86

Table 12: SRILANKA
Social protection programmes

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|---|---|---|---------------------------------|------------|---|---|--|------------------------|
| SOCIAL INSURANCE | <p>1. Old Age Income Support</p> <p>a. Employees Provident Fund</p> <p>b. Civil Service Pension Scheme</p> <p>c. Voluntary schemes for informal sector workers</p> <p>2. Disability and survivor insurance</p> <p>3. Unemployment schemes</p> | | | | | | | | |
| SOCIAL ASSISTANCE | <p>The Samurdhi income transfer to the poor.</p> <p>Consumption grant transfers to eligible households, together with loans for entrepreneurial and business development, workfare and social development programmes to rehabilitate and develop community infrastructure.</p> | <p>The poor. Young persons and women of vulnerable and disadvantaged groups. Those eligible are required to participate in microcredit and community infrastructure development programmes.</p> | <p>Means-tested (based on a household survey conducted in 2005). The Samurdhi Development Officers select the participants.</p> | | Nationwide | <p>2.1 million households benefited from the income transfer programmes (41% of the target population).</p> | <p>Ministry of Nation Building of Estate and Infrastructure Development</p> | <p>RS 41 million in the 2008-2009 budget, about 0.4% of 2004 GDP</p> | |
| | <p>Cash Transfers for Disabled.</p> <p>Encompasses several types of disabilities according to a broad definition of the Ministry of Welfare but primarily focused on disabled soldiers injured in the conflict.</p> | Disabled persons | | | | | <p>Ministry of Social Service and Social Welfare</p> | <p>Rs 3. 86 billion; 0.32% of GDP (2004)</p> | |

| Type of Programme | Programme Title and Description | Eligibility and Other Beneficiary-related Issues | Targeting/Delivery mechanism | Value of the Benefit & Delivery | Geography | Coverage | Key Implementing Agency | Costs and Budget Issues | Legal Framework for SP |
|-------------------|---|---|--|---------------------------------|-----------|------------------|--|-------------------------|------------------------|
| | Assistance for internally displaced persons (IDPs). Mainly food assistance. | IDPs with monthly income less than Rs 1,500 for 12 months from date of permanent resettlement | | | | | Ministry of Women's Empowerment and Social Welfare | | |
| | Emergency assistance to people affected by natural disasters such as drought and floods. Cash grants or food stamps. | | Selection based on the disaster's impact rather than income poverty, though only families with less than Rs 3000 income per month receive long-term assistance. Drought relief provided to families with income less than Rs 2000 a month from agriculture or related activities. | | | Affected regions | Ministry of Women's Empowerment and Social Welfare | 0.07% of GDP (2004) | |

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