Charting a Course Towards

# Universal Social Protection

Resilience, Equity, and Opportunity for All

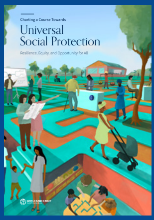

WORLD BANK GROUP
Social Protection & Jobs

WORLD BANK GROUP
Social Protection & Jobs



1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org






**Cover Illustration:**
© Carlos Reyes / Reyes Work.

**Typesetting:**
Reyes Work

# Contents

## Figures



## Boxes and tables

# Acknowledgments

"Charting a Course Towards Universal Social Protection: Resilience, Equity, and Opportunity for All", known as the SPJ Compass, was prepared under the direction and guidance of Michal Rutkowski, Global Director for Social Protection and Jobs and Loli Arribas-Banos, Practice Manager from the Global Engagement Unit of the Social Protection and Jobs Practice. The team appreciates the guidance received from Mari Pangestu, Managing Director, Development Policy and Partnerships, and Mamta Murthi, Vice President, Human Development. The Compass was prepared by a core team from the World Bank Group's Social Protection and Jobs Global Practice; Will Wiseman (co-TTL), Melis Guven (co-TTL), Margaret Grosh, Indhira Santos and Polly Jones. Samah Badawi, Vikesh Mahboobani Martinez, Angela Maria Rubio Martinez, Karen Peffley, Matteo Quintero, Catalina Murcia, and Carlos Reyes provided valuable inputs, research, and graphic design support during the conceptualization and writing of the Compass. Fiona Mackintosh edited the final volume. We are grateful to the ASPIRE team (Emil Tesliuc, Claudia Rodriguez Alas, Usama Zafar, Ana Sofia Martinez Cordova, Gonzalo Reyes, and Indhira Ramirez Sanchez) for their critical help with ASPIRE data to substantiate the work.

Valuable inputs during the preparation process were provided by Syud Amer Ahmed, Mohamed Almenfi, Colin Andrews, Zoran Anusic, John Blomquist, Ioana Alexandra Botea, Thomas Bowen, Ines Rodriguez Caillava, Shubha Chakravarty, Ludovica Cherchi, Luc Christiaensen, Aline Coudouel, Wendy Cunningham, Carlo del Ninno, Gustavo Demarco, Raiden Dillard, Inas Ellaham, Ugo Gentilini, Elena Glinskaya, Vlad Alexandru Grigoras, Sarika Gupta, Alessandra Heinemann, Himanshi Jain, Adea Kryeziu, Mattias Lundberg, Manjula Luthria, Dalal Moosa, Harry Moroz, Matteo Morgandi, Truman Packard, Robert Palacios, Montserrat Pallares-Miralles, Juul Pinxten, Josefina Posadas, Laura Rawlings, Shams ur Rehman, Cristobal Ridao-Cano, Jamele Rigolini, Veronica Silva, Sandor Sipos, Oleksiy Sluchynskyy, Emil Tesliuc, Michael Weber, Mitchell Wiener, Penny Williams, Briana Wilson, Nahla Zeitoun, and Asta Zviniene.

Extensive internal and external consultations were undertaken throughout the preparation of the document. Internal consultations included regional and thematic conversations within the SPJ Global Practice, as well as consultations with other Global Practices and Country Management Units. Consultations with external partners including the Social Protection Inter-Agency Cooperation Board (SPIAC-B) and USP2030 members, the ITUC, WIEGO, and other civil society organizations provided valuable insights. The team also received feedback from the World Bank Board of Executive Directors and their capitals.

We appreciate the guidance and support of the Human Development Practice Group Directors, Amit Dar, Daniel Dulitzky, Luis Benveniste, Keiko Miwa, Dena Ringold, Alberto Rodriguez, Fadia Saadah, and Lynne Sherburne-Benz; of the HD Chief Economist Norbert Schady; and of the SPJ GP Practice Managers Paolo Belli, Anush Bezhanyan, Christian Bodewig, Rob Chase, Yasser El-Gammal, Pablo Gottret, Cem Mete, Stefano Paternostro, Dhushyanth Raju, Iffath Anwar Sharif, and Ian Walker. David Cody of the IMF provided helpful insights particularly on financing for social protection. Peer reviewer comments at the Decision Review were provided by Keith Hansen and Omar Arias.

# Abbreviations

| | |
|---|---|
| **ASP** | Adaptive social protection |
| **ADL** | Activities of daily living |
| **CCTs** | Conditional Cash Transfers |
| **CEQ** | Commitment to Equity project |
| **CRPD** | Convention on the Rights of Persons with Disabilities |
| **EAP** | East Asia and the Pacific |
| **ECA** | Europe and Central Asia |
| **FCV** | Fragility, conflict and violence |
| **GRM** | Grievance redress mechanism |
| **IADL** | Instrumental activity of daily living |
| **IDP** | Internally Displaced People |
| **LAC** | Latin America and the Caribbean |
| **LTC** | Long-term care |
| **MNA** | Middle East and North Africa |
| **ODA** | Overseas development assistance |
| **SAR** | South Asia region |
| **SDGs** | Sustainable Development Goals |
| **UCTs** | Unconditional cash transfers |
| **UISAs** | Unemployment insurance savings accounts |
| **USP** | Universal social protection |
| **USP2030** | Global Partnership for Universal Social Protection |

# Overview

**The Social Protection and Jobs (SPJ) Compass[1] puts at its heart the vision of universal social protection.** It recognizes that the progressive realization of universal social protection (USP), which ensures access to social protection for all whenever and however they need it, is critical for effectively reducing poverty and boosting shared prosperity. Countries across the globe are increasingly using this vision to guide their policy. Social protection can be defined as policies and programs that help individuals and societies to manage risk and volatility, protect them from poverty and inequality, and help them to access economic opportunity. Social protection aims to achieve this by increasing people's resilience, equity, and opportunity, the three goals of social protection, by means of a range of instruments in the social insurance, labor and economic inclusion, and social assistance and care domains. This set of interventions is collectively referred to in the Compass as social protection.

**An update to the World Bank strategy for social protection is urgent amid rapid change both within the sector and beyond.** As the world begins to emerge from the COVID-19 pandemic, both the unprecedented crisis that it caused and the immediate arrival of new global shocks has reinforced the need for social protection in dramatic ways. At the same time, the crisis has highlighted a new and rapidly evolving set of possibilities for design and delivery of social protection. The current Bank strategy, "Resilience, Equity, and Opportunity: The World Bank's Social Protection and Labor Strategy 2012–2022," provided an overarching framework for understanding the value of investing in social protection programs and outlined how the World Bank would work with client countries to further develop their social protection programs and systems. The Compass aims to build on that framework in recognition of how fundamentally the global context has changed for the World Bank's work in the sector.

[1] The World Bank Global Practice that oversees work on Social Protection has the title "Social Protection and Jobs," and therefore this document uses that terminology in its title. The Compass aims to provide strategic guidance to the Bank's Social Protection and Jobs Global Practice on the traditional social protection instruments in the domains of social insurance, labor and economic inclusion, and social assistance and care. It is nested within a much wider multi-sector agenda that puts jobs at the heart of economic policy, which is guided by other documents.

**Before the pandemic, the world had made progress in reducing poverty, but vulnerability and informality remained stubbornly high.** In the decade prior to the pandemic, the proportion of people in poverty around the world fell from 39.5 percent to 24.3 percent. As poverty has fallen, there is a rapidly growing "vulnerable" class consisting of those who are not poor but have not achieved the comforts included in most definitions of the middle class. In many countries, the poor and vulnerable face critical risks, but they have few formal ways to protect themselves from those risks as informality remains stubbornly high. Overall, about two-thirds of the labor force in emerging economies remains informal meaning that traditional social insurance associated with a formal labor contract has not been able to support the poor nor the emerging middle class. Access to social assistance and to economic inclusion and labor programs also remains limited in many countries. These gaps highlight the need to rethink critical aspects of social protection.

**A number of global trends are reshaping economies and societies with profound implications for how countries organize their social protection sector.** While the existential threat of climate change has been understood for decades, its negative effects on human wellbeing and poverty are becoming increasingly visible. In labor markets, technological innovation is disrupting traditional industries and redefining the employee-employer relationship as well as leading to big shifts in the mix of skills required to succeed in the labor market and in the nature of work itself. Ensuring that young people entering the labor market can acquire these skills will be key to harnessing the demographic dividend that some countries are facing. Yet, while some countries are experiencing exponential growth in their youth populations, other countries are aging rapidly. As countries seek to foster growth and shared prosperity, gender disparities continue to be a significant constraint, with women and girls being at a disadvantage in most cases. Other groups such as people with disabilities, indigenous populations, migrants, and the homeless also face significant challenges to empowerment and inclusion. Many of these factors contribute to and are exacerbated by conflict and fragility. As progress was made in reducing poverty globally prior to the COVID-19 pandemic, extreme poverty has begun to be increasingly concentrated in certain locations, including many that suffer from fragility and conflict. Conflict can also have wider regional and global impacts. The invasion of Ukraine has had many negative impacts including greatly exacerbating the growing food and fuel price crisis, with dire effects on the food security of the poorest and most vulnerable in many countries.

**COVID-19 has hugely disrupted economies and societies across the globe and underscored the crucial importance of effective social protection.** As COVID-19 struck, many countries around the world deployed their social protection systems to help to mitigate the economic impact of the pandemic. This followed years of effort in many low- and middle-income countries to build social protection programs, leveraging innovations in technology to expand them far more rapidly and widely than had previously been thought possible. COVID-19 has undoubtedly proved to be a major catalyst for moving social protection further up the political agenda. As a result of actions taken during the pandemic as well as of the weaknesses that the response made evident, many countries around the globe are reimagining the design of their social protection systems in ways that they perceived to be impossible prior to the pandemic. Whether this will permanently propel governments towards a deeper commitment to providing more and better social protection will take some years to play out, but the current inflection point created by COVID-19 suggests that it is an opportune time for the World Bank to define new strategic priorities to support this agenda.

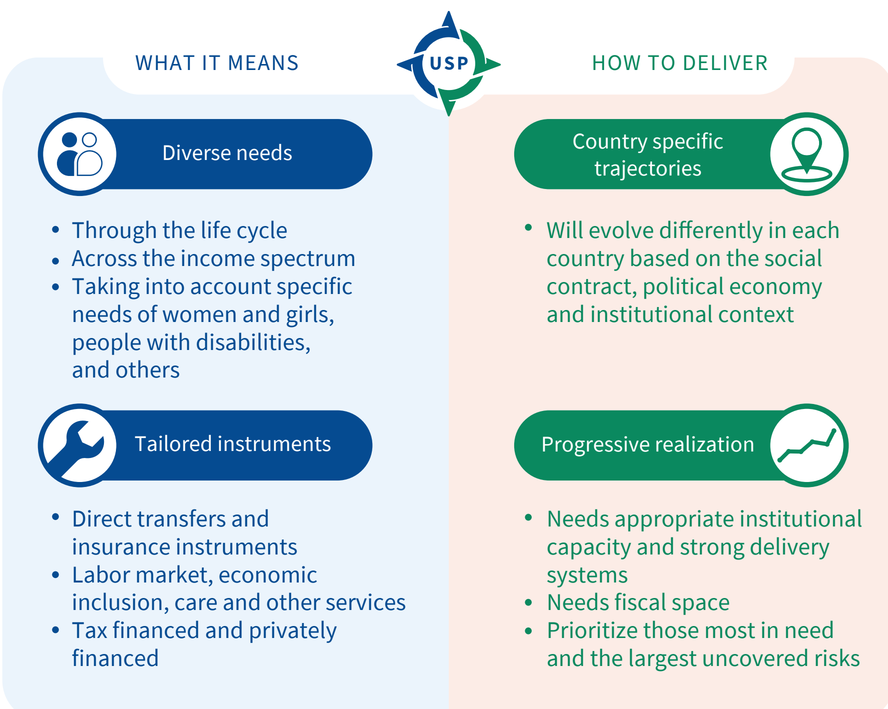
**Even before the pandemic, evidence of the important role played by social protection in reducing poverty and boosting shared prosperity had grown enormously.** Support for building social protection programs and systems at the country level has increased over the last decade as increasing evidence has accrued about the multiple benefits that can come from investing in the sector. Many of these benefits have been demonstrated in multiple country contexts as a result of the strong emphasis on evaluation in the sector. The first and most direct effect of many social protection programs is the effect of providing households with more income. The evidence that social protection does indeed directly boost income and reduce current and future poverty is well established. But beyond this, social protection programs also produce a range of longer-term outcomes, related to building human capital, maximizing its productive use, and protecting it throughout the lifecycle. Beyond the returns to individuals and households, there are also many benefits that accrue at the community and national level, including contributing to economic growth and reducing inequality.

**Recognition of the importance of social protection has led to increased global cooperation in the sector.** In 2015, the UN Member States adopted the 2030 Agenda for Sustainable Development that calls upon states to "Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and vulnerable." This commitment subsequently led to the launching of the Global Partnership for Universal Social Protection (USP2030) under the co-leadership of the World Bank and the International Labour Organization. USP2030 partners work together to increase the number of countries that provide USP by supporting governments in designing and implementing universal and sustainable social protection systems.

**There are several factors to consider in order to support the effective achievement of USP at the country level.** Universal social protection refers to a nationally defined system of integrated policies and programs that provide equitable access to all people, protecting them throughout their lives against poverty and risks to their livelihoods and well-being and helping them access economic opportunity. When providing coverage to an entire population, not only must people be given direct or contingent support but the financial protection provided must also be adequate to enable recipients to effectively manage a given risk should it materialize. No individual program can protect people from the many different risks that they are likely to face throughout their lifetimes, from poverty to ill health, income losses, unemployment, and old age. People and households often encounter various risks at the same time. Therefore, comprehensive and effective coverage can only be provided by a suite of programs that span the domains of social insurance, labor and economic inclusion, and social assistance and care, ensuring that all people are effectively protected at different points in the lifecycle.

**How countries make progress towards USP will necessarily vary according to political and economic factors specific to each country, but in all cases, building fiscal space and institutional capacity are essential prerequisites.** How social protection systems evolve in each country depends on a number of factors including the country's level of income and poverty, its risk profile, the structure of its labor market, and, perhaps most importantly, the political and institutional context as well as the social contract. As a result, there is an enormous diversity among countries in terms of the institutional arrangements governing social protection. Nevertheless, there are two critical needs that must be met in in all contexts in order to make progress – fiscal space and institutional capacity. Because the lack of fiscal space continues to be an important impediment to increasing the coverage and adequacy of benefits in many countries, it will be essential for governments to develop long-term national financing strategies to secure full and sustainable funding for USP. These strategies are likely to combine actions designed to increase the efficiency of existing social protection spending with those designed to mobilize more domestic revenues. However, neither of these actions will be fully successful in furthering the achievement of USP if countries lack the institutional capacity to deliver the full range of social protection support.

**Charting a Course Towards Universal Social Protection**



**As countries move towards USP, the progressive realization of USP implies the need to start by prioritizing the poorest and most vulnerable for support.** Given that it will take time to create the necessary institutional and fiscal capacity for USP, many countries will move gradually towards achieving that goal and as they do, it is important that they adhere to the principle of prioritizing the poorest and most vulnerable for support. This is particularly crucial in the case of social assistance programs, which can help to ensure that social protection systems maximize both the equity and efficiency of public spending. Therefore, it will be critical for countries to build their capacity to be able to accurately identify those most in need.

## Progress towards Achieving USP and the Challenges that Remain

**In order to determine future strategic priorities, it is first necessary to assess the progress being made towards achieving USP around the world as well as the challenges that remain.** The goals of equity, resilience, and opportunity provide a useful organizing framework for this assessment. Different programs and instruments almost always contribute to more than one of these goals. In the assessment that follows, they are discussed primarily under the goal to which they most contribute. Delivery systems and financing for social protection are identified as two cross-cutting enabling factors that have underpinned recent progress, and therefore, they merit their own discussion.

### A. Towards the Goal of Equity

**The equity objective is essential for ensuring that the poor and vulnerable are given the support that they need to reach a basic minimum level of consumption and well-being and, thus, for fostering equality of opportunity.** Social protection has a role to play in reducing both poverty and inequality. The aim of reducing poverty is particularly pertinent in low-income countries, but all countries have a responsibility to protect their poorer residents. There is long-established evidence that reducing poverty and inequality maximizes the welfare of society as a whole and promotes more efficient economic growth. Almost everywhere around the globe, the political will exists to help those in society who are less fortunate, although preferences for redistribution vary substantially from country to country.

**Despite low rates of social assistance coverage around the world, these programs have rapidly expanded in recent years.** In developing countries, the coverage of social assistance programs is still partial. On average, just over one-third of the population and one-half of people in the poorest quintile in their country receive some form of social assistance, with poorer countries having even lower coverage. Nevertheless, over the last two decades, social assistance coverage of those in the poorest quintile has grown by 5.8 percentage points in low-income and lower-middle-income countries and by 12.7 percentage points in upper-middle-income and high-income countries. In many countries, the establishment or expansion of non-contributory social pension schemes financed from general revenue was a key element of this increase. Although the focus of social assistance is often on how many people are covered, the value of the benefits provided is crucial for achieving positive outcomes, but this is often inadequate. On average, social assistance benefits represent around 19 percent of the income of people in the poorest quintile. A particular challenge is that many programs do not automatically adjust their benefits for inflation or regularly review their adequacy.

**While much of the expansion in coverage has been driven by cash transfers, in-kind programs continue to be sizable in some countries.** Although it is generally recognized that cash-based programs have advantages, in-kind provision can be the preferred instrument when and where markets work poorly, which can be the case in disasters or in remote areas with poor infrastructure. Some countries have historically had large food-related programs, often aiming to meet a mix of food security, agricultural, and social protection objectives. While some have moved towards cash or e-vouchers in recent years (such as Iran and Indonesia), others (such as India and Egypt) are modernizing and improving their food-based programs. A particularly prevalent type of in-kind programming is school feeding, which is the most extensively used social assistance instrument in the world. An estimated 161 countries have school feeding programs, and one in every two schoolchildren globally now receives a school meal.

**Social care services are an important element of social protection, but needs are far from being met.** The provision of care services supports the human capital, employment, social engagement, and resilience both of those who need care and of those who are employed in the growing industry of care services. Most countries do not provide any long-term care (LTC). Only 5.6 per cent of the global population lives in countries that provide mandated LTC coverage to the whole population. The number of older people in need of long-term care around the world is projected to increase by 100 million between 2015 and 2030. At the other end of the age spectrum, of all children worldwide who are below the age for primary school entry, 350 million children (or 43 percent of the age group) could benefit from childcare but have no access to it. Of the estimated 1 billion people with disabilities in the world, up to 190 million have very significant impairments, which is a lower-bound estimate of those who may need care, but the vast majority of them do not get any.

**COVID-19 prompted an enormous expansion of coverage of social assistance aimed at limiting the negative economic impact of the pandemic on the poor and vulnerable.** During the pandemic, 166 countries initiated new, mostly temporary social assistance programs. This response approximately doubled coverage in non-fragile countries and increased it ten-fold in some fragile states due to low initial levels. Crises such as the pandemic can accelerate growth in the coverage of social protection, often as a result of an increased appreciation of its importance, lessons learned about the deficiencies in systems revealed by the crisis, and the know-how generated in response. Inspired by their COVID-19 crisis responses, a number of countries are now considering expanding or improving their pre-crisis social assistance programs.

## B. Towards the Goal of Resilience

**Resilience is a core objective for helping to prevent people from falling into or falling deeper into poverty.** This is especially true when a shock can cause negative coping responses such as reducing food consumption, selling productive assets, or withdrawing children from school for their labor as these actions can have permanent or long-lasting negative consequences. Risk management instruments such as social insurance can help people to smooth their consumption during hard times, so they are able to manage impacts of shocks with no significant negative effects on their well-being.

### *Strengthening Insurance and Savings Instruments*

**Contributory insurance programs are an important tool for managing risk and for smoothing income but are limited in their coverage and equity.** Globally, the ILO has estimated that 70 percent of the world's population lacks any comprehensive social insurance. This is the case despite widespread efforts by countries to increase formal employment and, with it, the coverage of traditional work-related social insurance. Coverage of social insurance tends to be concentrated among people in the upper half of the income distribution, who are more likely to be in formal employment. Entitlements to these insurance benefits often depend on people's past working trajectories, contributions, and earnings, which puts some individuals at a particular disadvantage, particularly women, young people, and low-skilled workers.

**Many contributory pension systems around the world face challenges of sustainability and equity.** Many contributory pension systems are dependent on state transfers. In some countries, the government, in addition to employers and workers, pays into the social insurance system. In other countries that have pay-as-you-go defined benefit pension systems, the payouts often exceed revenues, and when this happens, governments have to step in to ensure that pensions are paid. For example, in Latin America, estimates suggest that defined benefit systems require subsidies that on average represent 44 percent of their total costs. These deficits are doubly pernicious. They threaten the sustainability of the pension system, and they are regressive since the deficits must be covered from general revenues, which tax all people, including many who do not benefit from the pension subsidy. Many countries have introduced reforms that changed the parameters of their pension systems (such as the contribution rate, the pension age, or the value of benefits) to counter deficits and the financial burden of demographic change. Between 2010 and 2020, a total of 291 such parametric reforms were announced by governments across the globe. Another tack has been to implement structural reforms to address coverage gaps and fiscal pressures by introducing fully funded defined contribution pension systems. Yet these reforms in many cases did not solve the underlying problems, and many have been fully or partially reversed.

**Civil service pension schemes are a huge fiscal burden in many developing countries, but political pressures make them difficult to reform.** Spending on civil service pension schemes absorbs a large share of government revenue in many countries. While almost all OECD countries have merged their civil service pension schemes with those for private sector workers, stand-alone civil service pension arrangements continue in most developing countries. Even in places where reforms have been made, these pensions often offer more generous benefits than those for the private sector, and they can constitute a major fiscal burden that threatens to crowd out other essential spending.

**To escape the limits of traditional social insurance, many governments are now working on expanding alternatives.** Some governments are experimenting with instruments financed from general revenue such as social pensions. Others are promoting a range of voluntary schemes. For example, a small number of countries have been setting up voluntary pensions savings among formal workers, often using automatic enrollment when workers start new jobs and discouraging opt-outs. Other countries have opened up more traditional contributory schemes to informal sector workers who may wish to join. Some governments are also starting to promote voluntary saving schemes aimed at covering informal workers specifically, which have been enabled by recent advances in FinTech, sometimes with matching government subsidies to incentivize contributions.

**While pensions provide security after a person's working life is over, unemployment protection schemes are critical for insuring working adults against loss of earnings**. Across the globe, unemployment insurance programs have low *de jure* coverage and even lower *de facto* coverage. Less than half of the global labor force is legally covered by nationally legislated unemployment protection, and coverage tends to be concentrated in higher-income countries. Most low- and middle-income countries rely solely on separation or severance payments to protect workers if they lose their job. These types of payments are problematic. If firms are dismissing their workers, then they are highly likely to have liquidity problems, meaning that the non-payment of these obligations is widespread. As a result, some countries have reformed their severance payment systems and replaced them with alternatives such as unemployment insurance savings accounts, which have often been implemented in combination with traditional unemployment insurance.

### *Adaptive Programming for Crises and Natural Disasters*

**Adaptive social protection (ASP) aims to build the resilience of poor and vulnerable households before, during, and after large covariate shocks that affect larger groups of households or communities.** While the recent expansion of social assistance has widened coverage significantly, it remains limited in many places, particularly among the poorest. Low social protection coverage of those most vulnerable to covariate shocks inevitably limits the role of social protection in building resilience. However, some countries are seeking to adopt more shock-responsive approaches within the constraints of existing coverage. Considerable progress has been made in the past decade in terms of improving the speed and effectiveness of ASP responses.

**Countries are increasingly using climate-related information as part of ASP.** The availability of data on weather and natural resources over time with increasing spatial granularity makes planning and preparedness easier to achieve, thus reducing the time needed to respond when a shock happens. For example, Kenya, Niger, and Uganda use satellite data on crop performance in drought conditions to trigger an increase in the number of people served by ASP programs (horizontal scale-up) or in the level of benefit that they provide (vertical scale-up). Data on how exposed individual households are to risks such as flooding and landslides are now being gathered or piloted in social registries in Colombia, the Dominican Republic and Pakistan, which will facilitate their governments' response should shocks occur.

**Disaster risk financing helps countries to ensure that the necessary resources are available on a timely basis to fund a social protection response at scale.** The application of risk financing to the social protection sector can be transformational in improving the timeliness and effectiveness of a country's response, enabling the rapid disbursement of resources to pre-existing cash transfer programs that can channel resources directly to poor and vulnerable households affected by a crisis. The process of "risk layering" is critical. Risk layering is based on the premise that multiple instruments should be ready to be deployed as part of a comprehensive risk financing strategy that can respond to different risks of different frequencies and severities. For example, it may be better to set aside contingency budgets for smaller, less severe shocks, whereas macro-level insurance may be more appropriate for less frequent, more severe shocks.

**Countries need to define institutional responsibilities and emergency rules prior to an emergency to ensure that agencies can respond efficiently.** ASP is inherently intersectoral, involving both social protection and a large range of agencies involved in disaster risk management at all levels of government. Often, the role of social protection in responding to shocks is not reflected in relevant policy and legislation, including in the social protection and disaster risk management sectors, meaning that there are no clear mandates for social protection. Beyond high-level policy and legislation, clearly defining institutional responsibilities and data sharing protocols in advance for each stage in a disaster response (including pre-crisis planning, immediate response, and recovery) can increase the effectiveness of that response significantly.

**Synergies between humanitarian assistance and social protection systems are becoming more evident as social protection systems become more adaptive.** Traditionally, social protection has been used as an instrument to reduce chronic poverty and vulnerability, while humanitarian assistance has focused on providing emergency in-kind benefits. However, this distinction is becoming increasingly blurred as the two approaches converge. Technology is enabling the delivery of social protection even in high-risk and low-capacity environments that might otherwise have been prohibitive, such as Haiti, Somalia, and South Sudan. At the same time, humanitarian assistance has increasingly shifted towards providing cash transfers rather than in-kind support, recognizing that this can often be more efficient and effective in meeting needs. However, globally, an estimated 97.5 percent of humanitarian assistance continues to flow independently of government systems, which means that there is enormous potential for greater coordination and alignment.

## C. Towards the Goal of Opportunity

**The third goal of social protection is to create opportunity by building human capital and helping men and women to access productive income-earning opportunities**. Social protection can enable households to make investments in their future and to use these investments productively. It enables households to take advantage of opportunities to invest that they would otherwise miss—both in the livelihoods of the income earners in the household and also in the human capital of their children. Economic inclusion and labor market programs can help recipients, particularly the most disadvantaged, to optimize their skills and capital investments, access markets, and find appropriate jobs.

**Economic inclusion programs aimed at improving the livelihoods of the poor have grown significantly in recent years, particularly in lower-income countries.** Economic inclusion programs typically integrate several complementary components, most commonly cash transfers combined with skills training, coaching, links to markets, and access to financial services. A recent survey identified 219 active programs in 75 countries, with more programs being in the planning phase. While there has been a worldwide surge in government-led economic inclusion programs, the scale of these programs remains modest, and the issue of how to scale them up remains unresolved, given their often high per household costs.

**Labor market programs continue to be an important mechanism for helping working age individuals to find better jobs and increase their productivity.** However, in many developing countries, these programs remain small and fragmented relative to the enormous employment challenges that they face. Average spending on active labor market programs across the globe comes to only 0.3 percent of GDP. Yet in low- and middle-income countries, spending on labor market programs has been rising. Crises such as the 2007-2009 global financial crisis and rising youth unemployment have led policymakers to increase their focus on employment support, on increasing workers' productivity, particularly in the informal economy, and on "activation" strategies. Global trends and COVID-19 both suggest that labor market programs have a greater role to play, but their design and implementation would need to be improved.

**The most important lesson from recent experience on labor market programs is that their impacts tend to vary widely between programs and beneficiary groups and over time**. This most likely reflects the varying objectives of different types of programs as well as the challenges involved in designing and implementing sound programs for different clients and in varying institutional contexts. The evidence suggests that labor market programs may be more effective at helping certain groups, such as women, than others, which is encouraging given the constraints that women face to participating in the labor market. The evidence also shows that the impact of programs varies over time, making it critical to evaluate their performance beyond the short term.

**Over the last decade, there have been some promising innovations in the approach to labor market programs.** First, there is an increasing recognition among governments that the private sector is an important client and partner in these programs. Second, programs in lower-income countries have expanded beyond formal labor markets and wage employment to also include programming for the informal sector. Third, given evidence that comprehensive programs tend to achieve better outcomes, programs increasingly are being bundled together to tackle the many constraints that job seekers face in the labor market. Fourth, data and technology are supporting innovation that is increasingly making these programs more efficient and effective, particularly in the area of employment services. Finally, there is a slow shift towards designing programs to focus on results, with a growing number entering into results-based contracts with private providers.

**Together with labor market programs, labor regulations shape economic opportunities and can play a significant role in providing workers with protection.** These regulations apply to only formal workers, which means that most workers in low- and middle-income countries fall outside of their scope because informality is so widespread. Weak enforcement sometimes also limits the extent to which they apply to even many formal sector workers. While their importance in protecting workers and shaping firms' decisions is widely recognized, the exact shape that labor regulations should take remains contentious. Evidence suggests that, particularly in cases where labor regulations avoid "extremes," or when only modest changes are made, they have little impact on employment levels. However, the literature also makes clear that regulations can have complex and heterogenous effects in terms of employment. Over the past decade, labor regulations in a number of countries have become more flexible in some key respects, allowing for contractual diversity or reducing severance pay to better adjust to changing labor markets, while also increasing protections associated with leave and working conditions. Nevertheless, the political economy considerations involved in trying to reform labor regulations remain as difficult as ever.

## D. Systems for Social Protection

**To effectively contribute to the goals of equity, resilience, and opportunity, social protection programs need to work together as a system of complementary initiatives.** Social protection systems are "portfolios" of programs that work together at three levels. At the policy level, the entire portfolio of programs should be coherently aligned to support national goals and social contracts. At the program level, there is a focus on design and implementation issues, for a given program, and across programs, with the aim of promoting harmonization and/or integration of similar programs, and coordination among programs aimed at similar groups. At the administration level, delivery systems should be designed with the necessary capacity to facilitate programs' core business processes. These often enable the systems approach being promoted at higher levels.

**Many countries are taking a range of different actions to improve their systems.** The majority of countries now have social protection policies or strategies in place, with a large number adopting such frameworks in recent years. This is much needed as the challenge of fitting together programs of different sorts (assistance, insurance, services, regulation), for different risks (poverty, employment, health, natural disaster and climate change), for different kinds of people (age, gender, level of welfare, varied social identities and vulnerabilities), at different scales (idiosyncratic, covariate), to meet the different objectives of social protection (equity, resilience, and opportunity) is inherently a multi-dimensional problem.

**Ensuring that different programs cover different aspects of household need can increase the coherence of the overall system.** Programs can be layered together in ways that provide differentiated support for households across the income distribution. This layering of benefits is now routine in places where a single social registry of potential beneficiaries exists that can be used to determine eligibility to various programs with different thresholds for different needs and vulnerabilities. Although less common, some countries have moved past providing separate but complementary programs to providing bundled services. Programs such as *Chile Solidario, Puente* in Costa Rica, and *Unidos* in Colombia have adopted this approach. In these bundled programs, social workers help families to develop a plan of action, provide them with psycho-social support, help them to obtain basic paperwork (such as IDs), and access the programs for which the family qualify. Income support and labor market activation measures are also often provided together in higher-income countries that have more formal labor markets and more developed social protection systems.

**Delivery systems constitute the operating environment for implementing social protection benefits and services.** In recent years, delivery systems have been improved by the rapid development and deployment of three types of digital tools: (i) identification systems; (ii) social registries; and (iii) payment systems. All three tools serve broader functions of government, not just the social protection system. Each has proven critical for improving the delivery of social protection benefits and services. In many countries, social protection programs are not only the biggest users of these tools but have driven innovation as well as helping to ensure their widespread adoption.

**Beyond digital innovation, the capacity of social protection systems around the world has been growing.** Their growing coverage has required increases in staffing, equipment, and facilities. Many flagship programs have moved from being donor or ministerial initiatives to being established in law. Also, it is now possible to measure program results and disclose them so that the public can track social protection expenditures, processes, and outcomes. The global social protection sector has a strong track record of conducting program evaluations, with more than 10,000 studies having been produced since 2000.

**The COVID-19 pandemic underscored the importance of having robust and adaptive social protection delivery systems in place that make good use of digital technology.** On the one hand, the investments that many countries had already made in their social registries significantly shortened the time needed to roll out their pandemic response packages (in countries such as Brazil, Jordan, Morocco, Nigeria, Peru, Senegal, and Türkiye). However, even in some countries with comparatively mature social protection systems, weaknesses in their social registries and payment systems undermined their ability to respond rapidly to the crisis. While digital solutions are essential to ensure dynamic and inclusive social protection delivery systems, there is still the problem of the digital divide between and within countries and the critical challenge of ensuring data security and privacy.

## E. Financing for Social Protection

**The amount spent on social protection globally is significant, though much more is spent on pensions than on social assistance or labor market programs, with considerable variation between countries in each category.** On average, World Bank client countries spend 3.7 percent of their GDP on pensions, 1.3 percent on social assistance, and 0.3 percent on labor programs. In each category, spending tends to increase with country income. Average spending in upper-middle-income countries is nearly seven times higher on pensions, twice as high on social assistance, and three times as high on labor market programs than in low-income countries.

**In response to the COVID-19 pandemic, countries implemented very significant but mostly temporary increases in social assistance spending.** Spending on pandemic-related social assistance averaged 1.11 percent of GDP in low- and middle-income countries, with external financing playing an important role in the case of lower-income countries. In those countries where domestic resources were used, the most common approach was to restructure the budget to accommodate these unexpected expenditures, but nearly half of them incurred domestic debt and deficit spending, while others tapped different types of reserves and contingent funds.

**Beyond the pandemic, there is pressure in almost all countries to raise social protection spending over the medium to long term.** Achieving USP will require substantial increases in the effective coverage of social assistance and labor market programs, covering pension deficits, and, in some cases, the provision of additional subsidies to promote social insurance. Different studies have come up with different visions of what comprehensive social protection might cost, but all suggest that the cost would be well in excess of current spending, and sometimes several times higher. In the case of social insurance, a substantial part of the fiscal pressure is inherent as populations age, and the long-term fiscal pressure from pension financing pertains broadly across the globe.

**The ability to finance social protection depends to a great extent on the mobilization of domestic revenues.** Overall, increases in tax revenue have been modest since the turn of the century. The IMF considers that increasing the tax-to-GDP ratio by 5 percentage points of GDP over the next decade is an ambitious but reasonable target in many developing countries. However, given the many additional pressing needs in these countries, this suggests that it will be a battle to win sufficient fiscal space for social protection. And the difficulties are much more acute in the wake of pandemic, with both government deficits and debt having significantly increased.

**Because the objectives of social protection include reducing poverty and inequality, the distribution of transfers and the taxes that support them must be considered together.** The tax revenues of advanced economies are equivalent to around 25 percent of GDP. However, in developing countries, this percentage is significantly lower, averaging considerably less than 20 percent. The mix of taxes that generate these revenues is often much less progressive than in advanced economies, and these countries also tend to spend less on redistributive spending as well. As a result, the redistributive effect of the tax transfer system of many developing countries is negligible. In a study of 42 developing countries, the authors found that only seven of them had managed to reduce inequality by five Gini points or more, with the average reduction being less than three. In contrast, the average for the OECD is 18 Gini points. Their impact on reducing poverty was even more modest.

**Payroll taxes are the main method used to fund contributory insurance, but as countries seek to expand coverage, few have room to increase them**. Because the state can rely on employers to observe wages and collect contributions, policymakers see the payroll tax as a relatively secure revenue source. Workers see the link between their contributions and their eventual benefits as an acquired right. Both these factors create a powerful force for stability. However, there are some disadvantages to payroll taxes. One is the risk of making labor more expensive relative to capital. Another is the unbreakable link that they create between the provision of social insurance benefits and the nature of the worker's engagement in the labor market. This inherently limits the potential to cover informal sector workers. Also, there is the risk of creating incentives for workers to remain in the informal sector, particularly when the link between contributions and benefits is not viewed favorably by workers. This is especially relevant for women whose interrupted careers may make it difficult to reach the minimum requirements to qualify for a pension but who nevertheless make contributions.

**Reducing inefficient expenditures is always desirable, and general subsidies, especially those for fossil fuels, are a common target for reform.** Globally, budgetary subsidies for fossil fuel and related products in 2017 were estimated at US$296 billion, or nearly 0.37 percent of global GDP, and in a quarter of developing countries, they cost more than social assistance. This is despite the fact that energy subsidies are markedly regressive and contribute to pollution, congestion, and, ultimately, climate change. When countries abolish their energy subsidies, they often have to provide poorer households with compensation through the social assistance sector. Other subsidies can also be problematic. Subsidies on fertilizer and other agricultural inputs were largely phased out in Africa in the 1980s and 1990s as they produced limited improvements in yield, were not pro-poor, and crowded out other expenditures. In recent years, however, they have been re-established in several countries in the continent.

**Because of limited domestic revenue to fund the range of social protection needed by their populations, many countries, especially low-income countries, rely on external financing.** This is particularly true in Africa, but even in middle-income countries, it is not unusual for new programs to be initially financed externally. Overseas development aid (ODA) for social protection almost doubled between 2007 and 2008 at the time of the global financial crisis (rising from US$1.2 billion to US$2.3 billion). After peaking in 2010, funding has been broadly stable but at a significantly higher level than before. In 2019, the amount of ODA allocated to social protection came to US$2.4 billion, which constituted 1.2 percent of total ODA. However, this amounts to only about US$3 for each person in extreme poverty around the world.

**In conclusion, constraints on fiscal space explain many of the phenomena touched on in the previous sub-sections.** The low coverage and adequacy of social assistance can result from a limited consensus about the role that it should play in the social contract, but even governments who wish to expand such programming are confronted with the prosaic realities of limited fiscal space. Parametric pension reforms and energy pricing reforms are often necessary in their own right but can also be driven, at least in part, by a desire to reduce fiscal subsidies. The strong emphasis on evaluation in the social protection sector grew in part to inform innovations but also reflected the need to show concrete results in the battle for fiscal space. While strategic priorities for moving towards universal social protection abound, creating the necessary fiscal space for doing so will remain a *sine qua non* for achieving progress.

## Strategic Priorities

**The World Bank's work over the last decade has provided much valuable experience to inform our future work.** The World Bank currently provides social protection support in the form of lending, analytical work, or both to over 118 countries in all regions of the world and at all income levels and has a strong track record of delivering results. The World Bank has a current portfolio of almost US$29.5 billion in social protection financing, covering an estimated 880 million people. Driven by the urgent needs created by the pandemic but also reflecting the broad global dialogue, new World Bank commitments for social protection and jobs reached as high as US$9.6 billion in FY2021, up from US$3 billion annually between FY2016 and FY2018.

**Working in partnership and collaboration with others is essential for the World Bank to support countries effectively.** To deliver results to its clients, the World Bank works closely with external partners to leverage knowledge, technical assistance, and implementation support, both at the country level and in global knowledge and advocacy. The World Bank has coordinated efforts through the Global Partnership for Universal Social Protection (USP2030) and the Social Protection Inter Agency Cooperation Board (SPIAC-B), which are platforms for coordinating global action and developing tools to assess social protection systems, programs, and delivery mechanisms and for exchanging knowledge.

The World Bank will also continue to work to improve analysis, spur innovation, pilot new programs, and support the scaling-up of social protection activities globally in partnership with a large number of international and national partners.

**Following the discussion above, several broad areas have emerged as priorities for World Bank support to countries for social protection.** The framework for achieving USP as well as evidence on the progress and remaining challenges, as presented in the previous sections, provide guidance for the World Bank's social protection work in the years ahead. Five key areas have been identified that are summarized in the table below and presented in more detail in the discussion that follows. Women's and girls' empowerment and climate change are also identified as important cross-cutting issues.

**SPJ Compass: Strategic Priorities**

| |
|---|
| **A. Build Strong Foundational Social Protection Systems** |
| • Develop a clear, coherent vision to guide the development of the social protection system |
| • Design programs that work together to support individuals and households effectively |
| • Ensure strong institutional arrangements and client-facing capacity for delivery |
| • Leverage common digital delivery systems to enable the broader systems agenda |
| **B. Address the Coverage Gap:** *Increase Coverage and Promote Greater Inclusion* |
| • Expand coverage, while ensuring adequate support for the different risks faced throughout the lifecycle and across the income spectrum |
| • Develop new social insurance instruments to support the "missed middle" |
| • Continue to expand coverage in fragile, conflict-affected, and vulnerable contexts |
| • Account for the specific needs of groups that face barriers to accessing social protection |
| **C. Address the Flexibility Gap:** *Build More Resilient, Adaptive, and Dynamic Programming* |
| • Promote adaptive social protection systems and programs |
| • Ensure dynamic entry into and exit from social protection programs |
| • Strengthen unemployment benefit systems |
| **D. Address the Opportunity Gap:** *Scale-Up More Effective Economic Inclusion and Labor Systems* |
| • Increase the scale and quality of labor market and economic inclusion programs |
| • Tailor labor and economic inclusion programs to meet the specific needs of program participants |
| • Leverage labor and economic inclusion programs to support green, resilient, inclusive development |
| • Strengthen social protection programs and collective bargaining processes to foster regulatory reforms that will better balance the needs of workers and those of firms |

| **E. Address the Fiscal Gap:** *Create More Fiscal Space for Universal Social Protection* |
| --- |
| • Develop the empirics for evidence-based spending |
| • Continue to innovate, monitor, and evaluate |
| • Reform pension systems and reduce regressive subsidies to promote fiscal sustainability |
| • Strengthen financing though appropriate tax reforms, domestic resource mobilization, and the harmonization of donor funding |

## A. Build Strong Foundational Social Protection Systems

- **Develop a clear, coherent vision to guide the development of the social protection system.** To develop fiscally and politically sustainable USP systems that are fit for purpose, an important step will be to establish a longer-term vision for the social protection sector that serves to guide the necessary institutional and program development. Having clarity of vision can help governments to move towards USP in a coherent, incremental fashion and to avoid taking any steps that might undermine its achievement.
- **Design programs that work together to support individuals and households effectively.** Social protection systems should constitute a coordinated suite of programs to support individuals and households effectively throughout the lifecycle and across the income spectrum. Government intervention often needs to consist of layered instruments that provide protection in different ways to different population groups. Ideally, the social protection system should offer pathways for individuals and households to connect with the different benefits and services that they need and to adjust that program mix over time as their needs change and evolve. Particular attention needs to be paid to the incentives or disincentives that are created when strengthening the links across social protection programs with an eye to supporting households to move from low-productivity jobs to more productive, often formal, jobs.
- **Ensure strong institutional arrangements and client-facing capacity for delivery.** The institutional arrangements for delivering social protection are highly context-specific, but within this context it is important for policymakers to understand the available "space" to devise the optimal arrangements for social protection. Separation of responsibilities for financing and implementation across levels of government or between the public and private sectors, which often occurs, requires that duties, capacities, financing, and information flows are clear and address institutional incentives to ensure that service providers deliver. An adequate network for physical client interface is vital for a successful delivery system and so the quality of delivery depends critically on the capacity of those directly in charge of providing services.
- **Leverage common digital delivery systems to enable the broader systems agenda.** Before the pandemic, many countries had made sustained investments in basic digital infrastructure such as national ID systems, digital payment systems, and integrated

management information systems and social registries. This infrastructure proved to be invaluable in the responses to COVID-19 in many countries as well foreshadowing further widespread and rapid innovation as countries scaled-up. Looking ahead, this capacity for rapid, system-wide response will be increasingly important within the context of climate change and the need for adaptive social protection systems. However, the critical challenges of the digital divide and issues of data privacy will need to be resolved.

## B. Address the Coverage Gap: Increase Coverage and Promote Greater Inclusion

- **Expand coverage, with adequate support for the different risks faced throughout the lifecycle and across the income spectrum.** Given the very significant gaps that exist, expanding effective coverage of social protection programs to address the different needs of the entire population remains paramount in order to progressively achieve USP. However, while the priorities for expanding coverage will vary depending on the type of program and on several other factors including the political economy and the nature of the social contract, in almost all developing countries limitations in terms of fiscal and institutional capacity mean that a number of trade-offs will need to be resolved to define priorities.
- **Develop new social insurance instruments to support the "missed middle."** Providing support to the "missed middle"—in other words, workers in the informal sector and to those whose forms of work do not provide them with adequate insurance (such as the self-employed or those on temporary contracts) — remains a challenge. If this population could access formal jobs, they would receive coverage through social insurance, but the expansion of formal employment, particularly in low- and middle-income countries, is unlikely to occur at the necessary speed or scale. However, three alternative complementary approaches have potential. First, policymakers should ensure that the social assistance system provides both adequate coverage of the poor as well as scope for dynamic inclusion, meaning that anyone who needs assistance can access it. Second, governments should support the scaling up and broader adoption of savings schemes within the informal sector. Third, it might be possible to develop alternatives to the traditional social insurance model that could be expanded to cover informal workers.
- **Continue to expand coverage in fragile, conflict-affected, and vulnerable contexts.** Given both the increasing concentration of extreme poverty in fragile and conflict-affected countries as well as the very acute needs of the populations affected by fragility, conflict, and Violence (FCV), the extension of social protection coverage to those in FCV countries should remain a high priority. However, it is exactly in FCV contexts that the capacity to provide effective social protection programming is most limited. Due to the complexity and intersectoral nature of crises, partnerships are key. Partnerships between providers of humanitarian assistance and of longer-term social protection

programs are promising and offer multiple potential benefits. There will need to be a balance between ensuring the delivery of vital support in the short term while working to put in place the necessary components so that long-term programming is viable. Additionally, traditional social protection programming will often need to be made more flexible or be adapted to respond to the particular vulnerabilities that exist in FCV contexts.

- **Account for the specific needs of groups who face barriers to access.** Social protection programs are all too often designed with a one size fits all approach and take too little account of the barriers to access faced by various groups. These groups include (i) children, youth, women, and the elderly; (ii) groups defined according to their socioeconomic status, such as the poor, people living in remote areas, the homeless, refugees, immigrants, IDPs (internally displaced people), and indigenous people; (iii) people with disabilities; (iv) the illiterate and low-skilled; and (v) vulnerable individuals and families facing social risks. When planning to extend coverage, policymakers must recognize that specific adaptations to the delivery chain or additional interventions will be needed for groups such as these to ensure their effective access to social protection.

## C. Address the Flexibility Gap: Build More Resilient, Adaptive, and Dynamic Programming

- **Promote adaptive social protection systems and programs.** Adaptive social protection programs can help to build household resiliency so households themselves are better able to cope with and adapt to shocks. This will become increasingly important as countries try to support household capacity in the face of threats from climate change. Social protection programs will also be needed once a shock has occurred to help households to cope. The type of response that is needed will vary enormously depending on the scale and scope of the shock. Broad coverage of the poor and vulnerable provides the foundation from which programs can be scaled up. To ensure that programs can mount a timely response, they need to be designed with the operational capacity to flexibly respond when a shock occurs. Carefully coordinated contingency planning, early warning systems, and risk financing will also all be necessary to ensure a timely and adequate response.
- **Ensure dynamic entry into and exit from social protection programs.** Additional to the ability to respond to covariate shocks, programs need the ability to respond to the idiosyncratic shocks of individual households. Dynamic inclusion— the principle that anyone who needs assistance can access it at any time—is a core tenet of USP and should be increasingly adopted. This requires a permanent and extensive network for client interface and sufficient flexibility in financing to serve new beneficiaries as soon as they become eligible. Another aspect of dynamic inclusion is the portability of benefits. Social protection programs should be able to continue to support people who are moving from one location to another, or in the case of pensions from one

employer to another by ensuring that their benefits move with them. Dynamic eligibility assessment, known as recertification, can be increasingly undertaken on a regular basis for those enrolled in programs. This allows for those who may have exceeded program thresholds for eligibility to exit, as appropriate, and if budgets are binding, allows space for those who need to be enrolled based on need.

- **Strengthen unemployment benefit systems.** In most countries, workers have little or no protection against the risk of unemployment. Countries with no unemployment protection schemes should gradually start building their national unemployment schemes. In some countries, the appropriate approach would be to rely solely or mainly on unemployment insurance savings accounts that could extend income protection to both formal and informal workers. These unemployment benefit schemes would need to be complemented with instruments that would provide support to workers in the case of large covariate shocks. In countries where national unemployment protection schemes already exist, the primary goal should be to increase their coverage, which may require adjusting any parameters of schemes that are limiting take-up. To increase efficiency, the design of income protection schemes needs to balance protection for workers with incentives for them to search for and find adequate employment. This is particularly important when the government subsidizes contributions or payouts.

## D. Address the Opportunity Gap: Scale-up More Effective Economic Inclusion and Labor Systems

- **Increase the scale and quality of labor market and economic inclusion programs.** Increasing the coverage and improving the quality of labor market programs will require policymakers to take action in four areas. First, it will be necessary to prioritize increasing coverage for those who are most in need of support. For the millions of working poor, those who are not poor but work in low-productivity jobs with few protections, and those outside of the labor market altogether, economic inclusion and labor market programs can help them to access better economic opportunities and increase their earnings. Second, expanding labor market programs may mean rebalancing the attention paid to the differentiated needs of the formal versus the informal economy. Third, the design of programs can be improved by building the evidence base of the most effective approaches and embracing promising innovations such as involving the private sector in designing, implementing, and monitoring programs, particularly in the area of skills training. Finally, in order to scale up labor market support, it will be necessary to build more integrated delivery systems.
- **Tailor labor and economic inclusion programs to the needs of the participants**. One of the important lessons from the past decade is that the needs of program participants—whether individuals, households, or firms—are many and varied, which explains at least partly why many labor and economic inclusion programs fail to meet their objectives. In many countries, increased attention needs to be paid to the needs

of women, older workers, people with disabilities, and the unskilled. Tailoring labor and economic inclusion support to the specific, but multiple, needs of different clients will require significant investments in delivery systems, with a focus on case management approaches that allow program staff to get to know their clients, triage them to different interventions, and tailor packages of support. This will require greater investment in labor market services, although technology has the potential to reduce costs and boost the returns to these investments.

- **Leverage labor and economic inclusion programs to support green, resilient, inclusive development.** Countries need to invest in foundational skills and gradual upskilling to support a green economic transformation with a focus on the development of skills needed in new emerging sectors. To achieve this goal, countries need to invest in building the necessary tools and data to identify and anticipate green skills needs and invest in training programs that meet these needs. At the same time, decarbonization will reduce employment and earnings in certain sectors and locations for a very heterogeneous group of workers. This means that investments will also be needed in programs that support transitions, job search, and mobility to connect workers with earning opportunities in the emerging green sectors or in less climate-affected regions or countries.
- **Strengthen social protection programs and collective bargaining processes to foster regulatory reforms that will better balance the needs of workers and those of firms.** In countries where there is either under-regulation or over-regulation, governments need to consider regulatory reforms. The changing nature of work adds urgency to the need for reforms in some areas and is an opportunity to better protect more workers while helping firms to adapt to evolving labor markets. Policymakers need to prioritize establishing enforceable laws that provide fundamental protections against abuse, discrimination, and child labor and that enshrine the right to organize and collective bargaining. The aim should be to expand these rights to all workers, regardless of who they are, where or how they work.

## E. Address the Fiscal Gap: Create More Fiscal Space for Universal Social Protection

- **Develop the empirics for evidence-based spending.** The social protection sector suffers in many cases from fragmentation, with expenditure taking place across several different ministries, agencies, and levels of government. It is often not jointly assessed and evaluated, leading policymakers to have a weak understanding of both the scale and scope of the social protection system as a whole, and its efficiency and effectiveness. Developing strategies to increase coverage of social protection systems needs to start from a sound understanding of what is currently being spent, and what that spending is achieving. Improving the efficiency and effectiveness of existing spending should be a key component of any strategy for increasing fiscal space for social protection.

- **Continue to innovate, monitor, and evaluate.** Generating data on program performance is important not only for understanding if programs are working, but also for understanding at what cost, and for identifying where opportunities may exist for increasing efficiency. This can help maximize the impact of limited fiscal resources. Moreover, being able to demonstrate that resources are being well spent is vital for making a case for increased financing. Therefore, the existing focus on program evaluation is well justified and should be continued. Monitoring the implementation of programs throughout the entire delivery chain should be a priority as this can help program administrators to discover where limited capacity, error, fraud and corruption, or other challenges might be undermining outcomes or reducing efficiency. Establishing the cost-effectiveness of programs should be a central goal of the monitoring and evaluation system.
- **Reform pension systems and reduce regressive subsidies to promote fiscal sustainability.** Since fiscal space is limited, it is important for all programs to meet their stated objectives as efficiently and effectively as possible. Within social protection, two significant items of spending need to be given particular scrutiny. First, some countries provide large subsidies from general revenues to fill deficits in pay-as-you-go pension systems, which constitute a growing contingent liability. Second, some countries provide price subsidies, which are not considered routinely a part of the social protection system but are often justified on the grounds that they meet social protection objectives. Spending on both kinds of subsidies has tended to grow over time, can be highly regressive in impact, and is often not transparent. The amount spent on these subsidies can often crowd out other important programs, so they should be considered strong candidates for reform to allow those resources to be reallocated to more effective alternatives.
- **Strengthen financing though appropriate tax reforms, domestic resource mobilization, and the harmonization of donor funding.** Although there has been some progress in the coverage and adequacy of social protection programs, significant gaps remain, which means that most countries still have a long road to travel to achieve USP. Almost all countries will need to mobilize more domestic resources in order to be able to increase social protection spending. In countries where fiscal capacity is particularly limited or where needs have significantly increased in the short term due to various types of shocks, external financial resources should continue to complement domestic spending. Where appropriate and in line with their international commitments, development partners should aim to harmonize their approaches in each country and bring their financing within the government budget and government systems.

**The World Bank stands ready to help our country clients in defining priorities in moving progressively towards the realization of the USP vision.** As countries seek to achieve USP, relative emphasis across the strategic priorities highlighted above will differ significantly. In most countries, much still needs to be done in multiple areas in order to make progress towards USP. In others, where programs and systems are already more developed, the social protection system must still be continually adjusted to meet the changing needs of the population in an ever-evolving global and national context. In determining its own priorities for providing support at the country level, the World Bank will be guided primarily by the country context, by client demand, and by evidence. Social protection programs and systems need to be country-led, and country-implemented, with a strong focus on the necessary capacity. The World Bank will continue to work with governments and other stakeholders to build both the "architecture" as well as the "engineering" of country-specific social protection systems—from diagnostic analysis and evaluation to strategy formulation to advice on policy, financing, and the design and delivery of programs.

**The response to the COVID-19 pandemic has created the potential for a step change in the development of social protection programs and systems.** As discussed throughout the Compass, COVID-19 has undoubtedly proved to be a major catalyst for moving social protection further up the political agenda. There is an increased appreciation of the importance of the sector, significant lessons learned about the deficiencies in programs and systems, and much know-how generated on what worked in the crisis response. Looking forward, countries have the opportunity to leverage this experience to reach a new equilibrium; one that represents a deeper commitment to more and better social protection based on a long-term, evidence-based vision for the sector.

# The SPJ Compass

**The Social Protection and Jobs (SPJ) Compass[2] puts at its heart the vision of universal social protection.** It recognizes that the progressive realization of universal social protection (USP), which ensures access to social protection for all whenever and however they need it, is critical for effectively reducing poverty and boosting shared prosperity. Countries across the globe are increasingly using this vision to guide their policy. Social protection can be defined as policies and programs that help individuals and societies to manage risk and volatility, protect them from poverty and inequality, and help them to access economic opportunity. Social protection aims to achieve this by increasing people's resilience, equity, and opportunity, the three goals of social protection, by means of a range of instruments in the social insurance, labor and economic inclusion, and social assistance and care domains. This set of interventions is collectively referred to in the Compass as social protection.[3]

**An update to the World Bank strategy for social protection is urgent amid rapid change both within the sector and beyond.** As the world begins to emerge from the COVID-19 pandemic, both the unprecedented crisis that it caused and the immediate arrival of new global shocks has reinforced the need for social protection in dramatic ways. At the same time, the crisis has highlighted a new and rapidly evolving set of possibilities for design and delivery of social protection. The current Bank strategy, "Resilience, Equity, and Opportunity: The World Bank's Social Protection and Labor Strategy 2012–2022," provided an overarching framework for understanding the value of investing in social protection programs and outlined how the World Bank would work with client countries to further develop their social protection programs and systems. The Compass aims to build on that framework, recognizing how fundamentally the global context has changed for the World Bank's work in the sector.

[2] The World Bank Global Practice that oversees work on Social Protection has the title "Social Protection and Jobs," and therefore this document uses that terminology in its title. The Compass aims to provide strategic guidance to the Bank's Social Protection and Jobs Global Practice on the traditional social protection instruments in the domains of social insurance, labor and economic inclusion, and social assistance and care. It is nested within a much wider multi-sector agenda that puts jobs at the heart of economic policy, which is guided by other documents.
[3] For a full discussion of the different conceptual frameworks and sectoral definitions of social protection, see Jorgensen and Siegel (2019).

**The Compass sets out future priorities based on a detailed assessment of global progress over recent years**. Section I will present some of the major global and regional trends that are shaping the need for social protection. It will then present the World Bank's overarching framework for social protection and discuss the myriad contributions made by social protection to reducing poverty and promoting growth. It will then outline the actions that will be needed to achieve USP and explore the implications of this for countries. Section II will review the progress that countries have made over the last decade in achieving USP as well as the challenges that they have continued to face. Section III outlines the World Bank's strategic priorities going forward.

SECTION I

# The Role of Social Protection in Development

## A. Social Protection in a Rapidly Changing World

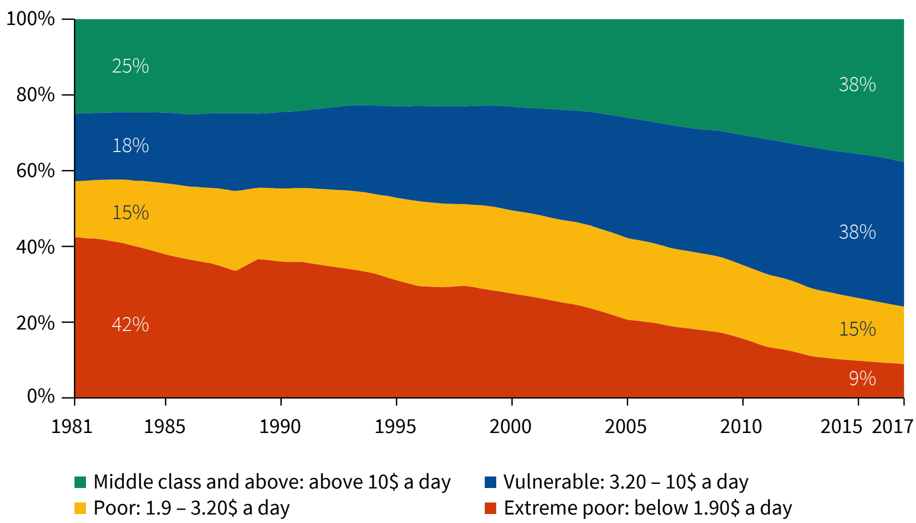
**As countries begin to recover and rebuild from the pandemic, it is clear that COVID-19 has hugely disrupted economic and social development across the globe, underscoring the crucial importance of effective social protection and thrusting it to the forefront of public policy debates.** As COVID-19 struck, many countries around the world deployed their social protection systems to help to mitigate the impact of the pandemic (Gentilini et al, 2022 and de la Flor, 2021). This followed years of effort in many low- and middle-income countries to build social protection programs from the ground up, leveraging innovations in technology to expand them far more rapidly and widely than had previously been thought possible. As a result, the scale of social protection used in response to the pandemic has been unparalleled (Razavi et al, 2020), and, to a great extent, these investments in social protection programs and delivery systems have paid off. While the pandemic has taken a terrible toll across the globe, leading to significantly increased poverty and probably inequality, its impact would have been far greater and far more enduring if it were not for these efforts (World Bank, 2021e). At the same time, the crisis highlighted the many gaps that still exist. There is a need to expand the still limited coverage of social protection programs and to ensure that these programs are better able to respond to shocks. It will also be necessary to strengthen core delivery systems, and coordinate the patchwork of social protection programming at the national level so that it effectively works as a system that protects all people and families, irrespective of their income, working status, or age.

**Prior to the pandemic, the world had made progress in reducing poverty, but vulnerability and informality remained stubbornly high.** In the decade prior to the pandemic, the proportion of people in poverty across the world fell from 39.5 to 24.3 percent.[4] Underpinning this progress in reducing poverty before the pandemic were significant increases in labor market income, which in turn had been underpinned by rapid economic growth, structural transformation, and rural-urban migration in many parts of the world

[4] Based on the last available decade for which data are available (2007 to 2017) and using the US$3.20 poverty line.

(ILO, 2019b). However, significant structural challenges remain in labor markets, particularly in low and middle-income countries that keep most workers in low-productivity jobs or out of work all together, leading to persistent poverty. In some areas, relatively little progress has been made in the past decade. In 2018, more than one in five young people were not in employment, education, or training, a rate that had only decreased by 2 percentage points since 2005 (ILO, 2019b). Even though poverty has fallen, there is a rapidly growing "vulnerable" class that consists of those who are not poor but have not achieved the comforts included in most definitions of the middle class (see Figure 1). In many countries, these groups face critical risks, but they have few instruments to manage those risks, as has been made clear by the impacts of COVID-19. Efforts to design and deliver social protection instruments to serve this population have run into the persistent challenge that the rates of labor market informality across the globe remain stubbornly high. Overall, about two-thirds of the labor force in emerging economies continues to operate in the informal sector despite improvements in the business regulatory environment in recent years (Ohnsorge and Yu, 2021). Consequently, it has not been possible to use traditional social insurance associated with a formal labor contract to support this emerging middle class, which has highlighted the need for alternative social protection instruments that are not tied to labor contracts (Packard et al, 2019).

**FIGURE 1. Distribution of the World Population Across Income Thresholds**




**Source:** Own elaboration based on World Bank, PovcalNet 2019

**While the existential threat of climate change has been generally understood for decades, its negative effects on human wellbeing and poverty are becoming increasingly visible.** Unchecked, climate change will push 132 million people into poverty over the next 10 years, undoing hard-won development gains (Jafino et al, 2020), and will cause as many as 216 million people to migrate within their own countries away from areas with declining water availability and crop productivity and from areas affected by sea-level rise and storm surges (Clement et al, 2021). This has led to new agreements at the global level that commit countries to investing in the transition to environmentally and socially sustainable jobs and economies. If this effort is to be successful, social protection will need to play a critical role in supporting the measures needed to mitigate the extent of global warming and helping populations to adapt to living in a warming world. The increasing focus on adaptive social protection, which helps to build the resilience of poor and vulnerable households by investing in their capacity to prepare for, cope with, and adapt to shocks, so that they do not fall into- or deeper into- poverty has proved promising, but much more needs to be done to incorporate adaptation and mitigation measures into the design of social protection programs. Moreover, the necessary decarbonization of the global economy, implies the need to further expand social protection to protect and prepare workers for transitions into greener, post-carbon jobs.

**Technological innovation is leading to profound changes in the way in which labor markets are structured, disrupting traditional industries and redefining the employee-employer relationship.** Beyond the potential for technological innovation to boost productivity and raise incomes, technological change is leading to big shifts in the mix of skills required to succeed in the labor market and in the nature of work itself, with broader implications for the social protection system. First, technology is changing production processes and the relationship between capital and labor, reducing demand for some skills and increasing demand for others, including more advanced, non-routine, skills. These changes are currently more marked in advanced economies but are also emerging in the rest of the world in various forms (IADB, 2019 and Arias et al, 2019). Second, the scale-up of digital platforms and the disruption of production processes is challenging the traditional boundaries of firms, while also redefining global value chains and the geography of jobs. Among other impacts, this has led to the emergence of the so-called “gig economy,” in which organizations contract workers for short-term engagements instead of hiring them as wage workers, as well as to the increasing adoption of hybrid forms of work (Saliola 2020). While this diversity in forms of work may have long been a feature of labor markets in low- and middle-income countries, these changes highlight the limitations of the traditional model of social insurance, which is based on a long-term stable employer-employee relationship. As a result of these rapid labor market shifts associated with technological change, it becomes necessary for workers to continuously build and adapt their skills over their lifetimes to be successful in the global marketplace.

**Demographic challenges and opportunities abound.** While the youth populations in some countries are growing exponentially, other countries are aging rapidly. Since 2010, the youth population in Sub-Saharan Africa has increased by over 30 percent and is projected to increase by almost another 40 percent over the next decade (UNDESA, 2019). The accompanying increase in the working age population creates a window of opportunity, which, if properly harnessed, could translate into higher growth and yield a demographic dividend. Therefore, it will be vital for emerging social protection systems to help young people to finish school and/or training and to transition effectively from school to work with the necessary skills and assets to be productive in the workforce. There are additional implications. For example, it will be difficult for some economies to create jobs of the necessary quality to absorb this growing workforce. As a result, migration between countries is likely to become increasingly prevalent in the future. Social protection has a role to play by creating the institutions to support safe and productive labor mobility. Meanwhile, the populations of other regions, most notably Europe and Central Asia, East Asia, and Latin America, have begun to age, a process that will accelerate significantly in the coming years. For example, it will take Latin American countries 25 years to reach the old age dependency ratios that Europe is experiencing today, a process that took Europe more than 70 years to complete (Rofman and Apella, 2020). A vibrant old age population creates the potential for extending the productive life of the workforce, but achieving this potential will require a number of policies to support healthy aging including a focus on preventive health care, lifelong learning, and making work pay. However, having a rapidly aging population also presents governments with various structural challenges related to the sustainability and equity of care and pension systems that will need to be carefully managed.

**Gender disparities continue to undermine economic and social progress.** Gender gaps in opportunities (particularly in education, and in access to health care and formal sector jobs) and outcomes (such as earnings and poverty) persist, with women being at a disadvantage in most cases (WEF, 2019, ). Three main factors are responsible for inhibiting women's empowerment (Van Eerdewijk et al, 2017). First, women usually have less physical, financial, digital, and human capital than men. Second, institutions that set the rules and practices that govern male and female rights, behaviors, and access to resources often do not work to women's and girls' benefit. For example, traditional gender roles in many countries dictate that men are the decision-makers in public, economic, and family life, often supported by customary and statutory legislation (Kabeer, 1999). This social context leads to an unequal distribution of public and private resources that constrains the potential contributions of women and girls and perpetuates the gender imbalance across generations (BMGF, 2017). Third, women's and girls' agency – the ability to set goals, act on, and achieve those goals – is curtailed when women do not have the decision-making power or resources to achieve their goals (Klugman et al, 2014) In short, the lack of empowerment – namely the resources, institutions, and agency to make choices and achieve goals – underpins women's economic vulnerability and their often disproportionate employment within the informal sector. The implication for social protection is that programming must also take into account social contexts that prevent women and girls from achieving their potential (BMGF, 2017).

**Many of these broad global trends contribute to, and are exacerbated by, conflict and fragility.** As progress was made in reducing poverty globally in the decade prior to the COVID-19 pandemic, extreme poverty has begun to be increasingly concentrated in certain locations, including many that suffer from fragility and conflict. The long-term trends discussed above are likely to be not only contributing to fragility and conflict but also risk being exacerbated by them. The number of people in the world who live in proximity to conflict has doubled since 2007, and as of 2020, there were more extremely poor people (those with incomes below US$1.90 a day) in fragile and conflict-affected states than in all other countries (Corral et al, 2020). Fragility and conflict have impacts that go far beyond their immediate geography. Worldwide, the population forcibly displaced by conflict reached a new high of 74.4 million in 2020, driven in recent years by rapidly increasing levels of both refugees and internally displaced populations (UNHCR, 2021). The invasion of Ukraine has had many negative impacts, including greatly exacerbating the growing food and fuel price crisis, with dire effects on the food security of the poorest and most vulnerable in many countries. Social protection has an important role to play in mitigating both the risk of conflict and its impact, but it is in those very contexts where deploying social protection programs can be most challenging.

**International recognition of the importance of social protection for reducing poverty and promoting growth has grown enormously.** This has led to several global initiatives to coordinate and promote work on social protection among multilateral, bilateral, and civil society partners. The Social Protection Inter-Agency Cooperation Board (SPIAC-B) was launched in 2012 in response to a request from the G20 and has led to a step-change in technical cooperation on social protection issues in recent years. In 2015, the UN Member States adopted the 2030 Agenda for Sustainable Development. As part of Sustainable Development Goal (SDG) 1 ("to end poverty in all its forms, everywhere"), Target 1.3 calls upon states to "Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and vulnerable." This commitment subsequently led to the launching of the Global Partnership for Universal Social Protection (USP2030) under the co-leadership of the World Bank and the International Labour Organization (ILO). USP2030 partners work together to increase the number of countries that provide USP by supporting governments in designing and implementing universal and sustainable social protection systems, in line with the 2030 Agenda.

**COVID-19, one of the most significant economic and social shocks in recent human history, has likely created a step change in the development of social protection programs and systems.** COVID-19 has undoubtedly proven to be a major catalyst for moving social protection further up the world's political agenda. As a result of actions taken during the pandemic as well as weaknesses that the response made evident, many countries around the globe are reimagining the design of their social protection systems in ways that they had previously regarded as impossible, building on the heightened expectations of social protection among both policymakers and the population. Crises often accelerate advances in the coverage of social protection as a result of an increased appreciation of its importance, lessons learned about the deficiencies in systems revealed by the crisis, and the know-how generated in the response. However, crises can also lead to backsliding. The increasing use of inefficient and often regressive price subsidies in response to the current food and fuel price crisis is a concerning trend. Whether the events of the last few years will permanently propel countries towards a deeper commitment to providing more and better social protection will depend on an array of critical factors, such as the state of their political economy, the nature of their evolving social contract, and their fiscal and institutional capacity. The full extent of these dynamics will take some years to play out country by country, but the current inflection point created by COVID-19 suggests that it is an opportune time for the World Bank to define new strategic priorities.

## B. The Goals of Social Protection: Equity, Resilience, and Opportunity

**Social protection aims to achieve three goals: equity, resilience, and opportunity.** As discussed above, social protection helps individuals and societies to manage risk and volatility, protects them from poverty and destitution, and helps them to access economic opportunity through instruments that increase equity, resilience, and opportunity (see Figure 2). In order to achieve these three goals, it is essential to harness social protection to enable people to build, protect, and use their human capital throughout their entire lifecycle from infancy to old age. A range of instruments in the social insurance, labor and economic inclusion, and social assistance and care domains can be used to achieve these goals with many instruments contributing to more than one goal.

**The first goal of social protection is to foster equity by reducing poverty and inequality, promoting equality of opportunity, and minimizing exclusion.** The aim of many social assistance programs, including cash and in-kind transfers, is to directly reduce immediate poverty. They are also designed to help poor individuals and families to access basic nutrition, health, and education, thereby building their human capital and contributing to equality of opportunity. Labor programs and institutions, by facilitating access to more productive opportunities, also directly support livelihoods and can help overcome the barriers to employment and productivity that are faced by the more disadvantaged. Programs can be specifically designed to promote equity by reducing gender gaps and helping to reduce the exclusion that certain groups experience, such as people with disabilities, indigenous people, and migrants. By supporting more people than just the absolute poor, programs can leverage the redistribution function that social protection can play, with an eye to reducing inequality and promoting fairness and social cohesion.

**The second goal of social protection is to build the resilience of individuals and households by providing them with insurance against shocks and helping them to build their capacity to manage them.** Social insurance and social assistance programs can build the resilience of individuals and families by reducing the negative impact of certain types of shocks or events, thus helping them to protect their human capital. These types of programs include unemployment and disability insurance, old age pensions, and adaptable and scalable social assistance programs. Many labor regulations are aimed at managing the risks faced by workers, for example, by providing worker safety rules, sick leave, parental leave, and severance pay.

Economic inclusion programs[5] can support resilience by helping people to diversify their livelihoods, and training programs can increase the capacity of workers to move between jobs and acquire new skills. Other labor programs that have been used to support resilience, as was notable during the COVID-19 pandemic, have included wage subsidies for formal workers and business grants for micro and small enterprises. Building resilience is particularly important for those who have the least ability to absorb a shock and for those most likely to experience shocks or large losses. The increasing impacts of climate change are highlighting the critical importance of investing in social protection programs that build resilience and help people to adapt to changing livelihoods and the increasing risk of natural disasters.

**FIGURE 2. The Three Goals of Social Protection; Instruments Through the Life-Cycle**

| | Early Childhood | Childhood, Adolescence | Working Life | Old Age |
|---|---|---|---|---|
| EQUITY<br>Reducing poverty and inequality, promoting equality of opportunity, and addressing exclusion | Child allowances, fee waivers | Child allowances, fee waivers | Cash & in-kind transfers, disability-related transfers, public works | Social pensions, care services, contributory pension top-ups |
| RESILIENCE<br>Providing insurance against, and building the capacity to manage shocks | Emergency cash and in-kind transfers | Emergency cash and in-kind transfers | Unemployment and disability insurance, matching savings, subsidized insurance | Old-age and disability pensions, care services |
| OPPORTUNITY<br>Promoting investments in human capital and helping men and women access productive work | Nutrition/ECD CCTs for pre-school, health, UCTs, child care services | CCTs for education, support to school-to-work transition, skills | Training, entrepreneurship support, intermediation, public works, economic inclusion | Life-long learning, active aging policies |
| | 0-5 years old | 6-18 years old | 19-65 years old | 66 or older |
| | ACCUMULATION OF HUMAN CAPITAL | | USE AND PROTECTION OF HC | PROTECTION OF HC |

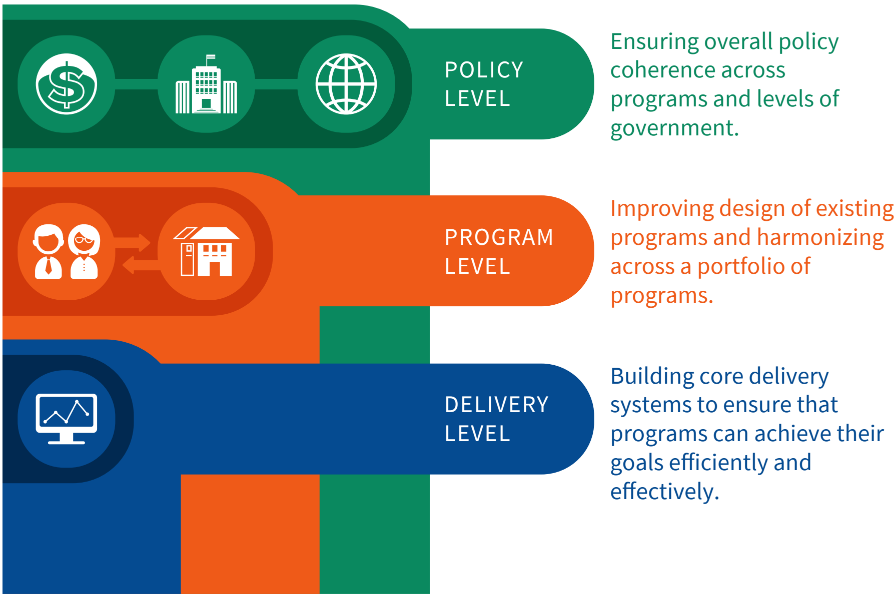
[5] Economic inclusion programs are coordinated, multidimensional interventions that support individuals, households, and communities in increasing their incomes and assets. The term "economic inclusion" is sometimes used interchangeably with the term "productive inclusion" (Andrews et al, 2021).

**The third goal of social protection is to promote opportunity by supporting household investments in human capital and helping men and women to access more productive employment.** By providing income support to individuals and households living in poverty, social assistance promotes demand for education, health, and nutrition services, all of which build human capital. Labor programs help beneficiaries to build their skills and acquire work experience to enhance their productivity and job prospects as well as helping them to find better employment opportunities. They also help micro and small enterprises to expand and grow. Economic inclusion programs provide their beneficiaries with cash support while also helping them to build more productive livelihoods. Social protection programs can be designed in ways that either directly support or incentivize labor force participation and increased productivity, while the actions of firms as they create jobs are similarly influenced by labor regulations. Enhancing opportunity is particularly important for the poor, the low-skilled, young people, and women but is important to everyone across the income spectrum and throughout the lifecycle. Programs that enhance opportunity will become all the more important as economies are transformed by the long-term trends of technology, demography, and climate change.

**In order to achieve these three goals, fragmented approaches will need to be replaced by integrated social protection systems.** The goals of equity, resilience, opportunity cannot be achieved by individual programs, within a single sector, or through public mandates alone. Achieving them will require appropriate policy, legal, and institutional frameworks, as well as a portfolio of instruments that work effectively together. In many countries, social protection programs simply do not exist at scale. Instead, smaller unconnected initiatives focus on distinct regions, discrete groups, or specific objectives with no reference to each other. In some contexts, larger-scale programs may exist but may not be cost-effective, may not create coherent incentives, or may not be effective in supporting individuals or households as they move through the lifecycle, between jobs, or across the income spectrum. Experience has shown that it has been particularly challenging to integrate programs across the domains of social insurance, labor and economic inclusion, and social assistance and care, which has meant that many opportunities for complementarities and synergies have been lost.

**Because of the tendency towards fragmentation, the World Bank places a systems approach to social protection at the center of its work, aiming to strengthen coordination and integration at all levels.** The World Bank focuses on promoting this systems approach at three key levels (see Figure 3). First, at the policy level, the aim must be to ensure overall coherence between programs, institutions, and levels of government, as well as ensuring a financing system for social protection that is equitable, incentive-compatible, and sustainable across the system as a whole. Second, at the program level, the aim should be to improve the design of existing programs and harmonize their objectives, with a view to reducing fragmentation and maximizing coordination. Finally, at the delivery level, the aim of the systems approach should be to create mechanisms that support the broader systems agenda and enable the efficient and effective provision of individual social protection programs. The systems approach is and will continue to be key to making further progress towards achieving USP.

**Figure 3.** **Different Levels of the Social Protection System**




## C. The Returns to Investing in Social Protection

**There is now overwhelming evidence that social protection can deliver real results in terms of helping to reduce present and future poverty.** A strong evaluation culture in the sector has produced increasingly robust evidence of the multiple benefits to investing in social protection that manifest at the individual, household, and community levels over different timeframes. Many of the benefits of investing in social protection have been established empirically in multiple country contexts. In the case of other benefits, robust evidence is still emerging, or studies have found much more heterogenous impacts. A single program may affect many outcomes, with the strength of impact varying by context, design, target group, or the quality of the program's implementation. This sub-section presents a synopsis of the evidence that exists of the broad range of positive impacts that have emerged from social protection programs, while recognizing that the literature on which it draws includes important details about how and why these outcomes may vary.

**The first-order impact of many social protection programs is the direct effect of providing households with more income.** When a household receives a transfer, either in-kind or cash, total household expenditure increases, which in turn reduces the likelihood of the household being poor. Many social insurance programs work in a similar fashion, with some focusing on preventing any reductions in a household's current income as a result of a shock. Other types of social protection, particularly labor market and economic inclusion programs are designed to strengthen recipients' future earnings potential as well as increasing their current income. The evidence that social protection does indeed directly boost income and reduce current and future poverty is well established in the literature (World Bank, 2018d; Moffitt, 2014; and Bastagli et al, 2016).

**Social protection programs also aim to produce a range of longer-term outcomes, often related to building human capital, particularly in childhood and adolescence.** Social protection helps to build human capital both directly by facilitating beneficiaries' access to critical social services and indirectly by improving intermediate outcomes (for example, by freeing up time) that then have a beneficial impact on their human capital (Moroz, 2020). Social assistance can increase the use of health services by beneficiaries and diversify their diet and in some cases improve their health and nutrition outcomes (Bastagli et al, 2016; De Walque et al, 2017; and Arriagada et al 2018). Social assistance can also increase school enrollment and attendance and, in some cases, improve learning and cognitive development outcomes (Baird et al, 2014; Bastagli et al, 2016; and Grosh et al, 2018). These positive impacts on schooling have been found to persist over the long term (Millán et al, 2019). Social assistance has also been found to reduce maternal depression and stress, improve sexual and reproductive health, and reduce rates of child labor (de Walque et al, 2017 and Bastagli et al, 2016). Importantly, the impact of social protection has usually been greatest for those whose outcomes are the worst, including the poorest, women and girls, minorities, and people living in rural areas (Grosh et al, 2018). These positive outcomes have been found for a wide range of programs, including in-kind support, unconditional cash transfers, conditional cash transfers, and social pensions.

**Moreover, social protection can enable families to prevent and mitigate the impact of shocks on their welfare.** This can enable them to continue building their human capital and reduce the intergenerational transmission of poverty. Social protection also plays a vital protective function by providing households with steady income support or insurance when shocks materialize. This is particularly important given that shocks often disproportionately impact poorer households, who tend to be more exposed to these shocks and more affected by their impacts (Hallegatte et al, 2016). Social protection can help households to avoid having to adopt costly negative coping strategies such as cutting their consumption, selling their productive assets, or removing their children from school (Laws, 2016 and Hill et al, 2019). Social assistance programs have been found to increase household food security (Hidrobo et al, 2018). Unemployment insurance not only has critical consumption smoothing effects, as demonstrated during the pandemic (Ganong et al, 2021), but additional evidence suggests that this averts loss of human capital, such as negative health outcomes (Cylus and Avendano, 2017). Labor programs can also protect human capital by helping workers to avoid potentially long periods of unemployment (de la Flor, 2021) as well as supporting workers displaced for economic reasons or as a result of conflict or climate change by helping them find jobs more quickly in new locations (Caria et al, 2021 and Gaikwad et al, 2022). Labor programs, in the form of business grants, for example, can protect the earnings of micro and small-scale entrepreneurs in times of shocks (Domenella et al, 2022). Recent evaluations of cash transfer programs have found that they have had a significant positive impact on measures of household resilience such as increased savings, improved creditworthiness, and reduced debt (Ralston et al, 2017; Bastagli et al, 2016; Hidrobo et al, 2018; and Ulrichs and Slater, 2016). Thus, social protection can build resilience not only by providing *ex-post* support but also by supporting households *ex-ante*. This is one of the most important ways that social protection can prepare people for, and protect them from, the impacts of climate change (Györi, 2021).

**As young people move into their working lives and beyond, social protection programs can be critical for building their skills and assets and helping them to find productive employment.** Evidence from evaluations of many different social assistance programs has confirmed that, by providing households with a stable source of income, these programs can enable poor households to accumulate productive assets and improve their labor market prospects. They do this by helping households to overcome the savings and credit constraints that prevent them from making greater investments in their livelihoods and that hinder their search for better employment. There is also evidence that these investments can result in households increasing their entrepreneurial activities, adopting higher risk strategies with the potential of higher rewards, and diversifying their livelihoods, leading to increased productivity (Mathers and Slater, 2014; Handa et al, 2016; and Alderman and Yemtsov, 2014). Importantly, little evidence has been found to support the concerns that are sometimes cited that receiving social assistance creates significant labor market disincentives among recipients (Banerjee et al, 2016 and Bastagli et al, 2016).

**There is increasing evidence that economic inclusion programs can effectively boost the income and assets of the poorest.** Economic inclusion programs usually bundle together a combination of cash or in-kind transfers, skills training or coaching, access to finance, and programs to support market access. A recent review of 80 quantitative and qualitative evaluations in 37 countries showed that a bundle of coordinated and multidimensional interventions has a greater positive impact on household income, assets, and savings than stand-alone interventions (Andrews et al, 2021). The synergies between the different components of the bundle seem to increase its positive impact. These economic inclusion programs can be critical in helping households to overcome some of the factors that would otherwise keep them trapped in poverty (Bossuroy et al, 2022). The Partnership for Economic Inclusion Landscape Survey 2020 revealed that these programs around the world have tended to have a strong focus on protecting the most vulnerable groups, including children (25 percent of programs surveyed), women (90 percent of programs surveyed), people with disabilities (27 percent of programs surveyed), and displaced populations (33 percent of programs surveyed). They often also had a strong rural focus (87 percent of all programs), an emphasis on addressing fragility (25 percent of programs surveyed), and a focus on climate change mitigation (55 percent of all programs surveyed).

**Labor programs also have a role to play in increasing recipients' employment and productivity in the formal and informal sectors, particularly when tailored to the needs of clients and to broader economic conditions**. Active labor market programs such as training, apprenticeships, public works, wage subsidies, entrepreneurship support, and intermediation services are all part of the labor toolkit. While these programs are often difficult to get right (McKenzie, 2017) and depend on many external factors such as labor demand, they can support skills building, increased productivity in self-employment or household enterprises, and the creation of wage employment, while improving the overall functioning of the labor market through effective intermediation and labor market institutions (Escudero et al, 2019 and Kluve et al, 2019).

**In terms of labor supply, well-designed training programs can build trainees' cognitive, technical, and socio-emotional skills that can benefit both workers and firms.** Training programs can help job seekers to overcome the various credit, externalities, and information failures that exist in labor markets in low- and middle-income countries (Attanasio et al, 2017; Escudero et al, 2019; McKenzie, 2020; Kluve et al, 2019; and Campos et al, 2017), and these benefits can even extend to other family members through the household's increased human capital investments (Kugler et al, 2020). There is also some evidence suggesting that the benefits of training programs grow or are maintained over time (Ibarraran et al, 2019 and Attanasio et al, 2017). Labor programs can further support the building of human capital on-the-job, through apprenticeships for example, particularly important for early school leavers and, more broadly, in a rapidly changing world of work (Ibarraran et al, 2019 and Crepon and Premand 2019).

**With regard to labor demand, wage subsidies and entrepreneurship programs can help generate employment, particularly for the most disadvantaged**. When well-targeted, well-timed and set at the right level, wage subsidies can help young people to find a first job or help disadvantaged groups to overcome information constraints or externalities (Armand, 2020 and Bruhn, 2020). Recent studies have shown that entrepreneurship programs that offer stand-alone or combined interventions providing financial support, business advice, and access to markets are increasing recipients' profits, improving their business practices, and expanding the lives of their businesses, even among micro-entrepreneurs (Jayachandran, 2020). Also, those programs that support female entrepreneurs in switching to male-dominated sectors have been found to increase earnings (World Bank, 2022a).

**Support to labor intermediation, often coupled with unemployment insurance, can make transitions between jobs quicker and better for workers, thus increasing the efficiency of the labor market.** This kind of support is designed to "intermediate" between labor supply and demand, matching job seekers with training and appropriate jobs efficiently, especially with the use of digital technologies (Carranza et al, 2020 and Dammert et al, 2015). Programs that help job seekers to access different labor markets, including those in countries other than their own, can also improve employment outcomes (McKenzie, 2017 and Gibson and McKenzie, 2014). To complement such "active" labor market programs, unemployment insurance is provided to tide workers over periods of unemployment so that they can avoid resorting to negative coping strategies and can find jobs that are well-matched to their skills and aspirations, thus reducing the risk of them falling back into unemployment in the future (OECD, 2019 and Kuddo et al, 2015).

**Social protection can empower poor individuals and households to make their own decisions to improve their lives, particularly women and girls.** When cash transfer programs designate women as the main recipients of transfers, this has often empowered them within their households by increasing their control over resources, their labor force participation, and their ability to save and reinvest (Camilletti, 2020). In some contexts, these programs have been shown to lead to delayed marriage, increased use of contraception, decreased and delayed fertility (Bastagli et al, 2016 and Peterman, 2021), and, importantly, a reduction in intimate partner violence (Buller et al, 2018). Labor and economic inclusion programs can also empower women by increasing their economic opportunities and assets (Andrews et al, 2021). Often, the positive effects of labor programs are greater for women than for men, most notably in the case of training programs (Escudero et al, 2019 and Bergemann and Van den Berg, 2006). Social pensions can be particularly vital for women, who may not have had the opportunity to accrue a basic contributory pension because of their lower labor force participation and their unequal burden of unpaid care work.

**Finally, pension systems can play a crucial role in supporting the wellbeing of the elderly and protecting their human capital.** The evidence is consistent in finding that social pensions increase household spending, particularly on food (Bastagli et al, 2016). As a result, they have reduced old age poverty in a large number of countries (Martinez et al, 2015). There is also evidence that social pensions have increased access to healthcare services and medication (Riumallo-Herl and Aguila, 2019) and, as a result, led to better physical health, cognitive function, and psychological well-being as well as lower mortality among the elderly (Cheng et al, 2016 and Galiani et al, 2015). Finally, there is evidence that social pensions have enabled the elderly to reduce the amount of their time spent on paid work (Bastagli et al, 2016).

**Beyond returns to the individual, social protection programs can create productive assets at the community level and stimulate the local economy.** One of the most direct ways in which social protection can impact communities is through productive public works programs (Subbarao et al, 2013). Many public works programs not only provide temporary employment to local people but also create productive assets such as roads and social infrastructure. In rural areas, public works have increasingly focused on land management, which includes environmental and agricultural projects involving irrigation, afforestation, soil conservation, and watershed development. These types of works can help to reduce and mitigate the risks of climate change and, thus, increase community resilience. Public works have been frequently deployed in reconstruction efforts after natural disasters. Social protection programs can also yield secondary positive economic impacts. For example, when cash transfers are implemented at scale, they can have multiplier effects in the local economy resulting from the recipients' increased spending, consumption, and production. This is particularly the case for social protection targeted to poor households in small, self-contained local economies who tend to spend locally and on locally produced products. Some evidence indicates that these spillovers can be quite significant for non-beneficiaries as well (Thome et al, 2016 and Egger et al, 2019).

**At the national level, there are various ways in which social protection programs can support economic growth.** Analogous to the case of cash transfers having a local economic multiplier effect, social protection can help to stimulate aggregate demand at the national level and, as in the case of unemployment insurance in particular, provide countercyclical spending during downturns. In response to the COVID-19 pandemic, cash transfers were deployed at least in some countries with this objective in mind. Social insurance schemes have also been found to increase aggregate growth through participants increased savings and, thus, the potential deepening of capital markets. Beyond this, there is significant evidence that social protection can help governments to facilitate other economic reforms that reduce inefficient and inequitable government spending (such as fuel subsidies) by providing low-income households with some compensation to offset the costs of these reforms (Alderman and Yemtsov, 2012 and Grosh et al, 2008). When labor programs are well designed and implemented, they can improve the overall functioning of labor markets, thus increasing the utilization of human capital and overall productivity (Card et al, 2018 and Escudero et al, 2019). In the same vein, training and reskilling programs can facilitate the growth of new sectors and industries, such as the new green economy. Social protection has been identified as a critical ingredient for promoting a "just transition" as part of the decarbonization of economies, which is needed to reduce the impact of climate change (ILO, 2019a and Rigolini, 2021).

**Well-designed social protection programs can reduce inequality, which can in turn contribute to economic growth.** It is now well established in the literature that high levels of inequality can be bad for economic growth (World Bank, 2006). Social protection programs, particularly social assistance and economic inclusion programs but also labor programs, are often explicitly designed to reduce inequalities by promoting equality of opportunities throughout the lifecycle. There is a strong consensus that doing this has a positive effect on economic growth (Ravallion, 2005; Barro, 2008; and Arjona et al, 2002). This is because the poor and near poor have more and better opportunities to benefit from growth processes (Grosh et al, 2008), while reducing inequality also improves economic and political institutions (World Bank, 2006). At the national level, there is also evidence that social protection can reduce inequalities (UNDESA, 2018). A study of the incidence of tax and spending across the globe has produced country by country estimates of the extent to which they do this (Lustig 2019).

**Social protection programs can also increase social cohesion and social stability.** There are many ways in which social protection can foster increased social cohesion (Babajanian, 2012). While there is still limited empirical evidence for this, country-level experience has shown that, if carefully designed, social protection programs can contribute to peacebuilding and stability in post-conflict societies by diffusing tension and grievances and, thus, preventing social unrest and violent conflict (Schjødt 2021). Public works programs have been used in several post-conflict countries to foster the reintegration into society of ex-combatants (Subbarao et al, 2013). Several countries are turning to economic inclusion and labor programs to support refugees and displaced populations. There is also evidence that the provision of cash transfers can reduce the incidence of crime (Chioda et al, 2012 and Acosta and Monsalve, 2018). Social accountability mechanisms that are incorporated in social protection programs can improve both service delivery and state-citizen relations, although the extent to which they do this is still under-researched (Ayliffe et al, 2017). The role that they can play in promoting social cohesion is all the more important in circumstances of rapid structural change or large shocks (World Bank, 2012b). Indeed, social protection programs are increasingly being recognized and promoted as mechanisms for strengthening the social contract (Kidd, 2020 and Cloutier et al, 2021), and the role that social protection has played in mitigating the impact of COVID-19 on inequality and poverty has highlighted its potential for fulfilling and renewing the social contract in many countries (Razavi et al, 2020).

**While social protection can have myriad positive impacts, these can only materialize when programs are well designed and implemented.** The importance of sound design and strong implementation capacity cannot be underestimated (McKenzie, 2017 and Grosh et al, 2018). To achieve their goals, programs need to reach their intended population and respond to the needs of the population by providing adequate and timely benefits and services. Moreover, programs need to be designed with an understanding of the constraints and challenges faced by beneficiaries. An important area of innovation in this regard is the application of behavioral science to the design of programs. The evidence is growing in many fields, including in social protection, that such approaches are a cost-effective way to improve outcomes (Somville et al, 2018; Benhassine et al, 2015; Bernard et al, 2014; Ideas42, 2019; and World Bank, 2015c).

**Finally, while social assistance is often provided with the aim of improving recipients' outcomes in other sectors such as health and education, it can only go as far as to support individuals and households in connecting with the available supply of services**. It cannot increase the supply of services itself or improve their quality, which are often serious impediments to improved outcomes. Similar limitations apply to labor programs that mostly address labor supply or intermediation constraints but whose impact depends on labor demand and overall economic conditions. Moreover, these programs are often limited in what they can achieve in the short term because they are trying to remedy long-lasting deficiencies in skills or in financial or social capital that are hard if not impossible to completely overcome in a single, frequently short-lived intervention.

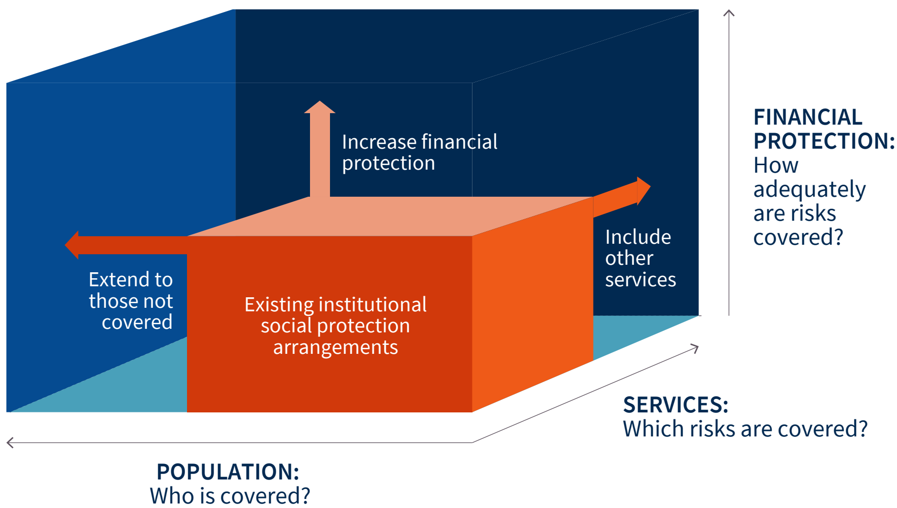
## D. The Path Towards Universal Social Protection

**All people face risk, but few have enough tools at their disposal to manage that risk.** Risk is a pervasive element of life for all. People are exposed to the risk of myriad shocks including those related to health, livelihood, labor markets, violence and crime, and economic and natural disasters. The kind of risks, their magnitude, and the capacities that each person has to manage them vary based on many factors including geography, income and assets, age, skills, and gender. In order to mitigate these risks and cope with the shocks that occur, individuals and communities have traditionally adopted informal risk management strategies as well as used credit, savings, insurance, or labor market programs where these have been available (Holzmann and Jorgensen, 1999). However, in low- and middle-income countries, access to these market-based tools is limited, leaving most people underinsured (Dercon, 2002). Even in contexts where credit and insurance markets exist, they are often inadequate in the face of the growing pervasiveness and degree of risks in the modern world (Packard et al, 2019). Therefore, the rationale for government intervention to help people to manage risks is well established and broadly accepted (Norton et al, 2002).

**Governments therefore have played a role in increasing access to risk management tools, but only in limited ways.** They have traditionally done so in three ways. First, they provide social assistance to a limited portion of the population who are either income-poor or vulnerable, such as children and the elderly. This is done with the aim of helping them to avoid impoverishment and destitution. Second, and on a similarly small scale, they fund economic inclusion and labor market programs aimed at increasing employability, supporting entrepreneurship and productivity, and strengthening the links between job seekers and economic opportunities through intermediation services. Third, they support social insurance and labor institutions that particularly in low- and middle-income countries also serve a small percentage of the population, usually those at the higher end of the income spectrum, through formal employment-based instruments aimed at managing risks linked to employment. While these three types of interventions are vital, they have tended, by design or practice, to leave large swathes of the population either with no coverage at all or with coverage for only a limited set of risks or with only limited support should shocks occur. In supporting USP, the international community recognizes that many countries are not responding effectively to the varied and changing needs of the entire population and is, therefore, calling for new ways to design social protection systems that can provide effective coverage for the whole population.

**The path towards USP starts from the understanding that coverage has several different dimensions**. When thinking about how to provide coverage to an entire population, it is critical to recognize not only that people must be given direct or contingent support but also that the financial protection provided must be adequate to enable recipients to effectively manage a given risk should it materialize. While the coverage of social protection programs has been increasing in recent decades, their adequacy, or quality, remains a significant challenge, too often a residual design decision after considerations of budget and nominal coverage of populations. As a result, programs that provide only meagre or low-quality benefits or services do not yield the many positive impacts that can result from well-designed social protection programs. Another issue is that no individual program can protect people from all of the different risks that they are likely to face throughout their lifetimes, including poverty, ill health, unemployment, and old age. People and households often encounter several different risks at the same time. Therefore, comprehensive and effective protection can only be provided by a suite of programs that span the domains of social insurance, labor and economic inclusion, and social assistance and care, ensuring that individuals are effectively protected at all points of the lifecycle (see Figure 4).

FIGURE 4. **Achieving Effective Social Protection Coverage**

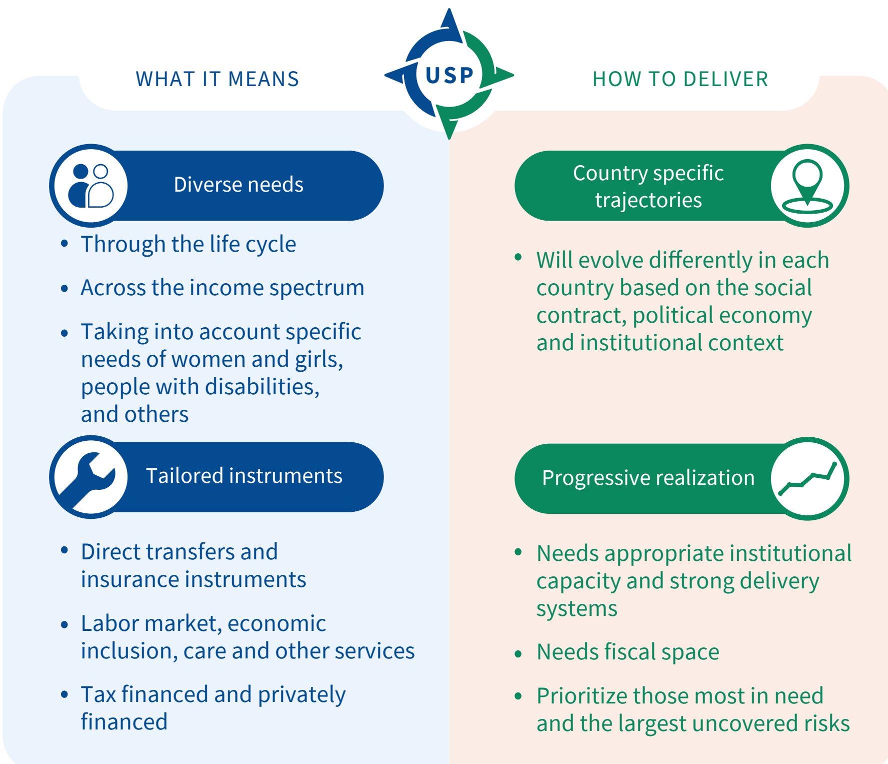



**Source:** Ulrichs and White-Kaba, 2019.

**USP refers to a nationally defined system of integrated policies and programs that provide equitable access to all people, protecting them throughout their lives against poverty and risks to their livelihoods and well-being and helping them to access economic opportunity.** In this context, "integrated" refers to the need to ensure that the portfolio of necessary programs is coordinated effectively between the social insurance, labor and economic inclusion, and social assistance and care domains for different groups in recognition of their diverse needs. This integrated approach is particularly salient for the poor and disadvantaged who tend to encounter a more complex, multifaceted set of risks. Making this integration a reality will also require a high degree of coordination between the social protection sector and a range of complementary social (health, nutrition, education, and care services) and economic policies and services (including financial, trade, investment, and private sector development). All of these are vital for achieving progress towards the goal of USP, but many are managed primarily by other sectors. Experience shows that achieving this integration will require both careful design and strong institutional coordination.

**How countries make progress towards establishing USP will necessarily vary based on political and economic factors specific to each country.** How social protection systems evolve in each country depends on a number of factors including the country's level of income and poverty, its risk profile, the structure of its labor market, and, perhaps most importantly, the political and institutional context and, with it, the social contract.[6] As a result, there is an enormous diversity between countries in the institutional arrangements governing social protection. This necessary diversity of approaches has been clearly recognized in international agreements related to social protection.[7] Therefore, the nature of the support that the World Bank provides continues to be defined through country-led dialogue that identifies the priorities for progress towards USP in each particular country context (see Figure 5).

FIGURE 5. **Charting a Course Towards Universal Social Protection**




[6] Social contracts can be understood as the implicit, mutual bargaining over what citizens expect from the state, and what the state can legitimately demand of citizens in return (World Bank, 2019d).
[7] For example, Article 9 of ILO Recommendation 202 states that "In providing the basic social security guarantees, Members should consider different approaches with a view to implementing the most effective and efficient combination of benefits and schemes in the national context".

**There are two critical issues that must be addressed in order to advance towards USP in any country – limited fiscal space and institutional capacity.** At current rates of progress, it will take many years to achieve USP in most countries (Gentilini, 2019). As will be discussed in Section II, effective coverage in many low- and middle-income countries and even in some high-income countries remains quite low (World Bank, 2018d). At a minimum, two ingredients are essential to make further progress. First, because the lack of fiscal space continues to be an important impediment to increasing adequate coverage in many countries, it will be essential to develop long-term national financing strategies to secure full and sustainable funding for USP. These are likely to combine increasing the efficiency of existing social protection spending while also mobilizing more domestic revenues. Second, this spending will need to be channeled through systems that have the capacity to deliver the full range of social protection support. The institutional architecture of delivery will vary significantly in each country and by type of program, but all countries will need to ensure that they have the basic minimum delivery capacity in place. The impetus for achieving these two goals will have to come from the highest political level and will need to include a strong legal and policy framework to set out objectives and guide the roles and responsibilities of the different actors involved in designing, administering, and delivering social protection programming.

**As countries move towards the progressive realization of USP,[8] it is important to adhere to the principle of prioritizing the poorest and most vulnerable for support.** This is particularly relevant for social assistance programs, helping ensure that social protection systems maximize both the equity and efficiency of public spending. Therefore, it will be critical for countries to build their capacity to accurately identify those most in need. All eligibility criteria for social protection benefits must ensure equality of access and non-discrimination, which are particularly important principles guiding the World Bank's work.[9] They must also be objective, reasonable, and transparent, and efforts must be made to avoid stigmatizing beneficiaries (Sepulveda and Nyst, 2012).

**A sound social protection system is more than just a collection of programs.** Both the individual programs and the system as a whole need to be built on certain key attributes. In order to contribute meaningfully to the effort to achieve USP, they must be:

- **Adequate.** The overall social protection system should provide effective coverage to all of the various groups in need of support and individual programs should provide adequate benefits and quality services to whichever subset of the population they are designed to serve.

[8] The concept of "progressive realization" describes how states are expected to bring to fruition the economic, social, and cultural rights that are enshrined in international human rights treaties. Most pertinently for social protection, this phrase is used in the UN's International Covenant on Economic, Social, and Cultural Rights (art. 2 (1)). Many national constitutions also refer to the progressive realization of some economic, social, and cultural rights (OHCHR, 2008).

[9] See for example, the World Bank's Environmental and Social Framework (World Bank, 2017a).

- **Tailored.** Different population groups and individuals have different needs, so programs need to be designed accordingly. There is no single blueprint. In recognition of these diverse needs, the social protection system should offer different integrated bundles of benefits and services, offering pathways across social insurance, labor and economic inclusion, and social assistance and care domains for different groups. This is particularly necessary for the poor and disadvantaged who are likely to face a more complex, multifaceted set of risks than others, as well as to find it more challenging to access social protection programs.
- **Dynamic.** The specific people that programs need to serve will change day by day and month by month. Therefore, individual programs should be designed to be scaled up and down in response to the evolving needs of the population as they confront both idiosyncratic and covariate shocks. Programs should also be dynamic in the sense that they are adapted in response to lessons learned during their implementation. The appropriate balance of different kinds of programs within the overall social protection system will also slowly evolve as economies grow and government policy changes.
- **Efficient.** There should be no undue fragmentation across the social protection system so as to minimize administrative waste and to realize economies of scale. This means that social protection programs should be run using only the resources needed to carry out all program functions well and to achieve the desired impact. Programs should also seek to minimize any unnecessary transaction costs that beneficiaries may incur as part of accessing the program.
- **Sustainable.** Investments in social protection programs should be both financially and politically sustainable. This will help avoid any stop/start cycles that result in enormous lost opportunities for efficient administration and the achievement of positive long-term outcomes. Any programs, such as public works, that build community assets should ensure that these maximize contributions to environmental sustainability. Programs that build individual assets and livelihoods, such as those in the domain of economic inclusion and labor, should take into account relevant environmental and climate change considerations.
- **Incentive compatible.** Social protection can change the behavior of households and firms in both positive and negative ways. Programs must be designed in ways that on balance, create positive incentives for people to work, save, and contribute to social insurance, and for employers to register workers in the social protection system and pay their required contributions.
- **Inclusive.** The social protection system must recognize the special needs of people with different characteristics, circumstances, and vulnerabilities who, for a variety of reasons, may face structural barriers or discrimination in accessing and taking full advantage of whatever social protection is available to them.

SECTION II

# Progress towards Achieving USP and the Challenges that Remain

**In order to determine future strategic priorities, it is first necessary to assess the progress being made towards achieving USP around the world as well as the challenges that remain.** Section I discussed the overarching framework for USP and the implications for country-level social protection programs and systems. Before moving on to explore how countries might gradually achieve USP, in this section, we assess the extent of the progress that they have made in recent years as well as the various challenges that they have faced in the process. This assessment can be used as a foundation for countries to plan their future actions and for the World Bank to define how best to support countries in this endeavor, which is discussed in Section III.

**The goals of equity, resilience, and opportunity provide a useful organizing framework for this assessment.** Section II discusses progress towards the goals of equity, resilience, and opportunity in turn. Different programs and instruments almost always contribute to more than one of these goals. In the assessment that follows they are mainly discussed under the goal with which they are most aligned, recognizing these multiple pathways and that the goals themselves are mutually reinforcing. Delivery systems and financing for social protection have been identified as two cross-cutting enabling factors that have underpinned recent progress and are discussed at the end of the section.

## A. Towards the Goal of Equity

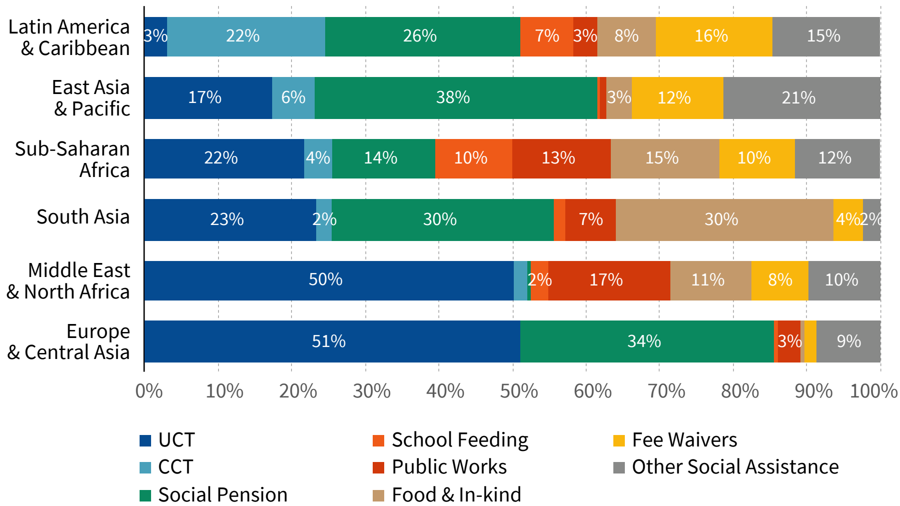
**Equity is a goal of social protection because it is essential to ensure that the poor and vulnerable are supported to reach a basic minimum level of consumption and well-being and to promote equality of opportunity.** Social protection has a role to play in reducing both poverty and inequality. The aim of reducing poverty is particularly pertinent in low-income countries, but all countries have a responsibility to protect their poorer residents. Also, there is long-established evidence that reducing poverty and promoting equity maximizes the welfare of society as a whole and promotes more efficient economic growth (Barr, 2004). Almost everywhere around the globe, the political will exists to help those in society who are less fortunate, although preferences for redistribution vary substantially from country to country.

**Social assistance, or non-contributory social protection, is a key tool for mitigating poverty and vulnerability and, if well-designed, can also foster resilience and equality of opportunity.** Social assistance programs include a range of interventions that apply throughout the lifecycle from child allowances to social pensions as well as covering specific needs such as income support for the poor or benefits for people with disabilities. They include transfers either in cash or in kind such as school feeding and food assistance benefits. They can also include waivers or reductions in fees for publicly provided services such as health care, electricity, or water. The main aim of social assistance programs is to provide income support to households to enable them to invest in food, shelter, health care, education, and livelihoods. Often, but not necessarily, these programs are combined with interventions that provide information, behavioral nudges, and/or links to and incentives to use other services such as child development, health, education, or financial services, the use of which could amplify the positive effects of the income support. Figure 6 shows the share of social assistance expenditure going to the various classes of instruments in the regions of the world. All regions use a mix of instruments, as do individual countries. Cash-based programs dominate overall but are used more extensively in some regions than others. Unconditional cash transfers (UCTs) take up the largest share of spending in Europe and Central Asia (ECA) and the Middle East and North Africa (MNA), while social pensions predominate in East Asia and the Pacific (EAP), South Asia, and Latin America and the Caribbean (LAC).

**Globally, the coverage of social assistance programs is still incomplete.** Just over one-third of all people and one-half of people in the poorest quintile of their country receive some form of social assistance, with poorer countries having even lower coverage. In low-income countries, on average only 23 percent of those in the poorest quintile receive some sort of social assistance. The corresponding figure in the World Bank's high-income client countries is 73 percent (see Figure 7). As countries move up the income ladder and as coverage increases, policymakers tend to increasingly focus resources on the poorest, meaning that coverage of the poorest households in wealthier countries becomes relatively greater than coverage of the population as a whole. Globally, coverage of social assistance is somewhat higher in rural areas than urban areas – 43 versus 32 percent for the whole population and 53 versus 46 percent for those in the poorest quintile – with slightly larger differences in LAC and EAP than in the other regions.[10] Having higher coverage in rural areas is consistent with rural areas usually having higher rates of poverty, but this may mean that there is a need to bolster urban social assistance (Gentilini, 2015 and 2021).

[10] These estimates are based on publicly available data as of December 2021 from the ASPIRE database (www.worldbank.org/aspire). These are the most recent values for each country within the time period 2014 to 2019. The number of countries considered for the analysis were as follows: World (rural n=68, urban n=70), Sub-Saharan Africa (rural n=25, urban n=26), East Asia & Pacific (rural and urban n=7), Europe & Central Asia (rural and urban n=15), Latin America & Caribbean (rural n=16, urban n=17), Middle East & North Africa (rural and urban n=1), and SAR (rural and urban n=4).

**FIGURE 6. Social Assistance Spending Across Regions, by Instrument**



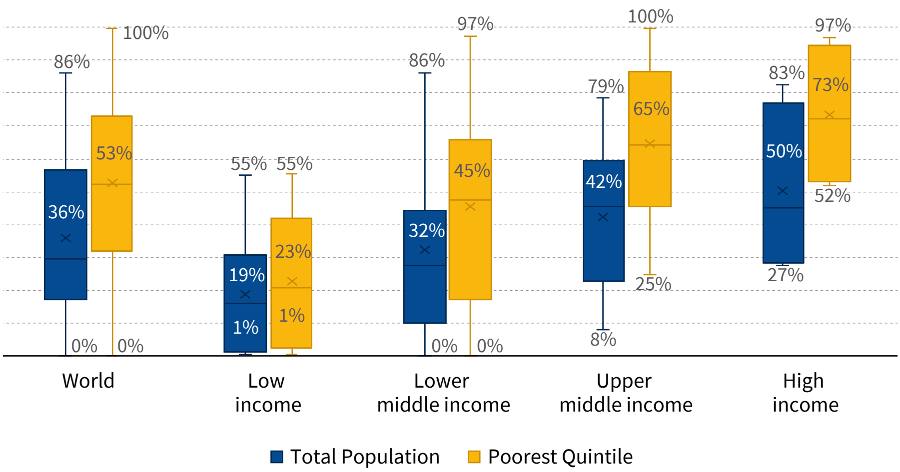

**Source:** ASPIRE database - www.worldbank.org/aspire.
**Notes:** Data publicly available as of December 2021 based on administrative data from 2015-2019. The number of countries is as follows: Total (114); SSA (40); ECA (27); LAC (20); EAP (14); SAR (7); MNA (6). Social assistance expenditure refers to spending on benefits and administrative costs. Total expenditure for a country is calculated by aggregating program-level data for the most recent available year. Regional composition for spending is calculated using simple averages of country-level expenditure by type of program.

**Despite low rates of social assistance coverage around the world, these programs have rapidly expanded in recent years, and a strong focus on documenting results has led to a growing international consensus that they are effective.** Over the last two decades, social assistance coverage of the poorest quintile has grown by 5.8 percentage points in low-income and lower-middle-income countries and by 12.7 percentage points in upper-middle-income and high-income countries. [11] This increase in coverage has tended to start later in low- and lower-middle-income countries than in higher-income countries. Brazil, Mexico, South Africa, India, Indonesia, and China were among the most influential early adopters of social assistance programming in the 1990s and early 2000s, with large domestically financed programs for which several credible impact evaluations were carried out. Consensus about the value of social assistance has gradually emerged in the development community as reflected, for example, in the African Union's Livingstone Call for Action in 2006 (see Hanlon et al, 2010). Many countries have followed suit, and some form of social assistance now exists in virtually every country of the world. While certain regions have longer traditions of social assistance

[11] Based on data from ASPIRE (www.worldbank.org/aspire) for a balanced panel of 23 countries for which an observation was available in each of three time periods; 2002-2009; 2010-2014, 2015-2019, data publicly available as of December 2021.

programming, such as LAC and ECA, progress has been far more widespread. The Africa region started from very low levels of programming despite high poverty and low human development indicators, but more than 45 African countries (out of 48) now have social assistance programs in place (Beegle et al, 2018). East Asia has long been known for its productivist approach to poverty reduction and for its relatively small social protection sector, but now China has a well-established social assistance system, while solid systems are emerging in Indonesia, Malaysia, the Philippines, Thailand, and Vietnam (World Bank and DFAT, forthcoming). Although the Middle East and North Africa has long been known for its reliance on fuel and food subsidies, there are now well-established cash transfer programs in a number of countries, including Egypt, Jordan, West Bank-Gaza, and Yemen.

**FIGURE 7. Social Assistance Coverage**




**Source:** ASPIRE database - www.worldbank.org/aspire.
**Notes:** Data publicly available as of December 2021. Most recent value for each country with data in the time period 2014-2019. The number of countries per region is as follows: World (n = 73), low-income countries (n = 9), lower-middle-income countries (n = 28), upper-middle-income countries (n = 32), high-income countries (n = 4). Aggregated indicators are calculated using simple averages of country-level social assistance coverage rates across regions. Coverage is: (number of individuals in a given group [i.e., total population or poorest quintile] who live in a household where at least one member receives any social assistance program)/ (number of individuals in the group). This figure underestimates total social assistance coverage because household surveys do not include all programs existing in each country. The poorest quintile is calculated using per capita pre-transfer welfare (income or consumption). The box and whisker plot represents from bottom to top- the minimum, first quartile (bottom of the box), median, third quartile (top of the box), and maximum values for social assistance coverage by country income group.

**In the last decade, not only have new programs been created but also flagship poverty-targeted programs have been expanded in several countries, particularly in Africa and Asia.** Some examples of these flagship programs are the National Program of Family Security Transfers (*Programme National de Bourses de Sécurité Familiale*) in Senegal, the coverage of which expanded from 3 percent to 16 percent of the population in 2016. The coverage of the Productive Social Safety Net Program in Tanzania expanded from less than 1 percent to 10 percent of the population between 2013 and 2016. Indonesia increased the coverage of its Keluarga Harapan Program from 1 to 12 percent of the population between 2009 and 2018. In the Philippines, the flagship conditional cash transfer program Pantawid Pamilyang Pilipino Program (4Ps) increased its coverage from 4 to 20 percent of the population between 2009 and 2015. Finally, Pakistan scaled up coverage of its BISP/Kafalaat UCT from 7 to 17 percent of the population between 2008 and 2017.[12]

**In many countries, the establishment or expansion of non-contributory social pension schemes financed from general revenue was an important element in the extension of coverage.** Nearly 100 countries now have various versions of such programs, some combined with contribution-based schemes. Twenty countries provide universal social pensions to all people above the defined age threshold, 28 countries grant social pensions only to those who receive no contributory pensions, and 55 use some type of welfare assessment or means test to assign social pensions (Help Age, 2018). This trend has underpinned the progress in extending effective pension coverage in recent years (which will be discussed further below). Whereas in 2000 only 34 countries had reached effective pension coverage of more than 90 percent of the population above the statutory pensionable age, this rose to 78 countries between 2015 and 2020 (ILO, 2020). In many countries, social pensions account for a significant share of total social assistance spending. In some countries, the high fiscal cost of social pensions is at least partially driven by particularly high levels of benefits (for example, South Africa, Lesotho, and Mauritius). In other countries, benefit levels are much lower, even under 50 percent of the national poverty line in some countries (such as Colombia, Bangladesh, Thailand, and Türkiye), and as a result, the pension is not sufficient on its own to prevent old age poverty (Guven, 2019 and ILO, 2021).

**While much of the expansion in coverage has been driven by cash transfers, some countries continue to have sizeable in-kind programs.** It is widely recognized that cash-based programs have advantages in terms of respecting consumer choice and having lower administrative costs than in-kind programs, which involve the procurement, storage, and distribution of specific goods. Notwithstanding, in-kind provision can be the preferred instrument at times when and in places where markets work poorly, which is often the case in disasters and sometimes in remote areas with poor infrastructure (Gentilini, 2021 and Alderman et al, 2018). Although spending on food and in-kind assistance (other than school feeding) generally accounts for a smaller share of social assistance spending than cash-based programs (as can be seen in Figure 6), these programs are still widely used, existing in more than half of all countries.[13] Some have historically had large food-related programs, often aiming to meet a mix of national food security, agricultural, and social protection objectives. While some have moved towards cash or e-vouchers in recent years (such as

[12] ASPIRE administrative data (www.worldbank.org/aspire).
[13] ASPIRE administrative data (www.worldbank.org/aspire).

Iran and Indonesia), others are modernizing and improving their food-based programs but are not switching to cash. India's Public Distribution System covers about 75 percent of the rural population and 50 percent of the urban population with tiered benefits that enable poorer households to buy seven times as much subsidized food grain per month as other claimants (Dreze et al, 2018). Recent reform initiatives have increased its efficiency, especially by reducing fraud along the supply chain (Bhattacharya et al, 2018). Egypt's food subsidies, which date back as far as World War II, are quasi-universal. Egypt has been reforming its supply chain to reduce waste and leakages and is increasingly using digital technologies for both supply chain monitoring and beneficiary rosters (EL-Gaafarawi, 2021 and Abdalla and Al-Shawarby, 2018). Social protection responses to the COVID-19 crisis included in-kind assistance in 115 countries. Three-quarters of these countries provided food baskets containing dry rations and other basic food items such as rice, flour, beans, cereals, oil, salt, sugar, and dairy products to various target groups such as the elderly, people with disabilities, and informal sector workers (Gentilini et al, 2022). In-kind programming is also used in the education sector, with some countries supporting the distribution of school supplies such as uniforms, textbooks, or school materials at the beginning of the year to help poorer families to overcome barriers to their children's attendance and learning. For example, in Africa, almost half the expenditures that households incur to send their children to school—related to items such as school supplies, learning materials, and transportation—are required in addition to formal fees (World Bank, 2018e).

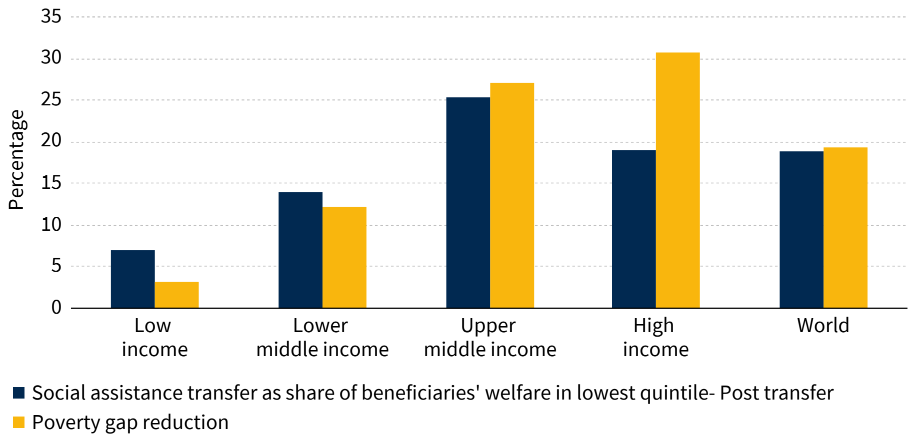
**A particularly prevalent type of in-kind programming is school feeding, which is the most extensively used social assistance instrument in the world.** An estimated 161 countries have some type of school feeding program, and one in every two schoolchildren around the globe now receives a school meal. Since 2013, there has been a 9 percent increase in the number of children receiving school feeding. There has been a considerable scaling-up of such programs in low-income countries (a 36 percent increase) and in lower middle-income countries (an 86 percent increase), especially in places where the number of children receiving school feeding was low in 2013 and particularly in Africa (WFP, 2020). Despite this growth, the coverage of school feeding programs remains lowest in countries where the need is greatest. School feeding programs in low-income countries cover only 20 percent of schoolchildren, whereas in high-income countries, 78 percent of schoolchildren are covered. The COVID-19 pandemic brought an end to the long trend of growth in school feeding programs. As schools across the globe shut in response to the pandemic, around 370 million children are estimated to have lost access to school meals. A number of countries explored alternatives to on-site school feeding, including the provision of take-home rations or home delivery and the substitution of cash or vouchers (WFP, 2020).

**As countries grapple with the need to reduce energy subsidies, they are increasingly using cash transfers to compensate those who are losing their subsidies.** In recent years, energy subsidy reform has become increasingly urgent not only because of the high fiscal costs involved but also as a way to combat climate change. International experience has shown that removing energy subsidies can be politically difficult, not least because of the large numbers of people who rely on them. Many countries have tried and failed to remove subsidies or increase energy prices. Even though these subsidies are economically inefficient, they are a high-profile and popular way to transfer some income to poor, vulnerable, and even middle-class households. Thus, an increasing number of countries have used cash transfers to compensate part of the population for the increase in energy prices associated with the removal of subsidies and thus, to reduce opposition to reforms. A recent global assessment of recent energy subsidy reforms noted that coverage of compensation programs varies enormously (Mukherjee et al, 2022). Iran's program in 2010 had the largest coverage, initially covering all the population though it was later "downsized" but still benefited 95 percent of the population. India's cash compensation program for the removal of its liquified petroleum gas (LPG) subsidy, which is the largest in the world, is also quasi-universal, covering 265 million beneficiaries – almost 20 percent of the population (effectively covering 90 percent of all households). Even though they are quasi-universal, these programs are still more progressive than the largely regressive energy subsidies that they replaced. Other countries introduced more targeted compensatory cash transfer programs, with coverage ranging from less than 1 percent of the population to up to 50 percent.

**COVID-19 provoked an enormous expansion of coverage of social assistance aimed at limiting the negative economic impact of the pandemic on the poor and vulnerable.** During the pandemic, 166 countries initiated new, mostly temporary social assistance programs that provided support for an average of four months. In many countries, COVID-19 responses were more broad-based than their existing social assistance programs and their responses to previous crises. In a few headline-grabbing cases, the programs had universal, or near universal coverage (for example, Mongolia, Timor-Leste, and Tuvalu). Several more reached two-thirds or more of their populations (such as El Salvador and Morocco) or very large absolute numbers of people (such as Brazil, China, India, Indonesia, Pakistan, and the Philippines). A study that looked at countries where comparable data are available found that the COVID-19 response approximately doubled coverage in non-fragile countries and increased it ten-fold in some fragile states due to their low initial coverage prior to the pandemic (Gentilini et al, 2022). Some governments are building on the heightened expectations of social protection among both policymakers and the population to expand the coverage and programming of their permanent programs (for example, Brazil, Morocco, Nigeria, and Pakistan), and several others are changing their procedures and rules to increase coverage and flexibility (for example, India, Sierra Leone, and Togo).

**Although the focus is often on how many people are covered, the value of the benefits provided is crucial for achieving positive outcomes, but this is often inadequate.** Effective coverage of the population requires not only that enough people receive benefits, but that those benefits are adequate in terms of the support that they provide. On average, social assistance benefits represent around 19 percent of the income of people in the poorest quintile. Transfers as a share of base individual's income and their impact on poverty both tend to be greater as country income increases (see Figure 8). Although social assistance benefits are often too low to lift participants above the poverty line and thus reduce the number of poor, they do raise recipients' living standards. A particular challenge is that many programs do not automatically adjust their benefits for inflation or regularly review their adequacy. As a result, there is a gradual, or sometimes rapid, erosion of the purchasing power of benefits as a result of inflation (Grosh et al, 2008).

**FIGURE 8. Value of Social Assistance Transfers and Impact on Reducing the Poverty Gap**




**Source:** ASPIRE database - www.worldbank.org/aspire.
**Notes:** Data publicly available as of December 2021. Most recent surveys per country are used for the period 2014-2019. The number of countries per income group with monetary values for social assistance is as follows: World (n=65), low income (n=8), lower middle income (n=22), upper middle income (n=31) and high income (n=4) countries. Aggregated indicators are calculated using simple average of country-level social assistance indicators across income groups. Social assistance adequacy and poverty gap reduction may be underestimated because ASPIRE does not include data for every country in each of the income groups, and even for a given country the survey does not include the universe of social assistance programs. The poorest quintile is calculated using per capita pre-transfer welfare (income or consumption). Using simple averages of country-level rates.

**There is growing recognition that, to achieve certain health and education outcomes, particularly in the earliest years, cash transfers need to be combined with other services**. Evidence of the impact of cash transfers on child nutrition is especially mixed (Bastagli et al, 2016), which suggests that barriers other than a lack of cash continue to undermine children's nutritional outcomes. Therefore, countries are increasingly implementing additional interventions alongside cash transfer programs to further boost their positive impact. Such interventions have included the provision of nutrition information to parents (for example, through behavior change communication or sensitization meetings in Colombia and Peru), the provision of additional benefits and support (such as supplementary feeding in Mexico and Niger or psycho-social support in Chile), the provision of or the facilitation of access to services (for example, through health insurance in the case of Ghana), or the implementation of case management approaches (as in Ethiopia and Mozambique). These programs have had encouraging results in a number of different country contexts (see, for example, Arriagada et al, 2018 on how Colombia, Mexico, Niger, and Peru have combined cash with parenting programs). However, in many countries, there are few existing services of adequate quality that can be linked to cash transfer programs, and this can make it difficult to scale up successful pilot schemes (Roelen et al, 2017).

**Social care services are an important element of social protection but are complex to deliver.** Although social assistance, social insurance, labor and economic inclusion programs constitute a large share of social protection programs, the sector also encompasses a range of care services that people rely on for their own quality of life and for their families. These care services support the human capital, employment, social engagement, and resilience both of those who need care and of those who are employed in the growing industry of care services. However, care services are also among the most complex elements of social protection to deliver (see Box 1).

**Moreover, needs for care are far from being met by existing services.** Most countries do not provide any long-term care (LTC). Only 5.6 percent of the global population live in countries that provide nationally mandated LTC coverage to the whole population (Scheil-Adlung, 2015). Half of all people aged 65 and over in OECD countries who live at home and have limitations in at least one activity of daily living (ADL) or instrumental activity of daily living (IADL) have reported that they do not receive sufficient formal or informal LTC support. This is also the case for nearly two in five people living with three or more limitations (OECD, 2021a). There have been similar findings of high unmet need in Latin America (Rofman and Apella, 2020). Moreover, due to the aging of populations, the number of older people in need of long-term care around the world is projected to increase by 100 million between 2015 and 2030 (ILO and OECD, 2019). At the other end of the age spectrum, of all children worldwide who are below the age for entering primary school, 350 million (or 43 percent of the age group) could benefit from childcare but have no access to it (Deverecelli and Beaton-Day, 2020). The 2011 World Report on Disability estimated that, of the 1 billion people with disabilities in the world, between 110 and 190 million had very significant impairments, suggesting that this is the very lowest number who may need some support (WHO and World Bank, 2011).

Box 1. **Social Care Services – an Agenda of Rising Importance**

A wide range of care services is offered within social protection. While the content of these services differs significantly there are some commonalities that are important for policymaking purposes.

**An increasing role to play for the market, the state, and communities.** Traditionally, caregiving has been arranged within families for those who need it, including the very young, the elderly, and people with disabilities. This is becoming less feasible due to trends related to demography, migration, and gender as discussed in Section I. It is less common for extended families to be large and to live in close proximity to be able to help out with daily care needs. In Latin America for example, the proportion of older people living on their own increased between 2006 and 2015 in all 17 countries for which data are available (Rofman and Apella, 2020). Traditionally, in-home caregiving has been provided mostly by women, but their growing rates of enrollment in education and participation in the labor force has meant that many girls and women are away from the home during the day, reducing their ability to provide care without impacting their own life trajectories or losing income. As families struggle to provide enough care, markets and governments are taking on greater roles in social care services.

**The state plays a mixed role as regulator financier, and provider of private care services.** Some families are able to pay for help from domestic workers or trained carers or from for-profit or non-profit providers. Because not all families can afford such expenditure, there is an issue of equity and universality that calls for the government to provide financing for those who are deemed to be in need but cannot afford to pay for care. The government can choose to provide this financing from the general budget or organize it through social insurance, as in the case of pensions or health. The government also has a role to play in fostering growth of the care services market by providing information and by assuring the quality of care through the setting, monitoring, and enforcement of standards. Governments may also choose to enter the market directly as care providers for some segments of needs.

**A range of options for care arrangements.** Care may be provided in-home, in day centers, in group settings, or in large institutions. Each fills a need appropriate for some individuals. However, there is a strong consensus that large institutions have been overused in many countries, particularly in ECA, and that deinstitutionalization is often desirable (UNICEF, 2003; WHO and World Bank, 2011; and Hillis et al 2021). However, the availability of in-home services and community-based services has not kept pace with the growing consensus about their desirability. Among the OECD23 countries, for example, between 2009 and 2019, the proportion of long-term care (LTC) recipients who received care at home rose only marginally, from 67 percent to 68 percent (OECD, 2021a).

**Complex issues involved in assuring the quality of services.** Financing or providing services involves the need to define quality standards. There are natural tensions between what is desirable and what is affordable to families or governments or what it is feasible to deliver with the currently available workforce and conditions of employment. Moreover, at least a subset of clients (infants and young children and more severely impaired adults) has limited or no agency to advocate on their own behalf, and their family members may not directly observe the quality of care provided. Thus, quality assurance relies heavily on ex-ante (sometimes voluntary) certifications, reporting by providers, and inspections. The limited ability to monitor quality makes writing and enforcing fair contracts between the financier and the provider difficult. Moreover, in many places, there are not enough providers of services to give individuals and their families meaningful options for switching should they be dissatisfied.

**A growing source of employment, though with challenges for training and quality of jobs.** As well as its essential role in improving the lives of the people receiving care, the care sector offers significant potential for the creation of employment in the years ahead, for both women and men. The ILO estimates that 30 million additional jobs could be created in the LTC sector if countries were to invest in it sufficiently (ILO, 2018b). Currently, most jobs in the sector are unskilled, which is a problem in terms of providing quality services and indicates a need for workforce development. Work in the sector is also heavily gendered, with women holding about 90 percent of the jobs in the LTC sector. Non-standard employment (including part-time and temporary work) is common in the LTC sector. For instance, 42 percent of LTC workers worked part-time in OECD countries in 2019. The fact that basic LTC services are mostly needed for reduced hours at specific times of the day may contribute to explaining this phenomenon. Temporary employment is also common, contributing to job insecurity in the sector (OECD, 2021a).

**A shared vision of purpose.** It is widely agreed that the social care provider should be chosen by the individuals and their families and that the services should enhance or preserve the functioning of the persons being cared for and their autonomy, dignity, individuality, comfort, and meaningful activity. For example the Convention on the Rights of Persons with Disability, (CRPD) of 2006 made a paradigm shift in insisting that persons with disabilities must no longer be considered as "objects" of charity, medical treatment, and social protection but as "subjects" with rights, who are capable of claiming those rights and making decisions for their lives, as well as being active members of society (WHO and World Bank, 2011).

**Sources:** UNPRPD (2006), Devricelli and Beaton-Day (2020), Lindert et al (2020), Lopez Boo et al (2016,) ILO and OECD (2019), ILO (2018b), OECD (2021a), Rofman and Apella (2020), and WHO and World Bank (2011).

## B. Towards the Goal of Resilience

**Resilience is a core objective of social protection.** It helps to prevent people from falling into or falling deeper into poverty, especially important when this involves negative coping responses that can have permanent or long-lasting consequences such as child malnutrition, withdrawal from school, early marriage, or loss of productive assets. It also helps people to smooth their consumption during hard times, so they are able to manage the impacts of a shock without their well-being being significantly damaged.

**Social protection must protect people against multiple dimensions of risk to ensure that shocks do not take a catastrophic toll on their welfare and productivity.** Individuals and households are subject to a variety of different risks, from shocks affecting individual households (idiosyncratic shocks) to shocks affecting larger communities or whole nations (covariate shocks). As noted earlier, the three goals of social protection are highly interrelated. By increasing investments in equity and opportunity, social protection programs make significant contributions towards increasing the resilience of their beneficiaries.

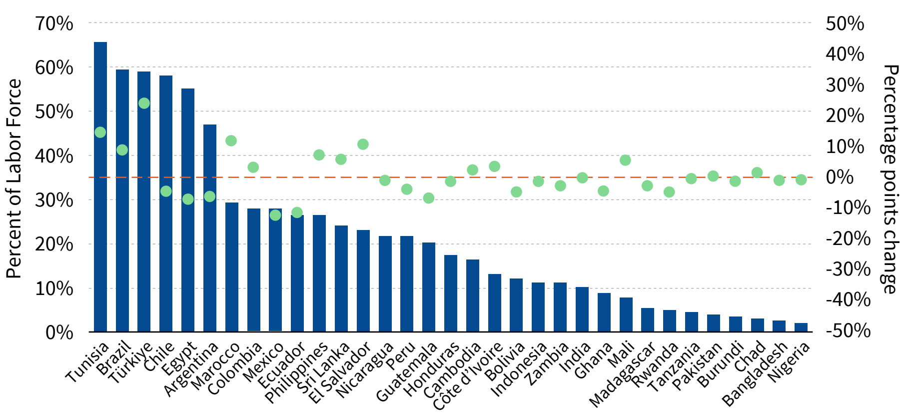
Social protection programs and systems build resilience in two ways, first, though social insurance and second, by building shock-responsive capacity. Social insurance includes programs that cover unemployment, work injury, disability, sickness, maternity, child benefits, retirement, and survivorship. Other insurance tools can also be provided by other sectors, such as health insurance, agricultural insurance, and insurance for buildings or weather or even vehicles. Savings instruments can also mitigate loss of income or assets, though they lack a risk-pooling element. When households have insufficient insurance or savings to mitigate risks, they may fall into poverty when affected by shocks and need social assistance. As for building shock-responsive capacity, when large covariate shocks hit (such as economic crises, pandemics, or natural disasters), the number of people and the level of their needs may exceed the capacity of both long-term insurance and regular social assistance. In these cases, emergency measures will be needed, including both emergency modifications of ongoing programs and the introduction of some shock-specific programs. The remainder of this section explores what progress is being made in deploying these two approaches to building resilience.

### *Strengthening Insurance and Savings Instruments*

**Contributory insurance programs are an important tool for managing risk and for smoothing incomes but are limited in their coverage and equity.** Globally, the ILO estimates that 70 percent of the world's population lacks comprehensive social insurance (ILO, 2021). Figure 9 illustrates both the low coverage of social insurance and the persistence of this low coverage over time. This is the case despite widespread efforts to increase the formality of employment around the world and, with it, the coverage of traditional social insurance. In addition to being low, coverage of social insurance is usually concentrated among people in the upper half of the income distribution, among whom formal employment is more common. For example, among all countries in Latin America and the Caribbean, the percentage of households in the first and second income quintiles that have no members in formal employment averages 77 and 55 percent respectively, whereas there are only 23 percent in the highest (Busso et al, 2020). Benefit entitlements often depend on a person's past working trajectory, contributions, and earnings, putting individuals who do not have a long work history or who receive lower wages at a disadvantage. Women, young people, and low-skilled workers are often least likely to meet the necessary requirements to qualify for benefits. In the case of women, their lower labor force participation rates and lower earnings and periods of childbirth and maternity mean that they often have lower contributions than men. In sum, social insurance was designed with a very particular type of employment history in mind, one that does not often fit the typical experience in low-and middle-income countries, particularly among the most vulnerable.

**Many contributory pension systems around the world are dependent on state transfers as they incur running deficits as their covered population ages.** In some countries, the government pays into the social insurance system as well as employers and workers. In other countries that have pay-as-you-go defined benefit pension systems, payouts often exceed revenues, and governments have to step in to ensure that retirees receive their pensions. For example, estimates suggest that defined benefit systems in Latin America require subsidies that average 44 percent of their total costs (Bosch et al, 2018). One study of European countries has calculated that current retirees receive lifetime benefits that are worth more than twice as much as their lifetime contributions (Fouejieu et al, 2021). In East Asia's relatively mature defined benefit schemes (in China, the Philippines, and Thailand), contribution rates are only half or less of the amount needed for the schemes to maintain a positive balance (OECD, 2013). As a result, many pension systems globally are dependent on substantial state transfers. These deficits are doubly pernicious. They threaten the sustainability of the pension system, and they are regressive since the deficits must be covered from general revenues, which tax all people, including informal workers, who are often poor and who do not benefit from the contributory pension. More recently, in response to the pandemic, 57 countries initiated social insurance contribution holidays, and several allowed early withdrawals (for example, Chile, Malaysia, Peru, and Uganda). These actions may have provided immediate emergency relief, but they will increase system deficits or reduce pensions unless additional measures are taken (de Marco and Stewart, 2020 and Gentilini et al, 2022).

**FIGURE 9. Limited Progress in Extending Coverage of Employment-Based Social Insurance**




■ Participant contributors in 2010s (left axis)
● Change in participating contributors, 1990s-2010s (right axis)

**Source:** Rutkowski (2018).
**Notes:** The figure shows participation rates in contributory pension schemes from the 1990s to the 2010s. The dashed horizontal line represents no change in rates of contribution over time.

**Many countries have introduced parametric reforms to counter pension deficits and the financial burden of rapid demographic change.** Between 2010 and 2019, a total of 291 such parametric reform measures were announced by governments across the globe (ILO Social Protection Monitor, 2019). Of these, 150 measures were related to extending working life, with 100 of these measures raising the retirement age. Other reforms eliminated early retirement, introduced or increased penalties on early retirement and incentives for late retirement, and increased the eligibility period or tightened eligibility criteria. Moreover, 39 measures decreased pension benefits, modified the calculation formula, eliminated or reduced subsidies on benefits, or decreased subsidies on contributions, while 18 measures reformed the indexation method, froze pension indexation, and introduced or increased taxes on benefits (ILO, 2021).

**Structural reforms to address coverage gaps and fiscal pressures did not solve these problems at scale.** To address the challenges of both low coverage and fiscal sustainability there was a wave of reforms in recent decades to introduce fully funded defined contribution schemes. Unfortunately, the introduction of these structural reforms did not lead to the expansion in coverage that early reformers envisioned, and the systems are also increasingly failing to deliver adequate pensions from a consumption smoothing perspective given low contribution densities (de la Torre and Rudolph, 2018; Rofman et al, 2015; and Gill et al, 2005). Structural reforms have also brought with them transition costs that countries need to finance. The 2009 financial crisis exacerbated existing financial imbalances in public pension systems by reducing contribution revenues sharply while expenditures remained constant or even increased. The crisis also resulted in a sharp drop in the value of financial assets, which affected the pensions provided by funded pillars. As a result of these problems, many of the reforms were fully or partially reversed, particularly in ECA (World Bank, 2009 and Schwarz and Arias, 2014). Similar reversals were initiated in LAC, although it is not clear that these were driven by fiscal challenges. Nonetheless, the introduction of funded defined contribution pension systems remains a policy option, with several countries introducing such systems in recent years while others are considering adopting them on a mandatory or voluntary basis, particularly in ECA.

**Civil service pension schemes are a huge fiscal burden in many developing countries, but they have yet to be reformed.** While almost all OECD countries have merged their civil service pension schemes with those for private sector workers, civil service pension arrangements continue to be stand-alone in most developing countries (OECD, 2020). Even in places where parametric reforms have been made, these pensions often offer more generous benefits than those for the private sector. They often constitute a major fiscal burden that threatens to crowd out other essential government spending, especially in low-income countries with a limited tax base. In Asia, Pakistan, Myanmar, Sri Lanka, and Vietnam all allocate between 10 and 16 percent of their tax revenues to civil service pensions alone (Jain and Palacios, forthcoming). In LAC, Brazil's civil service pension schemes will continue to further strain subnational finances until at least 2040 (World Bank, 2022b). Even in Africa, despite its young population, civil service pensions represent a fiscal challenge in most countries. Some countries (such as China, India, Kenya, the Maldives, and Mauritius) have moved to either a multi-pillar or fully funded defined contribution system for civil servants with the objective of minimizing fiscal liabilities. As these reforms are often limited only to new entrants to the system or to younger cohorts, these governments will need to continue to pay transition costs for many years to come.

**To escape the limits of traditional pensions linked to formal sector employment, many governments are working to expand alternatives.** Some governments are experimenting with instruments financed from general revenue such as social pensions, while others are promoting voluntary contribution instruments that can also include matching subsidies by governments to incentivize contributions. Each has different pros and cons and, so far, very different reach in terms of coverage.

**To provide a basic level of benefits and thereby help individuals avoid poverty and destitution, governments have been expanding pensions funded from general revenues rather than contribution-based schemes.** The most common move has been to use social pensions to fill in gaps in the coverage of pension and survivorship insurance (already discussed above in Section IIA). These general revenue-financed instruments have a role to play as one component within a broader system (see, for example, Packard et al, 2019). There is a similar but less advanced complement for non-contributory disability benefit schemes, which cover 17 percent of those with severe disabilities (ILO, 2021).

**To increase the potential for smoothing income and the adequacy of a full pension package, some countries have been promoting voluntary pensions, though coverage is still low.** While social pensions can reduce poverty for those not covered by contributory schemes, many workers have wages well above the benefit level of social pensions and so may wish to save for a pension that will provide a higher replacement rate. To support this, governments have been working on two different approaches. First, a small number of countries have been setting up voluntary pensions savings among formal workers, often using automatic enrollment when workers start new jobs and discouraging opt-outs. The most well-known of these programs are New Zealand's Kiwi Saver launched in 2007 and the UK's NEST in 2012, but there are also several other such schemes in Brazil, Chile, China, Korea, Malaysia, Poland, Russia, Singapore, Thailand, and Türkiye (Rudolph, 2019 and World Bank and DFAT, forthcoming). Second, some countries have opened up fairly traditional contributory schemes to any informal sector workers who may wish to join. To date, only China's scheme has achieved high coverage of informal workers, perhaps partly because of its substantial government subsidy (World Bank and DFAT, forthcoming).

**Governments are also starting to promote voluntary saving schemes to cover informal workers by taking advantage of lower transaction costs enabled by advances in FinTech.** Several current voluntary savings schemes offer clients flexibility in terms of how often and how much they contribute to accommodate the variability in earnings of informal economy workers and allow them shorter-term withdrawals of some or all of their assets than formal pensions accounts allow. Some such schemes benefit from behavioral nudges or fiscal incentives from the public sector. Rwanda's *Ejo Heza* Long Term Savings Scheme has all of these features and, in the three years up to 2021, increased its coverage to 1.8 million individuals (or about 23 percent of the working age population). Similar initiatives that are at different stages of development and have different design features have been launched or are being developed in Colombia, Ghana, India, Kenya, Nigeria, Pakistan, and Thailand (Guven et al, 2021).

**While pensions provide security after working life, unemployment protection schemes are critical for insuring working adults against loss of earnings, but again, coverage of these schemes remains low**. Across the globe, unemployment insurance programs have low *de jure* coverage and even lower *de facto* coverage. What coverage does exist tends to be concentrated in high-income countries. Less than half of the global labor force is legally covered by nationally legislated unemployment protection through contributory (either mandatory or voluntary) and non-contributory schemes. Only around 19 percent of unemployed people globally receive unemployment benefits, with wide variations between regions (ILO, 2021). A handful of middle-income countries have recently introduced unemployment insurance schemes including Cabo Verde, Indonesia, Malaysia, Oman, the Philippines, and Tanzania. Most low- and middle-income countries still tend to rely solely on separation or severance payments to protect workers when they lose their jobs. These types of payments are problematic since, if firms are dismissing their workers, then they are highly likely to have liquidity problems, meaning that non-payment of these obligations is quite widespread (Asenjo and Pignatti, 2019; Kuddo et al, 2015; and Peyron Bista and Carter, 2017).

**As part of the move away from severance payments, some countries have introduced unemployment insurance savings accounts (UISA)**. UISA can be helpful to counter moral hazard in contexts with high levels of informal employment and are a better option than severance pay for the formal sector since they enable workers to pre-finance dedicated accounts as a hedge against unemployment. However, they usually lack a risk-pooling element, and thus often yield inadequate pay-outs. As a result, they are more commonly used in combination with traditional unemployment insurance (Robalino et al 2009 and Robalino and Weber, 2013). Latin America has the highest prevalence of UISA, with programs existing in Brazil, Chile, Colombia, Costa Rica, Honduras, and Peru, but several other countries elsewhere have introduced them as well, including most recently Jordan (ILO, 2021).

**Unemployment insurance systems are not only protective in cases of individual unemployment but can also be used to mitigate more systemic shocks.** By definition, the number of people drawing unemployment insurance increases during economic downturns. Moreover, unemployment insurance programs have often been expanded during crises, as happened in Korea in response to the East Asian financial crisis. During the global financial crisis, countries with unemployment insurance programs generally liberalized their conditions by extending the benefit period, reducing prior requirements for affiliation, or increasing coverage (see

Grosh et al, 2014 for Latin America; Isik-Dikmelik, 2012 for Eastern Europe; and Robalino et al, 2013 for the global experience). In response to COVID-19, a third of low- and middle-income countries adapted their existing unemployment benefits or introduced new programs. The most common adaptations included adjusting the amount and duration of existing benefits and relaxing the eligibility requirements to include those who previously did not qualify. Albania temporarily doubled the amount of its unemployment assistance, while the Government of Eswatini established its first national unemployment insurance fund. Jordan launched an unemployment allowance program, Tadamon 2, that targeted uninsured businesses not registered with the Social Security Corporation as well as workers who had been contributing for less than a year. Employees of eligible businesses could receive a monthly unemployment allowance for three months on the condition that their employers retained them and partially funded the allowance (de la Flor et al, 2021 and IMF, 2021c).

**With regard to disability insurance, there has been uneven progress over the last decade.** The UN Convention on the Rights of Persons with Disability (CRPD) was ratified in 2006, and WHO and the World Bank produced the World Disability Report in 2011 (WHO and World Bank, 2011). Together, these documents spell out the obligations of signatory states to ensure adequate living standards for people with disabilities, including providing assistance to cover disability-related expenses, moving towards functional rather than medical assessments of disability, and basing benefits on inclusion, capacity, and work rather than on withdrawal from the labor force. Although every country around the world provides some form of disability support, the ILO has calculated that only 33.5 percent of people with severe disabilities receive an insurance-based disability benefit. This is similarly related to the same issue that impedes the coverage of other types of contributory insurance – the widespread prevalence of informal employment. Coverage of disability insurance in Central Asia is over 80 percent, but in Africa and the Arab States, it is below 10 percent (ILO, 2021). In assessing eligibility for disability benefits, even though many countries are committed though the CPRD to moving to functional assessments, only a handful of countries have done so (Argentina, Brazil, Cyprus, Egypt, and the Kingdom of Saudi Arabia). In the global social protection responses to COVID-19, disability-related benefits have been treated similarly to other social assistance. Within three months of the declaration of the pandemic, 98 countries had announced emergency measures in the form of temporary top-ups of existing benefits, expanded coverage, or automatic extensions of disability certificates (UNPRPD and ILO, 2021).

### *Adaptive Programming for Crises and Natural Disasters*

**The aim of adaptive social protection is to build the resilience of poor and vulnerable households – before, during, and after large covariate shock**s (Bowen et al, 2020). Adaptive social protection (ASP) is a broad concept, with implications for many parts of the social protection sector, and therefore parts of it are covered in other sub-sections of this paper. For example, basic social assistance (covered in Section IIA) mitigates poverty and can help households to build a basis of stability. Social insurance (covered above) helps households to smooth their income in the face of idiosyncratic shocks. Increasing labor earnings (covered in Section IIC) helps households to build their own resources. This section discusses some of the other elements of ASP, using illustrations mostly related to climate change and natural disasters. ASP is equally vital in responses to economic crises, as has been amply and graphically shown by COVID-19.

**There is an increasingly strong international consensus among governments and development partners on the importance of investing in ASP as a means of safeguarding the poor and vulnerable from shocks.** International calls for investment in ASP have grown out of theoretical studies (for example, Davies et al, 2009) and innovative country programming (such as the Ethiopia Productive Safety Net Program) that, over a decade ago, began linking social protection, disaster risk reduction, and climate change adaptation as mutually reinforcing approaches to reducing household vulnerability and building household resilience. Since that time, the approach has entered the mainstream of international development discourse and has been reflected in a number of international frameworks (for example, the Sendai Framework for Natural Disaster Risk Reduction, the World Humanitarian Summit, and the resulting Grand Bargain in 2016), and within the strategies of various bilateral and multilateral development agencies. For example, the ILO includes environmental risks and climate change among the challenges to achieving Universal Social Floors, and the World Bank's recent IDA20 replenishment commits to financing at least 20 IDA countries in building ASP systems. Indeed, interest in using ASP to respond to shocks has never been higher as a result of the unprecedented number of global social protection responses to the COVID-19 pandemic, the vast majority of which were *ad hoc* but critical to minimizing the socioeconomic impact of the crisis. Concurrently, governments, multilateral agencies, donor partners, and humanitarian agencies are thinking about how social protection can contribute to climate change mitigation and adaptation by helping poor and vulnerable households to manage both the physical impacts of climate change and the socioeconomic risks from transition policies (see Box 2).

**A number of countries are taking steps to make their social protection systems more responsive to shocks and climate change.** While the global expansion of social assistance has been significant, as noted in the previous section, coverage remains limited, particularly among the poorest who are those most vulnerable to covariate shocks, which inevitably limits the extent to which social protection can build resilience (Bastagli and Holmes, 2014). Nevertheless, some countries are seeking to adopt more shock-responsive approaches within the constraints of existing coverage (O'Brien et al, 2018). In order to be shock responsive, programs need not only robust basic delivery systems but also data and information, flexible financing, and clear institutional arrangements and partnerships to ensure a timely response (see Bowen et al, 2020 and Barca and Beazley, 2019). Several countries have made considerable progress over the past decade in terms of investing in the delivery systems needed to increase the speed and effectiveness of their ASP responses, including Kenya, the Philippines, Sierra Leone, and those in the Sahel region.

**Countries are increasingly using climate-related information in their ASP program planning and responses.** The availability of data on weather and natural resources over time and of detailed projections of sea level rise and local temperature ranges facilitates planning and preparedness. Knowing how often and how severely storms, floods, or droughts may occur helps policymakers to plan the scale up of programs in response, thus front-loading decision-making and reducing the time needed to get assistance into the hands of those that need it (Bodewig et al, 2021 and Skoufias et al, 2019). Countries such as Kenya and Niger are using satellite data to assess the performance of crops as a trigger for the expansion of ASP programs in terms of the numbers of people served (referred to as horizontal scale-up) or of the benefit level (referred to as vertical scale-up) (see, for example, Brunelin et al, 2022). Information on the exposure of individual households to risks such as flooding and landslides is now being gathered or piloted in social registries in Colombia, the Dominican Republic, and Pakistan, which will greatly facilitate their response should shocks occur.

Box 2. **The Challenge of Climate Change and the Contribution of Social Protection to Adaptation and Mitigation**

**Climate change is profoundly affecting the lives and livelihoods of billions of people around the world, especially the poor and vulnerable.** Each year, increasingly frequent and intense natural disasters such as floods, wind storms, earthquakes, and tsunamis are causing more than US$300 billion in damages and generating more than US$500 billion in welfare and consumption losses. Climate change is also affecting human capital and labor productivity, especially in the more than 1.2 billion jobs that depend on natural systems, agriculture, and the environment (Montt and Fraga, 2018). The suffering caused by losses due to climate change are not equitably distributed. It mostly falls on poor and vulnerable households, which are less prepared to face natural disasters and suffer more from their impacts. Up to 130 million more people may fall into extreme poverty by 2030 due to the impacts of climate change which lead to rising food prices, lost incomes, and the changing nature of diseases, while climate change will also force hundreds of millions of people to migrate in search of viable livelihoods. In most countries, women are more vulnerable to the effects of climate change than men as they are more dependent on natural resources that are threatened by climate change for their livelihoods and also face social, economic, and political barriers that limit their ability to cope with shocks. The climate crisis is also rapidly "urbanizing," as cities in low- and middle-income countries expand exponentially, with the poorest living in densely populated, high-hazard risk areas such as riverbanks or zones prone to mudslides and floods (Rana and Ilina, 2021).

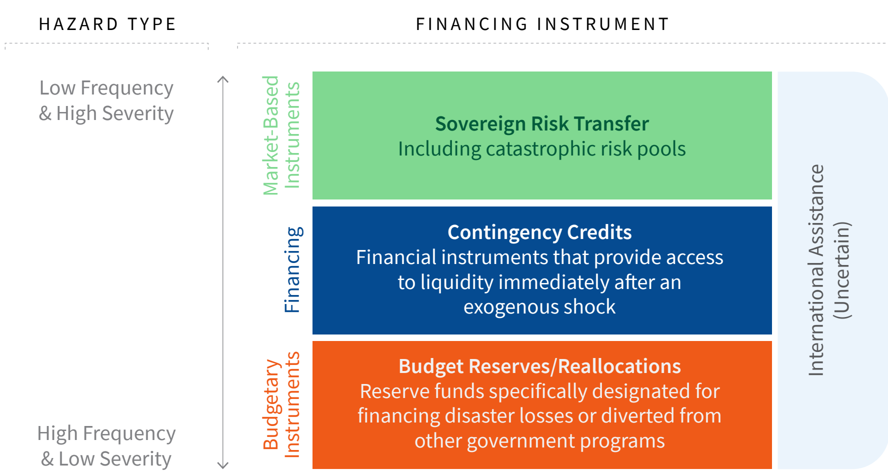
**Social protection programs can protect and prepare people for a changing climate and are an essential pillar of climate change and green transition policies in many countries.** Social protection makes a critical contribution to climate change adaptation through programs that build resilience and help people to cope with the impact of climate shocks. There is also scope for social protection programs to contribute to mitigation activities by providing support to the economic transitions needed to reduce greenhouse gas emissions, supporting investment in the new green economy, and ensuring a just transition. The table below provides examples of how social protection can contribute to each of these goals. However, the development of climate-sensitive social protection is quite recent, and there is a need to review and evaluate existing initiatives and innovative approaches and to mainstream them into ongoing programs and systems.

| Social Protection Instrument | **SOCIAL PROTECTION** protects and prepares people to: **ADAPT** to a warmer world | **MITIGATE** warming |
|---|---|---|
| Cash Transfers | Adaptive Social Protection (ASP)<br>• Helps households build resilience and cope with shocks by facilitating savings, food security and livelihood adaptation, and diversification.<br>• Provides post-shock support to mitigate impacts and avoid damaging coping strategies. | Payments for Environmental Services (PES)<br>• Help manage critical ecosystems.<br>• Can reduce deforestation.<br>• Are also a central element of just transition policies and post-carbon/energy subsidy reforms. |
| Public Works | • Promote food security, shock coping and livelihood diversification at the household level.<br>• Promote the creation of adaptive assets at the community level through better management of land and natural resources.<br>• Support post-disaster reconstruction efforts. | • Contribute to carbon capture through reforestation and restoration of ecosystems. |
| Livelihood/ Economic Inclusion | • Multidimensional programs with livelihoods and economic inclusion components support medium and long-term resilience building through food security, higher productivity, savings, and diversification of livelihoods. | • Support policies that enhance resilience to labor market disruptions caused by green transitions in both rural and urban settings. |
| Training and other Labor Market Programs | • Support reskilling and job transitions in urban and rural areas for households whose livelihoods are affected by climate chocks. | • Support post-carbon just transitions in energy, coal, agriculture, transport, and other sectors.<br>• Prepare the workforce for new post-carbon or greener jobs. |

**Source:** Adapted from Rigolini, 2021.

**Disaster risk financing helps countries to ensure that the necessary resources are available on a timely basis to fund a social protection response at scale if a large covariate shock should occur.** Risk finance is part of a shift from seeing disasters as unpredictable humanitarian crises to seeing them as risks that can be planned for and managed to minimize their impact. This shift helps governments to move away from a wait and see approach that relies on post-disaster assessments and lengthy financial appeals processes towards proactive risk management with financing plans that can be swiftly put into practice (Clarke and Dercon, 2021). The application of risk financing to the social protection sector can be transformational in increasing the timeliness and effectiveness of a response, enabling the rapid disbursement of resources to pre-existing cash transfer programs that can channel resources directly to poor and vulnerable households affected by a crisis (Calcutt et al, 2021). Indeed, several studies have demonstrated that a lack of sufficient, available financing is a key determinant of delayed ASP responses (Barca and Beazley, 2019). However, dedicating financing *ex-ante* for potential shocks is particularly hard given that many social protection systems have to ration assistance even in normal times. Therefore, the process of "risk layering" is critical for optimizing the use of different risk financing instruments (Figure 10). Risk layering is based on the premise that no single financial instrument is enough on its own. Instead, multiple instruments should be pre-positioned as part of a comprehensive strategy to address different risks of different frequencies and severities. For example, it may be better to have a contingency budget for smaller, less severe shocks and to rely on macro-level insurance for less frequent, more severe shocks. In the Philippines, the government uses a combination of a reserve fund, contingency finance, budget reallocations, and donor finance in its risk layering strategy. Recently, Kenya adopted a risk-layering approach in its Hunger Safety Net program to cover the cost of transfers in 98 percent of potential drought years using an emergency transfer fund and a sovereign insurance policy. In collaboration with the World Food Programme (WFP), Dominica has planned to channel a share of the insurance payouts from the Caribbean Catastrophe Risk Insurance Facility (CCRIF-SPC) into the social protection system.

**Figure 10. Risk Layering**




**Source:** World Bank Disaster Risk Financing and Insurance Program.

**Institutional responsibilities and emergency rules need to be defined before an emergency occurs to ensure that agencies can respond efficiently.** ASP is inherently intersectoral, involving both social protection and a large range of agencies involved in disaster risk management at all levels of government. Often, the role of social protection in responding to shocks is not reflected in relevant policy and legislation, meaning that there is no clear mandate for the social protection ministry to prepare for or respond to shocks. Therefore, defining clear *ex-ante* institutional responsibilities and data sharing protocols for each stage in a response (pre-crisis planning, immediate response, and recovery) can increase the effectiveness of that response significantly. For example, in Chile, a whole of government review was carried out, as a result of which responsibilities were reallocated and delivery systems were changed. This allowed the social protection response to the 2015 Coquimbo earthquake to be implemented in 27 days, in contrast to the previous earthquake in 2014 when the response took 115 days.

**Synergies between humanitarian assistance and social protection systems are becoming more evident as social protection systems become more adaptive, but the scope for this varies depending on the country context and the circumstances on the ground.** Traditionally, social protection has been an instrument used to address chronic poverty and vulnerability, while humanitarian assistance has been used to provide emergency in-kind benefits in the event of shocks occurring. However, this distinction is becoming increasingly blurred as the two approaches are beginning to converge. For example, technology is enabling the development of social protection delivery systems that can be deployed even in very high-risk and low-capacity environments that might otherwise have been prohibitive, such as Haiti, Somalia, and South Sudan. At the same time, humanitarian assistance has increasingly shifted towards the kinds of approaches used in social protection, most notably the provision of cash transfers, in recognition that they can often be more efficient and effective in meeting beneficiaries' needs (McCord et al, 2021). An interesting example of this convergence is in Ethiopia where there is increasing coordination between the Productive Safety Net Program and Humanitarian Food Assistance. All implementing stakeholders use a common set of core procedures and structures to deliver both core Productive Safety Net Program transfers and Humanitarian Food Assistance. This includes procedures for targeting, software to keep track of beneficiary lists and transfers, and common delivery structures at the district and community levels. The value of the transfers is set for non-crisis periods and is increased to Sphere standards, a global standard for humanitarian response, when an emergency occurs. However, the vast majority of humanitarian assistance in the world continues to flow outside of government systems – an estimated 97.5 percent in 2017 (ALNAP, 2018) – which highlights the potential for significantly more coordination and alignment.

## C. Towards the Goal of Opportunity

**The third goal of social protection is to create opportunity by building the human capital of children and adults and helping men and women to access productive income-earning opportunities**. Social protection can enable households to make sound investments in their future and to use these investments productively. They act to lessen credit market failures, allowing households to take up investment opportunities that they would otherwise miss, not only in the livelihoods of income earners in the household but also in the human capital of their children. Economic inclusion and labor market programs can provide recipients, particularly the most disadvantaged, with the information that they need to optimize their skills and capital investments, to access markets, and to find appropriate jobs. They can also help to ensure that governments make investments with significant externalities, be it in skills that are not firm-specific or in programs that support employment for women, youth or disadvantaged groups, where the societal gains go beyond the benefits to firms, individuals and their families (World Bank, 2012a and Robalino, 2020).

**The goal of opportunity is tightly integrated with the goal of resilience.** As discussed above, social protection helps households to manage risk and avoid irreversible losses, thus enabling them to maintain the household and business assets on which their livelihoods are based and to adequately nourish and educate their children. Social assistance in particular provides the necessary stabilizing foundation on which other social protection and broader social and economic interventions can then be built with the aim of achieving the goal of opportunity, especially for the poor. Economic inclusion and labor market programs can prepare people for the labor market and connect them with better jobs as well as support their livelihoods and promote productivity. However, all of these programs need to be carefully designed to ensure that the social protection system as a whole provides both the incentives and the tools to achieve the goal of opportunity.

**Economic inclusion programs aimed at improving the livelihoods of the poor have grown significantly in recent years, particularly in lower-income countries.** Economic inclusion programs typically integrate several complementary components, most commonly using cash transfers as the main component to which skills training, coaching, links to markets, and access to financial services are added. The most iconic of these programs is the “graduation” program run by BRAC in Bangladesh, which uses livelihoods promotion, financial inclusion, social protection, and social empowerment to help people to “graduate” out of extreme poverty. Since 2002, it has reached over 2 million households and has accepted approximately 100,000 female heads of household into the program each year. Similarly, the Sahel Adaptive Social Protection Program complements national social assistance programs in Burkina Faso, Mauritania, Niger, and Senegal with productive inclusion interventions such as community savings and loan groups and training in life skills and entrepreneurship. More than 50,000 beneficiaries to date, 90 percent of whom are women, have received a comprehensive package of products and services designed to lift their households out of poverty. There has been a worldwide surge in government-led economic inclusion programs. A recent survey identified 219 active programs in 75 countries that are reaching nearly 92 million individuals, and more programs are in the planning phase. They have tended to be heavily concentrated in Sub-Saharan Africa and South Asia, and almost 70 percent of the surveyed programs were in low-income countries (Andrews et al 2021).

**Notwithstanding the progress that has been made, it is also clear that the scale of economic inclusion programs remains modest in comparison with the extent of the global poverty challenge**. Moreover, there is the unresolved issue of how to take these programs to scale given the relatively high per household costs of some programs. For large-scale programs, especially those led by government, there are clear trade-offs between the adequacy of support and customization provided to beneficiaries on the one hand and the program's cost, complexity, and coverage on the other (Andrews et al, 2021). Scaling up the program by leveraging existing government systems can bring down delivery costs. Another way to optimize costs can be to modify the program's design or delivery by changing the size and degree of cost recovery of cash grants or the modality, frequency, and content of training and coaching, shifting from individual to group-based interventions, or adopting digital delivery solutions (Paul et al, 2021).

**Labor market programs continue to be an important mechanism for helping working age individuals, particularly youth and vulnerable groups, to find better jobs and increase their productivity.** Labor market services are provided by public institutions (often public employment services), by private providers, or a combination of both. These programs work with clients (both firms and workers) across a range of incomes and skill levels and in both the formal and informal sectors. In cases where these programs focus on the poor, they often overlap with economic inclusion programs.

**Labor market programs are very common but are often fragmented and small relative to the scale of employment challenges that developing countries face**. While it is difficult to get a comprehensive picture, the available data suggest that average spending on active labor market programs across the globe comes to only 0.3 percent of GDP, and this drops to as low as 0.1 percent in low-income countries and even further to only 0.08 percent in lower-middle-income countries (ASPIRE, 2021). There is variation in the scale and role of labor market programs consistent with the very different nature of labor markets across the globe as well as countries' varying fiscal and implementation capacities. It probably also reflects high fragmentation in spending that makes it difficult to get an accurate aggregate picture. High-income countries spend more on training programs, subsidized employment, and public employment services, while spending is more equally distributed across different kinds of labor market interventions in middle-income countries. In lower-income countries in regions such as South Asia and Sub-Saharan Africa, there is a much stronger focus on direct job creation, through programs such as public works and entrepreneurship promotion. This may reflect the lack of wage employment opportunities and higher levels of self-employment in these countries (ILO, 2022b and World Bank, 2019c).

**In low- and middle-income countries, the prevalence and size of labor market programs have been rising in the last decade, albeit from very low levels, as policymakers' interest in these types of programs has grown.** Crises such as the 2007-2009 global financial crisis and rising youth unemployment in many parts of the world have arguably led policymakers to increase their focus on employment support, on increasing workers' productivity, particularly in the informal economy, and on "activation" or "graduation" strategies. There has also been considerable growth in the evidence base on these policies. While the consensus view of labor market programs has become more nuanced over time, the impact of programs on the average beneficiary often continues to be zero or, if positive, modest. Yet, this probably should not be surprising given the limited scope of many of the interventions, the fact that they are remedial and often try to correct for years of underinvestment, and the fact that their success is heavily dependent on the overall job creation and economic environment. In some cases, there is also evidence of displacement effects (Crepon et al, 2013) while in others, encouragingly, the impact of labor market programs on direct beneficiaries does not come at the cost of employment or earnings for others (Crepon and Premand 2019 and Anderson et al, 2018).

**The most important lesson from recent experience on economic inclusion and labor market programs is that their impacts tend to vary widely between programs and beneficiary groups and over time**. This is likely to reflect the varying objectives of different types of programs as well as the challenges involved in designing and implementing sound programs for different clients and in varying institutional contexts (see, for example, Andrews et al, 2021; Jayachandran, 2020; McKenzie, 2017; and Escudero et al, 2019). The evidence suggests that labor market programs may be more effective at helping certain groups, such as women for example, than others. This is encouraging given the challenges that women face when trying to participate in the labor market (see Box 3). The evidence also shows that the impact of programs varies over time. Overall, labor market programs tend to have had minimal impact within a year of the end of the program but larger effects in the medium and longer runs. The effects of training programs, on average, tend to increase over time, while job search assistance has positive effects in both the short and long runs, and employment subsidies tend to have small or even negative effects at all times (Card et al, 2018).

**There have been some innovations in economic inclusion and labor market programs in the last decade and several promising strategies have emerged.** First, there is an increasing, albeit still insufficient, recognition that the private sector is an important client and partner for governments in these programs. Most jobs are created by the private sector, which means that these firms understand the skills that are needed, how to provide workers with meaningful work experience, and what additional services or support may be needed to make wage or self-employment programs more successful (Kluve et al, 2019 and Hoftijzer and Cunningham, forthcoming). This is reflected, for example, in the growing number of publicly funded skills training and apprenticeship programs that put the private sector in charge of, for example, the design of the curriculum, the provision of services, or their quality assurance. For example, the highly successful *Jovenes* programs in Latin America (comprehensive youth employment programs that combine in-classroom and on-the-job training) have played a major part in this paradigm shift over the last decade (Escudero et al, 2019).

**Box 3. Women's Economic Opportunity is Constrained by Low Labor Force Participation**

Women still face significant barriers to achieving the goal of opportunity, particularly as regards their inclusion in the labor force. As of 2018, the global labor force participation rate for women was close to 49 percent, whereas for men, it was 75 percent. This overall difference of 26 percentage points was even greater in some regions, where the gap was over 50 percentage points. Even when women do participate in the labor market, they are more likely to be unemployed or to work in the informal sector, often in jobs with lower earnings than men. In low-income countries, more than 80 percent of women's employment is in the informal sector. Over the last decade, limited progress has been made across the globe in closing these significant gaps. Low labor force participation, unemployment, and informality continue to limit women's economic and social empowerment in a variety of ways:

- Women globally are 9 percent less likely than men to have a bank account or access to mobile banking, with the gap being even larger in poorer countries.
- They bear a significant burden of unpaid care work, three times more than men, which reinforces gender stereotypes.
- Even when in the labor market, women earn substantially less than men by an average of 23 percent. This is due to gender discrimination, the over-representation of women in sectors and jobs that pay less, and the penalties in pay and career progression that result from stopping work to have and care for children.
- Women also have lower or no retirement savings, which increases the risk of old-age poverty. Nearly 65 percent of people above retirement age without any kind of regular pension are women.

Social protection can help to correct these imbalances. Many cash transfer programs provide the transfers directly to women with the aim of increasing their role in decision-making within the household, and in many cases this has been helpful in promoting their financial inclusion (ODI, 2017). Cash transfers can also facilitate investment in the human capital of the next generation and often directly incentivize increased investments in girls who may otherwise, for social or cultural reasons, be left behind. Many labor market programs prioritize programming for women and organize their design and implementation to address women-specific constraints, and these programs often yield better outcomes for women than for other groups (Card et al, 2017). Similarly, the economic empowerment of women is a key driver of the design of economic inclusion programs. A recent survey found that 90 percent of programs globally have a gender focus (Andrews et al, 2021). Policymakers are increasingly linking social protection programs with other complementary services such as childcare which, by reducing the burden of care on women, can enable women to enter the labor market, including doing more productive jobs. Ensuring that pension systems recognize the different labor market trajectories of women can give women more opportunities to save for old age (World Bank, 2017). Finally, reforming labor regulations to guarantee women the same rights and protections as those afforded to men is critical. Almost 2.5 billion women of working age worldwide do not have the legal right to equal economic opportunity, and 178 countries have legal barriers that prevent women's full economic participation in terms of mobility, workplace, pay, marriage, parenthood, entrepreneurship, assets, or pensions (World Bank, 2022c).

The role played by social protection in increasing opportunity for women is all the more pressing because the COVID-19 pandemic has exacerbated these pre-existing challenges. While women made up 39 percent of global employment as of 2020, they accounted for 54 percent of all job losses as a result of the pandemic (McKinsey, 2021). This is because the pandemic significantly increased the need for caregivers and unpaid working roles given the COVID-19-induced school closures and lockdowns, thereby leading many women to have to leave the labor market, possibly permanently. Moreover, women were also overrepresented in the hardest hit occupations such as retail, travel, leisure, and hospitality. Without well-informed and timely policy responses, the COVID-19 crisis threatens to further widen the gender opportunity gap.

**Second, programs in low- and middle-income countries have expanded to workers who are not in formal wage employment**. As in other policy areas, labor programs in low- and middle-income countries tended to often mimic programs in more advanced economies. The result was programs that were often disproportionately focused on either private or public formal wage employment. However, this is changing. Today, there is arguably a better balance between programs that support high productivity, formal wage work and those aimed at improving the quality of work among low-productivity workers or micro-enterprises, often in the informal sector. This is reflected, for example, in the increased emphasis on improving the quality of informal apprenticeships in South Asia and Africa (in Bangladesh, Kenya, and Senegal) where this is often the main way for low-skilled youth who leave the school system early to acquire skills (Arias et al, 2019). The COVID-19 pandemic has brought to the fore the need to maintain an appropriate balance between the support provided to formal workers with support for informal workers as, during the pandemic, most countries provided a combination of job retention or wage subsidy support for the former and income support for the latter (Gentilini et al, 2021 and de la Flor et al, 2021). Providing labor market support to informal workers is complex as the sector is less organized and more fragmented than the formal sector, and there is still a lot that needs to be learned about how to cost-effectively engage with employers and workers in this sector. However, some of the evidence, particularly from comprehensive programs, is promising.

**Third, economic inclusion and labor market programs are increasingly being conceived as a bundle of interventions that together tackle the many constraints that clients face in the labor market.** The evidence suggests that comprehensive programs tend to achieve better outcomes, even when taking costs into account (Andrews et al, 2021 and Kluve et al, 2019). This bundling can be achieved by implementing one program with many different interventions (for example, the Kenya Youth Employment and Opportunities program or the Bangladesh Recovery and Advancement of Informal Sector Employment Project) or by coordinating several different programs (as is done in public employment services in more advanced economies and, increasingly, in middle-income countries). Ensuring that social assistance programs are a part of the mix is also critical for the poor.

**At the same time as programs are being bundled together, they are also becoming more customized**. One area where this is happening is in entrepreneurial skills training, which is very relevant for labor markets in low- and middle-income countries. Economic inclusion and labor market programs in a large number of countries are acknowledging the multiplicity of skills needed by entrepreneurs by including complementary actions tailored to specific groups. For example, Kenya and Vietnam are providing training for women not only in business skills but also in how to manage overlapping household and business demands, enter new sectors, bargain better, and overcome stereotypes. In Benin, Indonesia, and Kenya, programs have been customized in accordance with local conditions and have used peers or mentors to complement or substitute for formal classroom training. In the Dominican Republic and Ecuador, programs have simplified training, particularly for lower-skilled entrepreneurs, through heuristics and rules of thumb rather than teaching a full range of general business practices (McKenzie, 2020 and McKenzie et al, 2021). However, as with other innovations, making programs more comprehensive and at the same time more customized can be a complex task.

**Fourth, data and technology have enabled several innovations in economic inclusion and labor market programs and have the potential to increase their efficiency and effectiveness, particularly of employment services**. It has become an increasingly common practice to use profiling to tailor services to different populations such as young people, older workers, the low-skilled, and the long-term unemployed who often face very specific barriers preventing them from accessing jobs and opportunities (Loxha and Morgandi, 2014). While some countries use formal or informal assessments carried out by case workers or relevant public employees for this profiling, statistical approaches are being increasingly used to aid the process. Governments are deploying online job search platforms and using big data and data analytics to learn more about labor market dynamics, job search, and job matching (World Bank, 2019c), which can lower cost for both workers and firms. While these practices began in OECD countries, they are also being used in other countries such as Indonesia, Malaysia, and South Africa, which have begun to invest significantly in real-time labor market information techniques to help policymakers to gain a better understanding of their country's skills needs (Granata et al, 2021 and CSC, 2019). Some of these innovations are aimed at improving information flows and increasing the efficiency of international labor migration (IOM, 2013). Other technological innovations cater to a broader segment of the workforce. Some examples include Kenya's Duma Works, a mobile-based platform for connecting job seekers with employers without the need for advanced (smartphone) technology, and Peru's use of mobile phones to provide job seekers with information on job vacancies, which reduced the amount of time needed for them to find jobs (Dammert et al, 2015).

**Finally, there is a slow shift in economic inclusion and labor market programs away from focusing on inputs towards a focus on results.** For example, more labor market programs are entering into results-based contracts with private providers of services such as training. Of course, establishing such contracts is complex as the impact of such programs depends on broader economic conditions outside of the control of the program or the provider. Also, there are inherent failures, such as information asymmetries, that mean the objectives and interests of individuals, the government, and providers may not be fully aligned (World Bank, 2020b). Some examples of these contracts in the context of skills programs include the governments of Kenya and Mozambique using results-based contracting with private and non-governmental training providers, in which the governments cover some of the initial costs and make some payments to the providers conditional on them achieving certain milestones or outputs but reserve a significant part of the payment until the participants, particularly disadvantaged groups, have completed the program and achieved positive outcomes in terms of employment or earnings. In most cases, the emphasis on results is important because it recognizes that it is harder for some groups than others to complete programs or improve their labor market outcomes, and, therefore, results-based contracts often include incentives to encourage providers to serve the most disadvantaged.

**The focus on results has also been accompanied in some countries by investments in labor market monitoring and evaluation systems, although still mostly at the program level rather than system-wide**. Similarly, there has been progress, albeit still insufficient, in measuring programs' costs to ty to assess their cost-effectiveness. The PEI Quick Costing Tool, for example, is being used to systematically collect operational cost data on economic inclusion programs in some countries (Andrews et al, 2021). Efforts are also being made to evaluate low-cost Interventions that add behavioral nudges or include simple information components to economic inclusion and labor programs to assess their impact and cost-effectiveness.

**Given global trends and the lessons of COVID-19, it seems likely that economic inclusion and labor market programs will become even more important, but sustained improvements will be needed in their design and implementation.** The COVID-19 pandemic has led to a proliferation of economic inclusion and labor market programs to help people to re-enter or stay in the labor market, to make up for income losses, and to lay the foundations for their economic recovery (de la Flor et al, 2021). The long-term trends explored in Section I (demographic shifts, technological change, climate change, and global integration) are changing the skills needed in the labor market and are likely to produce more frequent and possibly more difficult labor market transitions for workers and job seekers, both within countries and across country borders. Economic inclusion and labor market programs will increasingly be needed to manage this process. The scale of the challenge is enormous, and the evidence suggests that programs are often not fit for purpose. Therefore, there is a pressing need to improve the design and implementation of these interventions. Specifically, policymakers will need to clearly identify the specific constraints that the programs aim to tackle, given the multiplicity and heterogeneity of beneficiaries' needs. This will also make the profiling of beneficiaries and the tailoring of programs vital priorities. Given the still emerging state of the evidence on what works for whom, there will need to be continuous and robust evaluation of these programs.

**Labor regulations and institutions are also key to shaping economic opportunities and to providing workers with key protections in the labor market.** *De facto*, labor regulations and institutions apply to only formal workers, which means that most workers in low- and middle-income countries fall outside of their scope because of the ubiquity of informal employment in these countries. However, their influence can expand beyond the formal sector. For example, statutory minimum wages can also raise the wages of relevant workers in the informal economy (Boeri et al, 2010; del Carpio et al, 2019; Campos et al, 2020; and Gindling, 2018), while regulations can influence whether a firm decides to hire workers formally or informally (Neumark and Munguia, 2021 and Broecke et al, 2017). While their importance in protecting workers and shaping firms' decisions is widely recognized, the exact shape that labor regulations should take remains contentious. In particular, there is widespread debate about how regulations should balance the need to protect workers' earnings and working conditions with the need to provide firms with enough flexibility to manage their workforce at a reasonable cost (Kuddo et al, 2015). Emerging forms of work, such as the gig economy, are challenging the status quo.

**Over the last decade, the amount of evidence about the effectiveness of labor regulations has increased and deepened.** As this evidence has grown, policymakers have recognized that under-regulation of labor markets can be harmful, particularly in the context of informal labor markets and weak enforcement of existing regulations (World Bank, 2012c and World Bank, 2019e). About 15 countries still do not have any minimum wage at all nor any other mechanisms to enable collective bargaining over wages, leaving workers largely unable to express their collective voice (World Bank, 2019a). There is scope in many countries for the enforcement of regulations to be strengthened, even in the formal sector, given the weakness of the current inspectorates and workers' limited access to the judicial system (Ronconi, 2019 and Kanbur and Ronconi, 2018). Countries are increasingly turning to technology to strengthen enforcement. In Zhejiang Province in China, for example, the Enterprise Wage Payment Online Supervision System has increased the efficiency of the local labor inspectorates in requiring employers in the construction sector to pay wage arrears, which has significantly benefited rural and migrant workers who are particularly affected by this issue (ILO, 2022a). This approach could be promising in expanding some much-needed protections for workers, particularly those who are informal and vulnerable. However, getting enforcement right is difficult, and care needs to be taken to avoid exacerbating inequalities, increasing unpredictability, and raising the costs of regulations through uneven and/or politically motivated enforcement (Almeida and Ronconi, 2016 and Ronconi, 2019).

**Recent experience has also made evident that the impacts of labor regulations on aggregate employment are often modest but very varied.** The evidence suggests that, particularly in cases where labor regulations avoid "extremes" or when only modest changes are made, they have little or no impact on employment levels (World Bank, 2012a). However, the literature also makes clear that regulations can have complex and heterogenous effects. For example, in the case of minimum wages in developing countries, their impact is heterogenous but more consistently negative for low-wage workers, when minimum wage laws are strongly enforced, and in countries and periods where minimum wages are high relative to productivity (Neumark and Munguia, 2021). In general, the evidence from the last decade has supported concerns that labor regulations may worsen prospects for "outsiders" such as young people and women (Betcherman, 2015 and World Bank, 2012a). Partly in response to these concerns, countries are experimenting with relaxing regulations in order to lower the cost to employers of hiring these labor market outsiders. One example of this is apprenticeship contracts for young people that pay lower minimum wages than for regular workers.

**Although on average the impacts of regulations are likely to be modest, there are some significant exceptions.** In 10 countries, a study found that the minimum wage was higher than the average value-added per worker, making it likely that firms were reducing hiring or simply breaking the law (World Bank, 2019e). Severance pay is often so high that paying it would cripple a firm, particularly in difficult times when they need to have the flexibility to lay off workers. In contexts where the enforcement of regulations is weak, this means that severance simply goes unpaid, and workers are left with no protection in the absence of unemployment benefits or insurance (Kuddo et al, 2015). In Argentina in 2018, for example, of the 22.8 percent of workers who reported firm bankruptcy as the reason why they lost their jobs, only 33.1 percent actually received any severance pay (World Bank, 2020a). Also, nearly 40 percent of low- and lower-middle-income economies prohibit the use of fixed-term contracts for workers undertaking permanent tasks (Kuddo, 2018). In addition to the minimum wage and severance pay, regulations governing contract types and overall hiring and firing costs are at times also a concern for being too stringent (Silva et al, 2021 and Douval and Loungani, 2019).

**Over the past decade, labor regulations have become more flexible in terms of allowing for more contractual diversity or reducing severance pay to better adjust to changing labor markets, while also increasing protections associated with leave and working conditions.** Between 2007 and 2019, more than 100 countries have reformed their labor regulations (Kuddo, 2018 and World Bank, 2019e). Most of the reforms have been to the procedural requirements related to contract termination and to notification arrangements, fixed-term contracts, severance payments, annual leave, and working time arrangements. Approximately half of the reforms have made regulations more flexible, while the other half have made them more stringent. As COVID-19 hit, countries also rushed to amend their laws to accommodate more flexible work arrangements, reduced hours, reduced pay, or reduced social contributions to help workers to manage the impacts of the pandemic (de la Flor et al, 2021 and Silva et al, 2021). For example, in Ecuador, these measures included the possibility of changes in labor contracts by mutual agreement between workers and firms, the introduction of a shorter work week, and more flexible work arrangements on a temporary basis. Yet despite significant amounts of legislative activity, the political economy of making labor reforms remains as difficult as ever. However, there are opportunities to take a balanced approach to reform (Kuddo et al, 2015). In Indonesia, while labor costs or protections have been reduced in some areas (such as decreased severance pay or increased flexibility in contracting practices), worker protections have been strengthened in other areas (such as the introduction of an unemployment benefit system).

## D. Systems for Social Protection

**To effectively contribute to the goals of equity, resilience, and opportunity, social protection programs need to work together as a system of complementary initiatives**. At the policy level, the entire portfolio of programs should be coherently aligned to support national goals and social contracts. At the program level, the design and implementation of each program should complement and be coordinated with other programs aimed at similar groups but helping with different facets of their needs. At the administration level, delivery systems should be designed with the necessary capacity to facilitate programs' core business processes. These processes may be program-specific or shared across several programs, thus enabling a systems approach.

**A clear strategic framework is important to guide the development of the SP system.** The majority of countries now have social protection policies or strategies in place, with a large number adopting a system approach in recent years. For example, between 2009 and 2013, an average of 12 countries per year formulated a new policy or strategy, raising the total number of countries with a policy or strategy from 19 to 67 (World Bank, 2014b). This is much needed as the challenge of fitting together programs of different sorts for different risks for different kinds of people at different scales to meet the different objectives of social protection is inherently a multi-dimensional problem that requires a clear strategy in place to be achieved effectively.

**Many countries are taking a range of different actions to merge their social protection programs into a coherent system.** One action that some have taken is to incrementally shift funding from one part of the system to another by increasing social assistance coverage and making a series of parametric pension reforms, as discussed earlier. These actions have been frequent and of significant magnitude. Another trend has been to create new programming in areas with unmet needs such as creating savings and insurance mechanisms, often for the non-poor in the informal sector and developing productive economic inclusion packages for the poor in the informal sector, though these are not yet happening on a significant scale.

**Ensuring that different programs cover different aspects of household needs can increase the coherence of the overall system.** Programs can be layered together in ways that provide differentiated support to households across the income distribution. For example, in Malawi, the poorest 10 percent of households (classified as ultra-poor and incapacitated with no adults who are able to work) are eligible for a UCT and school feeding, while the next poorest 15.5 percent (classified as ultra-poor with some members able to work) are eligible for public works and school feeding, and the next 26.2 percent (classified as moderately poor) are potentially eligible for various programs, including economic inclusion programs (Lindert et al, 2018). In Indonesia, just under 10 percent of the population fall below the poverty line, and more than 20 percent have incomes between 100 and 150 percent of the poverty line. The eligibility threshold for the conditional cash transfer program includes 15 percent of the population, the e-food voucher includes the poorest 22 percent, and premium subsidies for social health insurance cover the poorest 40 percent. Thus, the poor benefit from all three programs, the vulnerable benefit from two, and the aspiring middle-class benefit from just one (Holmemo et al, 2020). This layering of benefits is now routine in places where a single social registry exists to determine eligibility to various programs with different thresholds for different needs and vulnerabilities. The services provided by these programs may extend beyond income support or social protection to other areas of social policy, including programs that provide health insurance and support to fund utilities, housing, agriculture, and legal aid (Leite et al, 2017 and Lindert et al, 2020).

**Although less common, some countries have moved past providing separate but complementary programs to providing bundled services to populations with multi-faceted needs.** Programs such as *Chile Solidario, Puente* in Costa Rica, and *Unidos* in Colombia focus on the poorest, who constitute a small share of the population (see Hoces de la Guardia et al, 2011; Lindert et al, 2020; and Atanasio et al, 2011 respectively). In these bundled programs, social workers hold discussions with families to reach a family-specific diagnosis of their needs and to develop a plan of action. Social workers provide families with psycho-social support and help them to obtain basic paperwork (such as IDs and birth or marriage certificates) and access to programs for which the family may qualify, for example, cash transfers, subsidies for health insurance or utilities, programs to increase their employability and, if needed, social care services. As noted in Section IIC, income support and activation measures are also often provided together in high-income and upper-middle-income countries with more formal labor markets and relatively well-developed social protection systems. These services offer job seekers with different profiles a range of support, including self-service access to job listings, job search assistance and coaching, training in basic literacy and numeracy, vocational skills, and socio-emotional skills, wage subsidies or temporary public employment, and sheltered employment for people with severe trauma or disability or some combination of any of the above. Recipients of income support in the form of unemployment insurance or social assistance may be encouraged or required to use these services. The extent of support offered is based on the job seeker's profile, including their age, skills, employment history, any barriers to employment such as language, the need to care for other family members, or health problems (Desiere et al, 2019; Barnes et al, 2015; and Loxha and Morgandi, 2014).

**Delivery systems constitute the mechanics by which social protection benefits and services are administered and delivered to recipients.** Social protection delivery systems have a number of phases that are common to most social protection programs. As a result, they can be, and often are, shared by different programs, which promotes the integration of programs into a social protection system. In recent years, delivery systems have been improved by the rapid development and deployment of three types of digital tools: (i) identification systems; (ii) social registries; and (iii) payment systems. All three tools serve broader functions of government, not just the social protection system. Each has proven critical in different ways for improving the delivery of social protection. In many countries, social protection programs are not only the biggest users of these tools but have driven innovation as well as helping ensure their widespread adoption.

**The capacity of social protection programs around the world has been growing and not only in terms of digital development.** Their increasing coverage has required increases in staffing, equipment, and facilities. Many flagship programs have moved from being donor or sectoral initiatives to being established in law, which has increased the need for various kinds of accountability tools. For example, multiple channels (in person, via telephone hotlines, or electronic platforms) are increasingly being used for grievance redress mechanisms to ensure ease of access. Also, some well-established mechanisms are being run by the program itself or by the Ministry of Social Protection (as in Egypt, the Philippines, and West Bank-Gaza) or by independent agencies that take a whole-of-government approach (as in Ethiopia and Rwanda) (Lindert et al, 2020). These mechanisms can help to ensure that individuals receive the benefits to which they are entitled. At a wider level, it is now possible to measure program results and disclose them so that the public can track expenditures on social protection programs, their processes, and outcomes. A great deal of this information can be generated by countries' increasingly sophisticated electronic management information systems. Although some of this measurement requires special-purpose field work and data collection that can only be carried out periodically, the global social protection sector has a strong track record in conducting program evaluations, with more than 10,000 studies having been produced since 2000 (Gentilini, 2019).

**There has been a global revolution in terms of the increased use of foundational electronic IDs, which have proven to be pivotal in administering social protection programs.** Widespread use of these accurate and reliable personal IDs that are unique to each individual can facilitate enrollment, recordkeeping, and contributions (in the case of social insurance and savings). They can also make it possible to cross-match individuals between different programs and data systems to determine their eligibility. Having an ID can make it easier for individuals to receive payments through the financial sector by helping clients fulfill "know your customer" rules (Guven et al, 2021). Between 1990 and 2017, the number of countries with electronic ID systems increased from less than 5 to more than 140. However, even well-developed ID systems often do not cover the entire population.[14] Coverage tends to be lowest in lower-income countries. For instance, nearly

[14] In the G-7, for example, an average of 8 percent of the population do not possess any form of proof of identity, according to 2018 data from the World Bank's Identification for Development dashboard (ID4D) https://id4d.worldbank.org/.

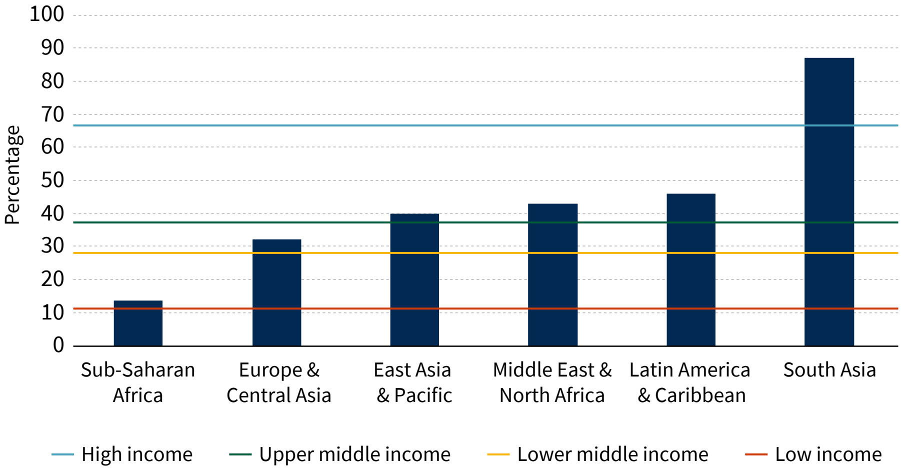
one-third of the Sub-Saharan African population aged 15 and over have no national ID. This low coverage is partly due to the high costs to individuals of acquiring the identity credential itself and the transaction costs involved in producing the necessary documentation to obtain an ID (Guven et al, 2021). Many groups such as the poor, rural populations, the elderly, marginalized women and girls, people with disabilities, and refugees face significant economic and social barriers to enrolling in or using the ID system. Some social protection programs actively help potential clients get their IDs, or their existence can serve as incentive to do so (Pakistan and Peru are well-known but not the only examples), but there is a risk that unless the ID system and/or social protection programs help people to overcome these barriers, vulnerable population groups will continue to have low rates of coverage (World Bank, 2019b). Even as the coverage of these foundational IDs grows, it will still be necessary for programs to make provision for those who have no ID by providing them with a program-specific functional ID. Court cases in a number of countries including India have upheld the right of individuals to receive services without a foundational ID.[15]

**Social registries have increasingly been used as a common gateway for multiple programs to identify beneficiaries and assess their eligibility, especially for social assistance targeted to the poor.** Social registries are information systems that support the outreach, intake, registration, and the determination of eligibility involved in one or more social programs. These digital platforms increase the efficiency of program administration and reduce transaction costs for clients by avoiding the need to collect the same information on the same people for different programs (Leite et al, 2017). As of 2013, 23 countries had social registries (World Bank, 2014a), but a more recent study found that this had increased to 60, though different definitions make it difficult to be precise (Grosh et al, 2022). In some countries, the social registry operates as a self-contained database management system with no links to other administrative systems in government agencies or to other levels of government. Self-contained social registries rely largely on self-reported information from clients, collected either through periodic surveys or registration forms. In other countries, the social registry operates more as part of a whole-of-government vehicle for managing information systems across agencies, with interoperability with other databases for data exchange being one of the main features (as in Chile or Türkiye). The spread of electronic IDs has greatly facilitated data-matching and increased the potential of interoperability (Lindert et al, 2020). These social registries can access data gathered by the government for purposes other than the provision of social protection and reduce the need for special purpose or repetitive surveys to collect data. However, in many cases, the data collected for other purposes tend to be related more to richer households than to poorer households (for example, income taxes, social security contributions, and registries of real estate or vehicles). As a result, in many countries, interoperability can enrich but not yet replace social registries based

[15] See https://www.apc.org/en/news/extreme-poverty-and-digital-welfare-new-report-un-special-rapporteur-extreme-poverty-raises.

on the collection of social assistance-related data. While countries have made notable progress in developing social registries or inter-operable information systems, their coverage continues to be limited (see Figure 11).

**FIGURE 11. Share of Population Covered in National Social Registries**

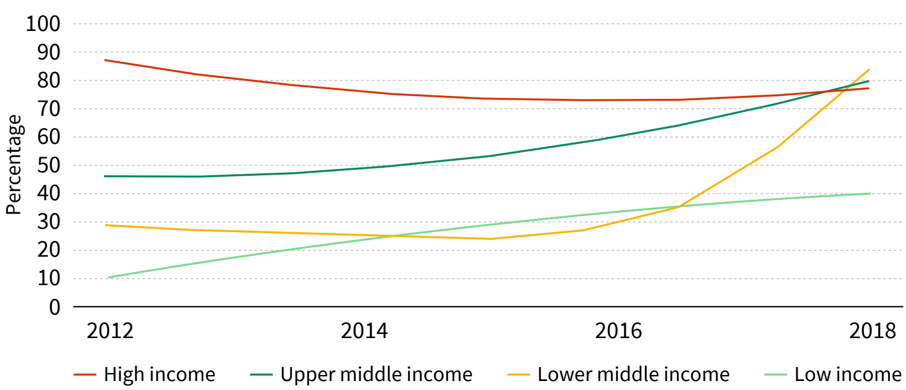



**Source:** World Bank. SPJ Global Practice. Delivery Systems Global Solutions Group.
**Notes:** Number of countries included are as follows: Sub-Saharan Africa (24), Europe & Central Asia (5), East Asia & Pacific (3), Middle East & North Africa (9), Latin America & Caribbean (16), South Asia (1).

**Social registries need to be open, dynamic, and able to identify households that are newly in need or newly formed or have relocated.** While social registries have been an important innovation for increasing efficiency and reducing transaction costs, they were first developed as a tool to tackle chronic poverty, with the goal of identifying the poor only periodically instead of on an ongoing basis. Information for the registry was gathered by means of survey sweeps that reached out to all of the potentially eligible households in the included areas, but these sweeps happened only infrequently and often irregularly. However, there is increased recognition that a significant share of poverty is actually transient (see, for example, Dang and Dabalan, 2019 and Dang and Ianchovichina, 2016), which means that a better ongoing data collection mechanism is needed to determine eligibility for social assistance, preferably one that is available on-demand. The lack of such a dynamic data collection process is one of the major challenges related to delivery systems (see Lindert et al, 2020). Few social registries are designed to include such a data collection process, although there has been some progress in recent years in moving in this direction. For example, Colombia and Pakistan were early developers of large social registries and are both now moving away from periodic survey sweeps to more dynamic systems, supplementing the special-purpose gathering of data with data-matching from other government data sources. Also, if people are unaware of the existence of social protection programs, then they will not demand to be enrolled, so it is essential for social registries or programs themselves to perform outreach activities to ensure that people are aware of the services that are available to them. In a few countries such as Brazil and South Africa, program administrators or local officials deliberately and proactively reach out to people living in remote areas or vulnerable populations who may otherwise be overlooked or are unaware of the existence of social protection programs (Barca and Hebbar, 2020).

**Delivery systems and technology play a key role in the efficient administration of social insurance systems and in linking different components of social protection.** Given technological advances and the existence of unique IDs, both digital social insurance platforms and payment systems have the potential to increase the efficiency with which social insurance can be delivered, improving the experience for plan members, and reducing costs. Social insurance delivery systems that include the reliable collection of contributions and delivery of benefits as well as effective outreach and grievance and redress mechanisms have a direct bearing on public confidence in the system, which in turn can increase participation and compliance. Many countries have been working on improving the delivery of social insurance (for example, Croatia, the Maldives, the Philippines, Rwanda, and Türkiye). In Argentina, a reengineering of delivery processes reduced the time taken to determine pension eligibility from six months to under two months (ANSES, 2019). As a result of increased interoperability between social registries and social insurance systems, some countries are now able to determine individuals' eligibility for social assistance by cross-checking their participation in social insurance.

FIGURE 12. **Share of Cash Transfer Programs Using Electronic Payment Instruments**




**Source:** World Bank (2018). Global Payment System Survey (GPSS).

**The payment of benefits is a critical stage in the social protection delivery chain for many programs and is benefiting from rapid innovation.** In recent years, many different digital government to person payment solutions have been developed and deployed to make social protection payments to beneficiaries. The quality of the mechanisms used by governments to deliver payments to beneficiaries in social protection programs has a direct bearing on the programs' success or failure. The program's impact and reputation can be undermined if payments do not reach people at the right time and place and in the right amount. As a result, the digitalization of cash payments has been growing rapidly around the world. According to the World Bank's Global Payment System Surveys of 2012, 2016, and 2018, the use of electronic instruments to make cash transfer payments increased rapidly in low- and middle-income countries between 2012 and 2018 (see Figure 12). If designed correctly, digital payment methods can increase efficiency, transparency, and client satisfaction. For instance, when the Bolsa Familia program in Brazil adopted swipe cards and agent banking to make its transfer payments, this reduced administrative costs from 14.7 percent to 2.4 percent of the total benefit value (World Bank, 2012a). In Mexico, shifting to digital systems to pay civil service wages and social protection benefits has saved the government nearly US$1.3 billion each year (Radcliffe, 2017).

**Moreover, digital social protection payments have often been used as a gateway to extend access to the financial system for the poor and vulnerable**. Increasingly, beneficiaries are being offered a choice of payment service providers, which enables them to switch service providers and transfer accounts based on their own analysis of cost and convenience (as is happening in Bangladesh, India, and Zambia, for example). The result of giving recipients greater choice is that financial service providers start to see recipients, rather than governments, as their customers and have a stronger incentive to improve the customer experience (Lindert et al, 2020 and Baur-Yazbeck, 2019). Nevertheless, as with any digital systems, there is a need to ensure that the adoption of these initiatives is inclusive, particularly of the poor and vulnerable and of groups who may face obstacles to accessing financial services (Gelb and Mukherjee, 2020). As with IDs, this may take a concerted effort to increase access to bank accounts and alternative payment processes for those who do not have them.

**The COVID-19 pandemic underscored the increasing need for robust and adaptive social protection delivery systems that can leverage digital technology.** The investments that many countries had made in their social registries before the pandemic significantly shortened the time needed to roll out their response packages (as happened in Brazil, Jordan, Morocco, Nigeria, Peru, Senegal, and Türkiye). However, even in some countries with comparatively mature systems, weaknesses in their social registries and payment systems undermined their ability to respond rapidly to the crisis, particularly in terms of covering new beneficiaries (horizontal scale-up). For example, in Ethiopia, although the existing Urban Productive Safety Net Program was used to provide top-ups to existing beneficiaries, there were significant delays in expanding benefits to new recipients. In the Philippines, despite the maturity and widespread coverage of the 4Ps Program, the horizontal scale-up in response to COVID-19 was initially quite challenging as beneficiaries had to be registered manually using paper forms as the social registry was outdated. Moreover, efforts to cross-check data against other databases were hindered by the lack of a national identification system.

**The urgency and scale of the need arising from COVID-19 prompted innovations in social protection delivery systems, particularly in the adoption of nontraditional applications and verification procedures for targeting and payment systems.** While some governments expanded coverage to existing social assistance beneficiaries, many looked for ways to provide emergency relief to new groups, particularly those in the informal economy in urban areas who were not covered by social assistance or traditional social insurance. Many governments used digital tools to register and pay beneficiaries for the first time, transitioning from the manual, paper, or office-based applications that they used before the pandemic. This included the use of USSD/SMS-based applications in Brazil, Egypt, Morocco, Namibia, Pakistan, South Africa, Togo, and Tunisia and of web-based application portals in Benin, Brazil, and Morocco. In several countries, satellite imagery and call records were used as proxies for poverty to determine eligibility in extending benefits to those in the informal economy (in the Democratic Republic of Congo and Togo). Mobile money emerged as the main method for paying emergency cash transfers (for example, in the Democratic Republic of Congo, Egypt, and Togo), and existing cash transfer programs made greater use of mobile money (in Lesotho, Malawi, Nigeria, and Peru) (Guven, 2021 and Anderson et al, 2022). Brazil, Namibia, Pakistan, South Africa, and Türkiye were able to screen applications against multiple criteria, using databases containing widely held national ID numbers. Rwanda drastically cut fees for digital payments, mandating zero charges on a wide range of transactions and tripling the limit on the value of mobile wallet transfers. In Kenya, when fees on mobile money transactions were reduced, the use of digital payments soared in the first two months of the crisis (Gelb and Mukherjee, 2020).

**Digitalization provides opportunities to increase inclusion in social protection delivery systems, but success will require narrowing the digital divide and ensuring data security and privacy.** Digital ID systems, electronic registration and payment systems, and inter-operable information systems between government agencies all have the potential to revolutionize both ongoing programs and crisis responses. However, despite the rapid development and deployment of new technology solutions in the last decade, there are still significant divides, both between and within countries in terms of mobile broadband penetration, smartphone adoption, and the capacity to connect to and use the Internet. These all perpetuate existing inequalities – rural versus urban, poor versus rich – that intersect with existing micro-level disparities between genders and ethnicities, among others (UNCTAD, 2021). As a result, while such technologies can offer the promise of more efficient and effective inclusion, more needs to be done to ensure that they benefit everyone (see Box 4 for a broader discussion of excluded groups and social protection). Also, with greater use of digital systems come increased risks to data security and privacy. There is an increasing recognition among policymakers of the challenges but much scope to improve current practices (Lindert et al, 2020; Enabling Digital and GIZ, 2020; Alston, 2019; Ohlenburg, 2020; and Sepúlveda Carmona, 2018).

**Box 4.** **Social Protection for Excluded Groups**

**There are a number of groups that suffer social exclusion because of their identity – those of a non-dominant ethnicity or religion, migrants, people with a disability, and members of the LGBTQ+ community, among others.** Members of these groups may suffer from stereotypes, stigma, and structural barriers that reduce their participation in social, economic, and political life. Members of these groups may be stigmatized at school and drop out early, having learned less than their peers. They often have low labor force participation and, among those who work, low wages due to a mix of low skills and discrimination. Members of excluded groups are therefore more likely than average to be poor (World Bank, 2013b). While all of these groups suffer exclusion for different reasons and therefore different approaches are needed to mitigate this exclusion, there are some commonalities that can be useful to consider in exploring how to adapt social protection programming and systems to promote inclusion.

**Social protection can work in many ways to foster inclusion of traditionally excluded groups.** Some strategies will aim to integrate excluded groups into programs for the general population. Other initiatives will be targeted specifically to one or more groups to serve their special needs. The overall social protection system will need to ensure that both of these types of programs work together effectively.

**To ensure that social assistance programs include the excluded requires delivery systems to be designed to remedy rather than reinforce differential access and its underlying causes.** In Colombia, policymakers realized that the country's proxy means test was linked to residence in a traditional dwelling and its characteristics and thus excluded homeless people. They then made alternate provision to register them in the social registry that is the gateway to many social programs. For many indigenous people, the lack of official registration at birth and, consequently, of identity documents remains a considerable obstacle to their access to social protection and social services (Thornberry and Viljoen, 2009 and ILO, 2017). One of the important factors to consider may be language – having social protection staff who speak the language of potential clients and having program materials or interfaces in multiple languages can increase inclusion. Hiring staff from the excluded groups may also help to build bridges and to reduce stigma or discrimination. In Brazil, some social assistance centers recruit *Quilombolas* as staff to encourage participation by *Quilombola* community clients, while Bulgaria makes an effort to use Roma staff to facilitate access by Roma clients.

**The design of some social assistance programming may need to be modified to serve the needs of different groups.** Increasing coverage of social assistance should benefit excluded groups, perhaps disproportionately because they are often poorer than average. However, design changes may also be needed to ensure equity and inclusion. For example, people with disabilities face higher costs of living (for medical care, assistive devices, transportation, and care services for example), with estimates on the order of 10 percent for the handful of developing countries with such figures, and substantially higher in high-income countries (Mitra et al, 2017). Thus, people with a disability could be eligible for support to cover these costs as categorical programs or as top-ups to benefit levels in poverty-targeted programs. In the same vein, welfare assessments such as means tests for poverty-related benefits should not count any benefits that people may receive related to the extra cost of living with disability (World Bank, 2021a). Displaced people, refugees, and asylum seekers face specific risks – often having lost their assets, housing, and livelihoods and often lacking work permits or being housed in camps or areas far from work opportunities and thus may need more support (at least initially) than would be provided by social assistance programs designed to provide top-up income for host communities with established livelihoods (Sabates-Wheeler, 2019). Rohingya people displaced in Cox's Bazar, Bangladesh, for example, are largely restricted to paid volunteer labor within the camps, whereas employment in agriculture is the most common livelihood in the host community (Raza et al, 2021).

**Programs that support education, training, and job placements can be critical in overcoming exclusions in the labor market.** As discussed in Section IIIC, coverage of such programs is low overall, so increasing their coverage, especially in ways that are sensitive to excluded groups, is important. And there are a number of ways in which programs can be designed to increase inclusion. In India, the *Nai Manzil*/New Horizon program for members of minority religions combines active outreach to the targeted population, income support, second chance formal education, skills training, and livelihood support. It serves poor minority youth, with at least 30 percent of places reserved for women (although 50 percent of those served are in fact women) and 5 percent for people with disabilities (World Bank, 2015a). The education component is meant to ensure that participants achieve at least the minimum qualification required for many short skills courses and reacquaints participants with their basic reading and writing skills, which also facilitates success in the skills component, both reinforced by the program's messaging on aspirations and social norms (Clarke et al, 2021).

## E. Financing for Social Protection

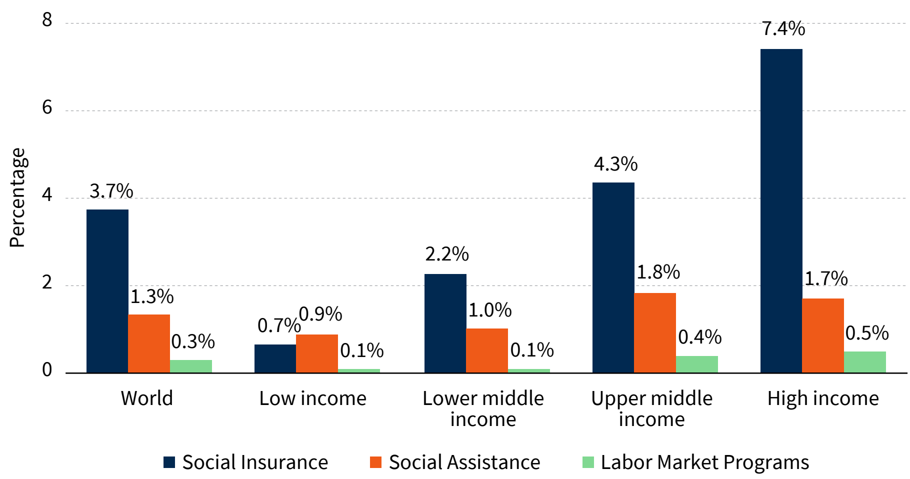
**Global spending on social protection is significant, though much higher on pensions than on social assistance or labor market programs, with considerable variation among countries in each category.** As can be seen in Figure 13, World Bank client countries spend an average of 3.7 percent of their GDP on pensions, 1.3 percent on social assistance, and 0.3 percent on labor programs.[16] In each category, spending tends to increase with coun-

[16] Total expenditure for a country in the ASPIRE database is calculated by aggregating program-level data for the most recent available year. The composition of spending by income group is calculated using simple averages of country-level expenditure. Expenditures on non-contributory social pensions are counted as social assistance. Expenditures on unemployment insurance are included within the category of labor programs. Expenditure data on social insurance represents not only government spending from general revenues but also funding from contributions made by pension system participants during their working years. The amount of spending covered by contributions varies from country to country. Social protection spending is underestimated because ASPIRE does not include

try income. In upper-middle-income countries, average spending on pensions is nearly seven times higher than in low-income countries, twice as high for social assistance, and three times as high for labor market programs. There is also enormous variation and some prominent country outliers in each category. For example, although upper-middle-income countries spend an average of 4.3 percent of their GDP on pensions, spending in Gabon is less than 1 percent, while in Serbia it is more than 12 percent of GDP. In the case of social assistance, upper-middle-income countries spend an average of 1.8 percent, with Türkiye spending only 1.1 percent of GDP and South Africa 4.1 percent. For labor market programs, upper-middle-income countries spend an average of just 0.4 percent of GDP, but Dominica spends over 2 percent of GDP, while Kosovo spends just 0.04 percent.

**Countries have increased their financing for social assistance over time in accordance with increases in coverage.** It is possible to trace expenditures for different countries over different lengths of time in the ASPIRE database. Using an unbalanced panel of countries over the longest possible period, the data show an average increase in expenditure on social assistance from 0.9 percent of GDP in 2003-2005 to 1.3 percent in 2010-12 to 1.5 percent in 2016-2019.[17]

**FIGURE 13. Average Global Spending on Social Protection, by Income Groups and Categories**




**Source:** ASPIRE database - www.worldbank.org/aspire. Data publicly available as of December 2021.
**Notes:** Based on program-level administrative data from 2015-2019 for SA and LM; 2015-2020 for SI. No. of countries: SI (76), SA (113), LM (53).

data for every country in each of the income groups, and even for any given country, ASPIRE does not include every social protection program.

[17] The unbalanced panel had 43 countries during the first time period, 62 during the second, and 51 during the third. Following a sample that contains only the countries for which trends can be tracked (47 countries) would have shortened the time period from 2010-12 to 2016-19 but would have yielded similar absolute levels and trends of spending.

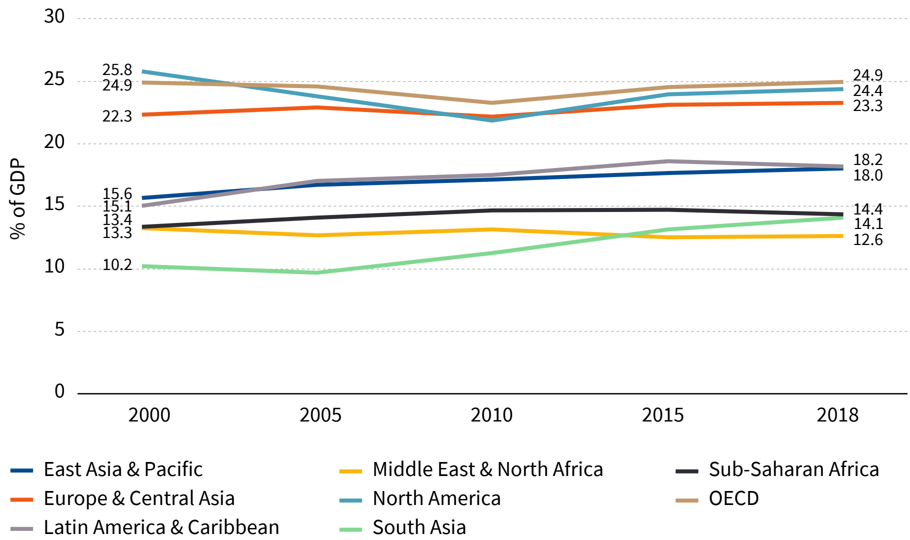
**In response to the COVID-19 pandemic, countries implemented very significant, mostly temporary increases in social assistance spending.** An analysis of 41 countries showed that spending on pandemic-related social assistance responses averaged 1.11 percent of GDP in low-income and middle-income countries. In low-income countries, this response was entirely externally financed. In lower- and upper-middle-income countries, 37 percent and 47 percent respectively was financed domestically. In those countries where domestic resources were used, the most common approach was to restructure spending or re-prioritize budget lines, but nearly half of the countries incurred domestic debt and deficit spending, while others tapped state reserves, contingent funds, and fiscal savings (Almenfi et al, 2020).

**Aside from the pandemic, in almost all countries there is pressure to raise social protection spending over the medium to long term, both to accelerate progress towards USP and to deliver on past pension promises.** As was discussed earlier, to accomplish USP will require making substantial increases in the effective coverage of social assistance and labor market programs, covering pension deficits, and, in some cases, budgeting for additional subsidies to promote the expansion of social insurance to those in the informal sector. Different authors have developed different visions of what comprehensive social protection might cost. Three studies with different approaches to achieving USP came up with similarly high-cost projections. Filgueira and Espindola (2015) emphasized basic income transfers for children and elderly in Latin America, while ILO-UNICEF (2019) emphasized universal child grants, and Packard et al (2019) discussed a comprehensive vision of social assistance and insurance. All of these studies estimated that the cost of implementing the suggested approaches in most countries would be well in excess of the 1.5 percent of GDP that is currently being spent on social assistance programs, and sometimes several times higher. For example, Duran et al (2020) estimated that expenditures on child allowances and maternity, disability, and old age benefits would amount to 8.5 percent of GDP in low-income countries, 3.4 percent in lower-middle-income countries, and 3.2 percent in upper-middle-income countries.[18] In the case of social insurance schemes, a substantial amount of the fiscal pressure is structural as a result of population aging. In Latin America, pension spending would need to double between 2015 and 2045 unless reforms change the current parameters of pensions (Rofman and Apella 2020). In OECD countries, pension spending grew from an average of 6.6 percent

[18] With regard to the covered population, the analysis considered children aged between 0 and 5 years for the child allowance. The maternity benefit was calculated based on women aged between 15 and 49 with newborns, and the number of beneficiaries was calculated based on observed country-specific fertility rates. For disability benefits, the study only considered people with a severe disability on the assumption that participation in employment might be challenging for them and might require specific support such as transportation allowances. The size of this eligible population was obtained from country-specific disability estimates from WHO's Estimated Years Living with Disability database. For old age, the potential beneficiary population was defined as people aged 65 and over. As for benefit levels, for children, the benefit was defined as 25 percent of the national poverty line. For the maternity benefit, the cash benefit was set at 100 percent of the national poverty line during four months around childbirth to protect the critical period when mothers and newborns are most vulnerable. For disability and old age pensions, the amount of the benefit was 100 percent of the national poverty line.

of GDP in 2000 to 8.0 percent in 2015 and is projected to rise to 9.4 percent by 2050. Of course, these illustrative averages hide country to country differences. Nevertheless, broadly speaking, the long-term fiscal pressure from pension financing is being felt by countries all across the globe (OECD, 2019). Moreover, this issue has been exacerbated in many cases by the holidays on contributions granted as part of COVID-19 response packages and, in some cases, by provisions for early withdrawal (de Marco and Stewart, 2020).

**Figure 14. Tax Revenue as a Share of GDP, by Region, 2000-2018**




**Source:** Own elaboration based on IMF (2020) Government Finance Statistics Yearbook, and World Bank and OECD GDP estimates.

**A country's ability to finance social protection depends to a great extent on its ability to mobilize domestic revenue, which increases only slowly in normal times but falls fast in a crisis.** As can be seen from Figure 14, overall increases in tax revenue have been modest since the turn of the century, with the greatest increases having been in LAC and MENA. The IMF considers that increasing the tax-to-GDP ratio by 5 percentage points of GDP over the next decade is an ambitious but reasonable target in many developing countries (Gaspar et al, 2019). However, given the many additional pressing needs in these countries, this suggests that it will be a battle to win sufficient fiscal space for social protection. Also, the difficulties are much more acute in the wake of the pandemic, with both government deficits and debt having significantly increased. The decrease in revenue alone is daunting. There has been a decline of more than 1 percentage point of GDP in low-income countries and a more than 3 percentage point decline in emerging markets (IMF, 2021a). Nearly 50 countries have activated escape clauses or suspended their fiscal rules since the onset of the pandemic. Countries are now determining how to get back on a path to fiscal balance and debt sustainability (IMF, 2021a and 2021b).

**Because the objectives of social protection include reducing poverty and inequality, the distribution of transfers and the taxes that support them must be considered together.** It is possible to achieve redistribution with flat (uniform) benefits if the taxes that support them collect (absolutely) more from individuals with higher welfare than those with lower welfare. To achieve a given level of redistribution, the more sharply progressive taxes are, the flatter benefits may be and vice versa.[19] Although that point is conceptually obvious, there has been little study of this in low- and middle-income countries until recently. As a result, tax and transfer systems have not been considered in tandem as a matter of course, though this is now gradually becoming more common.

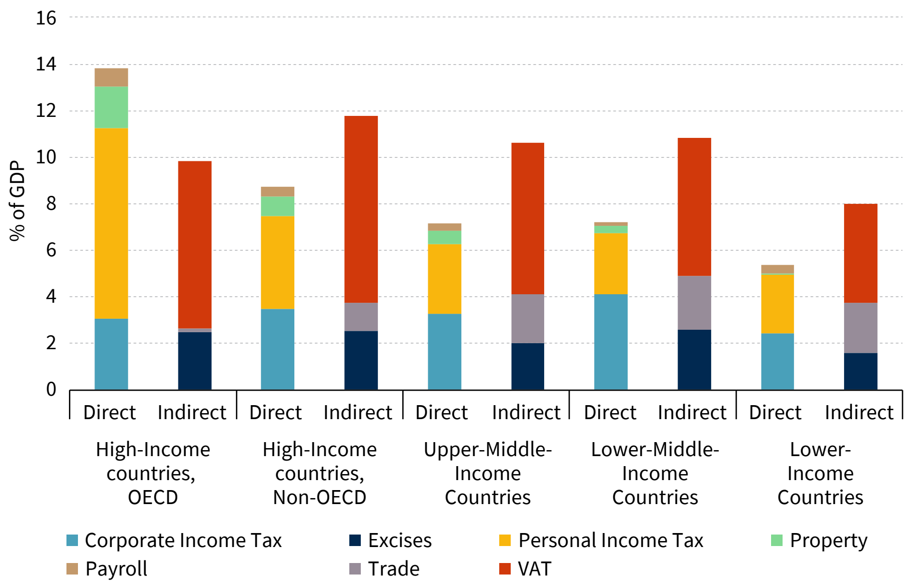
**In advanced economies, the tax and transfer systems reduce income inequality significantly although the trend over time has been towards less redistribution.** In advanced economies, on average, direct taxes and transfers reduce income inequality by about one-third (from a Gini of .49 to .31), with three-quarters of this reduction being achieved through transfers, which reduce inequality more at the bottom while taxes do so more at the top (IMF, 2017). In recent years, redistributive efforts have been declining in some advanced countries, despite increasing inequality in labor incomes (IMF, 2017 and Bastagli et al, 2012). The erosion of progressive taxation is a theme picked up in a recent study of the social contract in both Western and Eastern Europe (Bussolo et al, 2019). The authors showed that, from the early 1980s until just before the 2008/9 global recession, the share of those in the top income bracket grew, while the top rates of personal income tax and corporate tax fell sharply. In the OECD, the top tax rates for personal income, dividend income, interest earnings, and corporate income each fell on the order of 20 percentage points (IMF, 2021a).

**In developing economies, fiscal redistribution is much more limited than in advanced economies because of their lower revenues and less progressive taxation mix.** Total tax revenues determine the level of public spending, including spending on redistributive policies. As Figure 15 shows, the tax revenues of advanced economies are equivalent to around 25 percent of GDP. In developing countries this percentage is significantly lower, with all non-high-income countries together averaging considerably less than 20 percent (Fuchs et al, 2021). Moreover, in developing countries, the mix of taxes that generate these revenues is often less progressive than in advanced economies, where over one-third of all revenues come from personal income taxes, which are the most progressive, while over half are from other progressive direct taxes such as property, payroll, and corporate income taxes. Instead, in both developing countries and non-OECD high-income countries, indirect taxes on consumption (such as value-added taxes and excise taxes) make up most of the

[19] Note that on the transfer side the term "flat" in used in an absolute sense, which means that everyone gets a benefit of US$20. On the revenue side, it tends to be used to refer to percentage rates of tax. Therefore, a "flat" tax could collect 10 percent of income from everyone. If a person had US$100 in income, it would collect US$10. If a person had US$300 in income, it would collect US$30. Thus a "flat" benefit of US$20 financed by a "flat" tax of 10 percent could, on a net basis, redistribute income to the first person (who pays US$10 in taxes and gets US$20 in transfers) from the second (who pays US$30 in taxes and gets US$20 in transfers).

tax revenue base. Such taxes, which usually impose the same flat rate on all purchasers of goods, are more regressive than income taxes.[20] Even when exemptions and lower rates are placed on staples consumed more by the poor, richer households still enjoy more of the savings due to their higher consumption.

**FIGURE 15. Composition of Tax Revenues, by Income Category, 2018**




**Source:** IMF World Revenue Longitudinal Dataset.

**In recent years, the Commitment to Equity (CEQ) project has been gathering evidence on the joint impacts of tax and transfer systems in developing countries.** This evidence has revealed quite a varied and cautionary picture. Inchauste and Lustig (2017) compiled comparative evidence from 17 low- and middle-income countries. During the years being studied, the effect of taxes and transfers on the Gini was quite limited, less than 4 Gini points in all countries, with the only exception being South Africa (7.7 Gini points).[21] Rodriguez and Wai-Poi (2020) examined fiscal redistribution in 42 developing countries and found that only in seven countries had there been a reduction in inequality of 5

[20] Their regressivity can sometimes be overstated in developing countries, and they may even occasionally be progressive (although not as progressive as income taxes). This is because poorer households buy more from informal locations and so pay less tax than those buying at formal locations (Bachas et al, 2020 summarizes the informality Engel curve for 31 countries).

[21] There is an unresolved methodological question in the field about whether contributory pensions should be treated as deferred income or transfers. The CEQ presents all results with both calculations. Here we report those for contributory pensions treated as deferred income so as to focus more squarely on the non-contributory part of the social protection system where the debate over universal versus targeted benefits is most heated. If pensions are treated as a transfer, Georgia's fiscal system would reduce both the pre- and post-fiscal Gini by 11.2 points.

Gini points or more, with the average reduction being only 2.8 Gini points. In contrast, the average for the OECD is 18 Gini points and for the EU, it is 21 Gini points (Bussolo et al, 2018).[22] When the focus is on poverty rather than inequality, the CEQ results are even more modest. Taxes and transfers reduced the poverty headcount in only half of the countries studied in Inchauste and Lustig (2017). In the other half, poverty actually increased after direct and indirect taxes, even after taking into account the benefits of direct transfers.

**The tension between the need to increase resources to make progress towards achieving USP and the constraints on fiscal space has raised the profile of the topic of financing within social protection dialogue.** Prominent institutions now advocate for governments to take concerted action to increase their tax revenues. For example, IMF, OECD, World Bank, and UN, 2016 urges countries to increase the funding available to support achievement of the SDGs. The ILO (Ortiz et al, 2017) has recommended that countries should try reallocating public expenditures, increasing tax revenue, expanding social security coverage and contributions, lobbying for aid and transfers, eliminating illicit financial flows, using fiscal and foreign exchange reserves, managing debt, and adopting a more accommodative macroeconomic framework. In the April 2021 Fiscal Monitor (IMF, 2021a), the IMF argued that progressivity and revenue performance could both be improved through broader tax bases, more progressive personal income taxation, more neutral capital taxation, improvements in the design of value-added taxes, more and better use of carbon, property, and inheritance taxes, adopting digital innovations, and strengthening the capacity of revenue administrations to implement and manage these tax reforms. Each option has different advantages in terms of revenue potential, ease of administration, and distributional outcomes (see Table 1).

**In keeping with general public finance theory, social assistance and labor market programs are mostly financed from general revenue, but governments sometimes find it convenient to associate or even earmark specific sources of revenues with social protection programs, especially as part of tax reform packages.** Raising taxes is rarely popular per se, so showing that the money will be used for purposes that society values can ease the path of reform although this is not always deemed good practice from a public finance perspective. Brazil instituted a tax on financial transactions, which by 2007 accounted for 1.4 percent of GDP, which was sufficient to cover the cost of the country's conditional cash transfer and other non-contributory social protection programs (Chowdhury, 2016). However, this tax has since been discontinued. Bolivia used revenues and taxes from natural resources to fund old age pensions and child grants. Mongolia did the same to finance family and child grants between 2010 and 2016 and since then has moved to using general

[22] The EU redistribution effect does not include indirect consumption taxes and indirect price subsidies (for example, for food and energy, which are prevalent in many developing countries). However, the average reduction in equality from pre-fiscal (market) income to consumable income (accounting for indirect taxes and subsidies) is also 2.8 points, so the discrepancy in fiscal redistribution between high-income countries and the developing world remains.

revenues, but in 2022 it resumed the practice by financing the Child Money Programme from mining revenues. Algeria and Mauritius use tobacco taxes to supplement their social security revenues, while sin taxes in the Philippines, which accounted for 1 percent of GDP in 2015, financed the extension of subsidized health insurance to 40 percent of the population as well as insurance coverage for the elderly (Duran-Valverde and Pacheco, 2012). The association need not be a firm earmark. Colombia's 2019 tax reform package included both decreases in VAT exemptions and additional cash transfers as a compensation for the increase in taxes, moves that were expanded faster than had been foreseen as part of the country's pandemic response (Londoño-Velez and Querebin, 2022).

**TABLE 1. Potential Financing Sources for Social Protection**

| REVENUE SOURCE | REVENUE POTENTIAL | GROWTH FRIENDLINESS | REDISTRIBUTIVE POTENTIAL | COST OF ADMINISTRATION | COST OF COMPLIANCE |
|---|---|---|---|---|---|
| Personal income taxes | Variable | Low | High | High | Medium/ High |
| Corporate income taxes | Medium | Low | Low | Medium/ High | High |
| General consumption taxes | High | Medium | Low | Medium | Medium |
| Excises | Medium/ Low | Medium | Low | Low | Low |
| Property taxes | Medium/ Low | High | Medium/ High | High | Medium |
| Soc. Security contributions | Medium | Low | Low | Low | Low |
| Green taxes | Low | Medium/ High | Medium/ Low | High | Medium |
| User fees | Medium | Medium/ High | Low | Medium | Medium/ Low |
| Royalties | Medium/ High | Low | Low | Medium | Medium |

**Source:** World Bank and DFAT, forthcoming.

**Payroll taxes are the workhorse for funding contributory insurance, but few countries have room to increase them, and a number of studies have suggested their decrease might be desirable, if difficult** (for example, Packard et al, 2019; Pages, 2017; and OECD, 2011). The predominant role played by payroll contributions in funding social insurance came about because, in the first wave of countries to industrialize, the state could rely on employers to observe wages and collect related contributions. Policymakers, pensions administrators, and unions see the payroll tax as a relatively independent and secure revenue source, separate from the annual political budget cycle. Moreover, workers see the link between the contributions taken from their wages and their eventual benefits as an acquired right, which creates a powerful force for stability. However, there are some disadvantages to payroll taxes. One is the risk of making labor more expensive relative to capital, particularly when combined with highly restrictive labor regulations. Another is the unbreakable link that it creates between the provision of social insurance benefits and the nature of the worker's engagement in the labor market. This inherently limits the potential of social insurance to cover the informal sector. Finally, there is a risk of creating incentives for workers to remain in the informal sector, particularly where the link between contributions and benefits is not viewed favorably by workers. This latter effect may be especially relevant to women whose interrupted careers may make it difficult to reach the minimum number of years of service needed to accrue a pension but who nevertheless contribute. In the 33 OECD countries that have mandatory specified pension contributions, the total effective pension contribution rate for an average earner was 18 percent of wages as of 2018 (OECD, 2019). Contribution rates exceed 20 percent in a number of countries – in the Czech Republic, Hungary, Romania, Slovakia, and Slovenia in Eastern Europe and in China and Vietnam in East Asia and the Pacific (OECD, 2013). Latin America is notorious for its high social insurance contribution rates, not just for pensions but also for health and unemployment insurance. In Argentina, these amount to over 45 percent of wages, while in Brazil, the figure is about 36 percent, and in Peru, it is 22.5 percent.[23] Given these already high rates, there have been far fewer increases in contribution rates than other types of pension reforms worldwide – only 41 out of the 291 parametric reforms in the decade from 2010 to 2020 (ILO, 2021).

**Reducing inefficient expenditures is always desirable, and general subsidies, especially those for fossil fuels, are a common target for reform.** Globally, budgetary subsidies for fossil fuel and related products in 2017 were estimated at US$296 billion, or nearly 0.37 percent of global GDP (Coady et al, 2019),[24] and in a quarter of developing countries, they cost more than social assistance (Mukherjee et al, 2021). In Sub-Saharan Africa, energy subsidies are about double the levels spent by countries on social assistance spending (Beegle and Christiaensen, 2019). This is despite the fact that energy subsidies are markedly regressive and contribute to pollution, congestion, and, ultimately, climate change (Arze de Granado et al, 2012; Coady et al, 2015; and Parry et al, 2021.). As was discussed in Section IIA, when countries abolish their energy subsidies, they often have to provide poorer households with compensation through social assistance. Subsidies on fertilizer and other agricultural inputs were largely phased out in Africa in the 1980s and 1990s as they produced limited improvements in yield, were not pro-poor, and crowded out other expenditures in agriculture or allied sectors such as social protection. In recent years, however, they have been re-established in a number of countries that together account for 60 percent of Africa's population and costing over a billion dollars in total (Beegle and Christiansen, 2019 and World Bank, 2021f). When individual countries review their expenditures, they often find other targets for

[23] https://iuslaboris.com/insights/comparing-social-security-contributions-rates-across-latin-america/.
[24] This accounting of subsidies uses the measure of *pre-tax subsidies*, reflecting differences between the amount consumers actually pay for fuel use and the corresponding opportunity cost of supplying the fuel. This concept more directly relates to short-term fiscal space. In contrast, a broader measure, *post-tax subsidies*, reflects differences between actual consumer fuel prices and how much consumers would pay if prices fully reflected supply costs plus the taxes needed to reflect environmental costs. By that accounting, fossil fuel subsidies would have amounted to US$ 5.2 trillion in 2017.

reform. For example, in 2016, Brazil instituted a strict fiscal expenditure ceiling and sought to reduce expenditure in ways that were efficient and equitable. Among the candidates identified for reform were some in social protection, notably pension reform, but also civil service wages, which were higher than in comparator countries, and several programs categorized as "support to business" that had had little discernible impact on job creation or productivity (World Bank 2017b). In Greece, tax expenditures within personal income and excise taxes were flagged as regressive and a good place to make savings (World Bank, 2016a). Reducing military spending to create space for social spending played a pivotal role in enabling funding for universal health care many years ago in Costa Rica and two decades ago in Thailand. In Georgia, a reduction of 3.6 percentage points of GDP in military spending was reallocated to health and other social expenditures (Ortiz et al, 2017 and World Bank, 2014a).

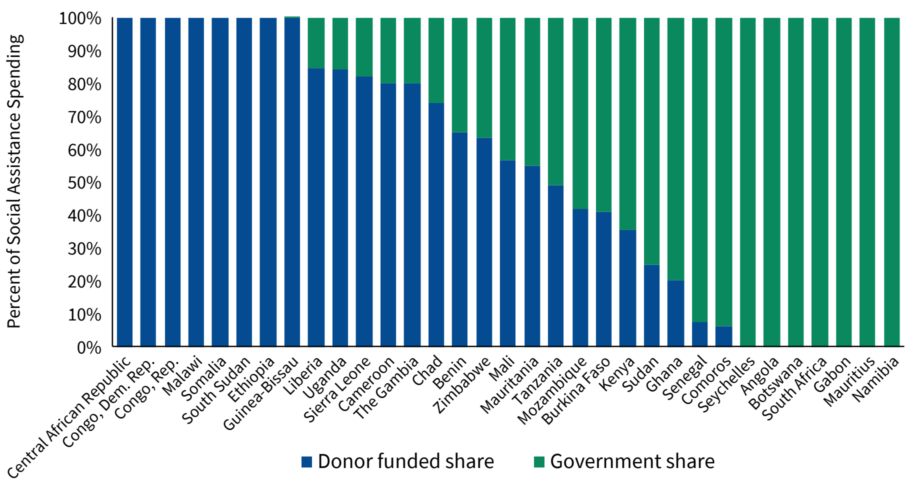
**Because of shortfalls in domestic revenue relative to government's ambition to provide social protection, many countries, especially low-income countries, rely on external financing to a large degree.** Figure 16 shows the considerable extent to which social assistance in Africa relies on external financing. It is not unusual for new programs to be financed externally initially, even in middle-income countries. A very high share of Colombia's conditional cash transfer *Familias en Acción* was externally financed (by the Inter-American Development Bank and the World Bank) for its first decade, but by 2012, it was entirely domestically financed and has remained a centerpiece of the country's social assistance programming ever since (World Bank, 2013a). Ethiopia's Rural Productive Safety Net Program was initially funded externally, but the government has been increasing its share, despite the country's fiscal constraints and high vulnerability to macroeconomic instability, from 3 percent in 2015 to 27 percent in 2019 (World Bank, 2020c). Building on this experience, Ethiopia's Urban Productive Safety Net Program, received around a third of its financing from the government's budget from its launch.

**The use of external financing is sharply constrained by availability.** Overseas development aid (ODA) for social protection almost doubled between 2007 and 2008 (rising from US$1.2 billion to US$2.3 billion) at the time of the global financial crisis. After spiking in 2010, funding has been broadly stable over the last decade but at a significantly higher level than before the global financial crisis. In 2019, the amount of ODA allocated to social protection came to US$2.4 billion, which constituted 1.2 percent of total ODA (McCord et al, 2021). However, divided by the number of people in extreme poverty (those living on less than US$1.90 per day), that amounts to about US$3 each.[25] Because humanitarian assistance needs are growing faster than budgets, the shortfall in humanitarian appeals grew from less than US$2 billion in 2000 to over US$11 billion in 2017 to US$17 billion in 2020 (UN OCHA, 2018 and 2021).

[25] The World Bank accounted for 50 percent of total ODA to the social protection sector in 2019 and almost 80 percent of multilateral ODA to the sector (McCord et al, 2021).

**In conclusion, the constraints on fiscal space explain many of the challenges touched on in the preceding discussion.** The low coverage and adequacy of social assistance programming can result from a limited consensus among policymakers and stakeholders about the role that it should play in the social contract, but even governments wishing to expand such programming are confronted with the prosaic realities of limited fiscal space. Parametric pension reforms and energy pricing reforms are often necessary in their own right but can be driven, at least in part, by a desire to reduce the associated fiscal subsidies. The adoption of digital technologies can increase transparency and accountability but also, importantly, can reduce administrative costs. The strong emphasis on evaluating social protection interventions grew in part to inform innovations but also reflected the need to show concrete results in the battle for fiscal space for the sector. While strategic priorities for moving towards universal social protection abound, creating the necessary fiscal space for doing so will be remain a *sine qua non* for achieving progress.

FIGURE 16. **Share of Social Assistance funded by Donors in Sub-Saharan Africa**




**Source:** Beegle, Kathleen; Coudouel, Aline; Monsalve, Emma. 2018. Realizing the Full Potential of Social Safety Nets in Africa. Africa Development Forum; Washington, DC: World Bank. Updates were made for Botswana, Comoros, Kenya, Mali, Mauritania, Namibia, Senegal, Sierra Leone, South Africa using the Atlas of Social Protection: Indicators of Resilience and Equity (ASPIRE) - www.worldbank.org/aspire. Data as of December 2021.

**Notes:** Countries from ASPIRE are based on administrative data from 2010-2019. Total social assistance expenditure for a country is calculated by aggregating program-level data for the most recent available year.

SECTION III

# Strategic Priorities

**The World Bank's work over the last decade has yielded much valuable experience to inform our future work.** Over the last decade, the World Bank has provided multi-faceted support to countries to help them develop their social protection programs and systems. The World Bank currently provides support in the sector, through lending, analytical work or both, in over 118 countries in all regions of the world and at all income levels, with a strong track record of delivering results.[26] The World Bank has a current portfolio of US$ 29.5 billion in financing,[27] covering an estimated 880 million people, including US$ 18 billion through IDA, which is the World Bank fund for the poorest. Driven by the urgent needs created by the pandemic but reflecting this broad global dialogue, new World Bank commitments for Social Protection and Jobs reached US$ 9.6 billion in FY2021, up from an average of US$ 3 billion annually in the period FY2016 to FY2018. While in previous periods the World Bank's work had been concentrated first on pensions and then on social assistance, recent years have seen a significant expansion of its work on delivery systems, labor and economic inclusion, and, most recently, a renewed focus on social insurance.

**The World Bank's advisory and analytic activities support creating the evidence base for policy action both at the country and global levels.** The World Bank's advisory and analytic work in social protection seeks to not only inform its own lending but to build the knowledge base to inform country policies and programs. It covers a wide array of activities, from support for the design and implementation of social protection policies and programs at the country level (through, for example, specific technical assistance activities, policy reform simulations, and delivery system assessments) to analytics such as public expenditure reviews, labor market diagnostics and impact evaluations. At the regional and global level, the World Bank seeks to build, curate, and share global knowledge. This includes reports with both regional and global scope, support for knowledge exchanges

[26] The World Bank places a strong emphasis on robust monitoring and evaluation within its projects, which has helped to underpin a sound track record of achieving results, particularly in its social protection projects according to the Bank's Independent Evaluation Group (IEG) in 2021. The percentage of social protection projects with a "substantial" or above M&E rating from the IEG has increased from 14 percent (on average in the period FY2005-07) to 75 percent (on average in the period FY2018-20). World Bank projects with higher quality M&E have had statistically significantly higher outcome ratings than otherwise similar projects (World Bank, 2021c).

[27] As of the end of FY 2021.

and study tours, and support for global public goods that help countries to benchmark the performance of their own social protection systems through tools such as the Atlas of Social Protection Indicators of Resilience and Equity (ASPIRE).

**Working in partnership and collaboratively with others is essential for the World Bank to support countries effectively.** In order to deliver to clients, the World Bank works closely with external partners to leverage knowledge, technical assistance, and implementation support. At the global level, the World Bank has worked with partners to further build the evidence base for effective social protection. The World Bank has coordinated efforts through the Global Partnership for Universal Social Protection (USP2030) and the Social Protection Inter Agency Cooperation Board (SPIAC-B), which are platforms for coordinating global action, developing tools to assess social protection systems, programs, and delivery mechanisms, and providing a forum to exchange knowledge. The World Bank will also continue to work to improve analysis, spur innovation, pilot new programs, and support the scaling-up of social protection activities globally through specific partnerships (on migration, economic inclusion, and youth employment)[28] and through the Jobs Umbrella Trust Fund and the Rapid Social Response Adaptive and Dynamic Social Protection Umbrella Trust Fund. These Umbrella Trust Funds, supported by a large number of partners, and other collaborative activities will continue to provide essential resources to enable the World Bank to respond to evolving demands, whether in nutrition, gender, migration, fragility, youth employment, economic inclusion, or other urgent concerns. At the country level, the World Bank works closely with governments, donors, civil society, and the private sector to strengthen national social protection systems.

**Following the discussion in Sections I and II, five broad areas have emerged as priorities for the support provided by the World Bank to countries for social protection.** The framework for achieving USP as well as evidence on the progress and remaining challenges, as presented in the previous sections, provide guidance for the World Bank's social protection work in the years ahead. Five key areas have been identified that, while not exclusive, encompass the crux of the World Bank's ongoing work as well as emerging new policy priorities on which it will be critical to make progress in order to achieve USP. In some cases, the evidence base on what works is well established, and work is already underway at scale in a large number of countries. What is required is continued effort to increase the scale and improve quality. In others, country experience is more limited, and hence the focus is more appropriately on exploring innovation, piloting, and evaluation. The broad areas of work include the need to: (i) build strong foundational social protection systems; (ii) increase coverage and promote greater inclusion; (iii) build more resilient, adaptive, and dynamic programming; (iv) scale up more effective economic inclusion and labor systems; and (v) create more fiscal space for

[28] The specific partnerships include the Partnership for Economic Inclusion (PEI), the Global Knowledge Platform for Migration and Development (KNOMAD), and Solutions for Youth Employment (S4YE). In addition, the SPJ GP has collaborated with donors in country-specific trust-funded activities, notably in Liberia and Nepal.

universal social protection. Under each of these broad areas, this section will identify several strategic priorities. Women's and girls' empowerment and climate change are also identified as important cross-cutting issues. Table 2 provides a summary of the areas of work and strategic priorities. These are then discussed in detail in the rest of Section III.

TABLE 2. **SPJ Compass: Strategic Priorities**

| A. Build Strong Foundational Social Protection Systems |
|---|
| • Develop a clear, coherent vision to guide the development of the social protection system |
| • Design programs that work together to support individuals and households effectively |
| • Ensure strong institutional arrangements and client-facing capacity for delivery |
| • Leverage common digital delivery systems to enable the broader systems agenda |
| **B. Address the Coverage Gap:** *Increase Coverage and Promote Greater Inclusion* |
| • Expand coverage, while ensuring adequate support for the different risks faced throughout the lifecycle and across the income spectrum |
| • Develop new social insurance instruments to support the "missed middle" |
| • Continue to expand coverage in fragile, conflict-affected, and vulnerable contexts |
| • Account for the specific needs of groups that face barriers to accessing social protection |
| **C. Address the Flexibility Gap:** *Build More Resilient, Adaptive, and Dynamic Programming* |
| • Promote adaptive social protection systems and programs |
| • Ensure dynamic entry into and exit from social protection programs |
| • Strengthen unemployment benefit systems |
| **D. Address the Opportunity Gap:** *Scale-Up More Effective Economic Inclusion and Labor Systems* |
| • Increase the scale and quality of labor market and economic inclusion programs |
| • Tailor labor and economic inclusion programs to meet the specific needs of program participants |
| • Leverage labor and economic inclusion programs to support green, resilient, inclusive development |
| • Strengthen social protection programs and collective bargaining processes to foster regulatory reforms that will better balance the needs of workers and those of firms |

| **E. Address the Fiscal Gap:** *Create More Fiscal Space for Universal Social Protection* |
|---|
| • Develop the empirics for evidence-based spending |
| • Continue to innovate, monitor, and evaluate |
| • Reform pension systems and reduce regressive subsidies to promote fiscal sustainability |
| • Strengthen financing though appropriate tax reforms, domestic resource mobilization, and the harmonization of donor funding |

## A. Build Strong Foundational Social Protection Systems

### A1. Develop a clear, coherent vision to guide the development of the social protection system.

In order to develop fiscally and politically sustainable USP systems that are fit for purpose, establishing a longer-term vision for the social protection sector that serves to guide the necessary institutional and program development is an important step. Having clarity of vision can help governments to move their countries towards USP in a coherent, incremental fashion and to avoid taking steps that might otherwise ultimately undermine its achievement.

- A vision for the social protection sector should start from first principles by defining the role of key actors in the system – individuals and households, firms, and government. It should develop a clear logic for each public intervention, whether that may be to address market failures or to achieve other societal objectives such as redistribution or poverty reduction. It should form a coherent part of the country's broader development policy, ensuring that the social protection vision is compatible with and complementary to efforts in other key sectors. Policymakers can then define the most appropriate type of public intervention needed, such as regulation, financing, direct service provision, or a combination of these. The choice of an appropriate institutional and program framework should then flow from that definition.
- As countries move towards USP, the shape that social protection institutions take in each country will vary significantly. Although there is no single blueprint, two key inter-related functions at the highest level are critical. First, institutional arrangements are needed that support a strong policy-making function across the social protection sector in order to promote the necessary system-wide thinking. Second, given that social protection programs are often organizationally complex and involve multiple government actors and systems, additional institutional arrangements are needed for ensuring coordination at both the policy and program levels. This includes

both horizontal coordination (across national government) and vertical coordination (across levels of government). While both the policymaking and coordination arrangements could be executed in a number of different ways (a strong social protection agency, a central planning or finance agency, and/or additional inter-agency coordination institutions), it is crucial for defining and implementing the long-term vision to ensure that these functions can be carried out effectively.

- The achievement of this social protection vision will necessarily take time, but most countries will not be starting from a blank slate. As countries seek to increase coverage, they will need to consider some complex trade-offs. On the one hand, there is urgency to increase coverage today with their existing programs, but these may be small-scale, fragmented, or with structural weaknesses related to efficiency or incentives. On the other hand, there is scope to build more effective and sustainable programs and systems for the long-run, but doing so often requires politically or institutionally complex reforms, which will inevitably create both winners and losers. Understanding the dynamics of the country's political economy will be key to determining when and where there may be opportunities for step-changes in the institutional architecture supporting the USP vision.

### A2. Design programs that work together to support individuals and households effectively.

As has been noted repeatedly throughout the Compass, social protection systems need to consist of a coordinated suite of programs designed to support individuals and households effectively throughout the lifecycle and across the income spectrum. Government intervention often needs to be layered across instruments and in different ways for different population groups in order to meet the goals of the social protection system. Ideally, the social protection system should offer pathways for individuals and households to connect them with the different benefits and services that they need, adjusting that program offer over time as their needs change and evolve.

- Programs and services in social insurance, labor and economic inclusion, and social assistance and care are complementary. Tying them more closely together can improve outcomes by eliminating co-existing constraints to access and exploiting synergies in delivery systems. Much of this already takes place in programs focused on the poor, such as economic inclusion programs (although their scale is often limited), or in middle-income countries that may, for example, provide dedicated labor market support to the registered unemployed in addition to providing them with unemployment assistance. Coordination between programs is particularly needed to tackle complex or multisectoral challenges (such as reducing malnutrition, or promoting early childhood development) or to help groups that may face multiple constraints (such as people with disabilities or women and girls).

- Social protection systems need to be designed coherently in a way that takes into account the positive and negative incentives that they can create to either encourage people to seek out better income-earning opportunities or dissuade them from doing so. This often relates to how the entry and exit criteria for social assistance and social insurance programs are determined, for example, when passing an income threshold can mean losing access to means-tested income support, and when taking a formal sector job involves an obligation to contribute to social insurance. Programs should support people to move out of social assistance or certain insurance programs, as appropriate, and to move from no or low-productivity jobs to more productive, often formal, jobs. Labor and economic inclusion programs are an important complement to other social protection programs in supporting these movements.
- There is scope to promote coordination and integration across programs well beyond the social protection sector. Social protection programs connected by common delivery systems are increasingly being used to support interventions in other sectors by linking beneficiaries to such services as health insurance, scholarships, fee waivers for utilities, housing benefits, and financial services. Labor programs need to be coordinated among all relevant ministries and relevant actors on both the supply side and the demand side of the labor market as well as with social partners. Strong private sector engagement is critical for ensuring that workers are trained in the skills that are in demand and to support their transitions into the labor market and when moving between jobs.
- Coordination can be greatly strengthened by adopting appropriate institutional arrangements. In many countries the *ad hoc* institutional development of social protection programs has meant that many different institutions and levels of government are responsible for implementing often similar programs. Consolidating these programs under the jurisdiction of a lead social protection agency will use limited capacity more efficiently and reduce transaction costs for beneficiaries. In some cases, this may be a precursor to merging programs with similar objectives as well as to the development of common core delivery systems across programs.
- The coordinated delivery of programs can be thought of as a continuum, with policymakers choosing the degree of coordination that is desirable in their particular country in accordance with the objectives of each program as well as the institutional arrangements and available budget resources. The process of coordination can be begun simply by providing program beneficiaries with information about other complementary programs. Other steps might include creating one-stop locations where all programs and services can be based within the same office, integrating the intake procedures of several programs, or taking a case management approach to provide ongoing intensive support to beneficiaries that includes referrals to other relevant services and programs. It is important to pay due attention to the operational considerations for effectively achieving coordination in order to reduce transaction costs, foster inclusion, and maximize positive impact.

### A3. Ensure strong institutional arrangements and client-facing capacity for delivery.

The institutional arrangements for the delivery of social protection are highly context-specific and operate within the broader macro institutional environment shaped by policies, regulations, inter-agency incentives, and most importantly, history and path dependency. Promoting the most optimal institutional arrangements for social protection within each specific country context is key to ensuring effective and efficient program delivery.

- The basic tenets of public finance suggest that social protection should largely be financed at the national level, which is the case in most countries. However, the delivery of services has to take place at a level that is closer to clients and thus requires the involvement of local offices of the central government, local governments, non-governmental service providers, and/or the private sector. These local actors can be called upon to fulfill specific functions in the delivery chain (such as outreach, beneficiary identification, and enrollment in the case of social assistance) as well as providing core services (such as training and intermediation in the case of labor programs). The advantage of shifting responsibility for program implementation to a level closer to beneficiaries is that it facilitates more direct and personal transactions with clients and allows for greater knowledge of and responsiveness to local needs and preferences, which can strengthen the program's accountability. This is particularly true for social protection programs and services targeted to the poor or vulnerable groups, who are more likely to be excluded because of costs and other barriers to access (see Section B4 below). However, separating the responsibilities for financing and implementation between levels of government or between the public and private sectors requires that duties, capacities, and financing and information flows are clear and congruent and address institutional incentives so as to ensure that service providers are held accountable for program outcomes.
- In addition to the ability of the central government to provide program financing, support, and an adequate incentive structure, the quality of delivery depends on the capacity of the local actors directly in charge of providing services. It is important to provide an extensive network of local offices where clients can go to enroll in programs and consult with program administrators  The staff of these offices need to be adequate in numbers relative to the caseload and to be well trained in the rules of the relevant programs, in the technology systems used, in the functions that they provide (whether simple administrative functions like registration or payments or more complex functions such as social work or training), and in client service and codes of conduct. Adequate physical infrastructure, ICT, transport, and equipment will also be needed. The development of delivery capacity should be seen as dynamic, as capacity needs will evolve as staff leave and are hired, program rules and structures change, and expectations rise over time.

### A4. Leverage common digital delivery systems to enable the broader systems agenda.

Prior to the pandemic, many countries had made sustained investments in their social protection delivery systems, particularly in basic digital infrastructure such as national ID systems, digital payment systems, and integrated management information systems and social registries. As discussed earlier, these underpinned the responses to the COVID-19 pandemic in many countries as well as foreshadowing further widespread and rapid innovation in these areas as countries scrambled to scale up their social protection programs. Around the world, the social protection response was most effective when countries had an integrated and operational digital ecosystem with IDs, social registries, and payment systems. Having this digital capacity that enables countries to mount a rapid, system-wide response to crises will become increasingly important in the future given the prospect of increasing climate change crises and the need for adaptive social protection.

- Building on the lessons of the pandemic, it continues to be vital for countries to invest in digital infrastructure. In many countries, there is still much to do to put even the basic building blocks in place, and there is significant scope to expand the foundational systems that are critical for well-functioning social insurance, labor and economic inclusion, and social assistance and care interventions. Having common delivery system components across these three social protection domains will make it easier to develop integrated pathways for beneficiaries. Integration of databases enable program implementers to have an overview of an individual or household across all services and programs, which will give them a greater understanding of the different dimensions of their clients' well-being and make it easier to identify the types of social protection support that they need.
- There are several innovations that have the potential to increase the speed and accuracy of eligibility determination as well as the capacity to interact with clients and to tailor services for them. First, the capacity of management information systems and social registries could be expanded by promoting greater interoperability with other administrative databases such as tax records, property data, and social insurance schemes for the informal sector. Second, there is potential for using real time data sources such as satellite imagery and call detail records to support more traditional approaches as complementary data sources to make programs more inclusive. These can also be particularly useful in contexts affected by fragility, conflict, and violence (FCV). Finally, other aspects of the delivery chain, such as outreach and communication, intake and registration, and grievance and redress, could also be enhanced by using digital tools.
- The population without access to digital technology is disproportionately female, rural, poor, older, and/or with limited education and low literacy. Thus, an increasing dependence on digital solutions for key parts of the social protection program delivery chain risks reinforcing the exclusion of the poorest and most vulnerable. In order to address this reality, policymakers need to actively support the expansion of digital

technologies to these populations (for example, by coordinating the enrollment of clients in national ID systems as part of their registration into social protection programs) while also ensuring that alternative non-digital mechanisms are available to these clients (for example through in-person meetings or outreach services).

- Finally, basing social protection delivery systems on interconnected data ecosystems raises significant risks related to data privacy. Social registries and integrated management information systems consolidate large amounts of personal and socioeconomic information. Therefore, it is essential that adequate legal frameworks are put in place to protect this information, not only to ensure the sound functioning of the system but also to foster credibility and trust. Thus, governments should develop social protection information systems within a digital governance framework that covers issues such as access to information, cybersecurity, data security, data confidentiality, privacy standards, and personal data protection.

## B. Address the Coverage Gap: Increase Coverage and Promote Greater Inclusion

### B1. Expand coverage, while ensuring adequate support for the different risks faced throughout the lifecycle and across the income spectrum.

Given the large numbers of people around the world who are still not covered by social protection, expanding effective coverage of social protection programs must be a paramount objective in the drive to progressively achieve USP. However, while the priorities for expanding coverage will vary in each country, limitations in fiscal and institutional capacity mean that a number of trade-offs will need to be made, at least in the short to medium term.

- While governments may be working towards increasing fiscal space over the longer term, public resources are currently insufficient in a large majority of countries to meet all the needs of the population for social protection. Therefore, governments will need to decide who should be prioritized for coverage in the short term. An important principle from public finance theory is that in situations where expanding coverage involves the need for government financing (rather than putting in place regulations or mandates), this financing should be reserved for achieving goals of redistribution or poverty reduction or for expenditures that have clear positive externalities beyond the individual recipient.
- While for social assistance and services such as social care ensuring support for the poorest is widely agreed to be a high priority, there are also many reasons why governments may want to extend such support beyond the poor to those further up the income ladder. These reasons may include ensuring that protection is provided for different types of vulnerability and pursuing broader objectives of redistribution among the population. Beyond this, there are significant needs for social insurance

and labor market programs across the whole income spectrum that differ in design and need for public finance according to the nature of the household or individual and their particular vulnerabilities. While it is impossible to be prescriptive here about country priorities, ensuring that large groups of the population are not left without access to programs salient to them is important. At the margin then, it would make sense for governments to prioritize the most significant unmet needs in their countries for support.

- As countries seek to expand coverage, they will also need to identify which types of programs are the most appropriate to implement and scale up. As noted in the sections above, there are a variety of ways in which this can be effectively achieved. However, the attributes of a sound social protection system discussed in Section I provide a useful guide. Programs should be adequate in the support they provide, tailored in their approach to the needs of the intended population, dynamic in being able to respond to needs as they change, efficient in the use of public resources, sustainable both politically and fiscally, incentive compatible in that they promote positive and productive behavior, and inclusive in their approach. Identifying which programs within the current social protection system best meet these criteria is a helpful way to approach the decision about where to expand coverage. It will also provide a guide to making reforms to any programs that are not meeting the mark.

### B2. Develop new social insurance instruments to support the "missed middle".

Providing support to the workers who constitute the "missed middle" remains an enormous challenge. These are workers in the informal sector or whose forms of work do not provide them adequate insurance (such as the self-employed or those on temporary contracts). The COVID-19 pandemic has demonstrated the scale of the challenge as many countries had to scramble to come up with *ad hoc* responses to support this population during the crisis. The expansion of formal sector employment would enable more of this population to find formal jobs and thus receive coverage through social insurance, but this seems unlikely to occur at the necessary speed or scale, particularly in low and middle-income countries. In the absence of this, three complementary approaches have been identified as having the potential to expand access among this group.

- First, governments should ensure that the social assistance system provides both adequate coverage of the poor and scope for dynamic entry to programs. By design, workers in the informal sector who are not poor do not qualify for social assistance designed for the poor. Nevertheless, these workers may be at high risk of falling into poverty if their incomes are volatile and if they are not covered by adequate insurance mechanisms. If shocks occur, they may then be in need of social assistance programs, which should be able to provide them with timely and appropriate support (see Section C2 on dynamic entry). The response to COVID-19 in many countries provides a clear example of how this could be done in practice.

- Second, governments should support the scaling up and broader adoption of savings schemes targeted to the informal sector. These are schemes that cater both for short-term savings, which can be withdrawn during spells of unemployment or other short-term household shocks, and for long-term savings for protection in old age. They are flexible about the payment of contributions, taking into account the irregular, unpredictable earnings of many workers in the informal sector. These savings instruments can be beneficial to people across the income distribution. They can benefit the self-employed who are not part of a formal sector scheme or formal sector workers who want to save beyond their existing social insurance. They can also be relevant for social assistance beneficiaries. The schemes, which have become increasingly viable as FinTech has led to rapid reduction in transaction costs, can also potentially have the positive spillover effect of increasing financial inclusion. Moreover, by leveraging these voluntary instruments, there may be scope for governments in the future to connect people with other risk-pooling instruments. However, there is not much experience to draw on in this area, and several challenges are already evident. It is still unclear how much financial protection can be achieved by promoting voluntary saving alone. Government subsidies may be needed to incentivize increased saving and to reach scale.
- Finally, governments could develop alternatives to the traditional social insurance model that would expand the system to cover informal workers. While progress in this regard has been limited, some reform options have surfaced that might hold some promise. For example, one option might be for governments to subsidize the provision of a minimum package of social insurance to cover catastrophic losses from certain contingent risks (longevity, ill health, and long-term risk of unemployment) for everyone (whether working formally, informally, or not at all), with the potential of reducing subsidies for beneficiaries higher up the income scale.

### B3. Continue to expand coverage in fragile, conflict-affected, and vulnerable contexts.

Given both the increasing concentration of extreme poverty in fragile and conflict-affected countries as well as the very acute needs of the populations affected by fragility, conflict, and violence, the extension of social protection coverage within FCV contexts remains a high priority. Social protection programs can build resilience, restore livelihoods, and protect the poor and vulnerable. However, it is exactly in FCV contexts, where the need for such support is often greatest, that the capacity of the state to provide effective social protection is most limited and where building the needed capacity can be a highly complex task.

- Due to the complexity and intersectoral nature of crises, close coordination and partnerships are key to providing effective social protection programming in FCV contexts. An important development in this context has been the increasing commitment to linking humanitarian assistance with longer-term adaptive social protection programs and systems as demonstrated by The Grand Bargain agreed between donors and humanitarian organizations in 2016.[29] In FCV contexts, such an approach has the potential to reduce response times, avoid duplication between agencies responding to a crisis, deliver predictable support through established, often cash-based channels, support local economies, build or strengthen national systems, and offer a gradual exit strategy from humanitarian aid.

- Efforts to link humanitarian assistance with longer-term social protection programs need to balance the delivery of vital support in FCV contexts in the short term with developing an institutional environment, administrative capacity, and core delivery systems so that the implementation of long-term programming becomes viable. Thus, in places where conflict is intense, government-led social protection is absent, or it is not possible to use government-led systems, efforts should be focused on providing immediate relief with a focus on promoting peace. However, when conflict is less intense or no longer happening but public infrastructure has been destroyed, then recovery and reconstruction should be a priority alongside relief efforts. And in places that have nascent social protection systems and where violence does not impede people's livelihoods or prevent the delivery of services, focusing on programs that build human capital and livelihoods may be more appropriate, with the long-term aim of the government leading the provision of social protection programming.
- Traditional social protection programming may need to be made more flexible or adapted to respond to the particular vulnerabilities generated by FCV. First, social protection programs must comply with the principle of "do no harm." For instance, policymakers should carefully consider which groups should be prioritized for support to ensure that this decision does not further erode trust or exacerbate existing internal conflicts. Second, they should prioritize programs that not only mitigate the immediate impacts of FCV but also contribute, to the extent feasible, to addressing its underlying causes. Some types of programs are more useful than others in this respect. For example, public works provide participants with direct income support but also rebuild local infrastructure and involve community-level cooperation that, if designed right, may help to restore trust and reduce tensions. Finally, adaptations to the delivery chain may be needed to recognize the unique vulnerabilities of certain population groups impacted by FCV and to minimize the potential for exclusion. For example, refugees may not have access to the identification documents that are needed to enroll in programs or to the financial services needed to receive social protection payments (see also Section B4 below).

[29] The Grand Bargain was an agreement between some of the world's largest donors and humanitarian organizations in which they committed themselves to getting more means into the hands of people in need and to increase the effectiveness and efficiency of humanitarian assistance.

### B4. Account for the specific needs of groups who face barriers to accessing social protection.

Social protection programs are all too often designed with a one size fits all approach, with insufficient attention given to the barriers faced by different groups in accessing them. When thinking about extending coverage it is important to recognize that, without specific adaptations or additional interventions, many groups may not be able to access these programs. The groups most likely to have access problems include: (i) children, youth, women, and the elderly; (ii) groups defined according to their socioeconomic status, such as the poor, people living in isolated and remote areas, the homeless, refugees, immigrants, IDPs, or indigenous people; (iii) people with disabilities; (iv) the illiterate and low-skilled; and (v) vulnerable individuals and families facing social risks.

- For governments to be able to make progress towards achieving USP, they must give serious consideration to the barriers that may lead to the exclusion of different groups. Human-centered design (HCD) can be a useful tool in this respect. HCD is the process of continually understanding and meeting user needs though program design. Various HCD tools can be used to assess the quality of user experiences in social protection programs, including journey maps, which trace client experiences throughout the delivery chain. Given that programs are often designed with the "average" client in mind, HCD can be particularly important for ensuring that social protection programs are adapted to meet the needs of those at risk from exclusion. Some examples of simple but critical adaptations include using local languages in program communications, using visuals to convey information to those with literacy challenges, hiring staff from excluded groups to build trust and reduce stigma, adapting the location and times of service provision to maximize access, facilitating access to other documentation (such as IDs) that may be needed to register for programs, and adapting IT system requirements (such as offering alternatives to the requirement to give a postal address) to meet the unique circumstances of certain groups.
- Programs need to be adapted from the beginning of the delivery chain onwards, starting with outreach. Outreach constitutes deliberate efforts to reach and inform intended populations and vulnerable groups about social protection programs in ways that they can comprehend so that they are aware, informed, able, and encouraged to engage. There has been some promising use of "active search" methods in some countries, whereby program administrators, local officials, or others deliberately and proactively reach out to people living in remote areas or vulnerable populations who may otherwise be overlooked. Similarly, providing incentives to service providers to ensure the participation of disadvantaged groups, has also been effective in increasing inclusion.
- Integrated service approaches are particularly relevant when supporting poor and vulnerable clients who face multiple risks and constraints and, therefore, need a range of coordinated interventions. Supporting these clients starts with conducting a multidimensional assessment to identify the complex needs of the individual or household, followed by the provision of a bundle of benefits and services sequenced appropriately

and intensive monitoring and support from a dedicated cadre of staff. Other than social protection benefits and services, the bundle may also need to include social work services, social care services, and specialized and preventive services. As noted earlier, care services can be particularly important for not only supporting those who need care, for whom such support can be vital, but also to lessen the responsibility of care that usually falls on women, limiting their opportunities in other areas.

- Strengthening grievance redress mechanisms (GRMs) is critical for reducing exclusion as well as for monitoring all aspects of service delivery and governance. Strong GRMs can increase the accountability of program managers and, therefore, strengthen the trust and involvement of beneficiaries in the program. They can also help to hold implementing authorities to account at all levels and, thus, curb corruption. They can identify any operational problems with the program and help to standardize the program's performance by identifying differences in performance across geographic areas. GRMs should be one part of a suite of tools all designed to take account of beneficiaries' voice and feedback. Other useful instruments in the suite might include social audits, citizen report cards and community scorecards, and beneficiary surveys.

## C. Address the Flexibility Gap: Build More Resilient, Adaptive, and Dynamic Programming

### C1. Promote adaptive social protection systems and programs.

ASP is integral to the advancement of the USP agenda. Investing in more effective coverage, particularly in social assistance and labor and economic inclusion programs, provides the foundation for building household resilience. Yet it is notable that many countries that are at high risk of covariate shocks, and are therefore those who most need to build household resilience, have social protection systems with especially low coverage. ASP as an approach was born out of work on building capacity to respond to droughts, but the approach is just as relevant in the context of other slow-onset or rapid-onset covariate shocks. The economic shock resulting from the COVID-19 pandemic vividly demonstrated the importance of having adaptive social protection systems in place. While the details of ASP in each country will be highly context-specific, investments in preparedness tend to be concentrated in four key areas; (i) programs and their delivery systems; (ii) data and information systems; (iii) finance; and (iv) institutional arrangements and partnerships.

- *Programs and their delivery systems:* First and foremost, adaptive social protection programs can help to build resilience at the household level so households themselves are better able to cope with and adapt to shocks. This will become increasingly relevant in the face of the impacts of climate change. Adaptive social protection programs can help households to find more productive and resilient livelihoods by building their assets, savings, and diversifying their livelihoods, by supporting them in accumulating human capital through training and re-skilling, and by building resilient community assets that address sources of vulnerability in the community. While these investments can sometimes be costly, evidence indicates that they are broadly offset by the avoided cost of an ex-post response should a shock occur. Also, relatively small adjustments can often be made to the design of programs that may help, where appropriate, to build resilience. These start with considering adjustments to targeting approaches in advance (where pre-existing vulnerabilities can be identified), integrating risk and household vulnerability into eligibility criteria and the selection of beneficiaries, or adjusting benefit amounts, types, or timing (for example, providing them to rural communities during the agricultural lean season).

- Social protection programs and their delivery systems need to be prepared to scale up to help households cope in the aftermath of a shock. The type of response that will be needed varies enormously depending on the scale and scope of the shock, but broad coverage of the poor and vulnerable provides a foundation from which programs can scale up, either vertically (to provide additional resources to existing beneficiaries) or horizontally (to support more people). To be able to respond in a timely way, flexibility needs to be an integral part of the design of programs before a shock occurs. Contingency planning can be used to identify which programs within the social protection system might best be harnessed as part of an ASP response and the specific adjustments needed along the delivery chain to facilitate their scale up.
- *Data and information:* The timeliness of response is particularly important when a shock occurs. Therefore, robust early warning systems are needed as a basis for predicting needs and prompting responses based on predefined triggers and thresholds for action. Many innovations in technology, such as high-resolution satellite imagery and big data, can be used to facilitate this process. While some countries are starting to adopt early warning approaches, there is scope for many more to do so. Social registries and interoperable information systems can be useful sources of data to inform rapid responses to shocks. Taking advantage of existing social registries, as opposed to collecting new data through post-disaster needs assessments, may be the fastest way to identify individuals in need, depending on the scale and nature of the shock and on what capacity exists to collect data after the shock.
- *Finance:* In order to enable governments to respond quickly and effectively, preplanned risk financing that channels resources to social protection programs to enable them to scale up can be essential. As a first step, financial modeling can be used to forecast the costs of responding to a range of different shocks. Based on this forecast, policymakers can develop a risk financing strategy. No single financial instrument can or should cover all risk financing requirements. Risk layering involves using a menu of financial instruments to meet the costs of response, including budgetary instruments such as reserve funds, contingent financing, and market-based insurance instruments, with the possibility of also exploring risk-pooling at both the national and supranational levels. After a response is triggered, it is vital that adaptive payment mechanisms (in the case of cash support) are already available so that payments can be channeled to households in need without delay.

- *Institutional arrangements and partnerships:* Coordination is required among the broad range of actors who are engaged in building the resilience of vulnerable households and the myriad actors who are mobilized after a shock has hit. To be effective, ASP requires the adoption of policies that acknowledge the role of social protection in responding to shocks. These policies and associated organizational mandates and coordination mechanisms can create an environment that enables the necessary leadership and coordination between social protection programs, the disaster risk management sector, agencies in charge of climate change adaptation initiatives, and humanitarian aid agencies. Post-shock assistance will benefit from detailed contingency planning covering how specific collaborations between different relevant actors will work in practice. This planning should be multi-sectoral in nature to ensure a coherent, comprehensive, and efficient response.

### C2. Ensure dynamic entry into and exit from social protection programs.

ASP focuses on the ability of social protection programs to respond to large covariate shocks. Additional to this, social protection programs need to have the ability to respond to the idiosyncratic shocks of individual households. In many countries the focus in recent years has been on increasing the coverage of programs that focus on reducing chronic poverty. The identification of households that are eligible for these programs has tended to be determined by occasional surveys or census-sweeps by program administrators, which temporarily increase capacity to identify and register households *en masse* in a program. However, this approach involves a high risk of incurring errors of exclusion and inclusion. Newly formed households or those whose situations have changed may have to wait a long period of time before the next wave of registration if it occurs at all. Risks of exclusion increase when social registries that are rarely updated are used. Exclusion risks are multiplied when such registries serve various programs as nonregistered households risk being left without access to multiple programs, not just one.

- Dynamic inclusion, which is the principle that anyone who needs assistance can access it at any time, is a core tenet of USP and should be increasingly adopted by countries as they seek to build their social protection programs. This can be facilitated by creating a permanent and extensive network of local offices (such as local social welfare or employment offices) where clients can go to apply for benefits or update their information at any time. Digital windows can offer additional lower-cost options for increasing capacity for on-demand registration. This network for client interface needs to be developed both within individual programs as well as within social registries where these are used to assess eligibility for a number of programs. This can often require significant coordination among different levels of government (as discussed under Section A3).
- In tandem, the financing of programs needs to be sufficiently flexible to enable them to serve new entrants as soon as they become eligible. This means that budgets will need to be designed to expand or contract in response to increased or decreased

needs. Many countries that face hard budget constraints still operate on-demand systems, but introduce other rationing criteria such as waiting lists with a priority ranking. However, given that waiting lists often do not guarantee eventual incorporation into the program, this may be inconsistent with a truly inclusive approach.

- Another key aspect of dynamic inclusion is the need for benefits to be portable, which is typically more feasible with on-demand than with administrator-driven approaches. Social protection programs should support people moving from one location to another or, in the case of pensions, from one employer to another by ensuring that their benefits can move with them. This is critical to supporting individuals and households in their quest to seek out alternative, more viable livelihood opportunities and can also foster a dynamic labor market.
- Dynamic approaches should also be applied to how beneficiaries exit programs. As countries move towards on-demand approaches, there is increasing scope to reassess the needs and circumstances of beneficiaries on a regular basis to see if they still meet program eligibility conditions. This regular recertification can be done either by requiring more frequent self-declarations from beneficiaries or by leveraging interoperability of government databases to automatically update their information. This would make it possible remove benefits from those who may have exceeded program thresholds for eligibility, making space, if fixed budgets are binding, for new clients to be identified and enrolled based on need.
- Finally, dynamic exit approaches should be included in a program's design. Many social assistance programs provide support, behavioral nudges, or services aiming to increase the employability or earnings of their clients. As noted in Section A2, some programs, especially means-tested income support programs, may need to give extra attention to remediate any unintended disincentives that are stopping individuals and households from making efforts to improve their welfare or seek out better livelihood opportunities. When designing programs, it may make sense to include a gradual tapering of benefits based on earned income (which would enable beneficiaries to avoid steep marginal effective tax rates) and to defer removing benefits once beneficiaries exceed program thresholds for eligibility (which would minimize their concerns about the immediate loss of benefits if they were to find employment).

### C3. Strengthen unemployment benefit systems.

In many countries, workers have no or only weak protections against the risk of unemployment or significant loss of labor income. Only 32 low- or middle-income countries have a national unemployment protection scheme. In most of them, not only do a large segment of workers not have access to these schemes because they work informally, but there are also workers in the formal sector who may not be covered because they work on part-time or temporary contracts or have not accrued sufficient tenure or contributions. The COVID-19 pandemic and past economic crises have made evident that income losses from these events can be significant and last a long time. Combined with the risk of idiosyncratic shocks such as unemployment or loss of labor income, it is evident that income protection tools are critically needed. A main challenge is to expand these systems to informal workers given that, for many, more than loss of employment, there is a risk of significant loss of labor income. However, it is difficult to verify incomes and job losses in the informal sector, and there are no formal employers who can complement workers' contributions.

- Countries with no unemployment protection schemes, a majority, can start building national unemployment protection schemes gradually. In some countries, the appropriate approach would be to rely solely or mainly on insurance savings accounts that extend income protection to both formal and informal workers. To ensure that the benefits provided are adequate, these schemes will probably require contributions from employers in the case of formal workers. For both wage workers and self-employed in the informal sector, means-tested government subsidies are likely to be necessary in addition to workers' own contributions to ensure the adequacy of benefits and to encourage participation. In countries that do not have unemployment protection schemes but have severance pay, employers could be required to pay a severance or dismissal tax that could replace the existing severance pay, provided that adequate protection is then provided through an unemployment benefit scheme. The revenues from this dismissal tax could contribute to finance subsidies that may be needed within the new unemployment benefit system.
- These unemployment benefit schemes would probably need to be complemented with instruments that support workers in the case of large aggregate shocks, like the COVID-19 pandemic. This could take the form of an unemployment benefit fund financed from general taxation or of social assistance payments that are triggered when such events occur. These could provide support to informal workers as well as to formal workers if support is needed beyond the time or generosity afforded by the unemployment insurance system.
- In countries where national unemployment protection schemes already exist, the main aim must be to increase coverage. The parameters of existing programs can be reformed in some cases to promote coverage (for example, where the minimum required contributory period is long). However, to significantly expand coverage, existing schemes would need to be complemented by other mechanisms that draw on individual savings such as unemployment insurance savings accounts.
- To increase efficiency, the design of any income protection scheme needs to balance the provision of income support to unemployed workers with incentives to encourage them to find jobs. This is particularly important when the government is subsidizing contributions or payouts, but it is also relevant in cases where benefits are self-financed to avoid moral hazard. This need for incentive-compatibility needs to be considered when deciding the level of benefits, their duration, their structure, and associated obligations. It is also necessary to complement income protection schemes with labor market programs and employment services to help unemployed workers to find suitable employment.

## D. Address the Opportunity Gap: Scale-Up More Effective Economic Inclusion and Labor Systems

### D1. Increase the scale and quality of labor market and economic inclusion programs.

For the millions of working poor, those who are not poor but work in low-productivity jobs with few protections, and those outside of the labor market altogether, economic inclusion and labor market programs can provide much needed support to access better economic opportunities and increase earnings. Yet, with some notable exceptions, most programs are small and fragmented. Importantly, their quality needs to be significantly improved. Progress will be needed in four areas.

- First, coverage needs to be expanded to make sure that labor market programs and services are available to everyone who needs them. The role played by labor programs is especially important where —even when the economy is growing— markets and institutions fail, such as in remote rural areas, FCV contexts, and across international borders, as well as for the most vulnerable and under-served groups such as youth, people with disabilities, older workers, and women. There are many diverse and unmet needs for support, so there is significant potential for well-designed and implemented labor programs to improve outcomes. Larger and better labor market and economic inclusion programs are also needed to support a more sustainable and equitable recovery from COVID-19 as well as to respond to the challenges and opportunities presented by technological change, global economic integration, demographic shifts, and decarbonization.
- Second, in expanding the scale of labor market programs, policymakers should extend the range of services and workers that they serve. In some contexts, labor market programs are arguably too focused on the more productive firms and workers, often in the formal sector; in others, too little is done with this segment and most programs support low-productivity activities, often in the informal sector. In each country, the right balance is likely to be different and will depend on existing constraints, the nature of the labor market, the country's capacity, and the preferences of policymakers. Given that fiscal and administrative capacities are limited, however, trade-offs will become more significant as programs expand.
- Third, the design of programs can be improved by building the evidence base and embracing some program features that have shown some promise. For example, involving the private sector in designing, implementing and monitoring programs, particularly skills training; providing tailored support to women (e.g., to cover childcare or family responsibilities, or in terms of mentorship, or addressing constraining social norms); combining in-classroom with on-the-job training in skills programs; paying attention to cognitive and socio-emotional skills in addition to technical skills in training; and working with experienced master craftsmen in the context of informal apprenticeships. These are among the lessons emerging in improving how programs work.

- Finally, scaling up labor market support will require moving from individual programs to shared and integrated delivery systems, akin to the reforms that have been made to social assistance programs in recent years. In most low-income countries and several middle-income countries, employment support is provided in the form of independent programs, many of which are temporary and externally financed, and which are not linked to each other. This fragmentation means that there is little possibility of tailoring interventions to the needs of clients. Building these integrated delivery systems will require building the foundational systems discussed earlier and integrating them with the rest of the social protection system and with other relevant policy areas. Improving the quality of client-facing points of service, as is beginning to take place in many social assistance systems, will also be critical.
- In the case of economic inclusion programs—aimed more strictly at the poorest and with an even more comprehensive set of coordinated multidimensional interventions, scaling up builds on an already promising evidence base. However, this evidence does not yet go far enough in resolving ongoing debates about which types of programs work best for whom, which is critical given the cost of many of these programs. As a result, going bigger and becoming better will mean addressing remaining knowledge gaps (especially about cost effectiveness and sustainability), financing gaps and political economy trade-offs involved in the adoption and scale up of these programs.

### D2. Tailor labor and economic inclusion programs to the needs of program participants.

One of the important lessons from the past decade is that the needs of program participants, whether they are individuals, households, or firms, are many and varied, which explains at least partly why many programs fail to meet their objectives. In many contexts, policymakers need to pay more attention to the needs of women, older workers, people with disabilities, and the unskilled. As discussed earlier, emerging evidence on economic inclusion and labor programs suggests that a comprehensive suite of interventions has a greater and more sustained impact than individual programs and that a program's effects tend to vary significantly among different participants.

- It is important that policymakers invest in better understanding the needs of program beneficiaries and the multiplicity of constraints that they face in income generation. This multiplicity of needs is likely to be most significant among the poor. Take the case of skills programs for disadvantaged youth in urban areas. Several evaluations have shown that a range of skills (cognitive, technical, and socio-emotional) are needed to find employment and maximize earnings, but for young people, who are likely to lack the necessary experience, on-the-job training is also likely to be required. However, evidence shows that many of these young workers, particularly women, drop out before completing the training, so it is important for policymakers to understand why this happens and to provide appropriate incentives to service providers to prevent it from happening in the future. Once young people complete the training, they may need further differentiated support depending on if they seek wage employment or self-employment or if they seek to move to new labor markets within the country or abroad. Finally, young people with disabilities will need the training to be adapted to meet their various particular needs (for example, by making facilities and learning materials accessible) and will also require tailored support when they enter the labor market.

- Tailoring labor and economic inclusion support to the specific, but multiple, needs of different clients requires substantial investments in delivery systems such as those necessary for outreach, determining program eligibility, program enrollment, monitoring and evaluation, and case management. These systems enable program staff to get to know clients, triage them to different interventions, and tailor packages and pathways of support to meet their needs. This alignment of programs and intended beneficiaries cannot be taken for granted and developing the tools and knowledge to do this more effectively will be critical. However, there are trade-offs in terms of the increased costs and complexity implied in developing adequate capacity to provide these functions.
- Improving the tailoring of support will also necessitate the modernization of labor market services. Many countries arguably underinvest in public employment services. An extensive network of local offices that serve as a link to the local economy and as coordination hubs for labor services can improve outreach and outcomes if costs are managed well and if staff are appropriately trained and supported. It is particularly important to focus public resources on ensuring equitable access to services as well as to prioritize functions that have a significant public good element including profiling, labor market and skills diagnostics, and establishing links with employers. Technology and new types of data promise to reduce costs and increase returns to these investments. However, the risk that must be avoided is to blindly copy the institutional arrangements and functions of employment services in more advanced economies. The reality of labor markets in developing countries, with widespread informality and limited formal wage employment, means that services need to go beyond intermediation with formal employers and training for wage employment. This, no doubt, makes the task more challenging. At the same time, the use of platforms, big data, machine learning, among other technologies, continue to open possibilities for leapfrogging longer-established systems using new, more relevant, and more timely data to inform the provision of labor market services.

### D3. Leverage labor and economic inclusion programs to support green, resilient, inclusive development.

Many labor and economic inclusion programs explicitly aim to help participants to prepare, cope with, and recover from shocks, a feature that is likely to become increasingly important in coming years. Transitioning to new technologies and to greener activities is likely to benefit some workers while displacing or reducing earnings for others. In particular, while likely to be a gradual process, it will benefit workers who have the skills and capital to make the necessary transitions and to adapt to changing needs but may hurt those that rely on carbon-intensive activities or who work in locations more susceptible to climate change.

- Countries need to invest in foundational skills and gradual upskilling to support a green economic transformation with a focus on the development of skills needed in new emerging sectors. They will first need to invest in building the necessary tools and data in order to identify and anticipate demands for green skills and in training programs that meet those demands. The experience in more advanced economies suggests that many of the skills needed for greener jobs are transversal in that they can be used across many different sectors and occupations.
- The challenge presented by this economic transformation is formidable, especially for the most vulnerable. Decarbonization will hurt employment and earnings prospects in certain sectors and locations impacting a very heterogeneous group of workers: from coal miners made redundant after mines are closed, to farmers who live in coastal areas vulnerable to flooding. These workers may need to relocate (internally or internationally) and find new jobs, possibly very different from the jobs that they held before. Therefore, labor and economic inclusion programs will need to go beyond skills training to provide job search and mobility support to connect workers with earning opportunities in emerging green sectors or in less climate-affected regions or countries.

### D4. Strengthen social protection programs and collective bargaining processes to foster regulatory reforms that will better balance the needs of workers and those of firms.

Many labor regulations that exist today in low- and middle-income countries were adopted, sometimes wholesale, from more advanced economies that had and continue to have very different labor markets. As a result, these regulations are often not fit for purpose, given the high informality and weak enforcement that prevail in developing countries. The changing nature of work adds urgency to the need for reforms in some areas and provides an opportunity to increase the extent to which regulations protect more workers while at the same time supporting firms as they adapt in response to evolving labor markets.

- Countries need to continue to invest in regulatory reform where under-regulation or over-regulation exists. Priority needs to be given to establishing enforceable laws that provide fundamental protections—against abuse, discrimination or child labor, or that ensure the right to organize and collectively bargain. The aim should be to expand their application and enforcement to all workers, regardless of who they are, and where or how they work. In cases where specific regulations harm job creation or the employment and earnings prospects of particular groups, labor market reform continues to be necessary. Given the intrinsic difficulties and trade-offs involved in identifying which labor regulations should be reformed and how, broader societal interests may be best served by combining evidence on impacts with more effective collective bargaining, probably with elements at both firm and industry level depending on what is appropriate in the local context, covering all relevant parties. Collective agreements would enhance protection beyond regulations that provide some basic protections to all. The priority needs to be to discover the features needed for a given collective bargaining system to generate the required degree of representativeness, coordination, and trust between bargaining parties.

- To facilitate reform and improve outcomes, it is necessary to consider reform efforts in tandem with broader reforms to social protection systems. The objective of protecting workers, not jobs, is increasingly relevant given high informality rates in most developing countries and the expected implications of long-term trends. However, regulations are not always the best instrument to achieve this goal. Considering labor regulations in tandem with social protection systems (and probably other regulatory areas such as competition policy) can help policymakers to identify the best tools for compensating for the underlying market and institutional failures that labor regulations are designed to address. To do this, however, it is necessary to go back to first principles, recognizing that many regulations in low- and middle-income countries were designed for more advanced economies, that had and continue to have very different labor markets. For example, in the case of severance pay, reform can not only become easier but also enhance workers' protections if it takes place alongside the establishment or strengthening of unemployment benefit systems, ideally in ways that cover all workers and account for the different nature of idiosyncratic and covariate shocks (as discussed under Section C3).
- A key challenge for policymakers moving forward will be to accommodate changes in the labor market while avoiding increasing segmentation and exacerbating distortions that can cost jobs, particularly formal jobs, and slow the pace of the country's economic transformation. Particular caution is needed with regulations that extend important protections to certain workers such as those protections around contract types, minimum wage, and hiring and firing costs, but that may also affect job prospects or risk creating segmentation. There are new forms of work emerging that blur the line between employers, employees, and own-account workers. Labor reallocation between different firms and between different forms of work is also expected to increase in response to many of the broader trends discussed earlier. This will change the nature of employment and of employer-employee relationships. Current approaches that aim to fit nonstandard forms of employment within the existing regulatory frameworks run the risk of not only increasing segmentation in the labor market but also of reducing innovation and job creation.
- Technological advances are increasing the opportunities available to countries to strengthen the enforcement and the overall functioning of labor regulations. Technology, including the use of big data, can be helpful, for example, in facilitating and improving risk-based inspection systems, strengthening the voice of different stakeholders who do not always have a seat at the negotiating table, or changing

incentives for compliance with regulations (through, for example, the use of social media or broader whistleblower systems). These investments would need to complement more traditional investments in enforcement, an area in which many low- and middle-income countries continue to lag.

## E. Address the Fiscal Gap: Create More Fiscal Space for Universal Social Protection

### E1. Develop the empirics for evidence-based spending.

When developing strategies to increase coverage of social protection systems, policymakers need to start from a sound understanding of what is currently being spent and what that spending is achieving. The social protection sector in many countries is fragmented, with social protection expenditures being incurred by several different ministries, agencies, and levels of government. These expenditures are rarely assessed and evaluated together, leaving policymakers with little understanding of the scale, scope, efficiency, and effectiveness of the social protection system. Increasing the efficiency and effectiveness of existing spending should be a key component of any strategy for increasing fiscal space for social protection.

- Most governments have no established framework for regularly accounting for and monitoring the social protection system, and some parts of the system, such as certain subsidies, are often not included at all in accounting exercises, making it hard to make transparent the trade-offs that are implicit in given budget allocations. Without a comprehensive picture, it is difficult for policymakers to assess the efficiency of the components of the social protection system, to decide where reallocations may be possible or where the highest priorities for incremental expenses exist. What is needed in the sector are public expenditure reviews, comprehensive sector budgeting exercises, and medium-term expenditure planning to enable more informed policymaking. To facilitate these exercises, basic statistics and performance indicators on all social protection programs should be made public regularly using a consistent methodology.
- One of the most necessary tasks in this regard will be to quantify the present and future financing obligations of pension systems. In the pension sector, the implications of policy decisions today can have significant fiscal implications for decades in ways that are almost unique in public spending. Regularly gauging the sustainability of the pension system and assessing contingent liabilities should be a priority. However, the work is complex, often made more so by the fragmentation of pension systems between different levels of government and different cohorts of retirees, which can require the use of specialized tools to ensure robust analysis.
- Household surveys are an important tool for assessing how social protection programs affect the population, including their distributional impact. In some regions of the world such as LAC and ECA, social protection programming has been well captured

in surveys in a number of countries, particularly those where programming has been significant in size and stable in structure over time. As social protection programming is increasingly consolidated in other countries, they will need to make sure that their survey instruments are able to keep up. In a broad range of countries, supplemental samples may be warranted of groups of particular interest for social protection policymaking.

### E2. Continue to innovate, monitor and evaluate.

Generating data on how programs perform is important not only for understanding if programs are working and at what cost but also for identifying opportunities for increasing efficiency. This can help to maximize the impact of limited fiscal resources. Moreover, being able to demonstrate that resources are being well spent is vital for making the case for more financing.

- There is a growing literature of rigorous evaluations of social assistance, economic inclusion, and labor programs that help policymakers to understand the potential impacts of these investments. Continuing to focus on program evaluation is important for contextualizing findings from other settings to the specifics of a program in a given time and place and for supporting learning within programs. Evaluation can also help to robustly demonstrate the positive impact of and value for money represented by social protection so that programs can claim budget space in the constantly renewed fiscal and political cycles.
- As countries work towards greater integration of their social protection programming, the resulting programs can become increasingly large and complex in their design. While the evidence shows that this is the right direction to move in, (for example in labor market programs or the move to add extensive 'plus' or service elements to social assistance), it can be difficult for policymakers to know which elements are most important, in which contexts, and why and for whom. This suggests the need to continue to pilot programs and to invest in robust monitoring and evaluation systems to gather evidence of which elements of the program's design and implementation are most crucial for producing positive outcomes.
- Monitoring a program's implementation along the whole delivery chain should be a priority. Monitoring can provide feedback on program-wide design and implementation, as well as more disaggregated information across geographical areas, administrative units, or types of beneficiaries. This can help program administrators to understand where a lack of capacity, error, fraud and corruption, or other challenges may be undermining outcomes or reducing efficiency. Programs can leverage a variety of monitoring tools; from systematic assessment of program administrative data to periodic reporting from visits, spot-checks, or audits, to *ad hoc* studies (both qualitative and quantitative) on issues of particular concern or interest. Opportunities for incorporating feedback directly from beneficiaries, as discussed under Section B4, should

be a priority. Most importantly, monitoring generates information that then needs to be used as part of a feedback loop to drive continuous improvements in the design and implementation arrangements of programs.

- Consideration of cost should be a central part of the monitoring and evaluation system. Cost-benefit analysis can enable policymakers to assess the efficiency of each program and, therefore, make more informed comparisons between programs. For often budget-constrained social protection, being able to better relate cost (or the value of benefits and service packages) to the different impacts achieved can help policymakers better understand the tradeoffs between the extent of coverage, the level of benefits, and program impact and thus help to increase the efficiency of existing spending.

### E3. Reform pension systems and reduce regressive subsidies to promote fiscal sustainability.

As noted above, since fiscal space is precious, it is important that all programs in the social protection sector are meeting their stated objectives as efficiently and effectively as possible. Wherever this is not the case, there is scope to reallocate funds to programs with a better performance record. Within social protection, two items of spending are particularly problematic. First, some countries use subsidies from general revenues to fill deficits in pay-as you-go pension systems. These subsidies can be large and contribute to the countries' growing contingent liabilities. Second, some countries have introduced price subsidies, which are not routinely regarded as part of the social protection system but are often justified on the grounds that they meet social protection objectives such as equity or resilience. In both cases, spending on these subsidies has had a tendency to grow over time for demographic, political, or other reasons, can be highly regressive, with the majority of benefits being captured by the better-off, and non-transparent in how they are handled in the budget. The size of these subsidies can often crowd out other priority programs and, given their nature, undermine the ability of other parts of the social protection system to meet their objectives.

- Pension systems in many countries are facing an existential challenge. They often provide too little effective coverage or income replacement for certain groups, and yet sizable public subsidies are needed to keep paying current pensions. The aging of the population is likely to exacerbate both of these problems, in some cases unsustainably. Therefore, there is a need to find the right balance between the adequacy and coverage of pensions (considering the needs of both men and women) on the one hand and fiscal sustainability on the other. Reforms will be most needed where either current or future financing obligations are highest or most regressive. Sound management of pension reserves, where they exist, and efforts to minimize administrative costs (both asset management and operational costs) can also contribute to fiscal sustainability. Finally, many countries have achieved remarkable gains in life expectancy due to the rise in living standards and increased access to healthcare, but as people live longer, they may need to be encouraged and supported to work later in life both to compensate for the shrinking labor force in many countries as well as to reduce the fiscal pressure involved in financing pension systems.

- Civil service pensions are often a significant component of public-sector remuneration. In a number of countries, they absorb a relatively high proportion of public spending in covering a small (and sometimes relatively well-off) group although in some cases schemes seek to compensate for low salary levels in the public sector. Nevertheless, the practice of financing such pensions, usually from general revenues, means they often become fiscally unsustainable but also too politically complex to reform. Reforms to civil service pensions should be considered as part of a wider national pension reform with the intention of bringing them into alignment with schemes for private sector workers. Integrating public and private schemes in this way has the potential to reduce labor market distortions, promote increased labor market mobility, and reduce administrative costs. In the case of systemic reforms, for both civil service and private sector pension schemes, policymakers need to take into account transition costs as well as any potential differences that may arise between the retirement benefits of those from the old system and those of the new system, which can potentially undermine reforms.
- Energy subsidy reform can be motivated by climate change, fiscal pressure, or desire to make spending more equitable. Combined, these motivations make a powerful case for change. Yet, reforming energy subsidies is a multi-dimensional, and politically complex process. This is also true for other types of subsidies, most notably those for food and agricultural inputs, which are also substantial in some countries. Specifically designed or adapted social assistance or labor programs can facilitate energy reform by compensating those who lose from such reforms and thereby improve prospects for a successful reform process. The growing number of cases of such compensatory cash transfers being used around the world suggests that this can be a successful strategy. Beyond the reform process itself, savings from the reform of food and energy subsidies, sometimes representing a very considerable amount of revenue, can be channeled through the social protection system in ways that more effectively achieve redistribution.

### E4. Strengthen financing though appropriate tax reforms, domestic resource mobilization, and the harmonization of donor funding.

Despite some progress in mobilizing resources for social protection and the options considered above for re-prioritization in the sector, there are very significant gaps in coverage and adequacy of programs that remain, creating a long road to travel from current provision to achieving the vision of USP. This implies a need to spend significantly more resources on the sector. However, fiscal space is scarce in developing counties and will increase only slowly, while some sources of revenue inherently limit the scope to sustainably expand the social protection system.

- Undoubtedly, it will be necessary to mobilize more domestic resources in almost all countries in order to achieve USP. There are a variety of ways to do this, including broadening the tax base, improving the design of value-added taxes, making personal income tax more progressive, making capital taxation more neutral, making more and better use of carbon, property, and inheritance taxes, and leveraging digital technology and strengthening the capacity of revenue agencies to enable them to implement and manage these tax reforms.
- Decisions about how best to increase domestic resources to finance social protection should be part of a joint consideration of the broader tax and transfer system. Although these domains interact to shape the distribution of income and wealth through the distributional impact of transfers and taxes, it continues to be common to discuss social protection and taxation separately. Moreover, taxation and tax reform too often are discussed primarily in terms of revenue-generating potential, with limited consideration of their distributional implications. Thus, in order to develop a coherent policy of redistribution through the government fiscal system of which social protection is a part, it is critical for this to be discussed within an analysis of the broader tax-transfer system.
- A key component of the tax-transfer system as it relates to social protection is the payroll tax, which is often used to finance the mandatory contributions to social insurance systems required from formal sector workers. In many countries, this practice has some key limitations, including a design that inherently makes it difficult to expand coverage to the informal sector and the potential for creating incentives to work informally, particularly when workers consider that the benefits received are not commensurate with contributions. This suggests the need to tightly link mandatory contributions to tangible, accessible benefits. It also suggests that the objective of redistribution, (when taxes on some workers are used to subsidize coverage of others), which are often pursued through the payroll-financed system, would be better achieved through taxes with a broader base.
- In order to be sustainable, social protection systems will need to be financed from domestic resources in the long run. However, in countries where fiscal capacity is particularly limited or when they face significantly increased short-term needs due to covariate shocks, international financial resources will continue to be needed. Much international financing for social protection continues to flow outside of government systems, which often misses opportunities for building long-term capacity of social protection systems within government. This is almost entirely true for humanitarian assistance but also to some extent for longer-term social protection financing. Where appropriate, and in line with international commitments, partners should increasingly seek opportunities to harmonize approaches and bring financing on budget within government systems.

**While relative emphasis will vary, countries across the globe need to move forwards on multiple fronts outlined above.** As discussed throughout the Compass, countries vary enormously in terms of their political, social, institutional, and economic contexts. Therefore, as countries move forward towards the goal of USP, the emphasis that each country places on the various strategic priorities highlighted above will differ significantly. Most countries are still a long way from achieving USP, and much still needs to be done in multiple areas. In others, where programs and systems are already more developed, the social protection system still must continually adjust to meet the needs of the population in an ever-evolving global and national context. All countries can seek to make their social protection programs more inclusive, better able to respond in flexible ways to risks in a rapidly changing world, and more effective at helping their populations to become independent and productive. These goals can only be achieved with social protection systems that work in a coordinated and increasingly integrated way.

**The COVID-19 pandemic has undoubtedly proved to be a major catalyst for increasing the world's focus on social protection.** As countries begin to emerge from the pandemic, the unprecedented crisis that it caused as well as the immediate emergence of new global shocks have dramatically illustrated the need for social protection. There is an increased appreciation of the importance of the sector, while lessons have been learned about the deficiencies in programs and systems, and much know-how has been generated on what worked in the crisis response. Looking forward, countries will have the opportunity to leverage this experience to reach a new equilibrium; one that represents a deeper commitment to more and better social protection based on a long-term, evidence-based vision for the sector.

**The World Bank stands ready to help our country clients in this endeavor, supporting them in defining country priorities that help move progressively towards the realization of USP.** In determining its own priorities for providing support at the country level, the World Bank will be guided primarily by the country context, by client demand, and by evidence. Social protection programs and systems need to be country-led and country-implemented, with a strong focus on the necessary country capacity. For this to be effective, engagement must be grounded in a well-informed and realistic assessment of political economy issues, from awareness of the opportunities for reform presented by crises, to sensitivity to how difficult it is to mobilize scarce resources given competing spending priorities. The World Bank will continue to work with governments and other country stakeholders to build both the "architecture" and the "engineering" of country-specific social protection systems, from diagnostic analysis and evaluation to strategy formulation to advice on policy, financing, and the design and delivery of programs.

# References

Abdalla, Moustafa and Sherine Al-Shawarby, 2018. "The Tamween Food Subsidy System in Egypt: Evolution and Recent Implementation Reforms in Egypt: Evolution and Recent Implementation Reforms" in Harold Alderman, Ugo Gentilini, and Ruslan Yemtsov, 2018. The 1.5 Billion People Question: Food, Vouchers, or Cash Transfers? World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/27907

Alderman, Harold and Ruslan Yemtsov, 2012. "Productive Role of Safety Nets." Social Protection and Labor Discussion Paper No. 2013. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/13551

Alderman, Harold and Ruslan Yemtsov, 2014. "How Can Safety Nets Contribute to Economic Growth?" Oxford University Press on behalf of the World Bank. https://openknowledge.worldbank.org/handle/10986/22555

Almeida, Rita and Lucas Ronconi, 2016. "The Enforcement of Labor Law in the Developing World: Some Stylized Facts from Labor Inspections." Industrial Relations A Journal of Economy and Society 55(3):468-489. https://onlinelibrary.wiley.com/doi/10.1111/irel.12146

Almenfi, Mohamed, Melvin Breton, Pamela Dale, Ugo Gentilini, Alexender Pick, and Dominic Richardson, 2020. "Where is the Money Coming From? Ten Stylized Facts on Financing Social Protection Responses to COVID-19." Social Protection and Jobs Policy and Technical Note No. 23. World Bank, Washington, DC. https://openknowledge.world-bank.org/handle/10986/34802

ALNAP, 2018. "The State of the Humanitarian System." ALNAP, London. https://www.alnap.org/our-topics/the-state-of-the-humanitarian-system.

ANSES, 2019. "Advances in Inclusive Social Protection through Policy Reforms and Effective Implementation: The Case of Argentina." PowerPoint Presentation. Emilio Basavilbaso, *Administración Nacional de la Seguridad Social, Argentina.*

Alston, Philip, 2019. “Report of the Special Rapporteur to the UN on Extreme Poverty and Human Rights.” Office of the Un High Commissioner for Human Rights, Geneva. https://www.ohchr.org/en/issues/poverty/pages/srextremepovertyindex.aspx

Anderson, Stephen, Rajesh Chandy, and Bilal Zia, 2018. “Pathways to Profits: The Impact of Marketing vs Financial Skills on Business Performance.” Management Science 62(12): 5559-5583. https://pubsonline.informs.org/doi/10.1287/mnsc.2017.2920

Anderson, Stephen, G. Rowe, C. Toby, and U. Gentilini, 2022. “A Game Changer? Emerging Lessons from the Initial Wave of SPJ Social Protection Responses to Covid-19.” Preliminary draft, Food Economy Group and World Bank, Washington, DC.

Andrews, Colin, Aude de Montesquiou, Ines Arevalo Sanchez, Puja Vasudeva Dutta, Boban Varghese Paul, Sadna Samaranayake, Janet Heisey, Timothy Clay, and Sarang Chaudhary, 2021. “The State of Economic Inclusion Report 2021: The Potential to Scale.” World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/34917

Andrade, M., L. Sato, and M. Hammad, 2021. “Improving social protection for migrants, refugees, and asylum seekers in Egypt: An overview of international practices.” Research Report No. 57. International Policy Centre for Inclusive Growth and the United Nations Children’s Fund (UNICEF), Brasília and Cairo. https://www.unicef.org/egypt/media/6876/file/Improving%20social%20protection%20for%20migrants,%20refugees%20and%20asylum%20seekers%20in%20Egypt%7C%20Report%20Highlights.pdf%20.pdf

Arias, Omar, David K. Evans, and Indhira Santos, 2019. “The Skills Balancing Act in Sub-Saharan Africa: Investing in Skills for Productivity, Inclusivity, and Adaptability.” Africa Development Forum, World Bank, and *Agence française de développement*. Washington, DC. https://openknowledge.worldbank.org/handle/10986/31723

Armand, Alex, Pedro Carneiro, Federico Tagliati, and Yiming Xia, 2020. “Can Subsidized Employment Tackle Long-Term Unemployment? Experimental Evidence from North Macedonia.” IZA Discussion Paper No.13478. Bonn. https://www.iza.org/publications/dp/13478/can-subsidized-employment-tackle-long-term-unemployment-experimental-evidence-from-north-macedonia

Arriagada, Ana-Maria, Jonathan Perry, Laura Rawlings, Julieta Trias, and Melissa Zumaeta, 2018. “Promoting Early Childhood Development through Combining Cash Transfers and Parenting Programs.” Policy Research Working Paper No. 8670. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/30992

Arze del Granado, F.J., D. Coady, and R. Gillingham, 2012. “The Unequal Benefits of Fuel Subsidies: A Review of Evidence for Developing Countries.” *World Development* 40 (11): 2234–48. https://econpapers.repec.org/article/eeewdevel/v_3a40_3ay_3a2012_3ai_3a11_3ap_3a2234-2248.htm

Asenjo, Antonia, and Clemente Pignatti, 2019. "Unemployment Insurance Schemes around the World: Evidence and Policy Options". Research Department Working Paper No. 9. International Labour Organization, Geneva. https://www.ilo.org/global/research/publications/working-papers/WCMS_723778/lang--en/index.htm

Attanasio, Orazio, and Óscar Rodríguez, 2011. "*Evaluación de Impacto de Juntos (hoy Unidos).*" *Red de Protección Social para la Superación de la Pobreza Extrema Informe de Evaluación*." http://centrodedocumentacion.prosperidadsocial.gov.co/2020/Planeacion/9.Evaluaciones/Subdireccion_Gral_Superacion_dela_Pobreza/2011_UNIDOS_EVALUACIO%CC%81N%20DE%20IMPACTO%20RED%20DE%20PROTECCIO%CC%81N%20SOCIAL%20PARA%20LA%20SUPERACIO%CC%81N%20DE%20LA%20POBREZA%20EXTREMA_37.pdf

Attanasio, Orazio, Arlen Guarín, Carlos Medina, and Costas Meghir, 2017. "Vocational Training for Disadvantaged Youth in Colombia: A Long Term Follow Up." American Economic Journal: Applied Economics, 9(2): 131-143. https://www.aeaweb.org/articles?id=10.1257/app.20150554

Ayliffe, Tamsin, Ghazia Aslam, and Rasmus Schjødt, 2017. "Social Accountability in the Delivery of Social Protection: Literature Review." Development Pathways. https://www.developmentpathways.co.uk/publications/social-accountability-in-the-delivery-of-social-protection-literature-review/

Babajanian, Babken, 2012. "Social protection and its contribution to social cohesion and state building." Overseas Development Institute, London. https://odi.org/en/publications/social-protection-and-its-contribution-to-social-cohesion-and-state-building/

Bachas, Pierre, Lucie Gadenne, and Anders Jensen, 2020. "Informality, Consumption Taxes and Redistribution." Policy Research Working Paper No. 9267. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/33851

Baird, Sarah, 2014. "Conditional, Unconditional and Everything in Between: A Systematic Review of the Effects of Cash Transfer Programs on Schooling Outcomes." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/18085?locale-attribute=es

Baird, Sarah, David McKenzie, and Berk Ozler, 2018. "The Effects of Cash Transfers on Adult Labor Market Outcomes." Policy Research Working Paper No. 8404. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/29707

Banerjee, Abhijit, Rema Hanna, Gabriel Kreindler, and Benjamin Olken, 2016. "Debunking the Stereotype of the Lazy Welfare Recipient: Evidence from Cash Transfer Programs." https://economics.mit.edu/files/12488

Banerji, Arup, David Newhouse, Pierella Paci, and David Robalino, 2014. "Working through the Crisis: Jobs and Policies in Developing Countries during the Great Recession." Directions in Development-Human Development, World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/16306

Barca, Valentina, and Rodolfo Beazley, 2019. "Building on Government Systems for Shock Preparedness and Response: The Role of Social Assistance Data and Information Systems." Department of Foreign Affairs and Trade, Canberra, Commonwealth of Australia. https://www.dfat.gov.au/sites/default/files/building-government-systems-for-shock-preparedness-and-response.pdf

Barnes, Sally-Anne, Sally Wright, Pat Irving, and Isabelle Deganis, 2015. "Identification of Latest Trends and Current Developments in Methods to Profile Jobseekers in European Public Employment Services: Final Report." Directorate-General for Employment, Social Affairs and Inclusion, European Commission, Brussels. https://1library.net/document/qmj8k7wq-identification-current-developments-methods-jobseekers-european-employment-services.html

Barr, Nicholas, 2004. "The economics of the welfare state 6th Edition." Oxford University Press, Oxford. https://books.google.com/books?hl=en&lr=&id=4ZXHDwAAQBAJ&oi=fnd&pg=PP1&ots=odeXkTJuC9&sig=9jk1YKFxPm6GkSbsYoUmRf_bTOg#v=onepage&q&f=false

Bastagli, Francesca, Jessica Hagen-Zanker, and Georgina Sturge, 2016. "Cash Transfers: What does the evidence say?" Overseas Development Institute, London. https://odi.org/en/publications/cash-transfers-what-does-the-evidence-say-a-rigorous-review-of-impacts-and-the-role-of-design-and-implementation-features/

Bastagli, Francesca, and Rebecca Holmes, 2014. "Delivering Social Protection in the Aftermath of a Shock: Lessons from Bangladesh, Kenya, Pakistan, and Viet Nam." Overseas Development Institute, London. https://odi.org/en/publications/delivering-social-protection-in-the-aftermath-of-a-shock-lessons-from-bangladesh-kenya-pakistan-and-viet-nam/

Bastagli, Francesca, David Coady, and Sanjeev Gupta, 2012. "Income Inequality and Fiscal Policy." IMF Discussion Note. https://www.imf.org/external/pubs/ft/sdn/2012/sdn1208.pdf

Baur-Yazbeck, Silvia, 2019. "A New Generation of Government-to-Person Payments Is Emerging." CGAP Blog, Consultative Group to Assist the Poor, Washington DC. https://www.cgap.org/blog/new-generation-government-person-payments-emerging

Beegle, Kathleen and Luc Christiaensen, 2019. "Accelerating Poverty Reduction in Africa." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/32354

Beegle, Kathleen, Aline Coudouel, and Emma Monsalve, 2018. "Realizing the Full Potential of Social Safety Nets in Africa." Africa Development Forum, World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/29789

Benhassine, Najy, Florencia Devoto, Esther Duflo, Pascaline Dupas, and Victor Pouliquen, 2015. "Turning a Shove into a Nudge? A 'Labeled Cash Transfer' for Education." American Economic Journal: Economic Policy 7 (3): 86-125. https://www.aeaweb.org/articles?id=10.1257/pol.20130225

Bergemann, Annette, and Gerard van den Berg, 2006. "Active Labor Market Policy Effects for Women in Europe: A Survey," IZA Discussion Papers No. 2365, Institute of Labor Economics (IZA), Bonn. https://docs.iza.org/dp2365.pdf

Bernard, Tanguy, Stefan Dercon, Kate Orkin, and Alemayehu Seyoum Tadesse, 2014. "The Future in Mind: Aspirations and Forward-Looking Behaviour in Rural Ethiopia." CSAE Working Paper Series 2014-16, Centre for the Study of African Economies, University of Oxford. https://www.worldbank.org/content/dam/Worldbank/Feature%20Story/Africa/afr-tanguy-bernard.pdf

Betcherman, Gordon, 2015. "Labor Market Regulations: What Do We Know About Their Impacts in Developing Countries?" Oxford University Press on behalf of the World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/24811

Bhattacharya, Shrayana, Vanita Leah Falcao, and Raghav Puri, 2018. "The Public Distribution System in India: Policy Evolution and Program Delivery Trends" in Alderman, Harold, Ugo Gentilini, and Ruslan Yemtsov, 2018. The 1.5 Billion People Question: Food, Vouchers, or Cash Transfers? World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/2790

Blattman, Christopher, Nathan Fiala, and Sebastian Martinez, 2020. "The Long-Term Impacts of Grants on Poverty: Nine-Year Evidence from Uganda's Youth Opportunities Program." American Economic Review: Insights, 2 (3): 287-304. https://www.aeaweb.org/articles?id=10.1257/aeri.20190224

BMGF, 2017. "A Conceptual Model of Women's and Girls' Empowerment." Bill and Melinda Gates Foundation, Seattle. https://docs.gatesfoundation.org/Documents/BMGF_EmpowermentModel.pdf

Bodewig, Christian, 2021. "Stress Testing Social Protection." World Bank, Washington, DC. https://documents1.worldbank.org/curated/en/559321634917529231/pdf/Stress-Testing-Social-Protection-A-Rapid-Appraisal-of-the-Adaptability-of-Social-Protection-Systems-and-Their-Readiness-to-Scale-Up-A-Guide-for-Practitioners.pdf

Boeri, Tito, Pietro Garibaldi, and Marta Ribeiro, 2010. "The Lighthouse Effect and Beyond," Carlo Alberto Notebooks 193. *Collegio Carlo* Alberto, Torino**.** https://www.carloalberto.org/wp-content/uploads/2018/11/no.193.pdf

Bonnet, Florence, Joann Vanek, and Martha Chen, 2019. "Women and Men in the Informal Economy - A Statistical Brief." WIEGO, Manchester, UK. https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_711798.pdf

Bosch, Mariano, Maria Laura Oliveri, Solange Berstein, Manuel Garcia-Huitron, and Alvaro Altamirano Montoya, 2018. "Present and Future of the Pension System in Latin America and the Caribbean." Inter-American Development Bank, Washington DC. https://books.google.com/books?hl=en&lr=&id=58aGDwAAQBAJ&oi=fnd&pg=PA8&ots=3s-Jr-kwHTQ&sig=PdbB1iSZRe2v35KKGn8C3LwGqMs#v=onepage&q&f=false

Bossuroy, T., Markus Goldstein, Bassirou Karimou, Dean Karlan, Harounan Kazianga, William Parienté, Patrick Premand, Catherine C. Thomas, Christopher Udry, Julia Vaillant and Kelsey A. Wright, 2022. Tackling psychosocial and capital constraints to alleviate poverty. Nature 605, 291–297. https://www.nature.com/articles/s41586-022-04647-8#Abs1

Botea, Ioana, Aline Coudouel, Alessandra Heinemann, and Stephanie Kuttner, 2021. "Safety First: How to Leverage Social Safety Nets to Prevent Gender Based Violence." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/35641

Bowen, Thomas, Carlo del Ninno, Colin Andrews, Sarah Coll-Black, Ugo Gentilini, Kelly Johnson, Yasuhiro Kawasoe, Adea Kryeziu, Barry Maher, and Asha Williams, 2020. "Adaptive Social Protection: Building Resilience to Shocks. International Development in Focus." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/33785

Broecke, S. A. Forti, and M. Vandeweyer, 2017. "The Effect of Minimum Wages on Employment in Emerging Economies: A Survey and Meta-Analysis." Oxford Development Studies, 45(3), 366-391. https://www.tandfonline.com/doi/full/10.1080/13600818.2017.1279134

Brown, Alessio, and Johannes Koettl, 2015. "Active Labor Market Programs - Employment Gain or Fiscal Drain?" IZA Journal of Labor Economics. https://doi.org/10.1186/s40172-015-0025-5

Bruhn, Miriam, 2020. "Can Wage Subsidies Boost Employment in the Wake of an Economic Crisis? Evidence from Mexico." The Journal of Development Studies 56(8): 1558-1577. https://www.tandfonline.com/doi/full/10.1080/00220388.2020.1715941

Brunelin, Stephanie, 2022. "Responding Faster to Droughts with Satellites and Adaptive Social Protection in Niger." Blog post. World Bank, Washington, DC. https://blogs.worldbank.org/climatechange/responding-faster-droughts-satellites-and-adaptive-social-protection-niger

Buller, Ana Maria, Amber Peterman, Meghna Ranganathan, Alexandra Bleile, Melissa Hidrobo, and Lori L. Heise, 2018. "A Mixed-Method Review of Cash Transfers and Intimate Partner Violence in Low- and Middle-Income Countries." Innocenti Working Papers No. 2018-02, Office of Research, UNICEF, New York. https://www.unicef-irc.org/publications/938-a-mixed-method-review-of-cash-transfers-and-intimate-partner-violence-in-low-and.html

Busso, Matias, Juanita Camacho, Julian Messina, and Guadalupe Montenegro, 2020. "The Challenge of Protecting Informal Households during the Covid-19 Pandemic: Evidence from Latin America." Discussion Paper No. IDB-DP-780, Department of Research and Chief Economist, Inter-American Development Bank, Washington, DC. https://publications.iadb.org/en/the-challenge-of-protecting-informal-households-during-the-covid-19-pandemic-evidence-from-latin-america

Bussolo, Maurizio, Maria E. Davalos, Vito Peragine, and Ramya Sundaram, 2018. "Toward a New Social Contract: Taking on Distributional Tensions in Europe and Central Asia." Europe and Central Asia Studies, World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/30393

Calcutt, Evie Isabel Neall, Barry Patrick Maher, and Catherine Anne Fitzgibbon, 2021. "Disaster Risk Financing: Emerging Lessons in Financing Adaptive Social Protection." World Bank, Washington, DC. https://www.preventionweb.net/publication/disaster-risk-financing-emerging-lessons-financing-adaptive-social-protection

Camilletti, Elena, 2020. "Social Protection and Its Effects on Gender Equality: A Literature Review." Innocenti Working Papers No. 2020-16, Office of Research, UNICEF, New York. https://www.unicef-irc.org/publications/1120-social-protection-and-its-effects-on-gender-equality-a-literature-review.html

Campos, Francisco, Michael Frese, Markus Goldstein, Leonardo Iacovone, Hillary C. Johnson, David McKenzie, and Mona Mensmann, 2017. "Teaching Personal Initiative Beats Traditional Training in Boosting Small Business in West Africa." Science 357(6357):1287-1290. https://openknowledge.worldbank.org/handle/10986/28386

Campos Vazquez, Raymundo Miguel, Rodas Milian, and James Alexis, 2020. "The Lighthouse Effect of the Minimum Wage in the Wage Structure: Evidence for Mexico." *El trimestre económico*, vol.87, n.345, pp.51-97. http://www.scielo.org.mx/scielo.php?pid=S2448-718X2020000100051&script=sci_abstract&tlng=en

Card, David, Jochen Kluve, and Andrea Webe, 2018. “What Works? A Meta Analysis of Recent Active Labor Market Program Evaluations,” Journal of the European Economic Association, Volume 16, Issue 3, June 2018. Oxford Academic. https://academic.oup.com/jeea/article-abstract/16/3/894/4430618?redirectedFrom=fulltext

Caria, A. Stefano, Grant Gordon, Maximilian Kasy, Simon Quinn, Soha Shami, and Alexander Teytelboym, 2021. “An Adaptive Targeted Field Experiment: Job Search Assistance for Refugees in Jordan.” Working paper. https://maxkasy.github.io/home/files/papers/RefugeesWork.pdf

Carranza, Eliana, Robert Garlick, Kate Orkin, and Neil Rankin, 2020. “Job Search and Hiring with Two-Sided Limited Information about Workseekers’ Skills.” Policy Research Working Paper No. 9345. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/34276

Cheng, Lingguo, Hong Liu, Ye Zhang, and Zhong Zhao, 2018. “The Health Implications of Social Pensions: Evidence from China’s New Rural Pension Scheme,” Journal of Comparative Economics, 46, (1), 53-77. https://econpapers.repec.org/scripts/showcites.pf?h=repec:eee:jcecon:v:46:y:2018:i:1:p:53-77

Chioda, Laura, João M.P. De Mello, Rodrigo R. Soares, 2012. “Spillovers from Conditional Cash Transfer Programs: Bolsa *Família* and Crime in Urban Brazil.” https://ftp.iza.org/dp6371.pdf

Chowdhury, Anis, 2016. “Brazil Financing social protection through financial transaction taxes.” International Labour Organization, Geneva. https://www.social-protection.org/gimi/RessourcePDF.action?ressource.ressourceId=53855

Clarke, Daniel J., and Stefan Dercon, 2016. “Dull Disasters? How Planning Ahead Will Make a Difference.” Oxford University Press, New York. https://openknowledge.worldbank.org/handle/10986/24805

Clarke, Marguerite, Meghna Sharma, and Pradyumna Bhattacharjee, 2021. “Inclusive Skills Development: Making Programs Work Better for Women.” Nai Manzil (New Horizons). “Experience and Lessons Learned” Seminar Presentation, November, World Bank, Washington, DC. https://www.growlearnconnect.org/events/inclusive-skills-development-making-programs-work-better-women

Clement, Viviane, Kanta Kumari Rigaud, Alex de Sherbinin, Bryan Jones, Susana Adamo, Jacob Schewe, Nian Sadiq, and Elham Shabahat, 2021. “Groundswell Part 2: Acting on Internal Climate Migration.” World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/36248

Cloutier, Mathieu, Bernard Harborne, Deborah Isser, Indhira Santos, and Michael Watts, 2021. "Social Contracts for Development: Bargaining, Contention, and Social Inclusion in Sub-Saharan Africa." Africa Development Forum, World Bank, Washington, DC. and *Agence française de développement*, *Paris*. https://openknowledge.worldbank.org/handle/10986/36777

Coady, David, Valentina Flamini, and Louis Sears, 2015. "The Unequal Benefits of Fuel Subsidies Revisited: Evidence for Developing Countries." IMF Working Papers, International Monetary Fund, Washington, DC. https://www.imf.org/external/pubs/ft/wp/2015/wp15250.pdf

Coady, David, Ian Parry, Nghia-Piotr Le, and Baoping Shang, 2019. "Global Fossil Fuel Subsidies Remain Large: An Update Based on Country-Level Estimates." IMF Working Paper. International Monetary Fund, Washington, DC. https://www.imf.org/en/Publications/WP/Issues/2019/05/02/Global-Fossil-Fuel-Subsidies-Remain-Large-An-Update-Based-on-Country-Level-Estimates-46509

Corral, Paul, Alexander Irwin, Nandini Krishnan, Daniel Gerszon Mahler, and Tara Vishwanath, 2020. "Fragility and Conflict: On the Front Lines of the Fight against Poverty." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/33324

Costella, Cecilia, Anna McCord, Maarten van Aalst, Rebecca Holmes, Jonathan Ammoun, and Valentina Barca, 2021. "Social Protection and Climate Change: Scaling-Up Ambition." Social Protection Approaches to COVID-19 Expert Advice Service (SPACE), DAI Global UK Ltd, United Kingdom. https://socialprotection.org/sites/default/files/publications_files/Paper%20-%20Social%20Protection%20and%20Climate%20Change_%20Scaling%20up%20Ambition%20%281%29%20%281%29.pdf

Crépon, Bruno and Patrick Premand, 2019. "Direct and Indirect Effects of Subsidized Dual Apprenticeships." IZA Discussion Paper No. 12793, Institute of Labor Economics, Bonn. https://ssrn.com/abstract=3495770.

Crépon, Bruno, Esther Duflo, Marc Gurgand, Roland Rathelot, and Philippe Zamora, 2013. "Do Labor Market Policies have Displacement Effects? Evidence from a Clustered Randomized Experiment," The Quarterly Journal of Economics, Volume 128, Issue 2, May 2013, Pages 531–580. https://academic.oup.com/qje/article-abstract/128/2/531/1942569

CSC, 2019. "Critical Occupations List 2018/2019: Technical Report." Critical Skills Monitoring Committee, Selangor, Malaysia. https://www.talentcorp.com.my/clients/TalentCorp_2016_7A6571AE-D9D0-4175-B35D-99EC514F2D24/contentms/img/TalentCorp_CriticalOccupationsList_TechReport_2018-2019.pdf

Cylus, Jonathan and Mauricio Avendano, 2017. "Receiving Unemployment Benefits May Have Positive Effects on the Health of the Unemployed." Health Affairs 36, No. 2: 28-296. https://www.healthaffairs.org/doi/pdf/10.1377/hlthaff.2016.1040

Dang, Hai-Anh H. and Andrew L. Dabalen, 2019. "Is Poverty in Africa Mostly Chronic or Transient? Evidence from Synthetic Panel Data." Journal of Development Studies Volume 55. https://ideas.repec.org/a/taf/jdevst/v55y2019i7p1527-1547.html

Dammert, Ana and Jose C. Galdo: Virgilio, 2015. "Integrating mobile phone technologies into labor-market intermediation: A Multi-Treatment Experimental Design." IZA Journal of Labor & Development, 2015.Volume 4, issue 1, 1-27. https://ftp.iza.org/dp9012.pdf

Dang, Hai-Anh H. and Elena Lanchovichina, 2018. "Welfare Dynamics with Synthetic Panels: The Case of the Arab World in Transition: Review of Income and Wealth". Volume 64. https://elibrary.worldbank.org/doi/abs/10.1596/1813-9450-7595

Davies, M., B. Guenther, J. Leavy, T. Mitchell, and T. Tanner, 2009. "Adaptive Social Protection: Synergies for Poverty Reduction." IDS Bulletin 39 (4): 105–12. https://www.ids.ac.uk/files/dmfile/13Davies39.4web.pdf

De La Flor, Luciana, Ingrid Mujica, Maria Belen Fontenez, David Newhouse, Claudia Rodriguez Alas, Gayatri Sabharwal, and Michael Weber. 2021. "Taking Stock of COVID-19 Labor Policy Responses in Developing Countries. Jobs Watch COVID-19." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/35331?locale-attribute=fr

De la Torre, Augusto and Heinz P. Rudolph, 2018. "The Troubled State of Pension Systems in Latin America. Global Economy and Development." Working Paper 112. https://www.brookings.edu/wp-content/uploads/2018/03/working-paper_torre_rudolph_20181.pdf

Del Carpio, X., J. Messina, J. and A. Sanz-de-Galdeano, 2019. "Minimum Wage: Does-It Improve Welfare in Thailand? The Review of Income and Wealth: 65(2): 358-382." https://www.iza.org/publications/dp/7911/minimum-wage-does-it-improve-welfare-in-thailand

De Marco, Gustavo and Fiona Stewart, 2020. "Potential impact of the COVID-19 crisis on pensions and retirement income: Policy lessons from the Global Financial Crisis. Internal policy note." World Bank, Washington DC.

Dercon, Stefan, 2002. "Income Risk, Coping Strategies, and Safety Nets." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/16419

Desiere, Sam, Kristine Langenbucher and Ludo Struyven, 2019. "Statistical Profiling in Public Employment Services: An International Comparison OECD Social, Employment and Migration". Working Paper No. 224. Organization for Economic Cooperation and Development Paris. https://dx.doi.org/10.1787/b5e5f16e-en

Devercelli, Amanda E. and Frances Beaton-Day, 2020. "Better Jobs and Brighter Futures: Investing in Childcare to Build Human Capital." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/35062

Domenella, Yanina Eliana, Julian C. Jamison, Abla Safir, and Bilal Husnain Zia, 2022. "Can Business Grants Mitigate a Crisis Evidence from Youth Entrepreneurs in Kenya during COVID-19 (English)." Policy Research Working Paper No. WPS 9874, COVID-19 (Coronavirus). World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/36693

Douval, Romain and Prakash Loungani, 2019. "Designing Labor Market Institutions in Emerging Market and Developing Economies: Evidence and Policy Options." IMF Staff Discussion Note SDN/1904. Washington, DC. https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2019/05/15/Designing-Labor-Market-Institutions-in-Emerging-and-Developing-Economies-Evidence-and-Policy-46855

Doyle, J., 2017. "Social Protection in the Pacific. Background paper for the Asia Pacific Social Protection report." World Bank, Washington, DC.

Drèze, Jean, Gupta Prankur, Khera Reetika, and Isabel Pimenta, 2018. "Casting the Net: India's Public Distribution System after the Food Security Act (May 13, 2018)." https://ssrn.com/abstract=3177691 or http://dx.doi.org/10.2139/ssrn.3177691.

Durán-Valverde, F., Fabio José Pacheco-Jiménez, Taneem Muzaffar and Hazel Elizondo-Barboza, 2020. "Financing Gaps in Social Protection: Global Estimates and Strategies for Developing Countries in light of the COVID-19 Crisis and Beyond." Working Paper No. 14, International Labour Organization, Geneva. https://www.ilo.org/secsoc/information-resources/publications-and-tools/Workingpapers/WCMS_758705/lang--en/index.htm

Duran-Valverde, F. and J.F. Pacheco, 2012. "Fiscal Space and the Extension of Social Protection: Lessons from Developing Countries, Extension of Social Security (ESS)." Paper No. 33. International Labour Organization, Geneva. https://www.social-protection.org/gimi/gess/RessourcePDF.action?ressource.ressourceId=34168

Egger, Dennis, Johannes Haushofer, Edward Miguel, Paul Niehaus and Michael W. Walker, 2019. "General Equilibrium Effects of Cash Transfers: Experimental Evidence from Kenya." Working Paper 26600. DOI 10.3386/w26600. https://www.nber.org/papers/w26600

El-Gaafarawi, Ibtissam, 2021. "Food Subsidy Reform in Egypt." PowerPoint presentation, Arab Republic of Egypt, Ministry of Supply and Internal Trade.

Enabling Digital & GIZ, 2020. “Implementation Guide: Good Practices for Ensuring Data Protection and Privacy in Social Protection Systems: A guide for Practitioners Advising and Working in Low- and Middle-Income Countries, SPIAC-B Workstream on Data Protection.” (Working Group on Digital Social Protection). https://socialprotection.org/sites/default/files/publications_files/GIZ_Data_Protection_For_Social_Protection.pdf

Escudero, Verónica, Jochen Kluve, Elva López Mourelo and Clemente Pignatti, 2019. “Active Labour Market Programmes in Latin America and the Caribbean: Evidence from a Meta-Analysis.” The Journal of Development Studies, 55:12, 2644-2661. https://www.tandfonline.com/doi/full/10.1080/00220388.2018.1546843

Filgueira, Fernando and Ernesto Espíndola, 2015. “Towards universal social protection: Latin American pathways and policy tools.” https://www.cepal.org/en/publications/39484-towards-universal-social-protection-latin-american-pathways-and-policy-tools

Fiszbein, Ariel, Norbert Schady, Francisco H.G. Ferreira, Margaret Grosh, Niall Keleher, Pedro Olinto and Emmanuel Skoufias, 2009. “Conditional Cash Transfers: Reducing Present and Future Poverty.” World Bank Policy Research Report. Washington, DC. https://openknowledge.worldbank.org/handle/10986/2597

Fouejieu, Armand, Alvar Kangur, Samuel Romero Martinez and Mauricio Soto, 2021. “Pension reforms in Europe: How Far Have-We Come and Gone?” Staff Discussion Paper 2021/016: International Monetary Fund. Washington DC. https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2021/09/10/Pension-Reforms-in-Europe-464651

Fuchs, Alan, Mariano Sosa and Matthew Wai-Poi, 2021. “Progressive Domestic Resource Mobilization for a COVID-19.” World Bank, Washington DC. https://openknowledge.worldbank.org/bitstream/handle/10986/36295/9781464817991.pdf

Gaikwad, Nikhar, Kolby Hanson and Aliz Toth, 2022. “How Overseas Opportunities Shape Political Preferences: A Field Experiment on International Migration.” Working paper. https://nikhargaikwad.com/resources/OverseasOpportunities.pdf

Galiani, Sebastian, Paul Gertler and Rosangela Bando, 2016. “Non-Contributory Pensions, Labour Economics.” Volume 38, 2016, Pages 47-58. https://doi.org/10.1016/j.labeco.2015.11.003.

Ganong, Peter, Fiona Greig, Max Liebeskind, Pascal Noel, Daniel M. Sullivan and Joseph Vavra, 2021. “Spending and Job Search Impacts of Expanded Unemployment Benefits: Evidence from Administrative Micro Data.” University of Chicago, Becker Friedman Institute for Economics Working Paper No. 2021-19. https://ssrn.com/abstract=3784008

Gaspar, Vitor, David Amaglobeli, Mercedes Garcia Escribano, Delphine Prady and Mauricio Soto, 2019. "Fiscal Policy and Development: Human, Social, and Physical Investment for the SDGs." IMF Staff Discussion Note 19/03. IMF, Washington DC. https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2019/01/18/Fiscal-Policy-and-Development-Human-Social-and-Physical-Investments-for-the-SDGs-46444

Gelb, Alan and Anit N. Mukherjee, 2020. "Digital Technology in Social Assistance Transfers for COVID-19 Relief: Lessons from Selected Cases. Policy Papers." Center for Global Development, Washington, DC. https://www.cgdev.org/publication/digital-technology-social-assistance-transfers-covid-19-relief-lessons-selected-cases

Gentilini, Ugo, 2015. "Entering the City: Emerging Evidence and Practices with Safety Nets in Urban Areas. Social Protection and Labor". Discussion Paper No. 1504. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/22482

Gentilini, Ugo, 2019. "By When Would Universal Social Protection be Achieved?" World Bank Blogs. World Bank, Washington, DC.https://blogs.worldbank.org/developmenttalk/when-would-universal-social-protection-be-achieved

Gentilini, Ugo and Saksham Khosla and Mohamed Almenfi, 2021. "Cash in the City: Emerging Lessons from Implementing Cash Transfers in Urban Africa." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/35003

Gentilini, Ugo and Mohamed Almenfi, Ian Orton and Pamela Dale, 2022. "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/33635

Gibson, John and David McKenzie, 2014. "The Development Impact of a Best Practice Seasonal Worker Policy." Review of Economics and Statistics 96(2) 2014-05 CC BY-NC-ND. Washington D.C: World Bank. https://openknowledge.worldbank.org/handle/10986/13551

Gill, Indermit S., Truman Packard and Juan Yermo, 2005. "Keeping the Promise of Social Security in Latin America." Palo Alto, CA: Stanford University Press; World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/7391

Gindling, T.H., 2018. "Does increasing the minimum wage reduce poverty in developing countries." IZA World of Labor 30.v2 (online). https://wol.iza.org/articles/does-increasing-the-minimum-wage-reduce-poverty-in-developing-countries/long

Granata, Maria Julia, Sara Johansson De Silva, Josefina Posadas and Mauro Testaverde, 2021. "Building Blocks for Advanced Labor Market Intelligence Services in Indonesia 2021." World Bank, Washington, DC. https://www.emerics.org:446/researchDetail.es?systemcode=03&mid=a10300000000&brdctsNo=322515

Grosh, Margaret, Carlo del Ninno, Emil Tesliuc and Azedine Ouerghi, 2008. “For Protection and Promotion: The Design and Implementation of Effective Safety Nets.” World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/6582

Grosh, Margaret, 2018. “The Contribution of Social Protection and Jobs to Human Capital Formation.” World Bank, Washington, DC. https://collaboration.worldbank.org/content/usergenerated/asi/cloud/attachments/sites/collaboration-for-development/en/groups/cop-on-service-delivery-systems-in-south-asia/groups/human-capital/documents/jcr:-content/content/primary/blog/the_contributionof-I8w7/SPJ%20and%20Human%20Capital%20Brief.pdf

Grosh, Margaret, Phillippe Leite, Matthew Wai-Poi and Emil Tesliuc, 2022. “Revisiting Targeting for Social Assistance: A New Look at Old Dilemmas.” World Bank, Washington DC. https://openknowledge.worldbank.org/handle/10986/37228

Grosh, Margaret, Maurizio Bussolo and Samuel Freije, 2014. “Understanding the Poverty Impact of the Global Financial Crisis in Latin America and the Caribbean. Directions in Development--Human Development.” World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/18727

Guven, Melis, 2019. “Extending Pension Coverage to the Informal Sector in Africa. Social Protection and Jobs.” Discussion Paper No. 1933. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/32179

Guven, Melis, Himanshi Jain and Clement Joubert, 2021. “Social Protection for the Informal Economy: Operational Lessons for Developing Countries in Africa and Beyond.” World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/36584

Györi, Mario, Katharina Diekmann and Elena Kühne, 2021. “The Importance of Social Protection for Climate Change Mitigation in LMICs: Success Stories and Opportunities for the Future.” https://socialprotection.org/sites/default/files/publications_files/GIZ_Social_Protection_CCM_LMICs.pdf

Hagen-Zanker, Jessica, Luca Pellerano, Francesca Bastagli, Luke Harman, Valentina Barca, Georgina Sturge, Tanja Schmidt and Calvin Laing, 2017. “The Impact of Cash Transfers on Women and Girls.” Briefing. Overseas Development Institute, London. https://cdn.odi.org/media/documents/11374.pdf

Hallegatte, Stephane, Mook Bangalore, Laura Bonzanigo, Marianne Fay, Tamaro Kane, Ulf Narloch, Julie Rozenberg, David Treguer and Adrien Vogt-Schilb, 2016. “Shock Waves: Managing the Impacts of Climate Change on Poverty. Climate Change and Development.” World Bank, Washington, D.C: https://openknowledge.worldbank.org/handle/10986/22787

Handa, Sudhanshu, Bruno Martorano, Carolyn Halpern, Audrey Pettifor and Harsha Thirumurthy, 2016. “Time Discounting and Credit Market Access in a Large-Scale Cash Transfer Programme.” Journal of African Economies. 25. ejv031. 10.1093/jae/ejv031. https://www.researchgate.net/publication/289687118_Time_Discounting_and_Credit_Market_Access_in_a_Large-Scale_Cash_Transfer_Programme

Hanlon, Joseph, Armando Barrientos and David Hulme, 2010. “Just Give Money to the Poor: The Development Revolution from the Global South. https://www.amazon.com/Just-Give-Money-Poor-Development/dp/1565493338

Hidrobo, Melissa, John Hoddinott, Neha Kumar and Meghan Olivier, 2018. “Social Protection, Food Security, and Asset Formation.” World Development, Volume 101. https://doi.org/10.1016/j.worlddev.2017.08.014

Hill, Ruth, Emmanuel Skoufias and Barry Maher, 2019. “The Chronology of a Disaster: A Review and Assessment of the Value of Acting Early on Household Welfare.” World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/31721

Hillis, Susan, Juliette Unwin, Lucie Cluver, Lorraine Sherr, Philip Goldman, Laura Rawlings, Gretchen Bachman, Andrés Villaveces, Charles Nelson, Phil Green and Seth Flaxman, 2021. “Children: The Hidden Pandemic 2021: A Joint Report of COVID-19: Associated Orphanhood and a Strategy for Action. https://documents1.worldbank.org/curated/en/588071626413800295/pdf/Children-The-Hidden-Pandemic-2021.pdf

Hoces de la Guardia, Fernando, Andrés Hojman and Osvaldo Larranaga, 2011. “Evaluating The Chile Solidario Program: Results Using The Chile Solidario Panel and The Administrative Databases.” *Estudios de Economia. 38. 129-168. 10.4067/S0718-52862011000100006.* https://www.researchgate.net/publication/227635661_Evaluating_the_Chile_Solidario_Program_Results_Using_the_Chile_Solidario_Panel_and_the_Administrative_Databases

Hoftijzer, M. and W. Cunningham, Forthcoming. “Promoting Employer Engagement in Skills Development. A Framework to Address Constraints to Promote the Effective Engagement of Enterprises in Strengthening Workforce Skills.” World Bank, Washington DC.

Holmemo, Cam illa, Pablo Acosta, Tina George, Robert J. Palacios, Juul Pinxten, Shonali Sen and Sailesh Tiwari, 2020. “Investing in People: Social Protection for Indonesia’s 2045 Vision.” World Bank, Jakarta. https://openknowledge.worldbank.org/handle/10986/33767

Holzmann, Robert and Richard Hinz, 2005. “Old Age Income Support in the 21st century: An International Perspective on Pension Systems and Reform.” World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/7336

Holzmann, Robert and Steen Jorgensen, 1999. Social Protection as Social Risk Management: Conceptual Underpinnings for the social protection sector strategy paper. https://documents1.worldbank.org/curated/en/348031468739766346/pdf/multi-page.pdf

IADB (Inter-American Development Bank), 2019. "The Future of Work in Latin America and the Caribbean: What Are the Most In-Demand Occupations and Emerging Skills in the Region." IADB, Washington, DC. https://publications.iadb.org/publications/english/document/What_are_the_most_in-demand_occupations_and_emerging_skills_in_the_region_print_version_en_en.pdf

Ibarraran, Pablo, Jochen Kluve, Laura Ripani and David Rosas Shady, 2019. "Experimental Evidence on the Long-Term Effects of a Youth Training Program." ILR Review: 72(1): 185-222. https://journals.sagepub.com/doi/full/10.1177/0019793918768260

Ideas42. 2019. "Cash and Change Using Behavioral Insights to Improve Financial Health in Three Cash Transfer Programs." https://www.ideas42.org/wp-content/uploads/2019/09/I42-1160_CashTransfers_paper_final-4.pdf

ILO (International Labour Organization), 2011. "From the Great Recession to Labour Market Recovery. Issues, Evidence and Policy Options." International Labour Organization, Geneva. https://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_145272/lang--en/index.htm

ILO, 2017. World Social Protection Report 2017–19: "Universal Social Protection to Achieve the Sustainable Development Goals." International Labour Organization, Geneva: ILO. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_604882.pdf

ILO, 2018a. "Better Together: Active and Passive Labour Market Policies in Developed and Developing Economies." International Labour Organization, Geneva. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_660003.pdf

ILO, 2018b. "Care Work and Care Jobs for the Future of Decent Work." International Labour Organization, Geneva. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633135.pdf.

ILO, 2018c. Social Protection for Indigenous Peoples. Social Protection for All Issue Brief." International Labour Organization, Geneva. https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---ilo_aids/documents/publication/wcms_626564.pdf

ILO, 2019a. "Skills for a Greener Future: A Global View: The First Global Report on the Implications of the Transition to Low-Carbon and Resource-Efficient Economies for Skills, Gender and Occupations." International Labour Organization, Geneva. https://www.ilo.org/skills/pubs/WCMS_732214/lang--en/index.htm

ILO, 2019b. "Social Protection Measures Throughout the World: January 2010 to December 2019." International Labour Organization, Geneva. https://www.social-protection.org/gimi/ShowWiki.action?id=3518

ILO, 2021. World Social Protection Report 2020-22. "Social Protection at the Crossroads – In Pursuit of a Better Future." International Labour Organization, Geneva. https://www.ilo.org/global/publications/books/WCMS_817572/lang--en/index.htm

ILO, 2022a. "Technological Solutions to Guaranteed Wage Payments of Construction Workers in China." ILO Working Paper 48. International Labour Organization, Geneva. https://www.ilo.org/global/publications/working-papers/WCMS_837306/lang--en/index.htm

ILO, 2022b. "World Employment and Social Outlook: Trends 2022." International Labour Organization, Geneva. https://www.ilo.org/global/research/global-reports/weso/trends2022/WCMS_834081/lang--en/index.htm

ILO and OECD, 2019. "Tackling Vulnerability in the Informal Economy." International Labour Organization, Geneva and Organization for Economic Co-operation and Development, Paris. https://www.ilo.org/global/topics/employment-promotion/informal-economy/publications/WCMS_711804/lang--en/index.htm

ILO and UNICEF, 2019. "Towards Universal Social Protection for Children: Achieving SDG 1.3." ILO-UNICEF Joint Report on Social Protection for Children. International Labour Organization, Geneva and United Nations Children's Fund, New York. https://www.unicef.org/reports/towards-universal-social-protection-children-achieving-sdg-13

Inchauste, Gabriela and Nora Lustig, 2017. "Distributional Impact of Taxes and Transfers: Evidence from Eight Developing Countries. Directions in Development-Poverty." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/27980

IMF (International Monetary Fund), 2017. "Fiscal Monitor: Tackling Inequality." IMF, Washington, DC. https://www.imf.org/en/Publications/FM/Issues/2017/10/05/fiscal-monitor-october-2017

IMF, 2021a. "Fiscal Monitor: A Fair Shot." IMF, Washington, DC. https://www.imf.org/en/Publications/FM/Issues/2021/03/29/fiscal-monitor-april-2021

IMF, 2021b. "Fiscal Monitor: Strengthening the Credibility of Public Finances." IMF, Washington, DC. https://www.imf.org/en/Publications/FM/Issues/2021/10/13/fiscal-monitor-october-2021

IMF, 2021c. "Policy Responses to Covid-19: Policy Tracker." IMF, Washington, DC. https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19

IMF, Organization for Economic Co-operation and Development, United Nations and World Bank, 2016. "Enhancing the Effectiveness of External Fiscal Policy and Development." Policy Paper prepared for submission to G20 Finance Ministers." https://www.imf.org/en/Publications/PolicyPapers/Issues/2016/12/31/Enhancing-the-Effectiveness-of-External-Support-in-BuildingTax-Capacity-in-Developing-PP5059

IOM (International Organization for Migration), 2013. "Improving Access to Labour Market Information for Migrants and Employers." Brussels: IOM. https://publications.iom.int/books/improving-access-labour-market-information-migrants-and-employers

Isik-Dikmelik, Aylin, 2012. "Do Social Benefits Respond to Crises? Evidence from Europe and Central Asia during the Global Crisis." Social Protection and Labor Discussion Paper No. 1219. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/13565

Jain, Himanshi and Robert J. Palacios, 2022, Forthcoming. "The challenge of Civil Service Pension Reform in Asia: Experiences from the Region and A Case Study on Indonesia." World Bank, Washington, DC.

Jayachandran, Seema, 2020. "Microentrepreneurship in Developing Countries." NBER Working Paper No. 26661. Cambridge, MA. https://www.nber.org/papers/w26661

Jafino, Bramka Arga, Brian Walsh, Julie Rozenberg and Stephane Hallegatte, 2020. "Revised Estimates of the Impact of Climate Change on Extreme Poverty by 2030." Policy Research Working Paper No. 9417. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/34555

Jorgensen, Steen Lau, and Paul Siegel, 2019. "Social Protection in an Era of Increasing Uncertainty and Disruption: Social Risk Management 2.0". Social Protection and Jobs Discussion Paper; No. 1930. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/31812

Kabeer, Naila, 1999. "Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment. Development and Change." https://doi.org/10.1111/1467-7660.00125

Kanbur, Ravi and Lucas Ronconi, 2018. "Enforcement Matters: The Effective Regulation of Labor. International Labour Review." 157 (3): 331-356. https://onlinelibrary.wiley.com/doi/10.1111/ilr.12112

Kidd, Stephen, Gunne, Axelsson Nycander, Anh Tran and Madeleine Cretney, 2020. "The Social Contract and the Role of Universal Social Security in Building Trust in Government." https://socialprotection.org/discover/publications/social-contract-and-role-universal-social-security-building-trust-government

Kim, Soon-Teak, 2009. "Korea's Experience with Unemployment Insurance in The 1998 Asian Financial Crisis and Its Adjustments In The Current Crisis." Background Paper for Conference on the "The Impact of the Global Economic Slowdown on Poverty and Sustainable Development in Asia and the Pacific", September 28-30, 2009, Hanoi. https://www.social-protection.org/gimi/gess/RessourcePDF.action;jsessionid=aOjgto-Qyecx-EJ2jkJ15bjUHvna5-hEeFwjhG7PYOFyl855odWcv!1850903208?id=19848

Klugman, Jeni, Lucia Hanmer, Sarah Twigg, Tazeen Hasan, Jennifer McCleary-Sills and Julieth Santamaria, 2014. "Voice and Agency: Empowering Women and Girls for Shared Prosperity." Washington, D.C: World Bank Group. https://openknowledge.worldbank.org/handle/10986/19036

Kluve, Jochen, Susana Puerto, David Robalino, Jose Romero, Friederike Rother, Jonathan Stöterau, Felix Weidenkaff and Marc Witte, 2019. "Do Youth Employment Programs Improve Labor Market Outcomes? A Quantitative Review." World Development 114: 237-253. https://www.iza.org/publications/dp/10263/do-youth-employment-programs-improve-labor-market-outcomes-a-systematic-review

Kuddo, Arvo, David Robalino and Michael Weber, 2015. "Balancing Regulations to Promote Jobs: From Employment Contracts to Unemployment Benefits." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/23324

Kuddo, Arvo, 2018. "Labor Regulations throughout the World: An Overview. Jobs". Working Paper No. 16. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/30106

Kugler, Adriana, Maurice Kugler, J.E. Saavedra and Luiz Omar Herrera-Prada, 2020. "Long-Term Educational Consequences of Vocational Training in Colombia: Impacts on Young Trainees and their Relatives." Journal of Human Resources 2020. http://jhr.uwpress.org/content/early/2020/02/03/jhr.57.1.0518-9528R2.abstract

Laws, Edward, 2016. "Social Assistance and Idiosyncratic Shocks." Helpdesk Research Report. http://www.gsdrc.org/wp-content/uploads/2016/08/HDQ1383.pdf

Leite, Phillippe, Tina George, Changqing Sun, Theresa Jones and Kathy Lindert, 2017. "Social Registries for Social Assistance and Beyond: A Guidance Note and Assessment Tool. Social Protection & Labor." Discussion Paper No. 1704. World Bank, Washington, DC. http://hdl.handle.net/10986/28284

Lindert, Kathy, Colin Andrews, Chipo Msowoya, Boban Varghese Paul, Elijah Chirwa and Anita Mittal, 2018. "Rapid Social Registry Assessment: Malawi's Unified Beneficiary Registry. Social Protection and Jobs." Discussion Paper No. 1803. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/31012

Lindert, Kathy, Tina George Karippacheril, Maria Inés Rodriguez Caillava and Kenichi Nishikawa Chavez, 2020. "Sourcebook on the Foundations of Social Protection Delivery Systems." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/34044

Londoño-Vélez, Juliana and Pablo Querubín, 2022. "The Impact of Emergency Cash Assistance in a Pandemic: Experimental Evidence from Colombia. The Review of Economics and Statistics." https://doi.org/10.1162/rest_a_01043

Lopez Boo, Florencia, Maria Caridad Araujo and Tome Romina, 2016. "How is Child Care Quality Measured?: A toolkit. Inter-American Development Bank." https://publications.iadb.org/publications/english/document/How-is-Child-Care-Quality-Measured-A-toolkit.pdf

Loxha, Artan, Matteo Morgandi, 2014. "Profiling the Unemployed: A Review of OECD Experiences and Implications for Emerging Economies." Social Protection and labor Discussion Paper No. SP 1424. World Bank Group, Washington, DC. https://openknowledge.worldbank.org/handle/10986/20382

Lustig, Nora, 2018. "Commitment to Equity Handbook: Estimating the Impact of Fiscal Policy on Inequality and Poverty." Washington: Brookings Institution Press. https://commitmentoequity.org/publications-ceq-handbook

Maher, B., 2018. "Financing Adaptive Social Protection Financial Tools and Approaches for Adaptive Safety Nets." Presentation at World Bank South–South Learning Forum, Frankfurt. http://pubdocs.worldbank.org/en/827871520537561050/SSLF18-Financing-ASP-Framing.pdf

Manuelyan, Atinc Tamar, Abhijit Banerjee, Francisco H.G. Ferreira, Peter F. Lanjouw, Marta Menendez, Berk Ozler, Giovanna Prennushi, Vijayendra Rao, Beers Robinson, James Christopher, Michael Walton and Michael Woolcock, 2006 "World Development Report 2006: Equity and Development." (English). World Development Report. Washington, DC. World Bank Group. http://documents.worldbank.org/curated/en/435331468127174418/World-development-report-2006-equity-and-development

Martínez, Sebastian, Michelle Pérez and Luis Tejerina, 2015. "Pensions for the Poor: The Effects of Non-Contributory Pensions in El Salvador." https://publications.iadb.org/publications/english/document/Pensions-for-the-Poor-The-Effects-of-Non-Contributory-Pensions-in-El-Salvador.pdf

Mathers, Nicholas and Rachel Slater, 2014. "Social Protection and Growth: Research synthesis." Research report. https://odi.org/en/publications/social-protection-and-growth-research-synthesis/

McCord, Anna, Cécile Cherrier, Nathalie Both and Francesca Bastagli, 2021. "Official Development Assistance Financing for Social Protection Lessons from the Covid-19 Response." ODI Working Paper. London: ODI https://cdn.odi.org/media/documents/ODI_Finance_final.pdf

McKenzie, David, 2017. "How Effective Are Active Labor Market Policies in Developing Countries? A Critical Review of Recent Evidence." Policy Research Working Paper No. 8011. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/26352

McKenzie, David, 2020. "Small Business Training to Improve Management Practices in Developing Countries: Reassessing the Evidence for 'Training Doesn't Work'." Policy Research Working Paper No. 9408. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/34506

McKenzie, David, Christopher Woodruff, Kjetil Bjorvatn, Miriam Bruhn, Jing Cai, Juanita Gonzalez Uribe, Simon Quinn, Tetsushi Sonobe and Martin Valdivia, 2021. "Training Entrepreneurs." VoxDevLit. https://voxdev.org/sites/default/files/Training_Entrepreneurs_Issue_2.pdf

Mitra, Sophie, Michael Palmer, Hoolda Kim, Daniel Mont and Nora Groce, 2017. "Extra Costs of Living with a Disability: A Review and Agenda for Research. Disability and Health Journal." DOI/10.1016/j.dhjo.2017.04.007. https://ssrn.com/abstract=2967775

Moffitt, R., 2014. "Unemployment Benefits and Unemployment." IZA World of Labor. https://wol.iza.org/uploads/articles/13/pdfs/unemployment-benefits-and-unemployment.pdf?v=1

Molina Millán, Teresa, Tania Barham, Karen Macours, John A. Maluccio and Marco Stampini, 2019. "Long-Term Impacts of Conditional Cash Transfers: Review of the Evidence." Published by Oxford University Press on behalf of the World Bank. https://openknowledge.worldbank.org/handle/10986/34347

Montt, Guillermo E., Federico Fraga and Marek Harsdorff, 2018. "The Future of Work in a Changing Natural Environment: Climate Change, Degradation and Sustainability." Geneva: ILO. https://labordoc.ilo.org/discovery/fulldisplay/alma995018692802676/41ILO_INST:41ILO_V1

Moroz, Harry Edmund, 2020. "The Role of Social Protection in Building, Protecting, and Deploying Human Capital in the East Asia and Pacific Region." Social Protection and Jobs Discussion Paper No. 2008. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/34783

Mukherjee, Anit, Okamura Yuko, Ugo Gentilini, Mohamed Almenfi and Adea Kryeziu, 2022. "How Can Cash Transfers Support Energy Subsidy Reforms? Emerging Lessons from Four Case Studies." Draft. Social Protection and Jobs Global Unit, World Bank, Washington DC.

Neumark, David and Luis Felipe Munguía Corella, 2021. "Do Minimum Wages Reduce Employment in Developing Countries? A Survey and Exploration of Conflicting Evidence. World Development." https://ideas.repec.org/p/nbr/nberwo/26462.html

Norton, Andy, Tim Conway and Mick Foster, 2002. "Social Protection: Defining the Field of Action and Policy." https://onlinelibrary.wiley.com/doi/abs/10.1111/1467-7679.00189

O'Brien, Clare, Zoë Scott, Gabrielle Smith, Valentina Barca, Andrew Kardan, Rebecca Holmes, Carol Watson, and Jenny Congrave, 2018. "Shock-Responsive Social Protection Systems Research" Synthesis Report. Oxford Policy Management, OPM. https://www.opml.co.uk/files/Publications/a0408-shock-responsive-social-protection-systems/srsp-synthesis-report.pdf?noredirect=1

O'Keefe, Philip B. and Agnieszka Chłoń-Domińczak. "The 'Gender Pension-Gap' in the Aging Societies of East Asia: A Policy Note from the East Asia and Pacific Umbrella Facility for Gender Equality." (English). Washington, DC.: World Bank Group. http://documents.worldbank.org/curated/en/508031491383329129/The-gender-pension-gap-in-the-aging-societies-of-East-Asia-a-policy-note-from-the-East-Asia-and-Pacific-umbrella-facility-for-gender-equlity

OECD (The Organisation for Economic Co-operation and Development), 2011. "The Effects of Taxation on Employment." https://read.oecd-ilibrary.org/taxation/taxation-and-employment/the-effects-of-taxation-on-employment_9789264120808-3-en#page1

OECD, 2013. "Pensions at a Glance Asia/Pacific 2013." OECD Publishing, Paris. https://www.oecd-ilibrary.org/finance-and-investment/pensions-at-a-glance-asia-pacific-2013_pension_asia-2013-en

OECD, 2017. "Behavioral Insights and Public Policy: Lessons from Around the World." OECD Publishing, Paris. https://read.oecd-ilibrary.org/governance/behavioural-insights-and-public-policy_9789264270480-en#page4

OECD, 2019. "Can Social Protection Be an Engine for Inclusive Growth?" OECD Publishing, Paris. https://www.oecd-ilibrary.org/development/can-social-protection-be-an-engine-for-inclusive-growth_9d95b5d0-en;jsessionid=eFA89md29FL4nckWv_6i3Tz9.ip-10-240-5-22

OECD, 2020. "Civil Service Pension Reform in Developing Countries." OECD Development Policy Papers. OECD Publishing, Paris. https://www.oecd-ilibrary.org/development/civil-service-pension-reform-in-developing-countries_f872f328-en

OECD, 2021a. “Health at a Glance 2021: OECD Indicators.” https://www.oecd-ilibrary.org/sites/ae3016b9-en/1/3/10/8/index.html?itemId=/content/publication/ae3016b9-en&_csp_=ca413da5d44587bc56446341952c275e&itemIGO=oecd&itemContentType=book

OECD, 2021b. “Pensions At a Glance 2021.” OECD and G20 Indicators, OECD Publishing, Paris. https://doi.org/10.1787/ca401ebd-en.

OHCHR (Office of the United Nations High Commissioner for Human Rights), 2008. “Frequently Asked Questions on Economic, Social and Cultural Rights.” Fact Sheet No. 33. https://www.ohchr.org/documents/publications/factsheet33en.pdf

Ohlenburg, Tim, 2020. “AI in Social Protection – Exploring Opportunities And Mitigating Risks.” GIZ, Bonn. https://sdghelpdesk.unescap.org/sites/default/files/2020-07/GIZ_ADB_AI%20in%20social%20protection.pdf

Ohnsorge, Franziska and Shu Yu, 2021. “The Long Shadow of Informality: Challenges and Policies.” World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/35782

OPM (Oxford Policy Management), 2017. “Shock-Responsive Social Protection Systems Research: Literature Review.” 2nd edition. Oxford, UK: OPM. https://www.opml.co.uk/files/Publications/a0408-shock-responsive-social-protection-systems/srsp-literature-review.pdf?noredirect=1

Ortiz, I., Cummins and K.M. Karunanethy, 2017. “Fiscal Space for Social Protection and the SDGs: Options to Expand Social Investments in 187 Countries.” Extension of Social Security Working Paper No. 048. ILO, UNICEF, UN Women. Geneva. https://www.social-protection.org/gimi/RessourcePDF.action?id=51537

Packard, Truman G., Ugo Gentilini, Margaret Ellen Grosh, Philip B. O’Keefe, Robert J. Palacios, David A. Robalino and Indhira Vanessa. “Protecting All: Risk Sharing for a Diverse and Diversifying World of Work.” (English). Washington, DC.: World Bank Group. http://documents.worldbank.org/curated/en/997741568048792164/Protecting-All-Risk-Sharing-for-a-Diverse-and-Diversifying-World-of-Work

Pages, C, 2017. “Do Payroll Tax Cuts Boost Formal Jobs in Developing Countries?” IZA World of Labor 2017: 345 doi: 10.15185/izawol.345. https://wol.iza.org/articles/do-payroll-tax-cuts-boost-formal-jobs-in-developing-countries

Palacios, Robert J. and Edward Whitehouse, 2006. “Civil-service Pension Schemes Around the World.” Social Protection and Labor Discussion Paper No. 0602. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/20205 License

Parry, I., S. Black and N. Vernon, 2021. "Still Not Getting Energy Prices Right: A Global and Country Update of Fossil Fuel Subsidies." IMF Working Paper No. 2021/236. Washington D.C: International Monetary Fund https://www.imf.org/en/Publications/WP/Issues/2021/09/23/Still-Not-Getting-Energy-Prices-Right-A-Global-and-Country-Update-of-Fossil-Fuel-Subsidies-466004

Paul, Boban Varghese, Puja Vasudeva Dutta and Sarang Chaudhary, 2021. "Assessing the Impact and Cost of Economic Inclusion Programs: A Synthesis of Evidence." Policy Research Working Paper No. 9536. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/35109 License: CC BY 3.0 IGO.

Peterman, A., 2021. "Do Child Grants Lead to Increased Pregnancies? An Evidence View from Asia and the Pacific", Social Protection Approaches to COVID-19 Expert Advice Service (SPACE). DAI Global UK Ltd, United Kingdom. https://socialprotection.org/sites/default/files/publications_files/SPACE%20-%20Child%20Grants%20and%20Pregnancy%20Incentives%20in%20AP%20-%20FINAL_0.pdf

Peyron Bista, Celine and John Carter, 2017. "Unemployment Protection: A Good Practices Guide and Training Package: Experiences." ASEAN. Bangkok: ILO. https://labordoc.ilo.org/discovery/delivery/41ILO_INST:41ILO_V1/1249339370002676

Radcliffe, Dan., 2017. "Opinion: How Digital Financial Services Can Boost Government Accountability in South Africa. Global Views: Digital Payment (blog). https://www.devex.com/news/opinion-how-digitalfinancial-services-can-boost-government-accountability-89776.

Ralston, Laura, Colin Andrews and Allan Hsiao, 2017. "The Impacts of Safety Nets in Africa: What Are We Learning?" Policy Research Working Paper No. 8255. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/28916

Rana, Md Masud Parves and Irina N. Ilina, 2021. "Climate Change and Migration Impacts on Cities: Lessons from Bangladesh." Environmental Challenges 5 (December): 100242. https://doi.org/10.1016/J.ENVC.2021.100242.

Ravallion, Martin, 2005. "Inequality Is Bad for the Poor." Washington, D.C: World Bank. https://openknowledge.worldbank.org/handle/10986/9141

Raza, Wameq Azfar, Anushka Mehreen Zafar, Sheikh Naveed Uddin Ahmed, 2021. "Improving Outcomes for Displaced Rohingya People and Hosts in Cox's Bazar: Current Evidence and Knowledge Gaps." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/35807

Razavi, Shahra, Christina Behrendt, Mira Bierbaum, Ian Orton and Lou Tessier, 2020. "Reinvigorating the Social Contract and Strengthening Social Cohesion: Social Protection Responses to COVID-19." International Social Security Review, 73: 55– 80. https://doi.org/10.1111/issr.12245.

Rigolini, Jamele, 2021. "Social Protection and Labor: A Key Enabler for Climate Change Adaptation and Mitigation. Social Protection and Jobs." Discussion Paper No. 2108. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/36669

Riumallo-Herl, C. and E. Aguila, 2019. "The Effect of Old-Age Pensions on Health Care Utilization Patterns and Insurance Uptake in Mexico." BMJ Global Health. https://gh.bmj.com/content/4/6/e001771

Robalino, David, Jose Romero and Ian Walker, 2020. "Allocating Subsidies for Private Investments to Maximize Jobs Impacts." IZA Working Paper 13373. Bonn. https://www.iza.org/publications/dp/13373/allocating-subsidies-for-private-investments-to-maximize-jobs-impacts

Robalino, David, David Newhouse and Fredericke Rother, 2013. "Labor and Social Protection Policies During the Crisis and the Recovery." https://openknowledge.worldbank.org/handle/10986/16306

Robalino, David and Michael Weber, 2013. "Designing and Implementing Unemployment Benefit Systems in Middle- and Low-Income Countries: Beyond Risk-Pooling vs Savings." IZA J Labor Policy. https://doi.org/10.1186/2193-9004-2-12

Robalino, David, Milan Vodopivec and Andras Bodor, 2009. "Savings for Unemployment in Good or Bad Times: Options for Developing Countries." IZA Discussion Papers. Institute for the Study of Labor (IZA). https://www.iza.org/publications/dp/4516/savings-for-unemployment-in-good-or-bad-times-options-for-developing-countries

Roelen, Keetie, Stephen Devereux, Abdulai Abdul-Gafaru, Bruno Martorano, Tia Palermo and Luigi Peter Ragno, 2017. "How to Make 'Cash Plus' Work: Linking Cash Transfers to Services and Sectors." Innocenti Working Paper No. 2017-10. https://www.unicef-irc.org/publications/915-how-to-make-cash-plus-work-linking-cash-transfers-to-services-and-sectors.html

Rofman, Rafael, Ignacio Apella, Ignacio and Evelyn Vezza, 2015. "Beyond Contributory Pensions: Fourteen Experiences with Coverage Expansion in Latin America." Directions in Development--Human Development. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/20602

Rofman, Rafael and Ignacio Apella, 2020. "When We're Sixty-Four: Opportunities and Challenges for Public Policies in a Population-Aging Context in Latin America." International Development in Focus. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/34562

Romero, Jose Manuel and Arvo Kuddo, 2019. "Moving Forward with ALMPs: Active Labor Policy and the Changing Nature of Labor Markets." Social Protection and Jobs Discussion Paper No. 1936, World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/33081

Ronconi, Lucas, 2019. "Enforcement of Labor Regulations in Developing Countries." IZA World of Labor 2019: 457. Bonn. https://wol.iza.org/articles/enforcement-of-labor-regulations-in-developing-countries/long

Rudolph, Heinz P., 2016. "Building Voluntary Pension Schemes in Emerging Economies." Policy Research Working Paper No. 7779. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/24860

Rudolph, Heinz P., 2019. "Pension Funds with Automatic Enrollment Schemes: Lessons for Emerging Economies." Policy Research Working Paper No. 8726. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/31230

Sabates-Wheeler, Rachel, 2019. "Mapping Differential Vulnerabilities and Rights: 'Opening' Access to Social Protection for Forcibly Displaced Populations. Comparative Migration Studies." https://comparativemigrationstudies.springeropen.com/track/pdf/10.1186/s40878-019-0142-6.pdf

Saliola, Federica, 2021. "Why the Future of Work Policy Agenda Remains Relevant: It's not Just about Addressing Digital Disruption." World Bank Blogs. World Bank, Washington, DC. https://blogs.worldbank.org/developmenttalk/why-future-work-policy-agenda-remains-relevant-its-not-just-about-addressing

Scheil-Adlung, Xenia, 2015. "Long-Term Care Protection for Older Persons: A Review of Coverage Deficits in 46 Countries." https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---soc_sec/documents/publication/wcms_407620.pdf

Schjødt, 2021. "Impacts of Social Protection on Social Cohesion and Reconciliation. Theories, Experiences and Case Studies." https://www.helpage.org/silo/files/impacts-of-social-protection-on-social-cohesion-and-reconciliation.pdf

Schwarz, Anita M. and Miglena Abels, 2016. "Issues for Civil Service Pension Reform in Sub-Saharan Africa." Social Protection and Labor Discussion Paper No. 1613. World Bank, Washington, DC. http://hdl.handle.net/10986/25364

Schwarz, Anita M., Omar S. Arias, Asta Zviniene, Heinz P. Rudolph, Sebastian Eckardt, Johannes Koettl, Herwig Immervoll and Miglena Abels, 2014. "The Inverting Pyramid: Pension Systems Facing Demographic Challenges in Europe and Central Asia." World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/17049

Sepulveda, Magdalena, 2018. "Is Biometric Technology in Social Protection Programmes Illegal or Arbitrary? An Analysis of Privacy and Data Protection." Extension of Social Security Working Paper 59, International Labor Organization, Geneva. https://www.researchgate.net/publication/325909014_Is_biometric_technology_in_social_protection_programmes_illegal_or_arbitrary_An_analysis_of_privacy_and_data_protection

Sepulveda, Magdalena and Carly Nyst, 2012. "The Human Rights Approach to Social Protection." https://www.ohchr.org/documents/issues/epoverty/humanrightsapproachtosocialprotection.pdf

Silva, Joana, Liliana D. Sousa, Truman G. Packard and Raymond Robertson, 2021. "Employment in Crisis: The Path to Better Jobs in a Post-COVID-19 Latin America." World Bank Latin America and Caribbean Studies. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/35549

Skoufias, Emmanuel, Yasuhiro Kawasoe, Eric Strobl and Pablo Acosta, 2019. "Identifying the Vulnerable to Poverty from Natural Disasters: The Case of Typhoons in the Philippines." Policy Research Working Paper No. 8857. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/31735

Somville, Vincent and Lore Vandewalle, 2018. "Saving by Default: Evidence from a Field Experiment in Rural India." American Economic Journal: Applied Economics, 10 (3): 39-66. https://www.aeaweb.org/articles?id=10.1257/app.20160547

Subbarao, Kalanidhi, Carlo del Ninno, Colin Andrews and Claudia Rodríguez-Alas, 2013. "Public Works as a Safety Net: Design, Evidence, and Implementation." Directions in Development; Human Development. World Bank, Washington, DC. https://openknowledge.worldbank.org/handle/10986/11882

Thornberry and Viljoen, 2009. "Overview Report of the Research Project by the International Labour Organization and the African Commission on Human and Peoples' Rights on the Constitutional and Legislative Protection of the Rights of Indigenous Peoples in 24 African Countries." Centre for Human Rights, University of Pretoria. https://www.ilo.org/global/topics/indigenous-tribal/publications/WCMS_115929/lang--en/index.htm

Thome K., J.E. Taylor, M. Filipski, B. Davis and S. Handa, 2016. "The Local Economy Impacts of Social Cash Transfers." https://www.fao.org/publications/card/en/c/1154dc4a-037a-47f0-855e-66abdea96d57/

Ulrichs, Martina and Rachel Slater, 2016. "How Can Social Protection Build Resilience?" Working Paper. https://cdn.odi.org/media/documents/11123.pdf

UNCTAD (The United Nations Conference on Trade and Development), 2021. "Digital Economy Report." https://unctad.org/system/files/official-document/der2021_en.pdf

UNDESA (The United Nations Department of Economic and Social Affairs), 2018. "The Report on the World Social Situation 2018: Promoting Inclusion through Social Protection." https://www.un.org/development/desa/dspd/world-social-report/2018-2.html

UNDESA, 2019. "World Population Prospects 2019." Online Edition. Rev. 1

UNGA (The United Nations General Assembly), 2015. "Sendai Framework for Disaster Risk Reduction 2015–2030." https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_69_283.pdf

UNICEF (United Nations Children's Fund), 2003. "Changing Minds, Policies, and Lives." United Nations Children's Fund, New York. https://www.unicef-irc.org/publications/pdf/gatekeeping.pdf

UN OCHA (United Nations Office for the Coordination of Humanitarian Affairs), 2018. "Global Humanitarian Overview 2018." United Nations Office for the Coordination of Humanitarian Affairs, New York. https://www.unocha.org/sites/unocha/files/GHO2018.pdf

UN OCHA, 2021. "Global Humanitarian Overview 2021." United Nations Office for the Coordination of Humanitarian Affairs, New York. https://reliefweb.int/sites/reliefweb.int/files/resources/GHO2021_EN.pdf

UNPRPD, 2006. "The Convention on the Rights of Persons with Disabilities." UN Partnership on the Rights of Persons with Disabilities, New York.

UNPRPD and ILO, 2021. "Overview of Specific Social Protection Measures for Persons with Disabilities and Their Families in Response to COVID-19 Crisis." UN Partnership on the Rights of Persons with Disabilities, New York and International Labour Organization, Geneva. https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_817572.pdf

Van Eerdewijk, Anouka, Franz Wong, Chloe Vaast, Julie Newton, Marcelo Tyszler, and Amy Pennington, 2017. "White Paper: A Conceptual Model of Women and Girls' Empowerment. Royal Tropical Institute (KIT)." Amsterdam. https://www.kit.nl/wp-content/uploads/2018/10/BMGF_KIT_WhitePaper_web-1.pdf

Walque, Damien de, Lia Fernald, Paul Gertler, and Melissa Hidrobo, 2017. "Cash Transfers and Child and Adolescent Development. Child and Adolescent Health and Development." 3rd ed. World Bank, Washington, DC. http://dcp-3.org/chapter/2472/cash-transfers-and-child-and-adolescent-development

WEF (World Economic Forum), 2019. "Global Gender Gap Report 2020." World Economic Forum, Geneva. https://www3.weforum.org/docs/WEF_GGGR_2020.pdf

WFP (World Food Programme), 2020. "The State of School Feeding 2020." World Food Programme, Rome. https://www.wfp.org/publications/state-school-feeding-worldwide-2020

WHO (World Health Organization) and World Bank, 2011. "World Report on Disability." World Health Organization, Geneva. https://www.who.int/disabilities/world_report/2011/report.pdf

World Bank, 2006. "World Development Report 2006: Equity and Development." Washington, DC. http://documents.worldbank.org/curated/en/435331468127174418/World-development-report-2006-equity-and-development

World Bank, 2009. "Pensions in Crisis: Europe and Central Asia Regional Policy Note." Washington, DC. http://web.worldbank.org/archive/website01352/WEB/IMAGES/PENSIO-2.PDF

World Bank, 2012a. "General Guidelines for the Development of Government Payment Programs. Financial infrastructure series. Washington, DC. https://openknowledge.worldbank.org/handle/10986/22127

World Bank, 2012b. "Social Protection & Labor Strategy 2012-2022." Washington, DC. https://www.worldbank.org/en/topic/socialprotection/publication/social-protection-labor-strategy-2012-2022

World Bank, 2012c. "World Development Report 2013: Jobs." Washington, DC. https://openknowledge.worldbank.org/handle/10986/11843

World Bank, 2013a. "Colombia - Support For The Second Phase of The Expansion of The Program of Conditional Transfers-*Familias en Acción* Project." Washington, DC. https://imagebank2.worldbank.org/search/19716937

World Bank, 2013b. "Inclusion Matters: The Foundation for Shared Prosperity. New Frontiers of Social Policy." Washington, D.C: World Bank. https://openknowledge.worldbank.org/handle/10986/16195

World Bank, 2014a. "Georgia Public Expenditure Review: Strategic Issues and Reform Agenda. Washington, DC. https://openknowledge.worldbank.org/handle/10986/19301

World Bank, 2014b. “The State of Social Safety Nets 2014.” Washington, DC. https://www.worldbank.org/en/topic/safetynets/publication/the-state-of-social-safety-nets-2014

World Bank. 2015a. “India - Nai Manzil Education and Skills Training for Minorities Project (English).” Washington, DC. http://documents.worldbank.org/curated/en/633761468188664540/India-Nai-Manzil-Education-and-Skills-Training-for-Minorities-Project

World Bank, 2015b. “Indigenous Latin America in the Twenty-First Century: The First Decade.” Washington, DC. https://openknowledge.worldbank.org/handle/10986/23751

World Bank, 2015c. “World Development Report 2015: Mind, Society and Behavior.” Washington, DC. https://openknowledge.worldbank.org/handle/10986/20597

World Bank, 2016a. “Greece Social Welfare Review.” Washington, DC. https://www.dianeosis.org/wp-content/uploads/2017/11/world_bank.pdf

World Bank, 2016b. “Reviving a Slowing Economy; Jordan Economic Monitor. Fall 2016.” Washington, DC. https://www.worldbank.org/en/country/jordan/publication/jordan-economic-monitor-fall-2016

World Bank, 2017a. “Environmental and Social Framework.” Washington, DC. https://thedocs.worldbank.org/en/doc/837721522762050108-0290022018/original/ESFFramework.pdf

World Bank, 2017b. “A Fair Adjustment: Efficiency and Equity of Public Spending in Brazil Volume 1 - Overview.” Washington, DC. https://imagebank2.worldbank.org/search/29698972

World Bank, 2018a. “Chad - Refugees and Host Communities Support Project.” Washington, DC. https://imagebank2.worldbank.org/search/30374988

World Bank, 2018b. “The Little Data Book on Financial Inclusion 2018.” Washington, DC. https://openknowledge.worldbank.org/handle/10986/29654

World Bank, 2018c. Migration from Venezuela to Colombia: Short- and Medium-Term Impact and Response Strategy. Washington, D.C: World Bank. https://openknowledge.worldbank.org/handle/10986/3065

World Bank, 2018d. The State of Social Safety Nets 2018. Washington, D.C: World Bank https://openknowledge.worldbank.org/handle/10986/29115

World Bank, 2018e. “World Development Report 2018: Learning to Realize Education’s Promise.” Washington, DC. https://openknowledge.worldbank.org/handle/10986/28340

World Bank, 2019a. “Employing Workers Database 2019.” Washington, DC. https://www.worldbank.org/en/research/employing-workers.

World Bank, 2019b. “Global ID Coverage, Barriers, and Use by the Numbers: An In-Depth Look at the 2017.” ID4D-Findex Survey. Washington, DC. http://hdl.handle.net/10986/33430

World Bank, 2019c. “Moving Forward with ALMPs: Active Labor Policy and the Changing Nature of Labor Markets. Social Protection and Jobs.” Discussion Paper No. 1936. Washington, DC. https://openknowledge.worldbank.org/handle/10986/33081

World Bank, 2019d. “Social Contracts and World Bank Country Engagements: Lessons from Emerging Practices.” Washington, DC. https://openknowledge.worldbank.org/handle/10986/32621

World Bank, 2019e. “World Development Report 2019: The Changing Nature of Work.” Washington, DC. https://documents1.worldbank.org/curated/en/816281518818814423/pdf/2019-WDR-Report.pdf

World Bank, 2020a. “Additional Financing for Argentina Children and Youth Protection Project (P167851). Project Appraisal Document. Washington, DC. https://documents1.worldbank.org/curated/zh/637771541386854911/pdf/argentina-children-and-youth-protection-project-af-pp-p167851-19092018-08312018-636769656477412818.pdf

World Bank, 2020b. “Demand-Driven Skills Training and Results-Based Contracting: Lessons for Youth Employment Programs.” Washington, DC. https://openknowledge.worldbank.org/handle/10986/33556

World Bank, 2020c. “Ethiopia - Strengthen Ethiopia’s Adaptive Safety Net Project.” Washington, DC. https://imagebank2.worldbank.org/search/32566102

World Bank, 2021a. “Disability-Inclusive Social Protection: Meeting Corporate Commitments and Enhancing Quality of SP Operations - Guidance Note for Social Protection and Jobs Staff.” World Bank 2021. Washington, DC.

World Bank, 2021b. “Project Appraisal Document for the People’s Republic of Bangladesh for a Recovery and Advancement of Informal Sector Employment.” Washington, DC.

World Bank, 2021c. Results and Performance of the World Bank Group 2021. Independent Evaluation Group. Washington, DC: World Bank. https://ieg.worldbankgroup.org/sites/default/files/Data/Evaluation/files/RAP2021.pdf

World Bank, 2021d. “South Africa Social Assistance Programs and Systems Review.” Washington, DC. https://documents1.worldbank.org/curated/en/238611633430611402/pdf/South-Africa-Social-Assistance-Programs-and-Systems-Review.pdf

World Bank, 2021e. "Updated Estimates of the Impact of COVID-19 on Global Poverty: Turning the Corner on the Pandemic in 2021?" World Bank Blogs. Washington, DC. https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty-turning-corner-pandemic-2021

World Bank, 2021f. "Zambia's Farmer Input Support Program and Recommendations for Re-Designing the Program." Washington, DC. https://openknowledge.worldbank.org/handle/10986/3580

World Bank, 2022a. "Breaking Barriers: Female Entrepreneurs Who Cross Over to Male-Dominated Sectors." Washington, DC. https://www.worldbank.org/en/topic/gender/publication/breaking-barriers-female-entrepreneurs-who-cross-over-to-male-dominated-sectors

World Bank, 2022b. "Subnational Civil Servant Pension Schemes in Brazil: Context, History and Lessons of Reform." Washington, DC.https://documents1.worldbank.org/curated/en/099550004042224301/pdf/P17483603189580590a33b0b368392a27a5.pdf

World Bank, 2022c. "Women, Business and the Law 2022." Washington, DC. Doi:10.1596/978-1-4648-1817-2. https://openknowledge.worldbank.org/bitstream/handle/10986/36945/9781464818172.pdf?sequence=7&isAllowed=y

World Bank and DFAT (Australian Department of Foreign Affairs and Trade), Forthcoming. "Diverse Paths: The Dynamic Evolution of Social Protection in Asia and the Pacific." Washington, DC. and Sydney, Australia: World Bank and DFAT.


WORLD BANK GROUP