SOCIAL RISK MANAGEMENT FOR MITIGATING SOCIAL AND ECONOMIC IMPACTS FROM NATURAL DISASTERS

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Natural disasters are rapidly increasing
More people are affected by disasters
We are exposed to risks

Social Risks

• Unemployment
• Accidents
• Illness
• Disability
• Aging
• Destitution
• Economic shocks
• Conflicts

Disaster Risks

• Floods
• Earthquakes
• Typhoons, Cyclones, Hurricanes
• Tornadoes
• Droughts
• Landslides
Human Security

Social Risk Management

Disaster Risk Management & Climate Change Adaptation

Financial Risk Management
## Risk Management Strategies + Examples

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<th>Disaster Risk Management</th>
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<td>• Education &amp; training</td>
<td>• Strengthening or building protective infrastructure</td>
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<td>Lower the probability</td>
<td>• Sound economic policy</td>
<td>• Ecosystem management</td>
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<td>• Healthy life style + preventive care</td>
<td>• Reduce greenhouse gasses</td>
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<td>Ex-ante preparation</td>
<td>• Disability insurance</td>
<td>• Emergency Management Systems</td>
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<td>Ex-post actions</td>
<td>• Cutting foods and basic expenses</td>
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<td>• Suspend education and health care</td>
<td>• Recovery and reconstruction</td>
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<td>• Distress sale of productive assets</td>
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Convergence of SRM and DRM

- Disasters hit the poor and the vulnerable more acutely because they:
  - Live in disaster-prone areas
  - Do not have access to formal insurance mechanisms
  - Have less savings / financial assets to cushion the impact
  - Are often the last to receive any kind of help

- SRM, particularly social transfer programs, has been called upon to support the survivors to protect their livelihood & recover

- Examples of Social Transfer Programs:
  - Bolsa Familia in Brazil
  - Productive Safety Net Program (PSNP) in Ethiopia
  - Let’s see how they work in normal, non-disaster situations
Brazil Bolsa Familia Program

- Started in 2004
- 14 million poor families receiving transfers – 36 million people kept out of poverty (2013)
- 16 million students monitored for their school attendance
- 50% increase in prenatal healthcare
- 99.1% of children vaccinated
Massive floods & landslides: Jan., 2011

903 died; 17,000 left homeless

Bolsa Familia:
• provided in-kind and cash benefits to 162,000 families in 279 municipalities within 10 days of the floods
• used its registry and ID cards to identify affected families
Ethiopia Productive Safety Net Program

- Launched in 2005
- Reaching 10 million food-insecure population in Ethiopia
- Temporary work up to 6 months / year
- Financed by Government of Ethiopia ($500m), World Bank ($600m) and 11 other development partners
Severe droughts in East Africa 2011

- Food shortage and famine
- Ethiopia, the only country not to increase poverty in the region

**PSNP:**
- Expanded its coverage from 6.5 million to 9.6 million in 2 months
- Extended the duration of benefit period from 6 mo/yr to 9 mo/yr.
Growing body of lessons

- SRM instruments are increasingly used as DRM instruments
- Newer SRM programs have build-in mechanism to quickly scale-up when a disaster strikes. Examples:
  - Mexico: Temporary Employment public works program (PET)
  - The Philippines: Pantawid Pamilyang Pilipino Program (4P)
  - Pakistan: Floods Emergency Cash Transfer Program
How to Manage Social Risks of Disasters?

- Place a robust SRM system before disaster
- As much as possible, piggy-back DRM functions on existing SRM systems & programs
What could these mean in practice?

- Designate a “backbone” program(s) as the core SRM disaster response vehicle?
- Prepare contingency financing to scale up the program in case of a disaster?
- Identify high-risk areas for disasters & economic/social profile of the populations by coordinating SRM and DRM agencies (e.g. sharing hazard & poverty maps)?

- What else?
- Needs to learn more and share knowledge and experience.
Japan has ample experience in SRM

- Livelihood protection (生活保護) transfer for low-income households
  - Benefit portability: it can be transferred to the evaluation destination
- Low-interest loans for pensioners (厚生年金等担保貸付、労災年金担保貸付等)
- Child allowance / Education assistance programs / Female-headed household assistance / Disability assistance
- Unpaid wage advance (未払賃金立替払制度) / Employment training and job-matching (職業訓練・職の斡旋)
- Many of these programs have a long history, and their operation are decentralized to municipalities (市町村)
- How did they work as SRM instruments to support 3.11 survivors?
Things happen at the local + community levels

- Strong mutual support systems among prefectures and municipalities, e.g. on internally displaced persons (IDPs), emergency rations
- Active participation of CSOs/NGOs in information gathering, dissemination, emergency response, emergency response (incl. food/basic necessities distribution), advocacy
Countries want to learn from Japan....

Nishinomiya City’s Victim Support System originally built at the response to Hanshin-Awaji Earthquake (1995). Now public domain software (free) from Japan Agency for Local Authority Information Systems
Conclusion

- Disasters are becoming more common (the “new normal”) and negatively impacting lives and livelihood, especially of those who are poor and vulnerable
- SRM and DRM are converging
- Developing countries are rapidly gaining experience and are interested in Japan’s experience in building SRM and DRM systems. Interests include but not limited to:
  - How has Japan build both types of systems over years?
  - What are the coordination mechanisms at the national, prefectural and municipal levels?
  - How are the SRM and DRM financed in Japan?
  - What were the obstacles, including political ones, that had to be overcome, and how did Japan do it?
Thank you!