

WEAVING THE SAFETY NET:

CHOICE OF APPROPRIATE BALANCE  
BETWEEN  
SOCIAL SAFETY NET INSTRUMENTS

# PRESENTATION OUTLINE

Social safety nets in the global and country contexts

Key considerations in balancing the mix of social safety net programmes

Issues and Challenges

The case of Malawi

Final thoughts

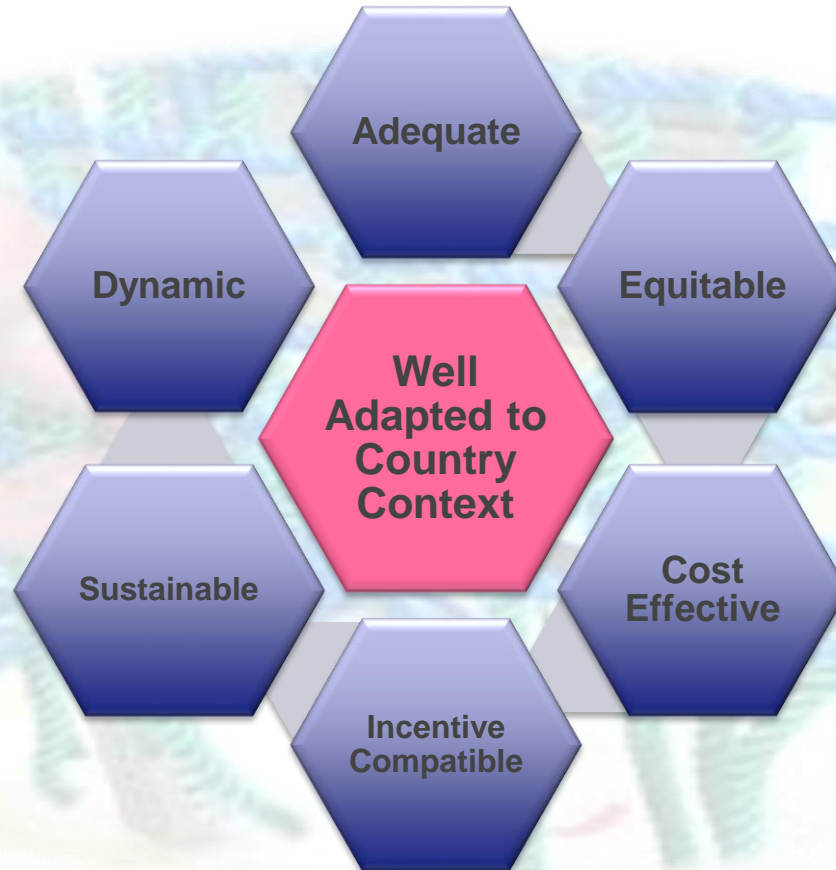
# DEFINING SOCIAL SAFETY NETS

Safety nets are non contributory measures designed to provide regular and predictable support to poor and vulnerable people.

*(The State of Safety Nets 2015, 7)*

The provision of basic goods and services to the most vulnerable when needed

# WEAVING THE SAFETY NET



# THE MIX OF SAFETY NET PROGRAMMES IS NOT PRESCRIPTIVE.

- The prevalence of programme types differs by the income level of the country.
- Multiple benefits can be a desirable and positive feature when interventions respond to different household needs or provide pathways to graduation.
- Overlaps may however signal gaps and inefficiencies and should be measured against indicators of coverage, adequacy, enrollment, and benefit incidence. *(State of Safety Nets pg. 9)*

## GLOBAL CONTEXT

- 98 countries or have at least four programme types
- 33 countries have two or three types
- 26 countries have one or no type of safety net

# JAMAICA- Country Profile

## Jamaica is a small island developing state

Population	2,7623,000
GDP per Capita	J\$567,346
Rate of Growth	low- less than 1%
Rates of Unemployment	Male 10.1% Female 18.1% Youth Unemployment Rate 34.2% (Male Youth :27, Female Youth: 44.1)
National Poverty Rate	19.9%

*(Economic and Social Survey of Jamaica, 2014)*

# JAMAICA - MIX OF UNIVERSAL AND TARGETED PROGRAMMES

Type of Programme	Main Programme	Target Group
Conditional Cash Transfer	PATH	Children, Elderly, Persons with disabilities, pregnant/lactating women, indigent adults
Unconditional Cash and in Kind Transfer	Poor Relief	Indigent adults, children, homeless/street people
In Kind Transfer	School Feeding	Students (basic to secondary school)
In Kind Transfer	Meals on Wheels	Elderly
Fee Waiver/ Subsidy	National Health Fund Jamaica Drug for the Elderly Programme	Universal Elderly
Fee Waivers	Health and Education fee waivers and subsidies	Universal
Public Works	Jamaica Emergency Employment Programme	Unemployed

# BALANCING THE SAFETY NET- KEY CONSIDERATIONS

## **A. Safety Net Priorities to Address Risks**

**WHY-** Address needs and risks

**WHAT-** Strategic Interventions

**FOR WHOM-** Target Groups

**HOW-** The Systems

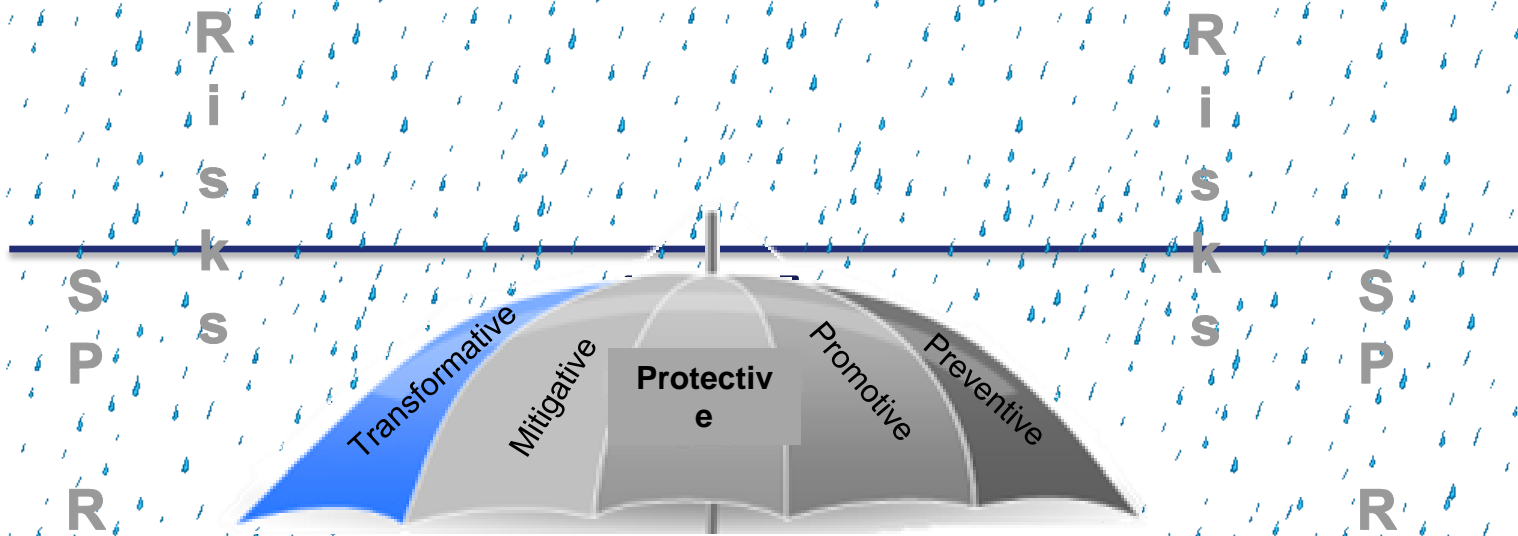
**FOR HOW LONG-** Duration

**WHEN** - Timing



# TYPES OF INTERVENTIONS

- Preventive.....prevent risks
- Mitigative.....reduce the negative effects
- Protective.....treat with results of risks
- Promotive.....strengthen resilience
- Transformative.....change behaviour,  
structures, norms etc.



# BALANCING THE SAFETY NET- KEY CONSIDERATIONS

## **B. Policy objectives influencing the safety net at a particular point in time**

- Macro economic
- Social Policy context
- Political context
- Environmental context

Family/ Community/ National Contexts

# BALANCING THE SAFETY NET- KEY CONSIDERATIONS

## **C. Financing**

- Balancing allocation of resources across the safety net
- Sustainability of financing
- Source of funding
- Timing – Availability / Fiscal Space
- Value for Money

# BALANCING THE SAFETY NET- ISSUES AND CHALLENGES

- Duplication of benefits and services. eg.- school feeding vs lunch money.
- Targeting using subjective rather than objective means
- Consensus on exit strategies from the demand and supply sides.
- Government Ministries, Departments and Agencies working in silos
- Resistance to information sharing and taking tough decisions on programmes
- Gaps in coverage eg. targeting rural and urban contexts, revision of proxy means test 2008 and 2011



# THE CASE OF MALAWI

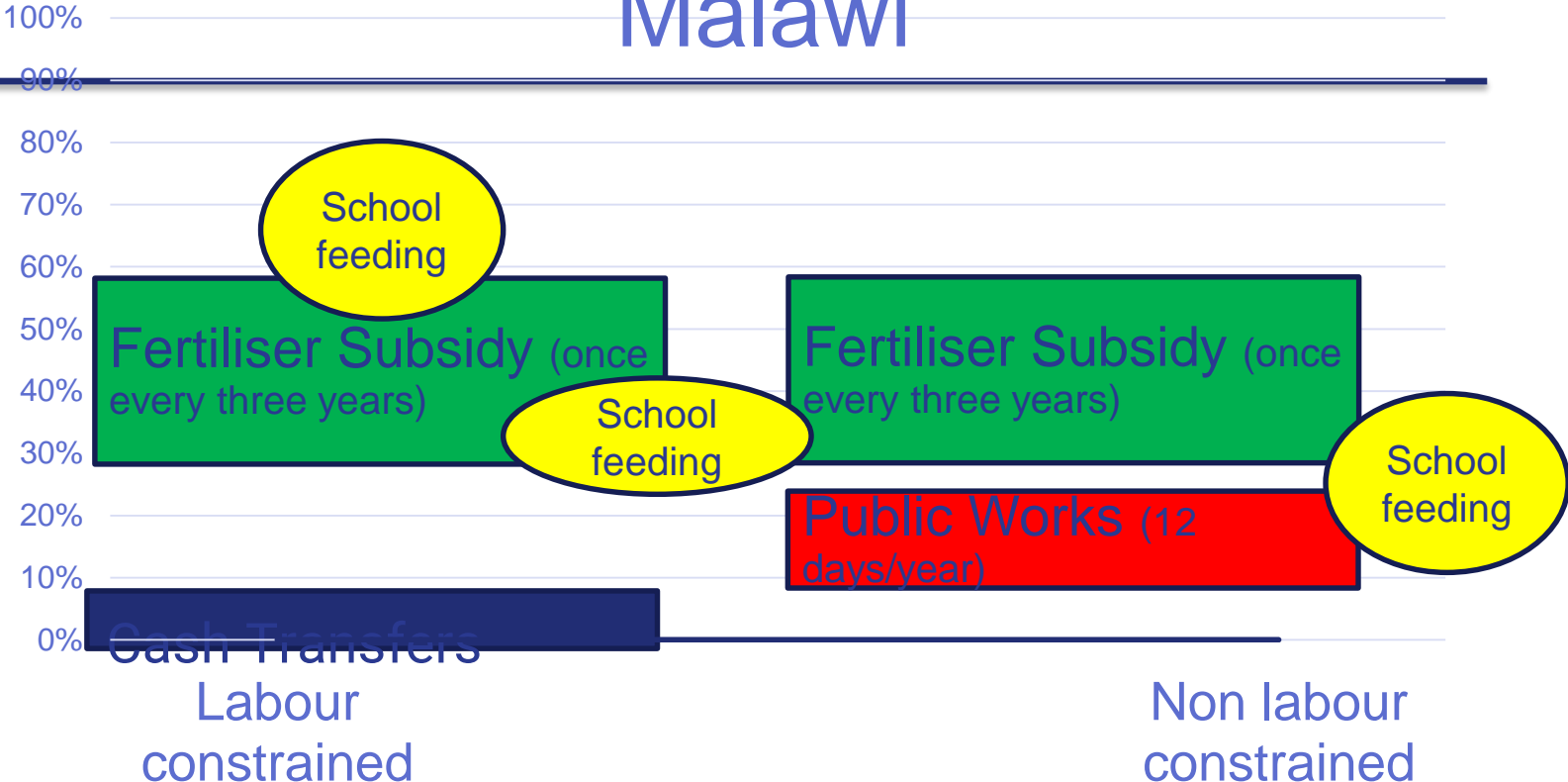
Category	Income poverty (national poverty line)	Multidimensional poverty (3+ deprivations)	Program
Children (0-17)	43	63	<ul style="list-style-type: none"> <li>• School feeding</li> <li>• Cash transfers</li> <li>• Humanitarian</li> </ul>
Children 0-23 mths	43	48	<ul style="list-style-type: none"> <li>• Cash transfers</li> <li>• Humanitarian</li> </ul>
Children 24-59 mths	41	55	<ul style="list-style-type: none"> <li>• Cash transfers</li> <li>• Humanitarian</li> </ul>
Children 5-14 yrs	44	66	<ul style="list-style-type: none"> <li>• Cash transfers and school bonus</li> <li>• School feeding</li> <li>• Humanitarian</li> </ul>
Children 15-17 yrs	38	73	<ul style="list-style-type: none"> <li>• Cash transfers and school bonus</li> <li>• School feeding</li> <li>• Humanitarian</li> </ul>

Category	Income poverty	Program
Pregnancy	51 (women)	<ul style="list-style-type: none"> <li>Public works</li> <li>Cash transfers</li> <li>Fertiliser subsidy</li> </ul>
Working age	51 (overall)	<ul style="list-style-type: none"> <li>Public works</li> <li>Cash transfers</li> <li>Fertiliser subsidy</li> </ul>
Old age	51 (overall)	<ul style="list-style-type: none"> <li>Cash transfers</li> <li>Fertiliser subsidy</li> </ul>
Ultra poor (less than 20 cents per day)	25	<ul style="list-style-type: none"> <li>Public works</li> <li>Fertiliser subsidy</li> </ul>
Ultra poor and labour constrained (dependency ratio)	10	<ul style="list-style-type: none"> <li>Cash transfers</li> </ul>



# Malawi

Poor  
↑  
Ultra poor

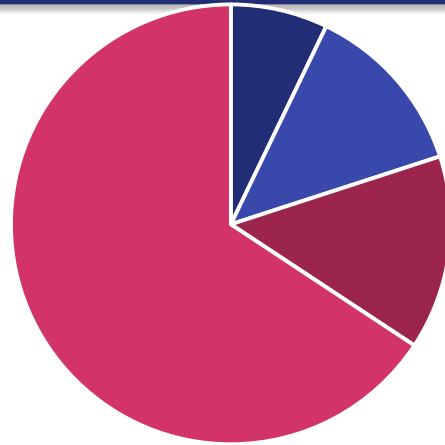


Program	Components	Performance of program	Recommendations
<b>Cash transfers</b>	<ul style="list-style-type: none"> <li>• \$7 per month to ultra poor and labour constrained. (10% of population.)</li> <li>• Includes school bonus if kids enrolled at school.</li> <li>• 170,000 households (18 out of 28 districts)</li> <li>• Cost 0.5% GDP</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Beneficiary coverage</b> – low (10%)</li> <li>• <b>Targeting</b> – OK, given significant depth of poverty</li> <li>• <b>Generosity</b> – moderate (20% consumption needs)</li> <li>• <b>Cost effectiveness</b> - unknown? Administrative costs still moderate.</li> <li>• <b>Impact on development</b> – education, food security, consumption</li> </ul>	
<b>Public works</b>	<ul style="list-style-type: none"> <li>• 12 days' work per year for those ultra poor but not labour constrained</li> <li>• Focus on watershed management</li> <li>• Same beneficiaries for three years</li> <li>• Cost 0.9% GDP</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Beneficiary coverage</b> – low (15% of population)</li> <li>• <b>Targeting</b> – proportion of ultra poor and labour constrained might be above 10% line in certain districts and they're not eligible for PWs</li> <li>• <b>Generosity</b> – low (12 days work, less money than CTs)</li> <li>• <b>Impact on development</b> – did not improve food security or use of agricultural inputs</li> <li>• <b>Cost effectiveness</b> – questionable given did not achieve objectives</li> </ul>	

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<b>Fertiliser subsidy</b>	<ul style="list-style-type: none"> <li>• Highly subsidised fertiliser voucher (\$1 for fertiliser costing \$20)</li> <li>• Previously nearly all rural farmers. Now randomised to 1.5m every year, with all to receive once every three years</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Targeting</b> – unclear. Randomised every three years.</li> <li>• <b>Coverage</b> – unclear</li> <li>• <b>Generosity</b> – decreasing</li> <li>• <b>Cost-benefit ratio</b> – unclear</li> <li>• <b>Impact</b> – unclear</li> </ul>	

# Allocation of social protection budget (donor and government)

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■ Cash transfer

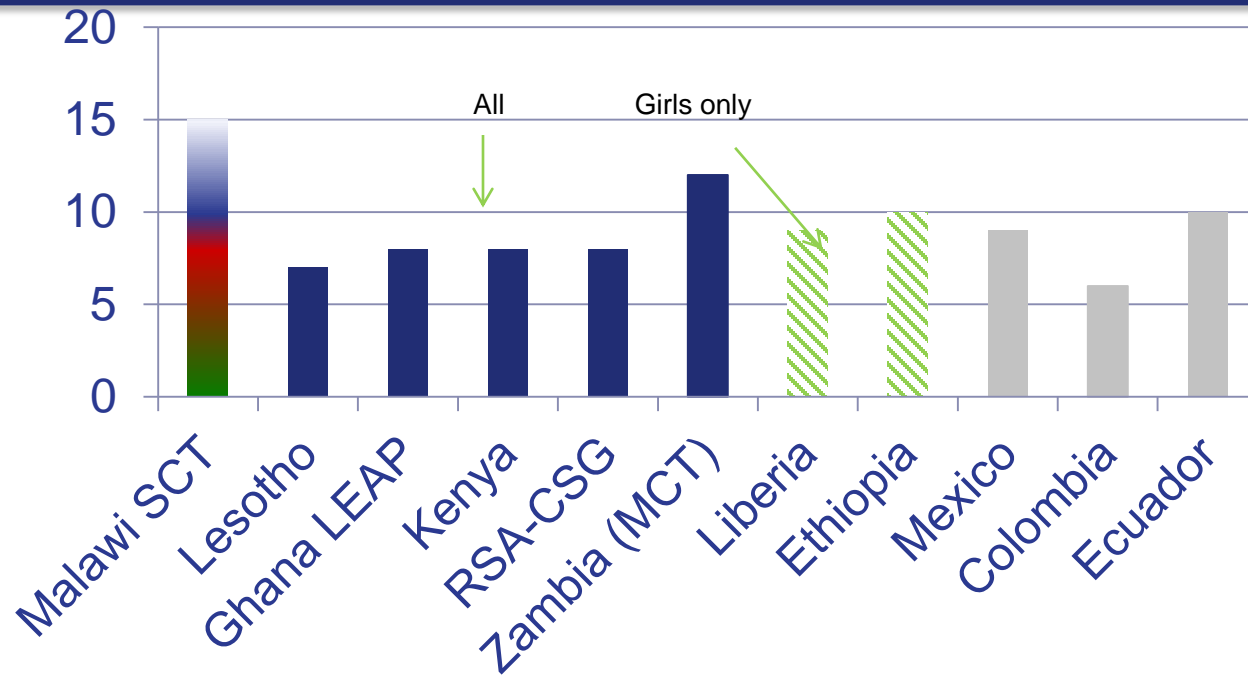
■ Public Works

■ School meals

■ Fertiliser subsidy

# School enrollment impacts

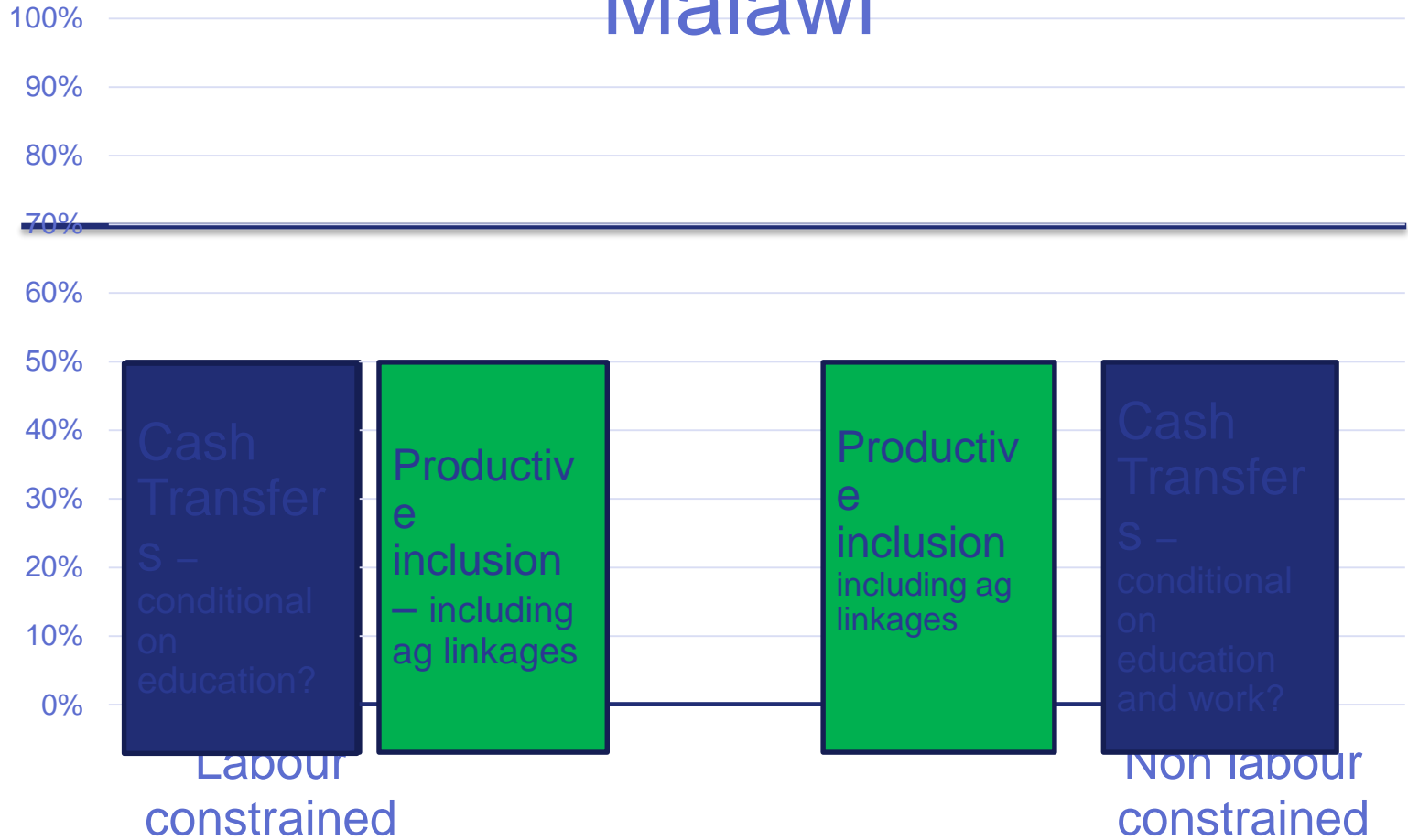
School enrollment impacts among secondary age children strong, equal to those from CCTs in Latin America



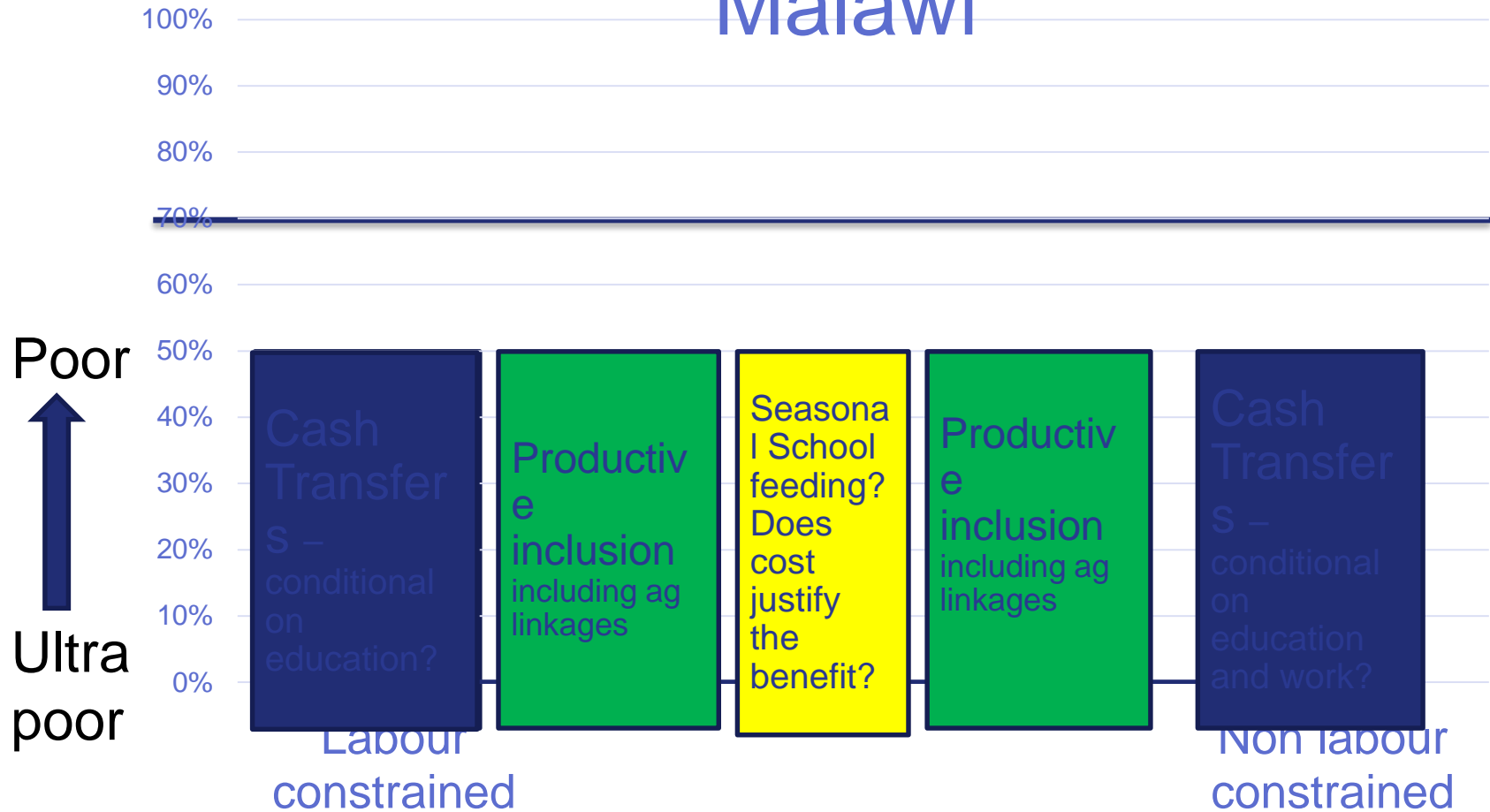
Primary enrollment already high, impacts at secondary level

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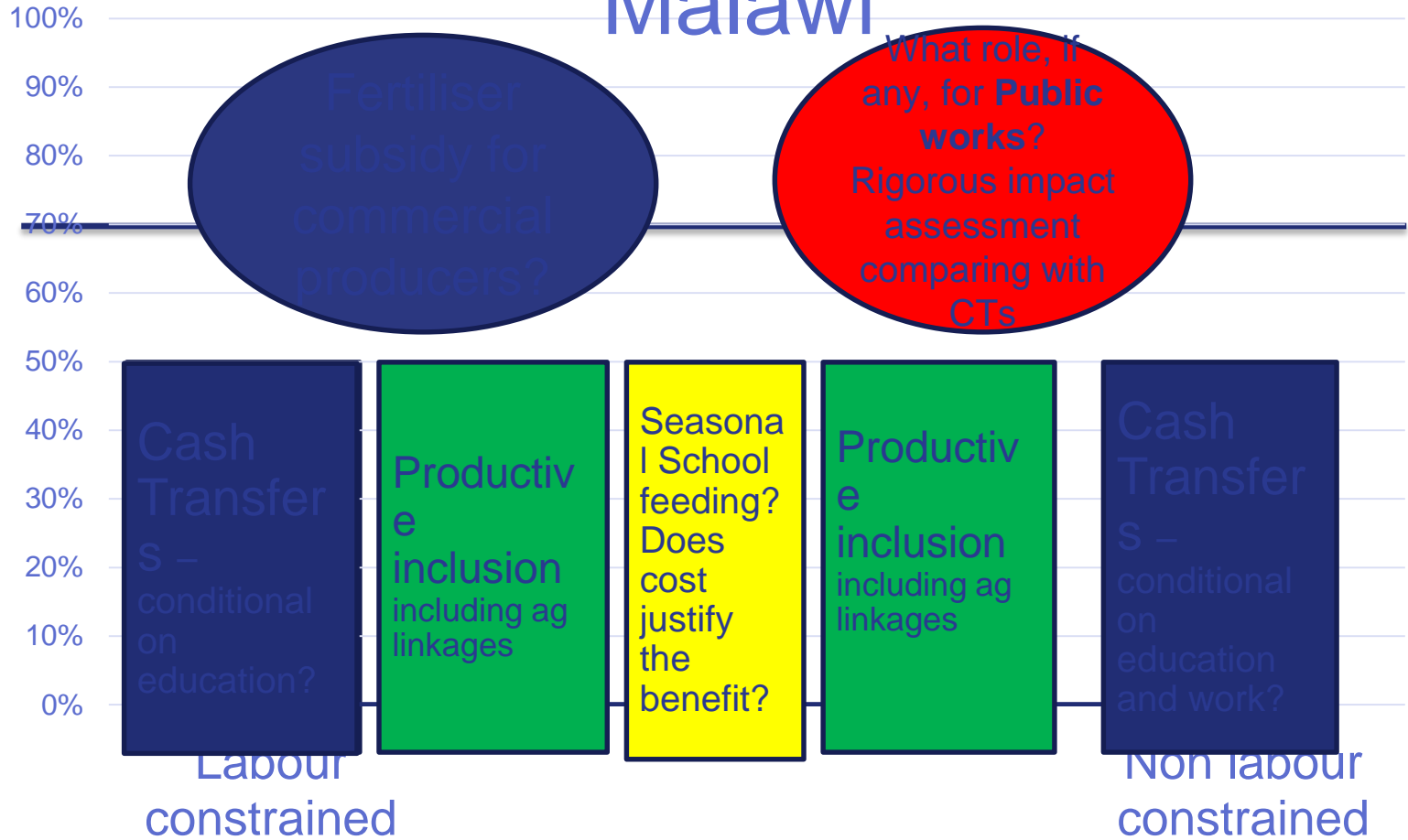


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# BALANCING THE SAFETY NET- SOME FINAL THOUGHTS

- Overarching safety net strategy- Human capital development, productive inclusion etc.
- Mix of interventions for the mix of needs- Targeting efficiency, coverage, poverty gap- which programmes are more effective, context specific
- Coordination, collaboration, monitoring and evaluation and effective MIS systems
- Strengthening institutional capacities for programme delivery- Human resources and systems are critical
- Policy and programme coherence
- Strong technical leadership and political will

# QUESTIONS

