



The Role of Social Protection During Economic Shocks Introduction

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Outline of the Sessions

- Road map: what is adaptive SP?
- Economic shocks and the need for adaptive SP response
- Four cases for the panel: what do they feature
 - Egypt, Indonesia, Liberia, Ukraine
- + Three cases for Global Café: what is special about them?
 - Greece, Jordan, Russia

Roadmap

The three building blocks and traditional social protection

Information on households and beneficiaries

Data and analysis

Collect information on households, analyze poverty and household characteristics

Information systems

Backbone of overall social protection system, information on beneficiaries, household characteristics, registries



Programs that reach beneficiaries with adequate help

All social programs pass through the same delivery processes - "assess, decide and implement" - targeting, enrolment and transaction

Multi-year, predictable financing

Typically, social protection has or is seeking multiyear financial commitments to meet long term objectives of human capital building and poverty reduction

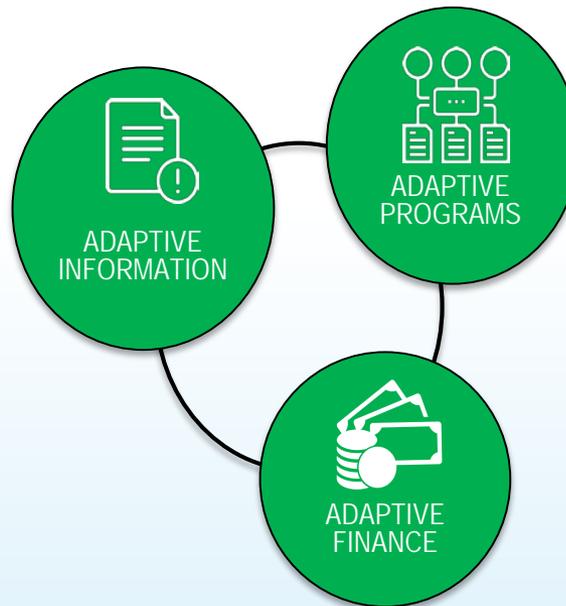
Roadmap: A summary of the three adaptive building blocks

Investing in > Preparedness

Understand risks and vulnerabilities

Assessment and diagnostic of risk and household vulnerability

Integration of new information streams into information systems



Building resilience and / or responsive to new needs

Design features that cover most vulnerable to shocks with resilience building measures

Flexibility to scale up, meet changed needs, absorb new beneficiaries

Accessible financing to cover anticipated costs

Financial strategy in place. Access to appropriate financial instruments to cover risks and contingent liabilities

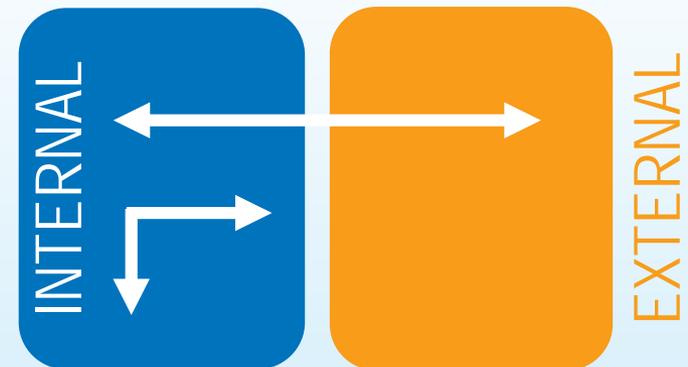
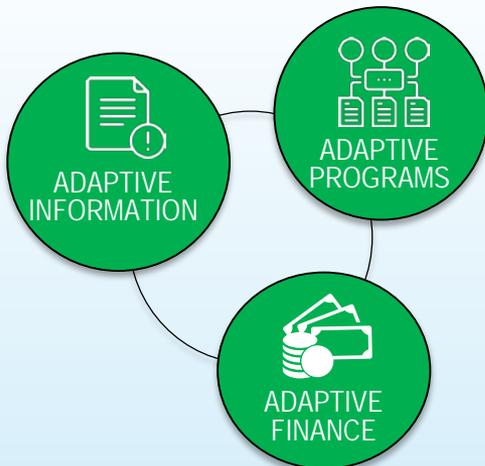
The road map of the Forum



The role of government
Setting objectives

Investing in a more adaptive social protection system
Three building blocks

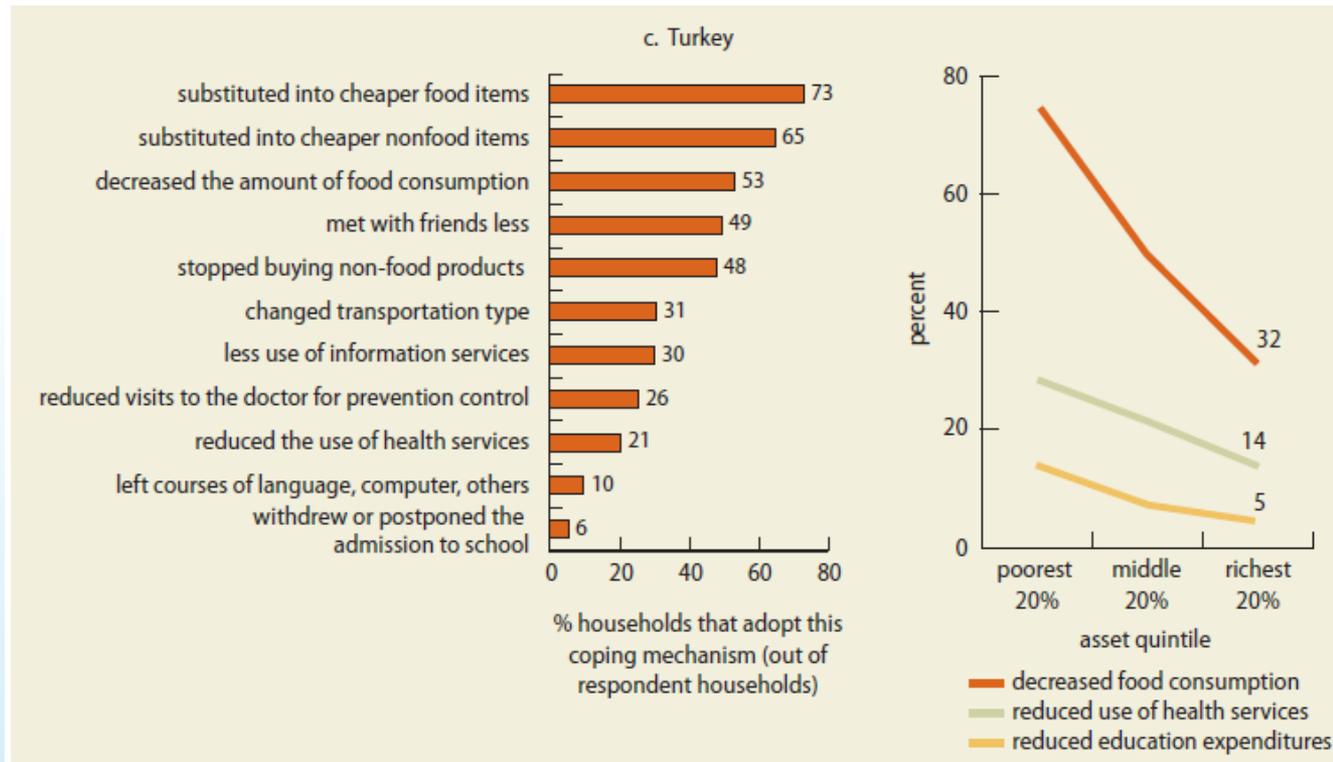
Defining institutional arrangements
Within and across government
With non-government partners



Why Economic Shocks?

The case of Turkey, 2008

Reductions in consumption and reduced health and education investments, especially among the poorest



What kind of economic shocks?

- Economic fluctuations
 - Recessions and financial market crises
 - Inflation
 - Trade and balance of payment shocks
- Reforms
 - Structural reforms in the economy
 - Fiscal tightening
 - Subsidy reforms
- Non-economic shocks with economic consequences
 - Droughts and floods -> prices and incomes
 - Pandemics -> loss of livelihoods
 - Conflict and violence -> migration

Four cases for the panel

- Egypt
 - Challenges: Revolution and rapid social change; economic slow down, devaluation, inflation, subsidy reform
 - Responses: fast scale up of CCT and reform/scale up social pension, reform of other social programs
- Indonesia
 - Challenges: Several rounds of energy subsidy reform, limited coverage by social programs
 - Responses: comprehensive information system, temporary compensations for the poor, alignment of programs
- Ukraine
 - Challenges: Conflict, severe economic crisis, major increase in the cost of energy and subsidy
 - Responses: launching and scaling up in record time targeted subsidy compensation program
- Liberia
 - Challenges: Poverty, youth unemployment and devastating pandemic with destruction of livelihoods in affected areas
 - Responses: Coordinated donor response and social safety net to alleviate the economic consequences

Three cases for Global Café

- Greece
 - Challenges: protracted crisis, huge unemployment. one of the longest and deepest in economic history, inefficient social protection system, sharp discontent in the population
 - Responses: launch and scale up of the new GMI program, measures to boost job creation, optimization of the existing social programs
- Jordan
 - Challenges: Multiple rounds of subsidy removal, influx of refugees, fiscal imbalances
 - Responses: temporary compensations outside of the social safety nets, continuous strengthening of the main social safety nets, improvements in its efficiency and preparation for scale up
- Russia
 - Challenges: economic recession, inflation, financial crisis, fiscal imbalances, inefficient, complex, and unmanageable social protection system
 - Responses: improvement in information and diagnosis of key disfunctions, gradual optimization of existing programs, use of existing targeted measures to mitigate poverty impacts of the crisis

Summary and questions

- The focus is on countries that have been trying to respond to economic crises of various kinds.
- What was done in response to an economic shock?
- Which of the following elements of adaptive SP were most important:
 - Leadership and coordination by Government
 - Information and warning systems
 - Flexible delivery of social protection
 - Flexible finances?
- What was the weakest part of the response?
- How you would advice responding to the next crisis?