

Social Protection

Designing Basic Social Protection Schemes in Developing Countries

Economic shocks and natural disasters causing catastrophic expenditure for households are common phenomena in many developing countries, and they leave a great number of people unprotected against social risks. A lack of protection against such risks can have disastrous consequences, pushing people even deeper into poverty. Whereas in most developed countries, citizens are entitled to social benefits if they are the victims of adverse circumstances, such a last resort mechanism is unknown to most citizens in developing countries. They cope by taking children out of school, by selling valuable productive assets and by reducing the quality or quantity of nutrition, which leaves them even more vulnerable to future shocks and less equipped to escape the vicious circle of poverty. Basic social protection would not only prevent such negative coping mechanisms but also accommodate the elderly, disabled and chronically ill, who are often excluded from development programmes designed for households with self-help capacity. There is plenty of evidence that a basic floor of social protection is affordable not only in middle-income countries, but also in low-income countries.



Basic social protection is not a static construction, but is tailored to the individual needs of a country and can consist of **various instruments**:

social cash transfers such as social pensions, social assistance transfers, child grants and conditional cash transfers tied to school attendance, vaccination of toddlers etc.

in-kind transfers such as free waivers for health services, scholarships and waivers for school fees, food aid, school-meal programmes, free health checks for infants, etc.

public works such as cash or food for work programmes for households with a degree of self-help potential.

GTZ's experience and impacts

The design of basic social protection programmes is a relatively new area for international development cooperation that has gained momentum through the initiatives of the World Bank, ILO and DfID. GTZ, as one of the pioneers, decided to acquire expertise in this largely unexplored field by building on the particular German experience in social protection and by relying on the great knowledge and experience of an organisation that has operated in many sectors related or transferable to social protection. Based on its experience, GTZ advocates:

- embedding basic social protection instruments in the larger context of social protection systems, which allows for a holistic approach
- analysing existing instruments in the country and their compatibility and integration with other components
- interlinking basic social protection with other themes such as social development (education and health), state modernisation, governance, economic development and pro-poor growth.

GTZ's experience in southern Africa, Latin America and Asia has demonstrated that basic social protection programmes pay off. A well-devised, reliable, durable and contextual social protection programme:

- helps the most vulnerable in society to overcome crises without long-term loss of income and prevents them from adopting coping mechanisms with negative impact on human capital;
- improves the health status and education level of beneficiaries and thereby increases future employment opportunities for children;
- enables beneficiaries to invest in higher-risk activities with higher returns on investment and stimulates overall economic activity in the community;
- presents an interesting alternative to humanitarian aid and short-term interventions with questionable impact.



GTZ's service package

GTZ supports ministries and implementing agencies in our partner countries in designing and reforming basic social protection programmes.

Analysis of present concepts of basic social protection:

In order to guarantee that existing viable formal and informal risk management strategies are integrated into

a comprehensive protection strategy, GTZ screens the present structure of social protection programmes for its effectiveness and sustainability. GTZ assists in bundling different existing elements to a more integrated social protection system that meets the specific needs of a country.

Evaluation of new concepts: GTZ analyses the viability of new concepts through pilot phases and thereby contributes to the exploration of new development strategies for countries where other strategies have shown little or no success.

Targeting methods: GTZ helps to select, adapt and coordinate the right targeting methods, which represents one of the main challenges for a functional social protection programme. GTZ gives advice on how to better integrate and involve the poorest in the design of social protection.

Counselling of institutions: GTZ strengthens the institutions in charge by advising them throughout the entire process. GTZ ensures that involved institutions are well prepared and trained to administer the social protection programme professionally.

Training and capacity building: GTZ designs training and capacity building modules for targeting, monitoring and evaluation mechanisms.

Identification of resources: GTZ supports governments in identifying national and international financial resources.

Advocacy: Together with other international partners, GTZ lobbies for the importance of basic social protection in the development context.

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