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ISSUE-BASED COALITION ON SOCIAL PROTECTION

UNDG EUROPE AND CENTRAL ASIA

JOINT ADVOCACY MESSAGES

SEPTEMBER 2018

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¹ In this paper, the term Europe and Central Asia (ECA) is used to refer to the following countries and territories: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Kazakhstan, Kosovo (references to Kosovo shall be understood to be in the context of Security Council Resolution 1244 (1999)), the Kyrgyz Republic, Moldova, Montenegro, Serbia, Tajikistan, the former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine, and Uzbekistan.

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FOREWORD

Social protection is a human right, and every person has a right to social security and a decent standard of living. Social protection is an economic and social responsibility, contributing to the reduction of poverty, exclusion and inequality, and enhancing political stability and social cohesion. Social protection is therefore essential for inclusive growth and sustainable development; it is a condition for transformative changes and for the successful achievement of Sustainable Development Goals (SDGs).

Nonetheless, social protection is not yet a reality for all. 55 per cent of the global population – as many as 4 billion people – are left unprotected. In the wider region of Europe and Central Asia, including the advanced economies of Western Europe, 84 per cent of the population is covered by at least one social protection benefit. However, this figure hides disparities across countries and types of risks, with wide variations in coverage for the same type of benefit observed across sub-regions. Exclusion from social protection is not acceptable from a human rights perspective. It is also a missed opportunity from an economic and social development point of view.

The social protection floors reaffirm the right to social protection. These are nationally defined sets of social security guarantees for essential health care, basic income security for children, basic income security for persons with disability, older persons, and others who are not able to earn sufficient income because of sickness, unemployment, maternity and others. Social protection, including floors, contributes to the

achievement of the 2030 Agenda and its SDGs. Having direct and indirect linkages with and impact on all 17 SDGs, it is essential for ending poverty (SDG 1), contributes to healthy lives (SDG 3) and to promoting decent work (SDG 8), and it is crucial for achieving gender equality (SDG 5) and reduction of inequality (SDG 10).

With the 2030 Agenda and the SDGs at its core, the United Nations continuously strengthen its collaboration in the area of social protection, expanding joint activities to extend social protection floors in countries around the world. In Europe and Central Asia, the Issue-Based Coalition (IBC) for Social Protection was established under the auspices of the Regional UNDG Team and the Regional Coordination Mechanism to carry out joint advocacy, develop and disseminate knowledge from country experiences, and serve as a regional hub of social protection expertise.

The Joint Advocacy Messages covered in this note are the result of joint thinking, analytics and positioning of the regional UN system in Europe and Central Asia. They are the commitment of the UN to deliver as one on social protection in the region and at the country level. Emanating from a regional advocacy paper (“Building More Inclusive, Sustainable and Prosperous Societies in Europe and Central Asia”) that covers a wider policy scope, the Joint Advocacy Messages will foster greater policy coherence among the UN actors in the area of social protection, which will ultimately contribute to the mobilization of national and international action for the achievement of social protection for all.



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BACKGROUND

The background consists of several overlapping geometric shapes. A large, light blue triangle occupies the left and bottom-left portions of the frame. A darker blue triangle is positioned in the top-right corner. A medium blue triangle is situated in the bottom-right area, overlapping the light blue triangle. The remaining space is filled with a solid cyan color.

Social protection is a human right, and it is an obligation of states to ensure people have access to adequate means to realize and sustain economic and social rights from birth to the end of life.

Since the 2008 economic crisis, there has been increased international focus on social protection and the role it can play in building the resilience of individuals, households and societies as a whole and accelerating recovery, reducing the risk of large sections of the population falling into, or deeper into, poverty when faced with shocks, and helping them recover quickly in the aftermath of shocks. This attention has further grown with the increased risk of extreme weather events and other climate-change related shocks. Much of this attention has by-passed the ECA region, in part because the countries of the region already have relatively well-established – although not necessarily effective – social protection systems. Moreover, the design and logic of these systems reflect approaches which are increasingly out of tune with the realities and challenges of the 21st century.

The UN agencies participating in the UNDG Europe and Central Asia (ECA) Issue-Based Coalition (IBC) are working on different aspects of social protection, and have come together in the shared conviction that uncoordinated policy advice and support on social protection reforms is counter-productive and that partnerships based on a shared vision and messaging are necessary to frame the actions of each agency and to reduce the risk of fragmented and ineffective interventions. The UN Social Protection Floor Initiative (UN SPF-I) is a joint UN initiative which grew out of the 2008 crisis,

and serves as a platform through which the UN can support countries' efforts to strengthen the social transfers and access to essential services that make up a country's social protection floor, using a system-wide approach. As a policy framework the UN SPF-I is particularly valuable as it reaffirms the human rights-based approach to social protection. However, while the UN SPF-I provides a useful base and guiding principles, there is a need to "regionalize" it. The UNDG's regional IBC on social protection offers a concrete answer to the call made by UNDG Chair and ILO Director-General in 2014 to advance "Delivery as One" on social protection floors.² One of the three main activities of UNDG's regional IBC on social protection is:

“Common positions and advocacy – The IBC will work towards the development of joint regional definitions and indicators, and common positions on social protection, relevant to the context and needs of the ECA region to support national reforms of social protection.”

The purpose of this paper is to put forward common positions and advocacy messages which agencies in the coalition have agreed on, and from which they can draw when working at the national level. These positions and messages were discussed at the meeting of the IBC in Istanbul on 28th April 2017, and revised in accordance with comments, suggestions and inputs received. It is hoped, however, that the joint advocacy paper will remain a living document, which can be updated by the IBC at periodic intervals as the coalition expands and in line with developments in thinking and best practices in the region.

2 Letter from UNDG Chair and ILO Director- General to all UN Resident Co-ordinators and UN Country Teams available here: <http://www.social-protection.org/gimi/gess/RessourcePDF.action?id=44138>

1. THE UN SOCIAL PROTECTION FLOOR INITIATIVE (UN SPF-I)

Social protection, or social security, is a human right.³ Social protection systems usually have two main strands and sources of funding: (i) social insurance, based on contributions from employers and employees and (ii) social assistance and social support services, which are funded from general taxation. Social protection has been an integral part of governments' efforts to combat and eliminate poverty since the late 19th century. However, there have been profound changes in thinking about poverty and the policies and programmes required to address it.

The UN SPF-I is a platform for working together towards a new social protection strategy for the 21st century, to generate public consensus to advance the human right to social protection⁴, and to provide concrete policy proposals on how to guarantee access to this right through social protection systems. The International Labour Organization's Social Protection Floors Recommendation (No. 202) was adopted by representatives from 183 countries at the International Labour Conference in June 2012.⁵ It established social protection floors as a new international standard.

Social protection floors are nationally-defined sets of basic social security guarantees, which secure protection aimed at preventing or alleviating poverty, vulnerability⁶ and social

exclusion.⁷ These guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and basic income security. National social protection floors should comprise at least the following four minimum social security guarantees, as defined at the national level:

1. access to essential health care, including maternity care,
2. child benefits, to secure access to nutrition, education, care and any other necessary goods and services,
3. basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability,
4. basic income security (adequate pensions) for older persons.

Such guarantees should be provided to all residents and all children, as defined in national laws and regulations, and subject to existing international obligations.⁸

The UN SPF-I also explicitly refers to the objective of tackling social exclusion. This provides the link to social inclusion policies, which are increasingly relevant for advancing on the SDG principle of leaving no one behind, and are linked to the goal of eradicating extreme poverty. It also helps reinforce the need to move away from a focus on social protection as a means to address cases of extreme poverty (based on addressing basic needs), to a more relative and empowering approach, which is more appropriate for the situation in most of the lower- and upper-middle income countries in the ECA region.

3 Article 22 of the Universal Declaration of Human Rights states "Everyone, as a member of society, has the right to social security" and Article 25 states that "(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control;(2) Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection."

4 The right to social security and to adequate standards of living are set out not only in articles 22 and 25 of the Universal Declaration of Human Rights, but also in articles 26 and 27 of the Convention on the Rights of the Child. The UN SPF-I approach is also relevant to ensuring children and persons with disabilities can access their rights as set out in the Convention on the Rights of People with Disabilities.

5 Social Protection Floors Recommendation, 2012 (No. 202) http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R202

6 Vulnerability is defined as the interaction between individuals' and households' exposure to risk and their capacity to respond and cope with adverse circumstances, whether chronic or sudden.

7 Social exclusion is a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education and training opportunities, as well as social and community networks and activities. They have little access to power and decision-making bodies and thus often feel powerless and unable to take control over the decisions that affect their day-to-day lives. Definitions from the EC's 2004 Joint Report on Social Inclusion.

8 <http://www.ilo.org/secsoc/areas-of-work/policy-development-and-applied-research/social-protection-floor/lang--en/index.htm>

REGIONALIZING THE UN SPF-I

The ECA region has relatively well-established social protection systems, originally based on universal principles. However, the transition period in the 1990s and the fiscal difficulties faced by countries since has led to multiple reforms of these systems, and has weakened ministries responsible for social protection throughout the region. In many cases, schemes were discontinued and/or benefits eroded, leading to gaps both in the *de jure* social protection rights, and in the *de facto* ability to access these rights.⁹ Social protection is rarely perceived or spoken of as a right. Rather, the focus is on minimizing the costs of social protection to the state budget and – in the case of social assistance – narrowing the target group and lowering benefit levels such that they barely address basic needs. This, in turn, can result in stigmatization and discrimination against recipients of state welfare.

Over the last 15 years, there have been significant reductions in the incidence of extreme poverty in the region, but the picture is less rosy if we consider the share of the population that is vulnerable to poverty – i.e. those in danger of slipping into extreme poverty if faced with shocks.¹⁰ UNDP research suggests that around 5 million people live in poverty (using a threshold of PPP\$3.10/day), but that 70 million people in Eastern Europe, Turkey, and Central Asia are vulnerable to poverty (those in the PPP\$3.10/day – PPP\$10/day range).¹¹ Turkey and Kazakhstan – two countries that are generally regarded as being among the region’s development success stories – by themselves account for just under half of this figure. In Albania, Armenia, Georgia, Kyrgyzstan, Moldova, and Tajikistan, well over half the population is either poor or vulnerable to poverty.¹² This underscores how the region’s relatively low absolute income poverty levels are an imperfect

guide to assessing vulnerabilities, developmental risks and threats. Social protection policies require both new forms of data for identifying vulnerability, and new instruments to build “floors” to boost socio-economic resilience.

Apart from the large shares of the population that remain vulnerable to poverty, there are certain groups at particular risk of social exclusion, due to the multiple forms of deprivations and discrimination they encounter in their lives. The Roma population face a significant lack of access to basic services, such as early childhood schooling and healthcare.¹³ Other marginalized groups include: the elderly, particularly those living in rural areas and those living alone in urban areas, adults and children with disabilities, refugees or displaced populations, and families left behind by labour migrants, particularly in the Central Asian countries.

These cases are illustrative of the interplay between poverty and social marginalization, which trap families and children in an intergenerational cycle of poverty, deprivation and exclusion. Most important here is the recognition that if poverty *and* social exclusion are to be addressed, then traditional social security instruments have to be combined with policies and approaches that can play “promotional” and “transformative” roles in addressing the structural causes of poverty, and foster social inclusion.¹⁴ This implies putting in place a set of integrated and cross-sectoral interventions and processes ensuring that those living in poverty or at risk of poverty and exclusion “gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live”.¹⁵ Particularly, the attitudes and values that often underlie the exclusion of particular groups, and which are sometimes reflected in legislation and/or biases in the ways in which social protection services are delivered, need to be addressed and changed.

9 In some cases, there are gaps even in legal rights regarding minimum income for children or the elderly. For example, no country has, even *de jure*, a universal child benefit, or social pensions for those who do not receive pensions through the contribution-based schemes.

10 UNDP (2016) Regional Human Development Report 2016 Progress at Risk: Inequalities and Human Development in Eastern Europe, Turkey and Central Asia. Pages 25. http://www.eurasia.undp.org/content/rbec/en/home/library/human_development/regional-human-development-report-2016--progress-at-risk.html

11 *Ibid.* pages 25 and 27. These numbers exclude Turkmenistan and Uzbekistan.

12 The World Bank. PovcalNet data for 2014 <http://iresearch.worldbank.org/PovcalNet/povOnDemand.aspx>

13 Ivanov, A., Kagin, J., 2014, Roma poverty from a human development perspective. Roma Inclusion Working Papers. Istanbul: UNDP.

14 Medical care, sickness benefit, unemployment benefit, old-age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit, survivors’ benefit. ILO, Social Security (Minimum Standards) Convention, 1952 (No. 102)

15 Council of European Union, 2004. “Joint report by the Commission and the Council on social inclusion,” 5 March 2004, Brussels.

Social protection floors provide the basis for joint advocacy on the right to social protection, and for changes in approaches to social protection in ECA region, as well as setting the standards against which governments can be held accountable. Adapting the global UN SPF-I to the ECA context suggests the need for integrated approaches to achieve:

1. a universal basic income for children,¹⁶
2. adequate schemes for those in working age, contributory and non-contributory, from maternity protection to support for those without jobs,
3. universal pensions with adequate benefits for older persons and people with disabilities,
4. support for increasing livelihoods and accessing jobs (implying *inter alia* integrated approaches between social protection offices and labour market institutions/public employment services),
5. access to quality education, health and community based social support and care services,
6. addressing social inclusion through a combination of income security measures¹⁷ designed in conjunction with other social policies.

KEY MESSAGES

Despite economic growth and impressive reductions in absolute poverty, many remain vulnerable to poverty, and pockets of extreme poverty exist. Tackling these will require more policy attention to the promotional and transformational roles¹⁸ of social protection in line with a rights-based approach.

The rights-based approach to social protection as embedded in the UN SPF-I strives to ensure that all of those in need are guaranteed protection, and all citizens can access minimum levels of guaranteed support across the life cycle. However, there is little familiarity with or use of the rights-based approach in the region, and in some cases, minimum social security rights exist on paper (*de jure*), but there are *de facto* gaps in access.

A key SDG principle is to go beyond national averages and 'leave no one behind'. The UN SPF-I can therefore serve as a platform highlighting key factors which heighten an individual's risk of exclusion and can be used for advocating for the need for reforms and fundamental changes in approaches to ensure access of all to the right to social protection.

Given that income support alone will not necessarily address the root causes of extreme poverty, there is a need for more evaluation of the impact of social protection systems not just on poverty reduction, but also in addressing multiple deprivations and promoting social inclusion (this is discussed further in sections 8 and 9).

Universal coverage includes refugees, and any humanitarian action supporting them should be linked to national social assistance.

¹⁸ See Devereux and Sabates-Wheeler (2004) for a definition of the four main categories of roles that social protection can play, namely provision, prevention, promotional and transformational.

¹⁶ Universal basic income security for children, either through parents or carers, with assistance from the state where needed.

¹⁷ Medical care, sickness benefit, unemployment benefit, old-age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit, survivors' benefit. ILO, Social Security (Minimum Standards) Convention, 1952 (No. 102).

SOCIAL PROTECTION FLOORS IN THE SUSTAINABLE DEVELOPMENT GOALS

Advocacy for Social Protection Floors can be conducted within the framework of SDG national implementation plans and reporting. SPF are explicitly mentioned in SDG 1, target 1.3; but the principles of universality and minimum social protection guarantees for all are reflected in other targets.

- **SDG 1 End poverty in all its forms everywhere:** target 1.3. is explicit about implementation of nationally appropriate social protection systems and measures for all, including floors, leading to substantial coverage of the poor and the vulnerable.
- **SDG 2 End hunger, achieve food security and improve nutrition, and promote sustainable agriculture:** calling for the end of hunger and universal year-round access to safe, nutritious and sufficient food (2.1) as well as for increased incomes and investments in productive capabilities of small-scale farmers (2.3).
- **SDG 3 Ensure healthy lives and promote well-being for all at all ages:** target 3.8 calls for universal health coverage, including financial risk protection, access to quality essential health services, medicines and vaccines for all.
- **SDG 5 Achieve gender equality and empower all women and girls:** target 5.4 calls for recognition and value of unpaid care and domestic work through the provision of public services, infrastructure and social protection policies.
- **SDG 8 Full and productive employment and decent work for all:** calls for full and productive employment for all (8.5) with protection of labour rights and a safe working environment for all.
- **SDG 10 Reduce inequality:** progressive achievement and sustained income growth of the poorest (10.1), empowerment and promotion of social, economic and political inclusion of all (10.2), adoption of fiscal wage and social protection policies to progressively achieve greater equality (10.4).
- **SDG 16 Peace, Justice and Strong Institutions:** sets targets to develop effective, accountable and transparent institutions at all levels (16.6) and to ensure responsive, inclusive, participatory and representative decision making at all levels.

BOX 1 — FROM MESSAGES TO ACTION: WORKING AS ONE UN FOR COMPREHENSIVE SOCIAL PROTECTION LEGISLATION IN ALBANIA

The Albanian Government committed itself to social inclusion of vulnerable and disadvantaged groups in social, economic, civic and political spheres of society. This is to be achieved through mainstreaming social inclusion interventions in different policy domains with particular focus on alleviation of financial poverty and improvement of social protection systems, employment and skills, health, education, housing and human rights protection. The ultimate goal of these efforts is to narrow inequity gaps between the most disadvantaged groups and the rest of population through specific targeting, consolidating social protection coverage and improvement of social services.

UN Agencies have been accompanying the Government on this path by offering technical assistance in legislation and policy development. The result is a Social Protection Strategy (2015-2020) designed through a broad-based consultative process with diverse stakeholders representing excluded groups (users of social assistance, children living in particularly vulnerable situations, survivors of domestic and gender-based violence, persons with disabilities, elderly); civil society organizations; central and local government authorities. The Strategy uses a life-cycle approach to improve the impact of social assistance and disability benefit schemes, advances the quality of existing social care services and proposes new ones. It also seeks to address links between social transfers and social services with broader social protection themes such as health and pensions.



Joint UN support is helping to strengthen social protection and services for many in Albania. © UNICEF/Pirozzi

2. RE-THINKING THE ROLES THAT SOCIAL PROTECTION CAN AND SHOULD PLAY IN THE REGION

Apart from reaffirming and stressing social protection as a human right, the UN SPF-I is a useful platform for a fundamental re-thinking of the roles that social protection can and should play in promoting economic sustainability and social cohesion in the region – and a re-thinking of the suitability of existing instruments for fulfilling these roles. This is required both as a basis for evaluating existing systems, and for designing new ones.

Countries in the ECA region inherited comprehensive systems of social protection, based on universal principles. They were delivered mainly through a system of state-managed, employment-based social insurance programmes which were designed to complement the guarantee of employment, as well as price subsidies for key goods and services. Social assistance benefits were also available, for example for low-income families with children, and other at-risk categories.

Most of the discussion on social protection in ECA since the 1990s has centred on how to keep social protection systems functioning at a reduced/modified scale (especially given the removal of employment guarantees and many price subsidies). In the meantime, particularly over the last decade, the global discussion on social protection has led to considerable changes in the attitudes towards, definitions of, and expectations from social protection.

Take, for example, the case of social assistance. If in the past social assistance was associated predominantly with tax-financed “residual” safety nets for the poor (implying short-term benefits for a narrowly targeted group of recipients, combined with contributory social insurance instruments to compensate the loss of income in cases of unemployment, maternity, old age, sickness and other risks, and therefore prevent households to fall in poverty), both social assistance and social insurance are now seen as having important functions in building the resilience of households and economies to economic and climate-related shocks, promoting economic growth and investing in human capital, addressing economic and social exclusion and building social cohesion and stability. Rather than being seen as a drain on state budgets or an additional burden on enterprises (in the case of contributory schemes which are financed from workers’ and employers’ contributions), social

protection is now recognized as a human right, but also as a viable economic and social investment.¹⁹

So far, this global debate on the expanded and promotional/transformational role for social protection has not been taken up in the region. On the whole, discussion is still largely centred on technical issues, for example the best way to target limited resources for social assistance, improve management of pension systems, and encourage contributions to make pension funds more sustainable. In ECA, it is important to consider the following potential roles of social protection.

As a contributor to economic growth and transformation:

many countries in the region face the challenge of economic restructuring and diversification in order to achieve sustainable economic growth. Well-functioning and adequately-resourced social protection systems can boost productivity and economic growth at the macro-economic level, enterprise level and the household level.²⁰ Social protection supports economic reform processes by maintaining and building human capital, facilitating labour mobility by providing income support in case of unemployment, and providing access to skills development and job placement services for retrenched workers. Social protection also makes good business sense as protected workers are often more productive; also access to health care or maternity benefits reduce absenteeism.^{21, 22} Investing in social protection can also yield significant economic and productive impacts at the household and local level by preventing the loss and enabling accumulation of productive assets, and increasing innovation and risk taking.²³ The increased sense of security ensured by social protection can encourage more, and more innovative and risky, entrepreneurial and other economic activity, especially

19 These approaches are reflected in recent World Economic Forum reports, which stress the role of social protection and employment in building resilience and stability. See for example the Global Risks Report 2017, section 2.3 on the future of social protection systems. <https://www.weforum.org/reports/the-global-risks-report-2017>

20 World Bank (2012) “Productive Role of Safety Nets” Social Protection and Labor Discussion Paper No. 1203

21 Scheil Adlung (date) Can productivity in SMEs be increased by investing in workers’ health? ESS Paper Series, ESS 45

22 Sangheon Lee and Nina Torn (2015) Social security and firm performance: the case of Vietnamese SMEs

23 Nicholas Mathers and Rachel Slater (2014) “Social protection and growth: research synthesis”

among those who live just above the poverty line. Evidence from impact evaluations in other regions points to households shifting labour to higher return productive activities as a result of increased access to social protection, rather than it serving as a work disincentive. Depending on how it is designed and delivered, social protection can also support financial inclusion of the poorest and most excluded.

As an investment in countries' socio-economic development: the EU and OECD use the term “social investment” as an alternative to the “welfare state,” stressing the role of the State not just in providing for individuals undergoing hardship, but investing in human capital to encourage social development and economic growth in the present and future.²⁴ Indeed, the benefits of investing in social protection become even clearer when children are concerned, since improving their well-being significantly improves their current and future choices and opportunities.²⁵ When faced with shocks social protection can prevent households from reducing education and health expenditures, particularly for children. It is also a key instrument in the fight against child labour. Maximizing the impact of social protection on children's well-being requires creating effective integrated social protection systems that link cash benefits with other programmes such as education and training, and social support services for children and families in difficult circumstances. Investing in social protection in the short-term ultimately reduces the longer-term costs of not addressing deprivation. School meals are another social protection measure that can improve children's well-being, including health, nutrition and education.²⁶

Building resilience to shocks: countries in the region – as elsewhere – are vulnerable to global macroeconomic volatility, climate change and conflicts. This was seen with the drop in global oil prices during 2014-2016, affecting those economies where unprocessed oil exports make up large shares of GDP; and also those countries where economies rely on labour migration to countries affected by the oil shock. Social protection systems can contribute to macro-economic recovery after economic shocks, by ensuring

that local demand is not affected by slumps in consumption expenditure. It can contribute not just to individual and household resilience, but also to national economic resilience to shocks.

ECA countries are increasingly vulnerable to extreme weather events related to climate change. Social protection reduces the likelihood of the adoption of negative coping mechanisms such as environmental degradation or chronic indebtedness and sale of assets during times of crises. It also has a key role to play in climate change adaptation and mitigation policies. Social protection systems can become adaptable and shock responsive by building in preparedness to expand the scope of benefits or the number of persons covered in response to economic, political or environmental shocks.²⁷ The recent refugee and migrant crisis has also highlighted the need to have shock-responsive social protection systems that can support displaced populations or refugees. Social protection can also facilitate the transition to more sustainable economies by providing income compensation to those households that are negatively impacted by green policies such as fuel subsidy reforms, bans on forest exploitation or closure of polluting industries.

As a contributor to food security: some countries in the region face food security challenges. Social protection can be part of a strategy to ensure food security and improved nutrition through incorporating nutrition objectives into social protection programmes, using cash and food transfers, including school feeding programmes and other tools aimed at helping vulnerable populations to improve diets through better access to food, increasing income for the most vulnerable populations through transfers and activation programmes promoting access to decent jobs.²⁸

As a promoter of social cohesion: Social protection policies are also an important component of policies to contain and reduce inequality. Together with tax policies, social protection systems are among the channels for the redistribution of income, and they also play a significant role in addressing non-income inequality, such as reducing inequality in access

24 UNICEF (2015) Social Monitor: Social Protection for child rights and well-being in Central and Eastern Europe, the Caucasus and Central Asia. Page 48

25 Ibid. Pages 44-45.

26 WFP (2017) How School Meals Contribute to the Sustainable Development Goals: A Collection of Evidence

27 Oxford Policy Management (2017), 'Shock-Responsive Social Protection Systems Research: Literature review. http://www.opml.co.uk/sites/default/files/Shock_responsive_social_protection_Literature%20review_EN.pdf

28 Adapted from draft Inter-Agency Social Protection Cooperation Board (SPIAC-B) work on an Assessment Tool for Social Protection Programmes for Food and Nutrition, led by FAO

to health and education. By addressing material deprivation and inequality, which are strongly linked to crime and conflict at a high cost to society, social protection fosters social peace and social cohesion.²⁹ By establishing a new social contract between governments and their citizens, mutual trust can be built and strengthened. There are a number of cases in which this has been achieved, from post-reunification in Germany³⁰ to peace-building in Nepal.³¹

As an enabler to empower women: social protection can open up more opportunities and choices for women. Offering affordable care services (for both children and older or disabled family members) that can allow for greater participation among women in the labour force and society at large. Introducing maternity insurance reduces discrimination in hiring for women. On the other hand, for women facing the double burden of unpaid care work and paid employment outside of the home, social protection can allow women to exercise a preference to leave paid employment and raise their children, particularly infants.³² Individual social protection guarantees may also afford women a degree of financial independence where household economics have created female reliance upon male breadwinners for their well-being.

KEY MESSAGES

The UN SPF-I can provide the platform for a cardinal re-thinking of the roles and approaches to social protection in the region, and to stress the more positive impact that they can play in a country's development.

This will involve a shift from looking at social protection as a form of "charity" to seeing it as a right; and a shift from seeing social protection as a cost to the economy to seeing it as an investment.

It also requires a shift in perception from seeing social protection as an intervention that disincentives work to an intervention that can stimulate economic investment and productivity.

Building nationally-defined social protection floors also reaffirms that social protection is a right that should be made available for all the population of a country, including displaced people, through different forms and using different mechanisms (social assistance and social insurance for example, amongst others).

Social protection – if well designed – can be a positive investment in social cohesion and economic sustainability. It also has a key role to play in reducing risk and building resilience, and helping to protect development gains in the face of shocks, and in accompanying potentially painful economic diversification or reform processes.

Thinking about the extended roles that social protection should fulfil – and the multiple types of support/programmes necessary to ensure each of these roles – can help build stronger social protection systems, and ensure that synergies between protection and inclusion aims are achieved.

29 Alderman, H. and Yemtsov, R. (2012) *Productive Role of Safety Nets*, Background Paper for the World Bank 2012–2022 Social Protection and Labor Strategy, World Bank, Washington, March 2012.

30 Ibid.

31 Arnold, C., Conway, T. and Greenslade, M. (2011) *Cash Transfers: Evidence paper*, United Kingdom Department for International Development, Policy Division, London, 2011.

32 UNICEF (2015) *Social Monitor: Social Protection for child rights and well-being in Central and Eastern Europe, the Caucasus and Central Asia*. Page 46 and page 49.

BOX 2 — FROM MESSAGES TO ACTION: WORKING AS ONE UN ON SUPPORTING THE DESIGN OF A NATIONAL SOCIAL PROTECTION FLOOR IN TAJIKISTAN

The Government of the Republic of Tajikistan acknowledged the need to improve its social protection system in the National Development Strategy 2015-2030, which sets out to achieve the socio-economic well-being of the population including through improvement of the social protection system. It stresses the need to improve pension and health systems as well as labour market inclusion and to ensure continuous support for disadvantaged groups of the population: children without parental care, persons with disabilities, the homeless, those living in poverty and retired persons. Following a joint UN assessment-based national dialogue (ABND), in 2016 the Government drafted the National Social Protection Strategy with technical support from UN Agencies (UNICEF, UNDP, ILO, UNHCR, WFP, WHO).

Tajikistan's National Social Protection Strategy is based on a life-cycle approach to social protection defining measures around four life stages (pregnancy and early childhood, learning age, working age and old age) and encompassing

four social protection roles (protective, preventive, promotional and transformative). It also attempts to address some of the key challenges identified in the system in terms of coverage, governance, budgeting and functioning.

The UN's support to the Government includes technical assistance in the process of drafting the social protection strategy, expanding the capacity of the Ministry of Health and Social Protection to collect, analyze and use data, support for the conduct of the ABND on social protection floors, its prioritization and the implementation of identified priorities, as well as support for real time data collection and monitoring. UN Agencies are working together through the results group on social protection based on the UNDAF section dedicated to social protection. Cooperation with other development partners is ensured through the Development Cooperation and Coordination Working Group on Social Protection.



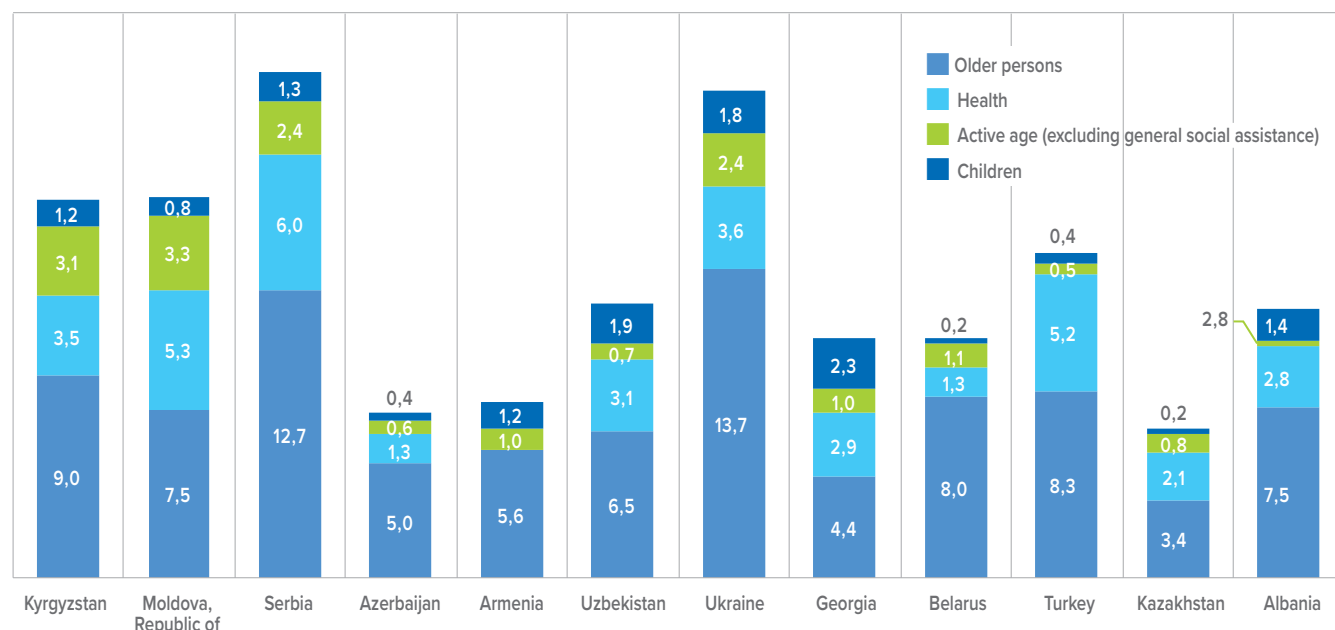
A UN supported strategy in Tajikistan aims to improve social protection and services across the lifecycle.
© UNICEF/Pirozzi

3. FINANCING OF SOCIAL PROTECTION

DISTRIBUTION OF SOCIAL EXPENDITURE

Calls for more investment in social protection will inevitably lead to discussion on financing. By international comparison, many countries in the region actually invest quite a lot in social protection as a share of GDP.³³ But, as is shown in Figures 1, 2 and 3, there are considerable variations among countries both in the share of GDP dedicated to social protection overall and in the shares devoted to different elements of social protection systems.

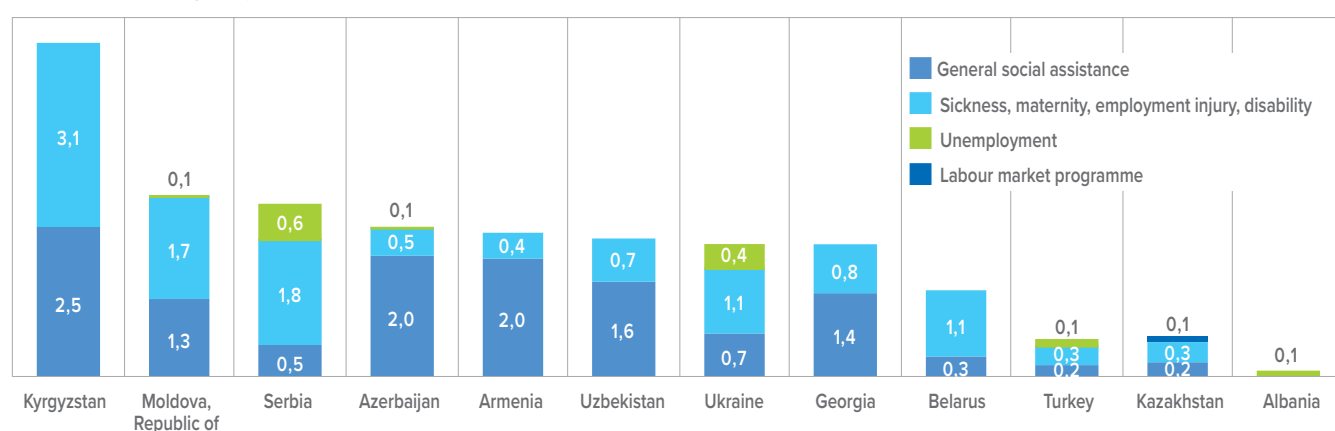
FIGURE 1:
Public social protection spending by target group / guarantee (% of GDP in select countries, latest available year)



Source: ILO World Social Protection Report 2017-19 (Table B.17), except health expenditure data taken from IMF Government Finance Statistics

33 ADB's Social Protection Index places Uzbekistan in the top four performing countries (covering the Asia-Pacific region, including countries of Central Asia) along with Japan and South Korea, due to the relatively high amount of expenditure on social protection: "Only four countries have SPLI of 0.200 (or higher), representing 20% (or more) of poverty-line expenditures, or 5% of GDP per capita. Two of the four, Japan and the Republic of Korea, are high-income countries; the other two, Mongolia and Uzbekistan, are post-Soviet transition economies." <https://www.adb.org/sites/default/files/publication/30293/social-protection-index.pdf>

FIGURE 2:
Composition of public social protection spending for population in active age (% of GDP in select countries, latest available year)

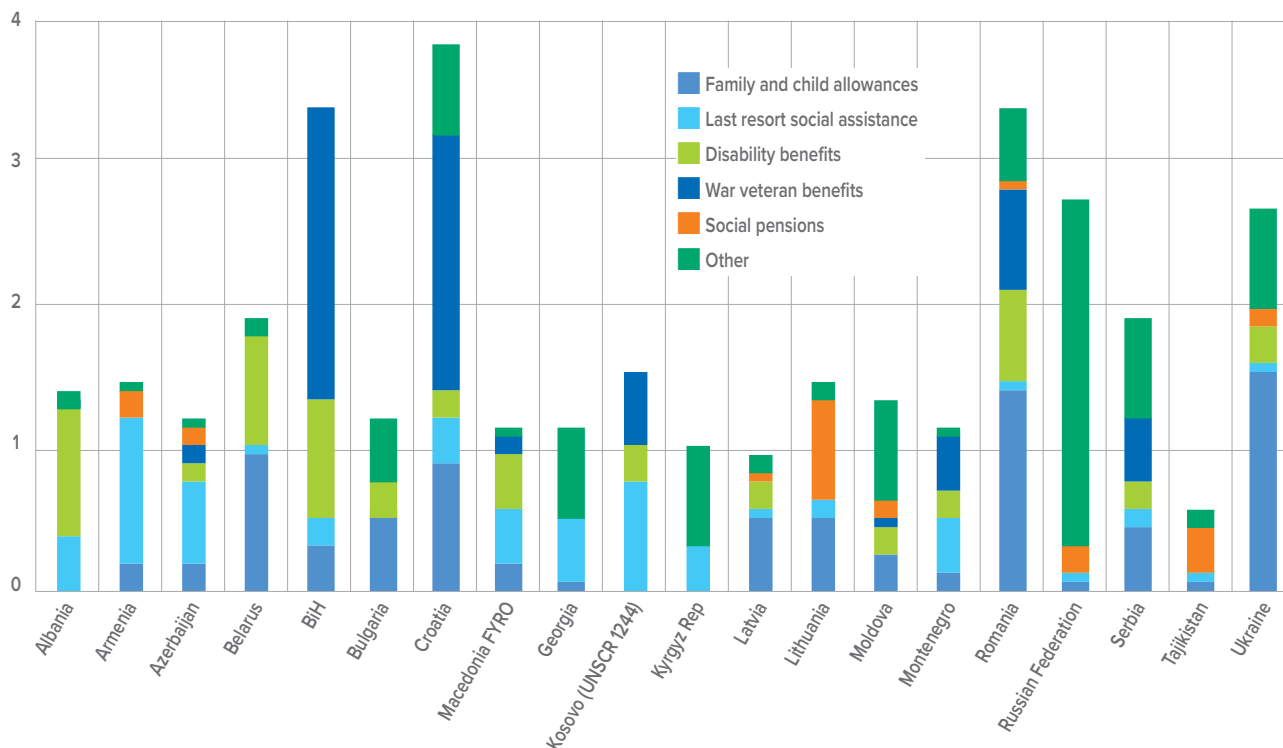


Source: ILO World Social Protection Report 2017-19 (Table B.17)

One feature common to all countries is that the greatest share of spending is devoted to pensions and health care, including schemes financed by employer and employee contributions, with social assistance accounting for a small fraction. On the other hand, expenditure for persons of working age (further broken down in Figure 2) varies from 0.5 per cent in Turkey to 7 per cent in Serbia. It is worth noting that the lowest share of expenditure is devoted to active labour market policies and income replacement addressing unemployment, with only a negligible share allocated to labour market programmes to promote inclusion into the world of work. Allocations of social assistance also vary widely between different groups: overall allocations to child and family benefits on average are a relatively minor component of social assistance, and have been falling over recent years. In many countries, particularly in the Western Balkans, social assistance spending is dominated by categorical benefits, including for war veterans.³⁴

34 UNICEF (2015) Social Monitor: Social Protection for child rights and well-being in Central and Eastern Europe, the Caucasus and Central Asia

FIGURE 3:
Levels and composition of social assistance spending in the region (% of GDP in select countries, latest available year)



Source: UNDP (2016) *Regional Human Development Report 2016 Progress at Risk: Inequalities and Human Development in Eastern Europe, Turkey and Central Asia*.

Overall, Figures 1, 2 and 3 lead to at least three observations: i) contributory funds for pension and health care account for the highest share of social protection expenditures; ii) social benefits intended for the poorest groups of the population vary widely between countries, as do the relative allocations to different social groups; and iii) expenditure on labour market programmes are very low, even though they can be seen as a tool enabling exit from poverty and exclusion and facilitating adjustments and structural transformations of the economy.

EXPENDITURE ON SOCIAL PROTECTION

Underfunding of social assistance programmes is partly ideological. From the 1990s onwards there has been a focus on discouraging “passivity” and “dependency,” an approach which is embedded in a vision in which full (or near-to-full) employment is seen as the norm, and moreover an achievable norm. The assumption behind it is that the transition to market economies, and economic restructuring, would lead to job creation – and more specifically to decent work generation through jobs in the formal sector, including access to social protection. This has manifestly not been the case. This approach tends to associate social assistance with social charity rather than a social right, an investment in human capital, a stimulus for domestic demand, or facilitator of social cohesion.

Certain negative connotations surrounding social assistance, coupled with pressures to cut overall public spending (of which social programmes are often among the first victims), have led to a focus on tackling inclusion errors and fraud, rather than looking more pro-actively at how to reach out and ensure coverage of those at risk of exclusion.³⁵

Social insurance benefits – including pensions, maternity allowances, sickness and unemployment benefits – are funded from social security contributions from employers and employees. These benefits are often available to workers in the formal sector and their families. However, the sustainability of these programmes are at risk. In many countries, large and growing informal economies means that the contribution base is shrinking. This is further compounded by demographic trends pointing to an increasing share of those of pensionable age in the overall population. This is of particular concern for countries in the Western Balkans, the Western CIS region, and the Caucasus. Meanwhile, as jobs become more precarious, there is a growing number of workers in the informal sector who are not covered by social insurance entitlements. Conversely, the low levels of pensions – and often low wages – can be a disincentive to some workers to join the formal sector and begin making contributions.

35 For further discussion see the Social Monitor: Social Protection for Child Rights and Well-Being in Central and Eastern Europe, the Caucasus and Central Asia, 2015, Chapter 3

In some countries, the financing of social insurance is also made more challenging by the practice of cross-subsidization, in which social assistance programmes³⁶ are financed using revenues intended for social insurance. In others, however, the exact opposite dynamic is at play: due to the fact that social insurance funds are often not self-sustaining (as a result of demographic decline, the growth of the informal economy, currency devaluation, etc.), social insurance is often cross-subsidized from the general budget, thereby shrinking the funds available to finance social assistance.

There are, however, important sub-regional differences in these overall trends. In the Central Asian countries, for example, birth rates remain very high; currently over a third of the population is under the age of 15. This population structure (and a potential demographic dividend) could lend support to social insurance systems with larger cohorts of future labour market entrants, provided there are sufficient decent job opportunities. On the whole, however, the trend is towards ageing populations. For example, calculations suggest that even in Uzbekistan, around just 6 per cent of the population was aged over 60 years in 2010, but that proportion is predicted to rise to over 10 per cent by 2025 and to over 20 per cent by 2050.³⁷

The region is also experiencing net outflows of labour migration, which are a reaction to the lack of decent job opportunities in domestic labour markets, and which threaten to further increase the dependency ratio. Remittances may, in the short-term, informally compensate for under-coverage or inadequacy of social protection systems, but cannot – and should not – replace state systems. Mechanisms such as bilateral or multilateral agreements are being put into place for regular migrants in formal-sector jobs to be able to transfer pension entitlements between countries. Yet, for many irregular migrants, challenges in accessing a pension remain.

It should be noted that the search for new financing models is a global concern due to the increasing prevalence of non-standard forms of employment. This makes it ever more important to strengthen state-organized social security systems whose contributions and benefits are portable across employers. But self-employment, part-time employment, remote employment, “zero-hour” contracts, etc., are becoming more prevalent, meaning new forms of support for social security arrangements are needed (voluntary schemes, contribution subsidies, simplified collection regimes, etc.). For the ECA region, data on informality is not always available, but it is estimated that, for example, 60 per cent of the

workforce is engaged in the informal sector in Albania, just under 50 per cent in Armenia, 34 per cent in Turkey, and 30 per cent in Moldova. The shares in “vulnerable” employment (those engaged as unpaid family workers or own-account workers) are estimated to represent over 61 per cent of the workforce in Georgia, just under 60 per cent in Albania, 56 per cent in Azerbaijan, and just under 50 per cent in Kyrgyzstan and Tajikistan.³⁸

OPTIONS FOR EXPANDING SOCIAL PROTECTION FINANCING

To expand available financing for social protection, new strategies could be pursued to supplement available resources for contributory and non-contributory schemes.

To increase the financing available for non-contributory social protection, such strategies may include:

- (i) redirecting existing state funds or prioritizing social protection in budgetary allocations;
- (ii) creating new streams of revenue that could be used for social protection. In particular, the following options may be relevant for the ECA region:
 - a. higher taxes on environmentally unsustainable activities and removal of fossil-fuel subsidies which mostly accrue to the middle- and upper- classes and therefore rarely reach those most in need;
 - b. using sovereign wealth reserves for domestic investment in social protection schemes. This strategy could be applicable to Azerbaijan and Kazakhstan who both hold very extensive reserves in sovereign wealth funds which could be used for domestic investment in social service provision and infrastructure;
 - c. more aggressive measures to reduce the diversion of potential budget revenues to tax havens. In Brazil, for example, a new tax aimed at large financial institutions raised 1.4% of GDP and was used, among other things, to finance the *Bolsa Família* conditional cash transfer programme;³⁹
 - d. other micro-levies could be considered, such as airline taxes, sugar tax, micro levies on extractive industries or financial transactions, etc.

To increase the contribution base for financing contributory social protection, strategies may include:

- (i) promoting formal employment generation and decent work through policies that support entrepreneurship and encourage the development of micro, small and medium enterprises;
- (ii) increasing compliance with social security law through bolstering labour inspectorate capacity and establishing voluntary social insurance schemes open to own-account and other workers to increase revenues of the social protection system.

36 Particularly in the CIS region, non-contributory “social” pensions, which are in principle tax-funded, are often subsidized from pension insurance funds, meaning that already shrinking contributions are being used to finance ever-larger shares of social pensions. To alleviate this pressure, some countries are responding by tightening eligibility requirements not only for insurance-based pensions (raising the number of contribution periods required and the minimum pension age), but also for social pensions (which may be subject to stringent means tests).

37 Development Pathways, Options for Pension Reform in Uzbekistan, Report prepared for UNDP, 2014. The data used for the calculation are taken from UN-DESA’s World Population Database, but the Uzbekistan State Committee on Statistics (2012) provides a similar proportion of elderly people in the population. The population projection is UN-DESA’s medium projection. It is important to note that there are other estimates on the growth of the elderly population, some of which suggest slower growth.

38 UNDP (2016) Regional Human Development Report 2016 Progress at Risk: Inequalities and Human Development in Eastern Europe, Turkey and Central Asia. Chapter 2. Data for 2013 or the most recent year available.

39 Ibid.

IMPLICATIONS FOR EQUITY, PREDICTABILITY AND ADEQUACY OF SOCIAL PROTECTION

As countries pursue new strategies, the choice of different financing methods – through the payment of contributions and different types of taxes – will have implications for systems’ performance in terms of income redistribution, predictability of transfers, sustainability of programmes, and adequacy of benefits, including their efficacy at protecting beneficiaries from poverty.

For example, contribution-financed schemes typically offer higher levels of benefits when compared to purely tax-financed schemes. These schemes also offer a degree of predictability as they are often part of non-discretionary spending, meaning they have safeguards protecting them from contractionary pressures that may affect other portions of the public budget. However, contributory schemes may reinforce inequities experienced in the labour market by women or disadvantaged groups, as benefits are linked to previous earnings levels and durations of waged work. And their long-term sustainability is also influenced by the amount of formal sector jobs the economy is able to produce.

For the expansion of tax-financed schemes, there is a diversity in the possible revenue streams. When examining the options for generating additional revenue, however, the long-term viability of these streams and their ability to be defended against competing budgetary priorities should also be considered. For example, taxes on environmentally unfriendly products or services may be useful as countries transition away from fossil fuels and more carbon-intensive economies. However, as renewable alternatives become more prevalent, the consumer tax base for this revenue method will decrease. Moreover, where tax-generated resources for social programmes make up part of the discretionary budget, monies allocated to social protection may fluctuate from one budget cycle to the next, succumb to renewed external “austerity” or “fiscal consolidation” pressures, or fall victim to the competing political priorities of the government in power. Governments may work to enact earmarks or other safeguards to ensure new monies raised remain allocated to social protection over time.



A boat maintenance worker at Yuzhny port in Moscow. In Russia and other countries across the region, pensions are an essential tool for ensuring the future income security of workers and others once they reach old age. © ILO/Crozet

KEY MESSAGES

Pensions, including those financed by workers' and employers' contributions, tend to be prioritized in social protection expenditure. Meanwhile, budget allocations to the various elements of social assistance are not based on a thorough analysis of impact and need. Instead, social assistance spending is influenced by political and ideological positions, and in reality makes up only a small fraction of overall public social protection spending. Other components, particularly those delivering the promotional and transformative roles of social protection, are either absent or severely underfunded, particularly active labour market programmes and family and child benefits.

The decent work deficits, outgoing migration flows and growing informality in the labour markets are eroding the tax base in many countries across the region, making available financing for social protection throughout the region increasingly scarce. Meanwhile, population ageing suggests that pressure on social protection budgets will only increase. Instead of re-examining the financing structures, the extent and adequacy of benefits are being narrowed. New strategies to increase social protection financing should be explored, with attention paid to the implications for the sustainability, adequacy and predictability of future benefits.

In the face of rigid budget envelopes, greater efforts should be made to reduce inefficiencies in order to generate fiscal space to increase the coverage and adequacy of programmes. Governments should review administrative processes to see where efficiency gains can be made through streamlining procedures and adopting new technology. Accurate assessment of the reach, impact and cost-benefit of social protection programmes is crucial for developing effective and reforming existing social protection programmes.

4. COVERAGE AND ADEQUACY OF SOCIAL PROTECTION BENEFITS

Here we look at rights to social protection and evidence of gaps, particularly in access to contributory social insurance and tax-funded social assistance. In much of the region, demographics, informality and more restrictive fiscal envelopes have led to tighter eligibility criteria for pension insurance schemes, for example, lengthening required contribution periods and increasing the statutory retirement age. In terms of social assistance, eligibility criteria have also been tightened, including a focus on narrow targeting and decreasing or freezing minimum levels of benefits. In particular, those countries that focus too strongly on reducing inclusion errors may improve the targeting of funds to only the poorest sections of society, but evidence suggests they may also end up denying benefits to significant proportions of those in need.

In this section, we refer to two main indicators for assessing the impact of social transfers, namely coverage⁴⁰ and adequacy⁴¹; we also mention benefit incidence⁴² and beneficiary incidence.⁴³ (See section 8 for explanations of these indicators.)

In the Europe and Central Asia region, many countries already have defined-benefit, or pay-as-you-go, pension schemes in place, which provide some degree of income security to those in old age. From administrative data gathered in the ILO's World Social Protection Report, contributory pension coverage in the region is relatively high in Eastern Europe (91.9 per cent in Ukraine, 100 per cent in Belarus), while in the Caucasus it is more modest (68.5 per cent in Armenia, 81.1 per cent in Azerbaijan).⁴⁴ In Central Asia, some countries also have significant levels of contributory coverage (92.8 per cent in Tajikistan and 98.1 per cent in Uzbekistan). Many countries of the region have pursued recent reforms to their pension systems. Some countries have undergone or are pursuing

transitions to multi-pillar systems, including the introduction of individual account (defined contribution) systems (Kazakhstan and Tajikistan). Some have even partially or fully privatized their pension systems (Russia and Kazakhstan).

For the past decades, reforms to social assistance schemes have focused on introducing narrower targeting, with the stated aim of concentrating limited funding and benefits on those most in need. As a result, social assistance programmes in the region indeed appear to be reasonably well targeted to their intended populations, in that the share of benefit expenditure being directed to the poorest quintile is greater than 20 per cent. But coverage of the poorest quintile remains low in some countries, and the adequacy of benefits also tends to be low, reflected in their poverty reduction impact (see Figure 5). This is particularly true for cash benefits directed towards children and families living in poverty as these are usually too low in monetary value to have a sustained impact on child and family poverty levels. There is little discussion of whether states – as economies grow – could expand their floors horizontally and vertically (as is implicit in the UN SPF-I approach, see Section 1). Rather the focus is on how to reduce the size of social envelopes and “dependency” further.

Data on coverage show that non-contributory social assistance covers only a small proportion of the poorest 20 per cent (see Figure 4). Coverage of the poorest quintile for social assistance varies widely between 13 per cent in Tajikistan and 87 per cent in Azerbaijan.⁴⁵ Ten countries and territories among those included in Figure 4 have coverage levels below 50 per cent. Extremely low coverage levels (15 per cent or below) in Kyrgyzstan and Tajikistan are of particular concern, given the high percentage of the population living below the poverty line in these countries. Azerbaijan, Belarus and Ukraine perform better in terms of coverage, with rates close to or above 60 per cent.

40 Coverage is the proportion of the population (total or by income) covered by social protection programme(s). UNICEF (2015)

41 Adequacy is measured as the percentage of post-transfer consumption of recipient households in the poorest quintile provided by cash benefits. UNICEF (2015)

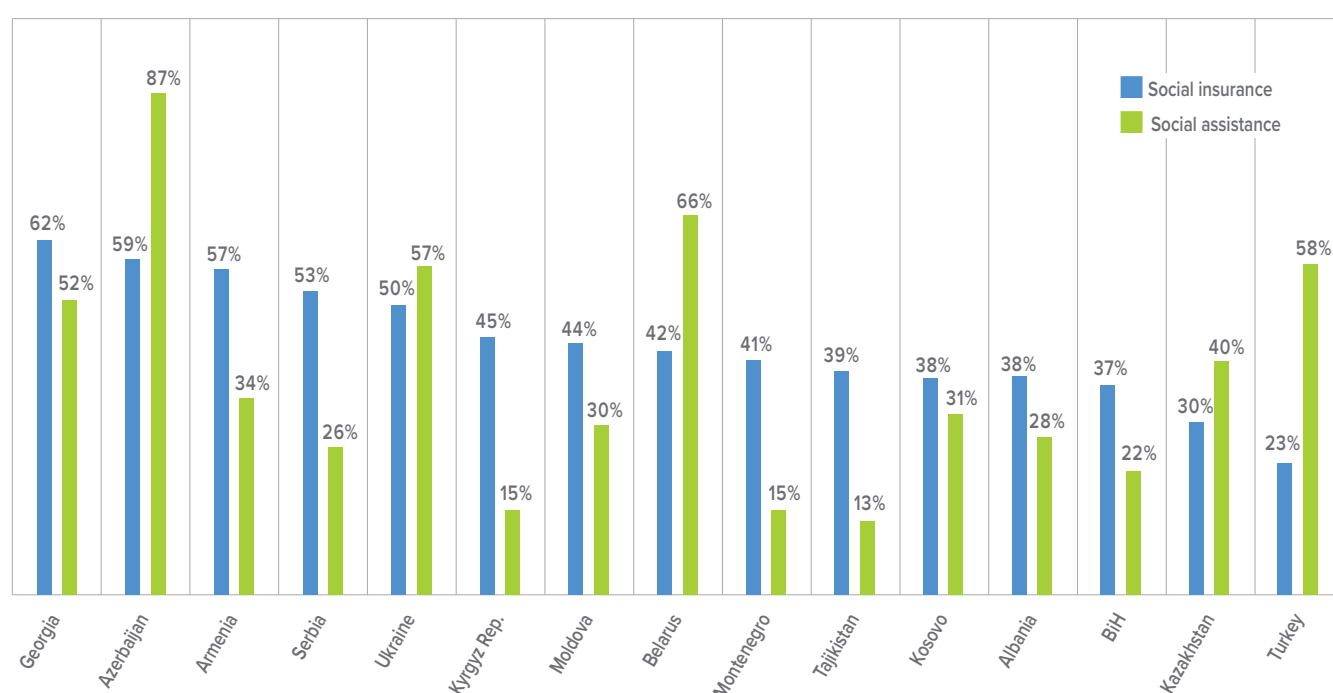
42 Benefit incidence is the percentage of total received by a given income quintile UNICEF (2015)

43 Beneficiary incidence is the percentage of programme beneficiaries in a given quintile relative to the total number of beneficiaries in the population. More details provided in UNICEF (2015) Chapter 3.

44 ILO (2017), World Social Protection Report 2017-19, Geneva.

45 The following paragraphs draw on the analysis in UNICEF, 2015, Social Monitor.

FIGURE 4:
Shares of households in the lowest income quintiles receiving social benefits (select countries, latest available year)



Note: Social insurance and assistance denote contributory and non-contributory social benefit systems, respectively.

Source: World Bank ASPIRE database. From UNDP (2016) Regional Human Development Report 2016 Progress at Risk: Inequalities and Human Development in Eastern Europe, Turkey and Central Asia, Chapter 2.

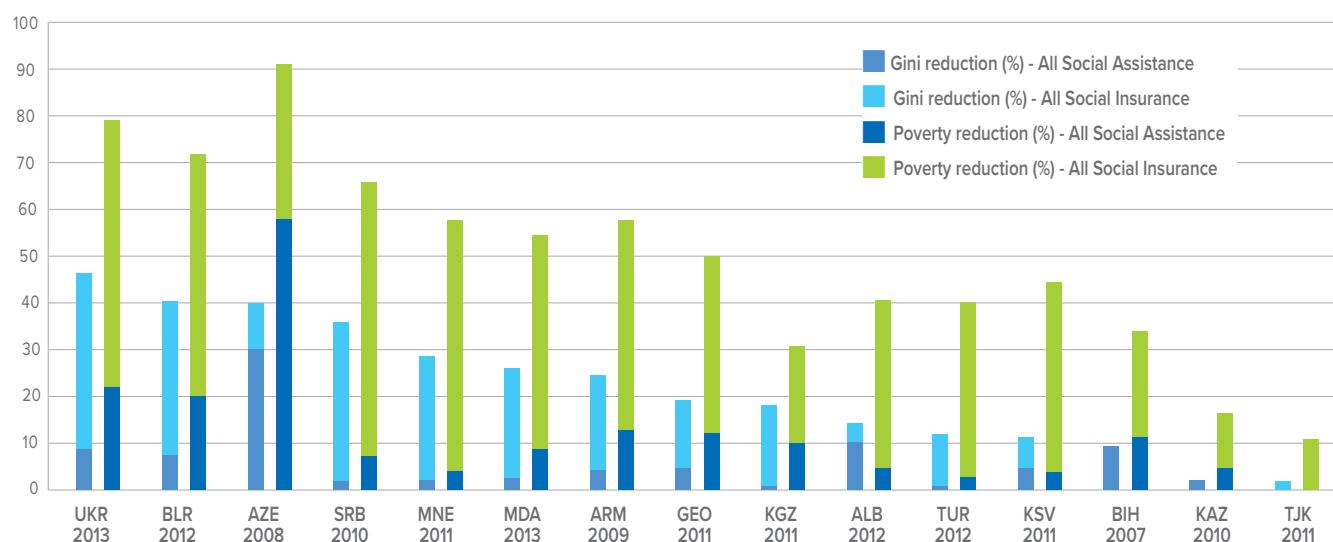
The adequacy of social assistance varies between 1 per cent (Tajikistan) and 75 per cent (Azerbaijan) of post-transfer consumption in the poorest quintile, but in most countries, it falls between 10 per cent and 40 per cent of household consumption. Armenia, Georgia, Kosovo and Montenegro have rates of between 35 per cent and 55 per cent. In 15 countries, rates are below 15 per cent. Relatively low rates are particularly surprising in cases such as Croatia, Kazakhstan and Turkey, considering the level of economic development of these countries.⁴⁶

Those from the poorest quintile make up between 20 (Azerbaijan) and 56 per cent (Montenegro) of the beneficiaries of social assistance (beneficiary incidence). Most countries and territories in the region fall between 20 per cent and 40 per cent, meaning that the number of beneficiaries in the poorest quintile exceeds its share in the total population.⁴⁷ This share of the poorest 20 per cent then receives between 8 (Tajikistan) and 40 per cent (Kosovo) of the social assistance transfers. While this means that the poorest quintile mostly receives a greater share of the benefit than the 20 per cent that would accrue to them through neutral targeting, in some cases there is clearly scope for greater progressivity.

46 UNICEF (2015) Social Monitor: Social Protection for Child Rights and Well-Being in Central and Eastern Europe, the Caucasus and Central Asia. Page 84

47 Ibid.

FIGURE 5:
Impact of social Protection on inequality and poverty



Source: World Bank ASPIRE database, not including data on Macedonia, Turkmenistan and Uzbekistan.

Data in Figure 5 indicate that both social insurance and social assistance programmes are effective in reducing poverty and inequality (Gini) indicators across the region. Apart from Azerbaijan, social insurance (predominantly pensions) has the greater impact – reflecting the relatively large benefit sizes and numbers of beneficiaries of pensions. Overall, social protection systems in Kazakhstan, Kyrgyzstan, and Tajikistan seem to fall short in several indicators: in coverage of the poorest 20 per cent, in spending levels, and in poverty and inequality impact. By contrast, Ukraine and Belarus appear to achieve impressive reductions in poverty and inequality thanks to higher-than-average spending and good coverage of the poorest quintile (Figure 5).

While some of the above results appear positive, such as beneficiary incidence among the poorest 20 per cent, these have been achieved while applying very restrictive criteria, including age for eligibility⁴⁸ and restrictive definitions of minimum subsistence levels, which can end up excluding some of the most vulnerable, as well as the relatively poor (given the growth in inequalities), and provide insufficient levels of support. Overall, against the background of the low amounts of spending on social assistance, the focus has been on minimizing “inclusion errors,” but this has sometimes come at the expense of a lack of focus on tackling exclusion from social security rights (i.e. a lack of focus on exclusion errors).

Moreover, in order to adequately gauge the needs for social protection in the population, constant and transparent reviews of minimum subsistence levels (used to determine eligibility and the level of benefits) are necessary. In the ECA region, minimum subsistence levels are often gauged against the most basic needs, usually represented by basic food requirements (i.e. the cost of the food basket). Non-food

needs are, however, usually underestimated, particularly in countries where families commonly incur high costs for certain services, for example related to schooling.⁴⁹ In the case of Kazakhstan, for example, it has been found that the non-food component of the subsistence minimum is determined somewhat arbitrarily, and underestimates true living costs by not incorporating the minimum expenditure requirements for education, health, and transportation.⁵⁰ Minimum subsistence levels therefore need to be established in a way that reflects the actual consumption needs of the population in order not to be excluded from basic services, as opposed to being based on pre-defined basic needs. The data for such estimations is commonly available from household budget surveys.

48 For example, some countries are progressively reducing the age for eligibility for child benefits to children below the ages of 14 or 16, exposing children to greater risk of poverty at an age where additional support can make the difference between remaining in school (and a successful transition to adulthood and productive employment) or not.

49 UNICEF (2006) *Innocenti Social Monitor 2006 Understanding Child Poverty in South-Eastern Europe and the Commonwealth of Independent States*.

50 ILO (2012) *The Methodologies of the Subsistence Minimum Determination in Kazakhstan: the Ways and Approaches to Improve*. ILO Decent Work Technical Support Team and Country Office for Eastern Europe and Central Asia.

KEY MESSAGES

As currently structured and administered, the evidence suggests that social protection, and social assistance in particular, often fails to reach the most marginalized citizens and those most in need of assistance.

Throughout the region, extensive focus on delivering limited funds to the most in need through narrow targeting of social assistance may have led to considerable numbers among the vulnerable populations not receiving adequate support.

Although social protection financing and expenditure in some countries is more progressive than in others, regionally, coverage of the poorest quintile especially with last resort social assistance remains mostly very low.

The size of benefits tends to be too low in value to have a sustained impact on household poverty levels. The value of social transfers needs to be linked to household consumption (including both food and non-food items) and they should undergo regular indexation to ensure the amount is sufficient to secure a minimum standard of living. Fundamental for this is also a continual review of the minimum subsistence levels used to determine eligibility and size of benefits

In order to measure social inclusion impact, considerable disaggregation is required, which may not be possible on the basis of standard household budget surveys. For this reason, as well as for understanding the drivers of exclusion, quantitative indicators will usually have to be combined with qualitative studies.

BOX 3 — FROM MESSAGES TO ACTION: IMPROVING SOCIAL PROTECTION COVERAGE THROUGH A JOINT ASSESSMENT IN KYRGYZSTAN

In 2014, the Government of Kyrgyzstan (GoK), with support from a consortium of UN agencies, began a review of the country's social protection system. Led by the Ministry of Labour and Social Development (MLSD), the participatory review — or assessment-based national dialogue (ABND) — brought together various line ministries and their UN counterparts, representatives of workers' and employers' organizations, and members of civil society to identify social protection coverage gaps and key priorities for expansion. The review was carried out using the lifecycle approach as laid out in the ILO Social Protection Floors Recommendation, 2012 (No. 202).

In March 2015, an ABND SPF Working Group was established by ministerial decree, creating a national multilateral social protection body, including government, UN and civil society members, which allows for in-depth deliberations on specific social protection issues. The Working Group was convened on multiple occasions over the following two years to examine the state of the Kyrgyz social protection system. Among the gaps identified were the relatively low level of existing social payments, limited access to health and other social services in remote regions, and social security contribution evasion in the formal sector, among others.

The Working Group also identified priority areas for work needed to improve social protection in the country, beginning with an increase in the pension level and the monthly benefit paid to low-income families with children. A number of scenarios were developed to evaluate policy trade-offs along with a rapid costing exercise to estimate associated costs. The review's findings were presented by the UNCT in March 2018 and accepted by the GoK who will now work to implement the recommendations with UN support.



Second meeting of the ABND SPF Working Group in Bishkek on 19 February 2018.

5. STRENGTHENED POLICY LINKAGES BETWEEN LIVELIHOODS, LABOUR MARKETS AND SOCIAL PROTECTION

Active labour market measures are usually seen as a part of social protection systems. In fact, there are many links between labour markets and social protection, and if properly aligned, social protection systems can help address labour market exclusion.⁵¹

Throughout the region, labour market exclusion is coupled with exclusion from social security rights, creating vicious circles of exclusion.

An important misalignment in the region between the labour market and social protection arises from the often high rates of informal employment (see previous discussion in section 3). For some, the risk of exclusion is heightened due to a culture of low compliance with labour laws and weak enforcement. Informal employment by choice is high, since preference for informality prevails over threats of losing unemployment (or other) benefits once formal employment is taken up. The high rates of informality are also in part due to the tendency of governments to compensate for lack of tax revenue from the informal sector by increasing social insurance contribution rates in the formal sector.

The loss of eligibility to many social assistance benefits once in formal employment is also due to a common, but often false, assumption that those in employment are not in need of support. This is clearly refuted by the evidence of high shares of working poor throughout the region.⁵² Even formal sector employment does not necessarily protect from poverty: for example, public sector employees can also be in the ranks of the working poor due to the low level of wages.⁵³ Although minimum wages exist, they – like social protection benefits – tend to be based on restrictive definitions of minimum subsistence levels due to fiscal implications of increasing the minima (which implies a rise not just in public sector wages, but also in those social protection benefits which are tied to the minimum wage).

Links between social security systems with the labour markets are rather weak in most countries of the region meaning that large shares of the working age population

do not have access to social insurance. Meanwhile, the negative attitudes to social assistance mean that the focus is on potential disincentives to job search, uncovering fraud etc., rather than focusing on the potential positive labour market impacts (e.g. more security and therefore readiness to engage in entrepreneurial activities, more readiness to move and/or re-skill, less likelihood of slipping into chronic poverty and requiring longer term state support in the future, etc.).

Job prospects are particularly unfavourable for women, as well as certain other groups including ethnic minorities, youth and older workers. The average employment rate is only 43 per cent among women, compared to 59 per cent among men.⁵⁴ A typical woman in the region loses almost 17 years of productive life to unemployment or inactivity, 6 more years than a typical man⁵⁵. In South-Eastern Europe (SEE),⁵⁶ 48 per cent of youth is unemployed and more than two-thirds have been unemployed longer than a year.⁵⁷ One-quarter of young people in SEE are inactive, representing a profound risk to social stability.⁵⁸

There is a need for social protection floors, and the instruments used to achieve them, to be based on a more realistic analysis of the labour market. While poorly aligned social protection policies can reduce incentives for labour market participation and hiring, this is not a reason for reducing social protection spending and coverage. Rather, policymakers should ensure that those disincentives are addressed, and that moving into formal employment does not cause the loss of crucial support for those who need it. One key measure, as discussed above, is to explore options for expanding and complementing social insurance (through contribution subsidies, for example, or voluntary contribution by own-account farmers and other workers), and to expand other funding sources for non-contributory social assistance programmes. Moreover, as mentioned earlier, the region's prevailing demographic trends indicate that the need to find alternative sources of budget revenues will sharpen in the future. Therefore, instead of reducing spending on

51 This is explicitly recognized by the World Bank's 2012 Social Protection and Labour Strategy

52 15.6% of the working population in the Central and South-Eastern Europe (non-EU) and CIS live on less than \$4/day. ILO (2014) Global Employment Trends 2014: Risk of Jobless Recovery. Page 101

53 See UNDP (2016) Regional Human Development Report 2016 Progress At Risk: Inequalities and Human Development in Eastern Europe, Turkey and Central Asia. Chapter 2

54 World Bank (2016) Voices of Europe and Central Asia: New Insights on Shared Prosperity and Jobs

55 Ibid.

56 Albania, Bosnia and Herzegovina, Kosovo, Montenegro, Serbia and the former Yugoslav Republic of Macedonia

57 World Bank (2016) South East Europe Regular Economic Report: Resilient Growth Amid Rising Risks

58 Ibid.

social policies, these should be expanded; there should be a greater focus on programmes which encourage labour market participation.⁵⁹

One such tool is active labour market programmes, which can be crucial for ensuring labour market inclusion of vulnerable populations. Currently, many of those excluded from the labour market are not reached by traditional active labour market programmes. This is due in part to failure (or weak and inconsistent attempts) to reach out to vulnerable populations (e.g., ethnic minorities, low-skilled workers in rural communities), but also to chronic under-funding.⁶⁰ Policies designed to promote employment of the more vulnerable groups are implemented on the whole by public employment services (PES). However, in contrast to the scale of the employment problems facing most countries (in the form of open unemployment, or under-employment and low quality jobs), the PES are often chronically understaffed and under-funded. Evidence from the Western Balkans suggests that, with the prevailing unemployment levels, the sheer number of users per counsellor very often prevents them from interacting regularly and developing individualized strategies to promote transition into the labour market.⁶¹

PES are currently under pressure to go beyond their core mediation functions and, by deploying innovative and inclusive active labour market programmes, reach out to the large and growing numbers of excluded and marginalized. This requires a range of new services, and new ways of delivering them, in particular the use of more individualized approaches to determining and meeting client needs. Profiling of clients and individual case management techniques usually associated with social protection need

to be introduced to the employment services. There is also a need for better coordination with social assistance and social welfare services, and for systems and processes to institutionalize this coordination.

Social protection is also critical for those outside of the formal labour market, particularly rural workers involved in agriculture. Rural workers face significant income insecurities related to limited access to decent employment (both farm and non-farm jobs), high reliance on casual and seasonal work, low wages, limited access to financial services and insurance, inadequate diffusion of innovative technologies and practices, and climate change. Poverty, lack of access to services and exclusion from traditional social protection mechanisms render the rural poor extremely vulnerable in the case of shocks, especially health shocks.⁶² When social protection interventions (e.g. social assistance and public works) are coordinated and integrated with small-scale agricultural interventions (access to inputs, technologies and trainings) households are better equipped to manage vulnerability and risk.⁶³ Not only can social protection improve the situation of smallholder family farms through providing guaranteed income allowing them to make productive investments, reallocate labour, develop human capital and participate in social networks, it also contributes to decent rural employment.⁶⁴

59 See also the World Economic Forum 2017 Global Risks Report, section 2.3 for proposals on fundamentally new models of income distribution, which do not tie welfare benefits to being out of work. These include a negative income tax, in which people earning below a certain threshold receive supplemental pay from the government; wage supplements, in which the government makes up the difference between what a person earns and a recognized minimum income; and a universal basic income paid to all members of society regardless of their means. Such income distribution systems would make it much easier for people to take on part-time work or intermittent work as desired.

60 Despite the chronically high unemployment rates in the Western Balkans, expenditure on ALMPs remains very low – in the range of 0.01% of GDP in the Western Balkans (apart from Montenegro, where it reaches 0.40%), compared to 1.5% in Denmark (admittedly the best performer in Europe).

61 European Training Foundation, 2011, *Activating the Unemployed: Optimizing Activation Policies in the Western Balkans and Turkey*.

62 ILO (2011) *Supporting Rural Development through Social Protection Floors*. Rural Development through Decent Work: Rural Poverty Briefs

63 FAO (2017) *FAO Social Protection Framework: Promoting Rural Development for All*

64 *Ibid.*

KEY MESSAGES

A better understanding of the causes and persistence of labour market informality, and its links to social protection coverage, is important in order to achieve a better alignment of labour market policies and social protection policies and programmes. Social protection floors need to be based on a realistic analysis of the labour market, taking into account informality, underemployment, and the working poor. Meanwhile, benefit and minimum wage levels need to be based on realistic calculations of minimum subsistence levels (see section 8).

Social protection systems can be designed to promote and incentivize labour market inclusion, but this requires the above analysis as well as funding for, and access to, the right mix of cash benefits and services. Integrated approaches are required which can enable labour market entry through a continuum of support services, and a tighter policy mix between employment and social policy/ protection measures is needed to achieve this.

Active labour market programmes and other activation schemes are being introduced, but not widespread and rather limited in scope. They tend to be under-funded relative to other social protection measures and to need, and rarely reach those most distant from the labour market. Moreover, even well-designed and well-funded programmes will not have impact if there is not parallel investment in modernizing, staffing, and equipping the public employment services responsible for delivering them.

Current active labour market programmes also suffer from a lack of engagement with end-users, do not involve local governments or other stakeholders in the design of interventions adjusted to local needs, and rarely promote innovation.

Policy coherence between social protection, agricultural and rural development policies should be strengthened to foster greater linkages between programmes in order to address the specificities of the rural economy and the risks faced by the rural poor.

Inclusion in the labour market should be accompanied by additional livelihood and employment efforts to support displaced people as they may have particular vulnerabilities that others do not have. Displaced people should also have the right to work (as is, for example, the case in Turkey).

BOX 4 — FROM MESSAGES TO ACTION: JOINT COORDINATION AND STOCKTAKING EXERCISES FOR POLICY ALIGNMENT IN MOLDOVA

The UN agencies in Moldova adopted the UN Social Protection Floor Initiative (UN SPF-I) to ensure a harmonized and comprehensive approach to social protection. In 2015, an SPF Taskforce was established by the UNCT to coordinate the delivery of support to the Ministry of Labor, Social Protection and Family (MLSPF) within the Delivering as One approach and under the UN Partnership Framework (UNPF) for Moldova. The Taskforce, chaired by UNICEF, is responsible for coordinating all social protection related activities implemented under the UNPF Pillar 2 (Human Development and Social Inclusion) by the different UN member agencies: ILO, UNICEF, UNFPA, IOM, UNHCR, WHO and UNDP. The Taskforce undertook a mapping of UN agency activities in 2015 which allowed for comparison between the SPF framework, national priorities and planned interventions by the UN to see if there was alignment as well as to identify gaps.

The UNCT SPF Taskforce also feeds into the Social Protection Sector Council chaired by MLSPF and co-chaired by UNFPA. The Sector Council serves as a National Coordination mechanism which is periodically convened with broad representation of government, development partners (UN, WB and donors) and civil society organizations.



A young boy works the land in Orhei district. Several UN actions in Moldova include the goal of eliminating or preventing child labour through the strengthening of social protection. © ILO/Crozet

6. SOCIAL SERVICES AND INDIVIDUAL CASE MANAGEMENT

The rights-based approach to social protection, the SDGs' emphasis on "leaving no-one behind," and the need to tackle social exclusion in the ECA region through a greater emphasis on the promotional and transformational roles of social protection for people with particular social needs all imply basic changes, not only in the ways in which social protection is conceived, but also in the ways in which it is designed and delivered.

For some groups within society, access to cash benefits may be insufficient to overcome disadvantage and ensure they are able to realise an adequate standard of living. In the case of children, who are more at risk of poverty and social exclusion than the overall population, failure to address both economic and social disadvantages in an integrated manner can lead to lifelong and cross-generational disadvantage, implying that even more investment will be needed by the country in the future. Groups for whom complementary care support is necessary include the elderly, disabled, chronically ill adults who require support at home, children lacking adequate parental care or who are at risk of neglect or abuse, and those with disabilities. For many in these groups, provision of an appropriate mix of cash and care services can allow them to remain in their homes, enjoy good health, and attend school or gain employment rather than requiring more intensive and costly residential provision.

Breaking the pattern of compounding and cumulative vulnerabilities among the most disadvantaged groups requires a holistic approach and a move away from fragmented policy and programme responses. An "integrated social protection systems" approach is required in order to provide a comprehensive, coordinated package of interventions to address different dimensions of poverty and deprivation, and help reduce vulnerability across the life-cycle. Such an approach implies, however, strengthening of the key structures, mechanisms and human resources that are required to deliver coherent and coordinated social protection interventions and policies, and to ensure linkages between social protection and multi-sector outcomes (i.e. education, health, nutrition, water and sanitation, protection and employment). Such coordination between programmes both within social protection, and between social protection and other sector programmes and services, is a precondition for achieving multiple and reinforcing outcomes for those in most need.

Effective social protection often means supporting families and communities as well as the direct beneficiaries. In fact, the most fundamental shift required is the scaling up of community-based social services for the most disadvantaged groups: social and care services need to be easy to access through an integrated social protection system at the decentralized level. In most countries of the region, this implies reform efforts in governance, coordination and financial support. Currently in most of the ECA countries, care services are provided by individual service providers from both governmental and non-governmental entities as well as the private sector. Local government authorities, in particular in rural and poorer areas, normally have limited management capacity to provide integrated quality services. A strong coordination mechanism led by the local government authorities involving all stakeholders is required for effective social services to reach the most disadvantaged.

Social services do exist in the region, and are being piloted and scaled up in some countries, but overall they do not have a strong tradition and are generally underdeveloped, apart from in the Western Balkans, where centres for social work have existed for many years.⁶⁵ While some social services are available at local level (in some countries more than in others), they are often limited in nature, of low quality and not easy to access. In many cases, simplification of assessment procedures and eligibility criteria is also required. In some countries, services are standardized at the national level, but in others they either do not exist, or exist on paper but are not available in practice. To support the most disadvantaged groups, a set of minimum package of social services (including both cash assistance and care services) needs to be developed and underpinned by standard operating procedures and protocols. This will help ensure a minimum level of quality in service provision by different care providers, and establish a monitoring system to ensure quality control.

The introduction of individual case management approaches is critical to support the expansion of social support and care services, including community based social services. Case managers have a pivotal role to play in guaranteeing that the vulnerable can access the right mix of cash and care services to meet their specific needs. Case management also has a key role to play in ensuring social protection beneficiaries in the traditional social security systems are

⁶⁵ See UNICEF (2015) pages 90-97

linked to access to other basic services including health, education and protection for children, but also employment services and tailored programmes to help promote labour market inclusion for the working age population. It is also important that case managers advocate on behalf of their clients and ensure that gaps in services are noted at higher levels of local, regional and national social planning. They can identify and help address barriers faced by households and individuals in accessing these services and their rights to them. This may include ensuring that recipients have access to the appropriate documentation (registration papers, birth certificates, discriminatory legislation, etc).

Expansion of local social care services and individual case management implies the development of social workers at both national/professional level, and local/practical level (case managers). Properly trained social workers and individual case managers can ensure that there is outreach to those at risk, and that they are referred to the relevant support services. Underfunding of social support and care services over many years has resulted in a deficit of qualified social work professionals, and those who do enter the field are frequently overwhelmed with large caseloads, excessive paperwork and administrative duties, and have only limited resources available for clients. However, financial investment in social work and social workers is a key challenge in most of the countries in this region.

Prohibitive social norms and discrimination against the most vulnerable, such as people with disabilities and members of ethnic minorities, and against recipients of social protection benefits and services in general, can prevent many from receiving, or even applying for, the benefits and services they are entitled to. Many potential beneficiaries are also not aware that benefits and services exist, or that they have a right to them. More innovative forms of outreach have to

be piloted and introduced. For those groups which face particular risks of exclusion and marginalization, there is a need for more innovative and tailored forms of outreach. One example is the Roma Health Mediators in Serbia as well as other countries of Eastern and Central Europe who have helped increase healthcare coverage among Roma (e.g. vaccination, insurance coverage), provided health education, and served as a source of knowledge to institutions (e.g. healthcare providers) about Roma attitudes.⁶⁶ Another such example is the introduction of the practice of mentors to accompany people with disabilities for the first months of their placement in a job.

Methods for improving social service delivery, as well as better coordination across different social protection programmes and administrators, has been the subject of collaborative tool development under the UNDG groupings in other regions. Commissioned by the UNDG in the Asia-Pacific, a toolkit on social protection coordination was developed to provide policymakers and practitioners with an applied, adaptable framework with which to assess the state of coordination within their social protection systems. The document also provides examples of efforts to improve coordination from different countries around the world, including several relevant lessons for the Europe and Central Asia region.⁶⁷

66 Open Society Fund (2011) Roma Healthcare Mediators: Successes and Challenges. <https://www.opensocietyfoundations.org/sites/default/files/roma-health-mediators-20111022.pdf>

67 UNDG Asia-Pacific (2016), UNDG Social Protection Coordination Toolkit. Coordinating the Design and Implementation of Nationally Defined Social Protection Floors. Available at: <http://www.social-protection.org/gimi/gess/RessourcePDF.action?id=54045>

KEY MESSAGES

Currently social protection programmes still tend to be designed in a 'silo' fashion, with social protection benefits on the one hand, and social support and care services on the other, not being linked together or delivered holistically. This results in fragmented social protection initiatives that do not address the multiple drivers of poverty and social exclusion at the same time, and which generate duplications in coverage, wasting money and time.

Social care and support services are underdeveloped and require significant investment in both development of a minimum package of social services to different vulnerable groups with standard operating procedures and protocols, and development of a system and qualified social workers and case managers.

The tradition of individual case management is either absent or weak in the countries of the region, but all are at various stages of introducing it. It is fundamental if the

link between social protection and social inclusion goals are to be achieved.

Social mobilization and awareness raising is also needed to ensure outreach to the most marginalized children and families; they also have to be linked up to other social services, including – in the case of children – health and nutrition, education and protection services, and – in the case of the adult population – these and public employment services.

Leadership, coordination, and financial commitment of both national and local government authorities and close monitoring and evaluation mechanisms, including user feedback, are key for a well-functioning and integrated social protection and social service system.

International protection of displaced people applies a similar approach to individual case management and access to social welfare services for special groups in social protection systems, and both should be better linked together.

BOX 5 — FROM MESSAGES TO ACTION: WORKING AS ONE UN TO IMPROVE SOCIAL SERVICES DELIVERY FOR CHILDREN AND OTHERS IN UZBEKISTAN

Under the Delivering as One framework, the UN agencies in Uzbekistan formed a Results Group on Social Protection (RG-SP) to coordinate joint planning, implementation, monitoring and reporting on the social protection related outcomes in the current UNDAF (2016-2020). The RG-SP is composed of UNDP, UNICEF, UNFPA, UNAIDS, ILO, the World Bank, UN Women and WHO. From the government's side, the key partners included the Cabinet of Ministers, Ministry of Finance, Ministry of Health, Ministry of Labour, Ministry of Public Education, the Parliament, Women's Committee, other line ministries and organizations. On behalf of the UNCT, UNICEF chairs the group and is responsible for coordinating and guiding the RG-SP in the implementation of the Joint Work Plan on Social Protection.

Under the leadership of the UNCT, the Results Group focuses on initiating a debate and policy dialogue with government counterparts, civil society and development partners to strengthen a rights-based approach to social protection, mobilizing sustainable financing, as well as enhancing national capacities to reform the social protection system. To do this, the RG-SP worked with the UN Communication Group, which supports the effective communication of the UNDAF's expected results, to develop key messages on social protection.

One of the key directions of the RG-SP is to support the Government in ratifying and implementing the UN Convention on the Rights of Persons with Disabilities. In this regard, a comprehensive situation analysis is about to complete to understand the needs and bottlenecks for services to reach persons with disabilities. With UN support, the Law on Social Services was adopted and entered into force in June 2017. Under the RG-SP a mapping and assessment of the child protection system was carried out which opened a window to discussions on supporting the establishment of family counselling centres at the district level aimed at providing social services to families in difficult situations.



UN support to the Government of Uzbekistan aims to improve social protection in the country, including the quality and access offered by many health services. © UNICEF/Noorani

7. INFORMATION AND COMMUNICATIONS TECHNOLOGY

Information systems and registries of clients are fragmented, which affects not only the effectiveness of the services provided, but also the availability of information and data for monitoring social protection progress under relevant SDGs (notably SDG 1.3), and for measuring the impact of social protection programmes, including active labour market programmes. Data for measurement of impact rarely includes that collected from user feedback, or that of local governments, meaning that the local perspective, and that of the end user, is either lost or ignored in policy improvements. As such, information and communications technologies (ICT) have an important role to play on a number of fronts to ensure efficient, integrated and accessible social protection systems. They are crucial, for example, for the creation of databases and registries for confidential exchange of information based on interoperable ICT infrastructures and systems.⁶⁸ In particular:

- They can help ensure that relevant, accurate and up-to-date data on beneficiaries can be generated online, and that this data is accessible in real time for the different authorities involved in the design and delivery of social protection (e.g. centres for social work, different ministries, agencies, etc.). They can help ensure that there is fair and transparent representation of system users, and that the needs of beneficiaries are adequately addressed, especially in cases where (as outlined in the previous section) multiple institutions have to be involved in processing an individual case.
- Secondly, technologies can facilitate public sector innovation and the modernization of social protection and services delivery. This can be done by using ICT to create fully accessible⁶⁹ people-centred public services⁷⁰

in an online format, which can meet the real life situations of beneficiaries, delivering tangible benefits to poor and marginalized people and communities. Such e-services can, for example, be instrumental in addressing the gender gap in time poverty: women tend to be more affected by time poverty, and they can save time and money by obtaining relevant documentation and services online. E-services can also assist people with disabilities and the elderly through providing alternative online services which lead to significant savings in administrative costs, and can also help beneficiaries avoid barriers posed by lack of physical accessibility which are common throughout the region. Introducing e-services in the area of social protection can also lessen the burden of bureaucracy, improve public service efficiency and lead to more collaborative relations within government. ICT can also be utilized as a tool to enhance accountability of service providers, by expanding and informing consultation processes with the public on the quality and availability of social protection services.

- Thirdly, introduction of ICT can be done in such a way as to boost the employability of the users of social protection through training and re-training. Digital skills can play a huge role in improving employability and facilitating societal participation. Large shares of the un- or underemployed, those living in remote areas, or on low incomes, are digitally illiterate, and lack the skills, confidence and means to use ICT technologies, and thus miss out on employment opportunities. It is estimated that 90 per cent of jobs in the near future will require ICT skills, and in 2015, there were 900,000 unfilled vacancies for ICT practitioners in the EU alone. One way of bridging the gap would be through the introduction of strong and accredited in-vivo and e-learning programmes for training and re-training. These are currently not given sufficient attention in education and training policies in the region. The benefits of e-learning can be enormous, as it provides an opportunity to people, especially those on the margins of society, to acquire skills anywhere, anytime, reducing training costs and time-to-competencies.
- Some types of data collected and stored by social protection authorities may include sensitive personal information, including on a potential beneficiaries' health, income, assets or housing. The systems used to manage this data, therefore, are subject to data privacy and security concerns, particularly when data circulates

68 In brief, interoperability means that services and ICT systems can 'talk to each other', based on Granada Ministerial Declaration on the European Digital Agenda: April 2010. See: http://www.eu2010.es/export/sites/presidencia/comun/descargas/Ministerios/en_declaracion_granada.pdf. Also, see the European Interoperability Framework 2004: <http://ec.europa.eu/idabc/en/document/3473/5585#finalEIF>. An update is available here: <http://ec.europa.eu/idabc/en/document/7728>. Together their application in government services and administrations has a number of advantages.

69 This means WCAG 2.0 compliant, or meeting accessibility standards for people with disabilities in line with the Convention on Rights of People with Disabilities (CRPD).

70 People centered implies that consultation and research are carried out into which e-services in social protection are most needed and how they can address real gaps.

among multiple actors. The ILO's Social Protection Floors Recommendation 2012 (No. 202) explicitly calls on states to "establish a legal framework to secure and protect private individual information in their social security data systems," and a number of other safeguards can be implemented to protect beneficiary data and privacy such as ensuring informed consent when beneficiaries provide data and undergoing regular audits of the MIS system, among others.⁷¹

KEY MESSAGES

Information and Communications Technologies (ICT) have an important role to play on a number of fronts. They can and should be utilized for the creation of databases and registries based on interoperable ICT infrastructures and systems. They can support ICT-driven public sector innovation and modernization of social protection/services. Finally, the introduction of ICT can be done in such a way as to boost the employability of users of social protection by training and re-training.

71 The Government of Australia, Department of Foreign Affairs and Trade (2017), Integrating Data and Information Management for Social Protection: Social Registries and Integrated Beneficiary Registries, October 2017



In Romania, the use of ICT helps social workers and community nurses keep important beneficiary data all in one place. © UNICEF/Cybermedia

8. MONITORING AND EVALUATING SOCIAL PROTECTION PROGRAMMES FOR IMPACT AND EFFICIENCY

Underlying the need for better alignment of social protection policy with the labour market is the necessity of acquiring accurate data about the impact of social protection programmes and their potential. In the ECA region, widespread lack of data on the impact of social protection programmes on adults and children makes it difficult to monitor their implementation and assess their performance. Evidence on the effects of social protection programmes can be used to dispel myths around social protection (e.g. it creates dependency and is a work disincentive) with the ultimate aim of increasing public support and political will for the expansion of programmes. Disaggregated data are scarce, making it hard to pinpoint disparities, especially by ethnic identity or disability status. Measuring the effectiveness and efficiency of social protection systems will require significantly more investment in disaggregated data collection, evaluation and analysis. The lack of data also reflects a lack of conviction of the need for this data and analysis. As indicated in previous sections, there is little tradition of using survey data to monitor the impact of different elements of social protection on different sections of the population.

Overall, UNICEF's Social Monitor recommends the use of the following monitoring indicators:⁷²

- **Coverage:** What proportion of the eligible population actually receives the transfers?
- **Adequacy:** What percentage of the recipient household's (in the poorest quintile) post-transfer consumption is provided by the benefit? This gives an indication of the size of the benefit and its effect in alleviating material deprivation.
- **Benefit incidence:** What percentage of total cash benefits is received by the poorest quintile? In a universal programme, the poorest 20 per cent would receive 20 per cent of benefits, while in a programme only intended for people living below a certain poverty line, the poorest 20 per cent would receive a larger portion of the benefits.
- **Beneficiary incidence:** What is the percentage of programme beneficiaries in the poorest quintile relative to the total number of beneficiaries in the population? This is used to measure "inclusion errors" (the number of people or households not entitled to a benefit who do receive it)

in programmes only intended for people living below a certain poverty line.

- **Poverty headcount reduction:** How much does the poverty headcount rate change due to social protection programmes?

To monitor impact specifically on child well-being, the following is recommended. Similar monitoring can be done for other target groups:

- **The net value of the child benefit package:** How does the total value of all benefits directed towards children compare with the costs associated with having children, such as childcare, housing, education, and costs of health care? The resulting "net income" gives an idea of the actual impact of benefits on households with different numbers of children.
- **At risk of child poverty rates and at risk of child poverty gap, pre and post social transfers:** What percentage of children are at risk of poverty after receiving the transfers, compared with before? Has receiving the transfers reduced the depth of their poverty?
- **Public spending on social benefits for children and families:** How much of their GDP do countries spend on social protection, and within that, on social protection directed towards children and families?

When survey and administrative data are used for assessment of social protection programmes, they rarely go beyond the simple measurement of targeting accuracy and effect on poverty. If, as discussed above, policies are also designed to have positive impact on social inclusion, quantitative performance analysis has to be accompanied by qualitative studies which focus on the living situation, needs and processes of exclusion affecting those in need.

Governments can include information on beneficiaries of social protection within their household surveys and other surveys. For example, many countries in the region undertake regular Multiple Indicator Cluster Surveys (MICS) that gather data on the situation of children including nutrition, early childhood development, children's health and education. It will now be possible to include a module on social protection that would provide data on social protection within the same dataset and will make it possible to compare a range of wellbeing outcomes for children in different wealth groups, with and without access to social benefits.

72 See further details in UNICEF (2015) Chapter 3



Portrait of a nomad family in rural Tajikistan. Disaggregated data on programmes and impacts remain scarce across the region, making it difficult to identify disparities across different groups. © ILO/Cassidy

Other tools are being developed to assess the impact of social protection. For example, the assessment-based national dialogues (ABND) on social protection carried out by UN country teams in the region include a module of ex-ante impact assessment looking at the potential impact of social protection policy options on poverty. Similarly, the ABND and Social Protection Policy Options Tool (SPPOT) developed by the Social Protection Inter-Agency Cooperation Board (SPIAC-B) includes such a module.

Another Interagency Social Protection Assessments (ISPA)⁷³ tool developed at the request of the SPIAC-B assesses the performance of different types of social protection programmes in terms of food security and nutrition, and sets out possible options for enhancement. At the same time, the tool also generates stylized information on a country's state of food security and nutrition as well as the broader universe of social protection programmes available in the country, helping to interpret the assessment from a "systems" perspective.

KEY MESSAGES:

Measuring impact of social protection on poverty reduction, access to labour market and decent jobs, improvement of health and nutritional status of beneficiaries, schooling, and many other indicators is key to provide evidence on the importance of social protection for realizing many sustainable development goals. This, however, requires the ability to cross reference data on coverage and beneficiaries with other sets of data related to the well-being of households. Impact evaluations of social protection programmes can be powerful tools to convince governments to invest in social protection and also to prioritize it among policy options.

73 <http://ispatools.org/>

FINAL REMARKS

Section 1 suggested that adapting the global UN SPF-I to the ECA context required integrated approaches to achieve (1) a universal basic income for children⁷⁴; (2) adequate protection for those in working age to tackle financial consequences of unemployment, employment injury, maternity, sickness, and many other risks; (3) universal pensions with adequate benefits for older person and people with disabilities; (4) support to increasing livelihoods and accessing jobs (implying *inter alia* integrated approaches between social protection offices and labour market institutions like public employment services); (5) universal access to quality education, health and other support services; and (6) measures to promote social inclusion.

In the region there are child benefits, but they are rarely universal, and when targeted, the focus is on avoiding inclusion errors and reducing expenditure as far as possible. On the other hand, parents or caretakers are increasingly likely to face informal or low quality employment options, and the share of working poor is high, meaning that they are less able to shoulder the responsibility alone for ensuring a basic income for children.

Schemes exist to support those in working age, but in the case of contributory ones, there is reduced access due to the growth in informal sector and “non-standard” forms of employment. Unemployment benefits are available at low amounts and for restricted periods, and can be withdrawn if the beneficiary refuses a “suitable” job.

Pensions have traditionally been the most protected, and in the former Soviet Union they are still in principle universal, due to the availability of social pensions for those who have not contributed to pension funds. (This is not the case in the Western Balkans.) However, in practice, informality means that there is decreasing access to contributory schemes and growing concerns about the ability of state budgets to compensate through guaranteeing access to minimum social pensions. Benefits for people with disabilities exist, but in some cases are too low or too complex to access, meaning that not all register in order to access them. Moreover, there are many questions surrounding the traditional “medical” approaches to defining disability levels (and therefore rights to assistance).

Despite the poor labour market performance throughout the region (which is not adequately reflected in standard indicators of employment and unemployment), there is little access to either contributory-based unemployment benefits or to social assistance. Moreover, if the recipient takes on even a part-time or low-quality job, support is likely to be cut. Expenditure on active labour market measures is minimal, and state employment services require re-modelling to develop the client-orientated culture required to deliver such measures.

There is therefore considerable work to be done if the region to meet the UN SPF-I’s aspiration and to reach universal coverage across the life cycle. This will require an appreciation of the positive roles which social protection can play for economic and social development, particularly if better aligned with labour market situations, and a willingness to invest in extended systems. It will also require a re-visiting in some cases of national minimum subsistence levels, and a readiness to explore alternative financing options. Reaching the UN SPF-I’s aspiration to promote social inclusion will require more integrated approaches across different aspects of social protection, and more investment in case management and managers to ensure that the traditional aspects of social security are complemented by efforts to tackle barriers to access public services (health, education, housing, sanitation, energy, etc.), and by expansion of local support and care services. A single UN agency cannot provide all the support required in all these dimensions. Working as One UN on social protection is a necessity in the region. This can be done by prioritizing social protection as part of the UNDAFs, providing support in the development of national social protection strategies based on a social protection floor and universalistic approach, designing social protection schemes or reforming existing ones bearing in mind the importance of coverage, adequacy and inclusion, and supporting the implementation and operations of schemes to guarantee that access becomes effective for all. By working as One, UN SPF-I participating agencies can rely on a large number of tools and methodologies developed by the UN family, the SPIAC-B or individual agencies. They can also jointly mobilize additional resources for joint UN implementation through the development of UN joint programmes.

74 Universal basic income security for children, either through parents or carers, with assistance from the state where needed



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The United Nations Development Group (UNDG) unites the 31 UN funds, programmes, specialized agencies, departments, and offices that play a role in development. Since 2008, the UNDG has been one of the three pillars of the UN System Chief Executives Board for Coordination, the highest-level coordination forum of the United Nations system.

At the regional level, six Regional UNDG Teams play a critical role in driving UNDG priorities by supporting UN Country Teams with strategic priority setting, analysis and advice.

At the country level, 131 UN Country Teams serving 165 countries and territories work together to increase the synergies and joint impact of the UN system.

The Development Operations Coordination Office (DOCO) is the secretariat of the UNDG, bringing together the UN development system to promote change and innovation to deliver together on sustainable development.