



Implementing nationally appropriate social protection systems and measures for all: gaps and challenges facing rural areas

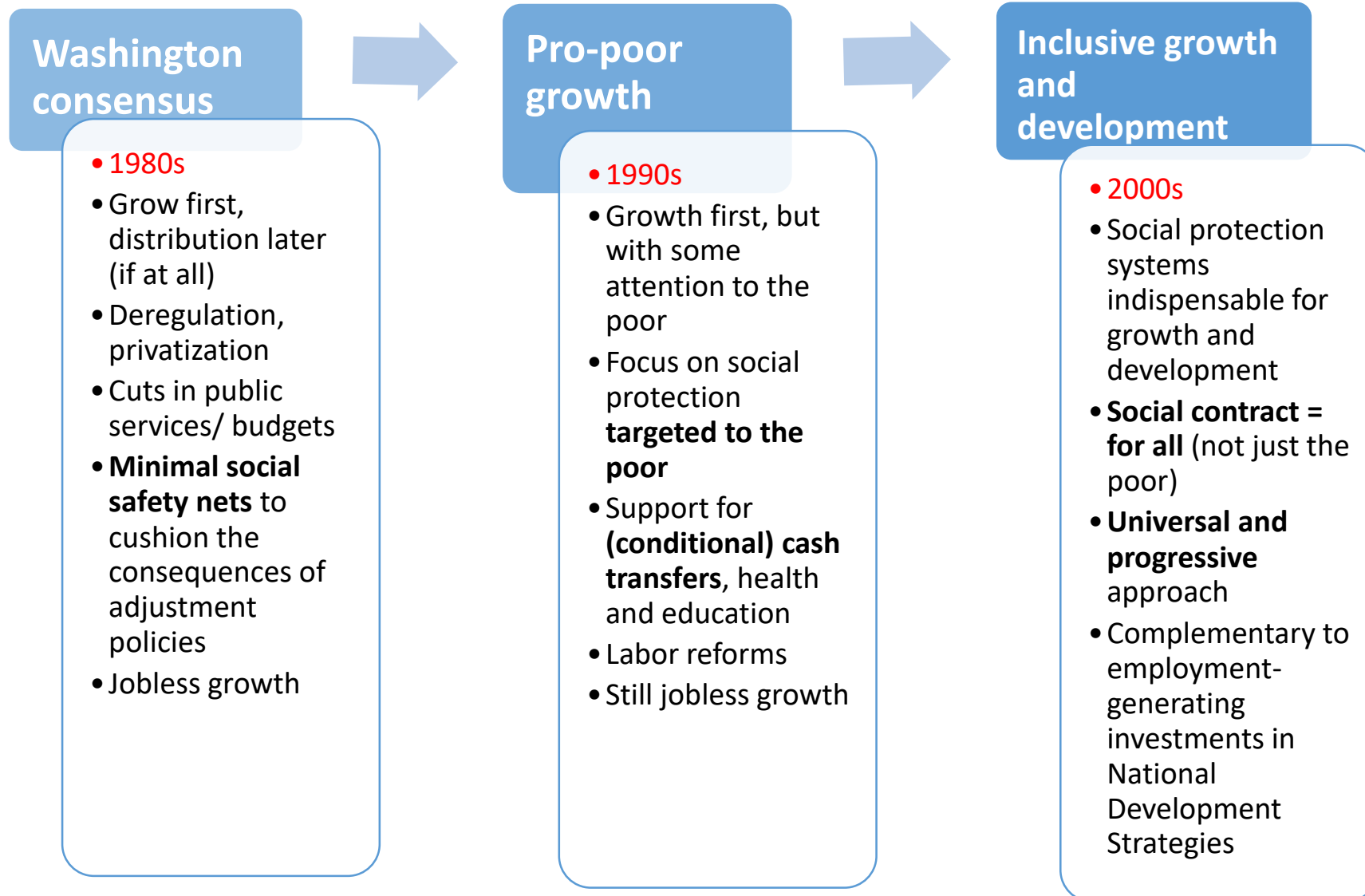
*Expert Group Meeting on Eradicating Rural Poverty to implement the 2030 Agenda for Sustainable Development
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Shifting policy paradigm 1980s-2018

Since the 2000s, universalism has re-entered the development agenda. First it was education: universal primary education became a Millennium Development Goal in 2000. Then it was health, in 2013, the world committed to universal health coverage. Now it is time for universal social protection.



Social protection in the 2030 Agenda



[SDG Target 1.3:](#)

“Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”



Fully aligned with the ILO [Social Protection Floors Recommendation, 2012 \(No. 202\)](#), endorsed by the UN

Impacts and effects of SP

- **Strong Human Development Impacts**
 - Reduces poverty and inequality
 - Reduces hunger and malnutrition
 - In children it has demonstrated results on better education and health outcomes
 - Increases productivity of workers
- **It contributes to growth:**
 - Inequality is economically inefficient /dysfunctional
 - Raising incomes increases domestic consumption and demand
 - And enhances human capital and productive employment
- **It builds political stability**
 - Poverty and gross inequities can generate social tensions and violent conflict
 - Social benefits ensure the political/electoral support of citizens

It's a social and economic necessity and contributes to sustainable development- SDGs



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MYTHS

Cash will be wasted on alcohol and tobacco

Transfers are just a 'hand-out' and do not contribute to development

Cash causes dependency, laziness

REALITY

1-2%
Alcohol and tobacco represent 1-2% of food expenditures

Across 6 countries, **no evidence of increased expenditure** on alcohol and tobacco

In Lesotho, alcohol expenditure actually decreased

In Zambia, evidence shows cash transfers increased farmland by 36% and the use of **seeds, fertilizer, and hired labor**

As more agricultural inputs were used, **overall production increased by 36%** and farmers engaged more in markets

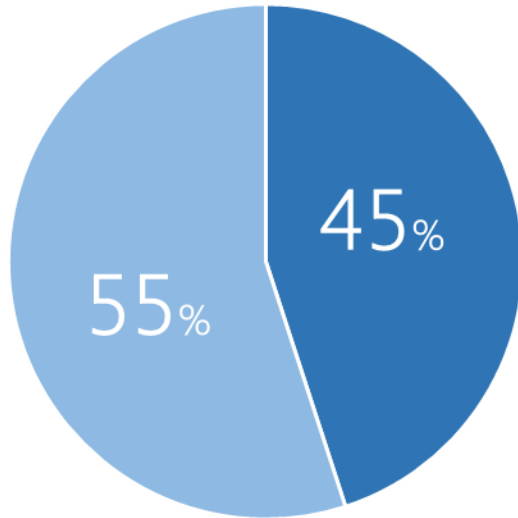
Majority of programmes show significant increase in secondary school enrolment and in spending on school uniforms and shoes

In several countries, including Malawi and Zambia, research finds reduction in casual wage labour, shift to on-farm and more productive activities

There is **little evidence** transfers lead to **reduction in work effort**

In fact, cash transfers lead to positive multiplier effects in local economies and **significantly boost growth and development in rural areas**

However...coverage still low



Only **45%**
of the world population is covered
by at least one social protection
benefit (SDG indicator 1.3.1)



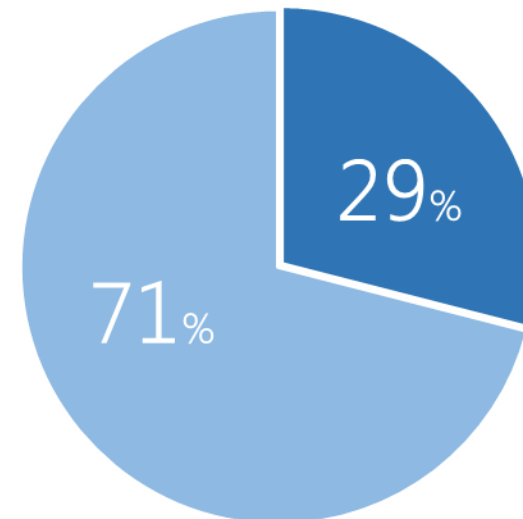
SDG indicator 1.3.1

4 billion people
(55%) are still unprotected

If we consider all areas of social protection from child benefits to old-age pensions

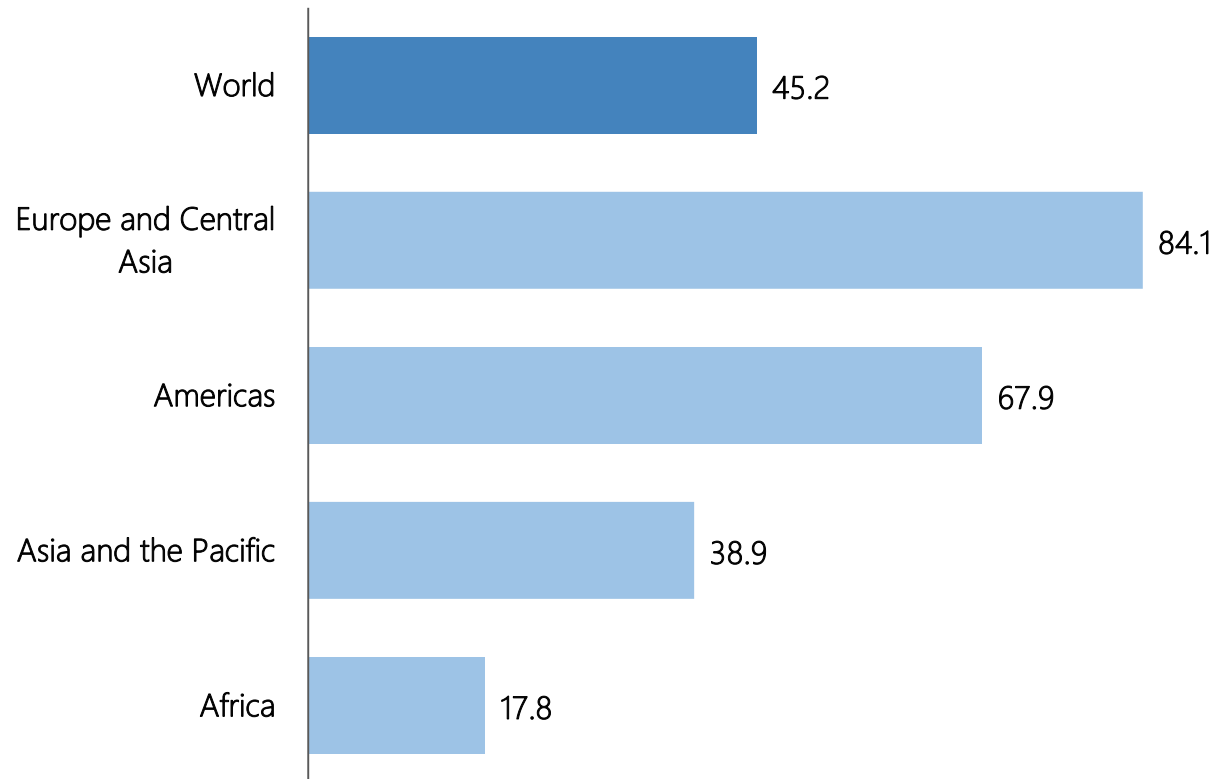
Only **29%**
of the global population has access
to **comprehensive** social protection

5.2 billion people
(71%) are not, or only partially, protected



Social security trends: Large coverage gaps, particularly in Africa and Asia

SDG indicator 1.3.1: Effective social protection coverage, population covered by at least one social protection benefit (%)



The SDGs call for **universal social protection**. More efforts are needed to extend coverage and ensure adequate benefits

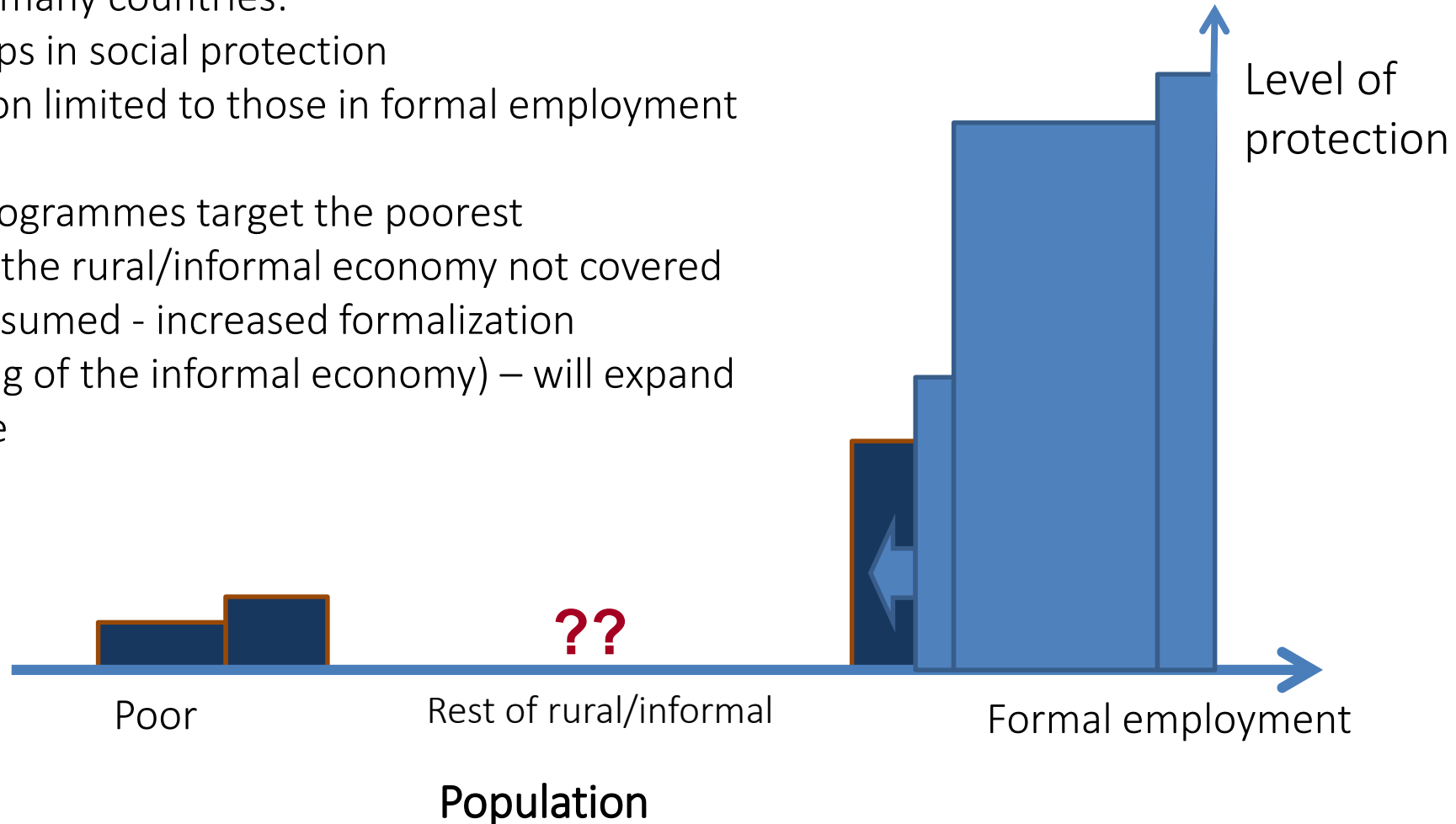
SDG indicator 1.3.1



Social protection systems - often fragmented and incomplete

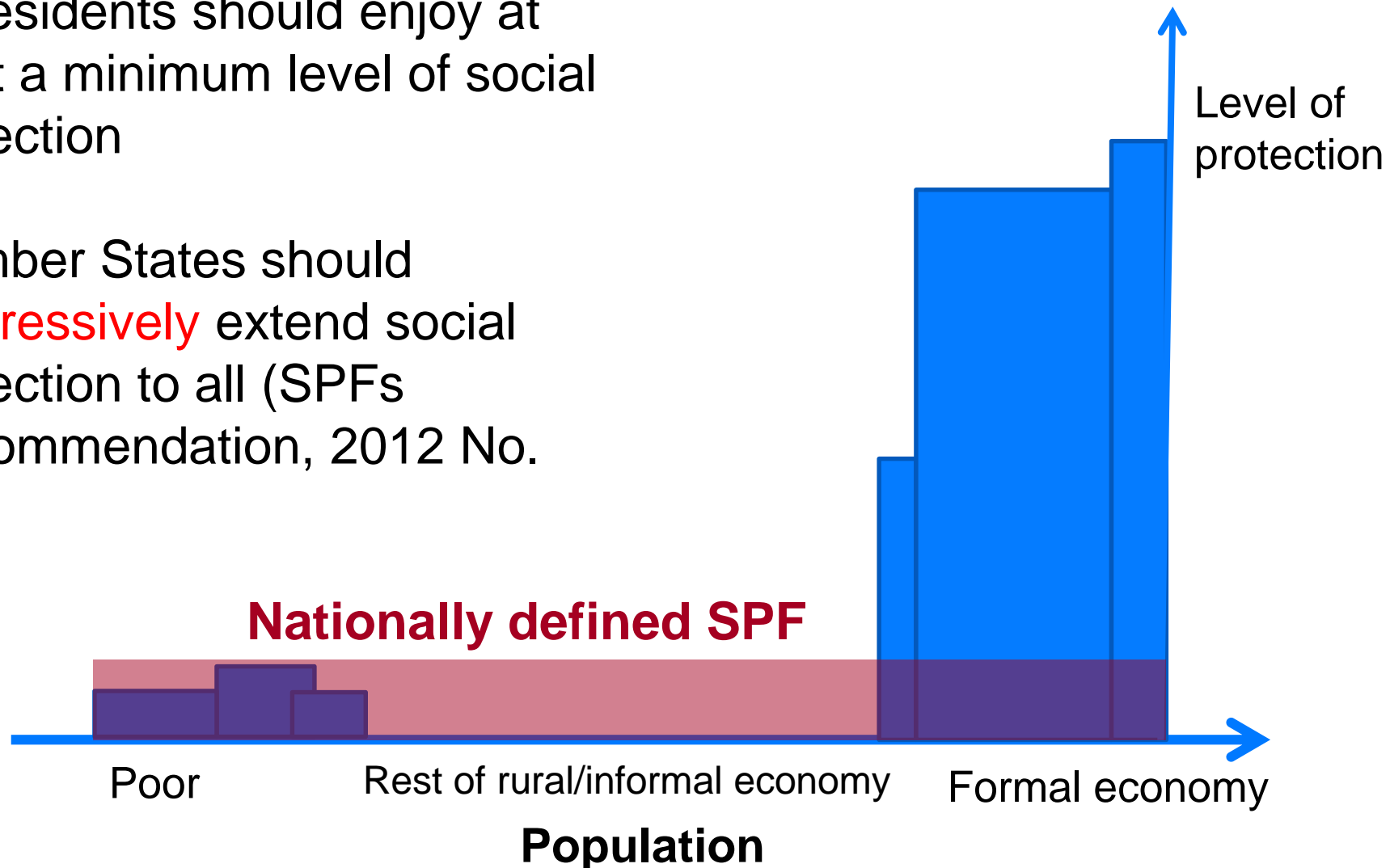
Situation in many countries:

- Large gaps in social protection
- Protection limited to those in formal employment (if at all)
- Some programmes target the poorest
- Many in the rural/informal economy not covered
- It was assumed - increased formalization (shrinking of the informal economy) – will expand coverage



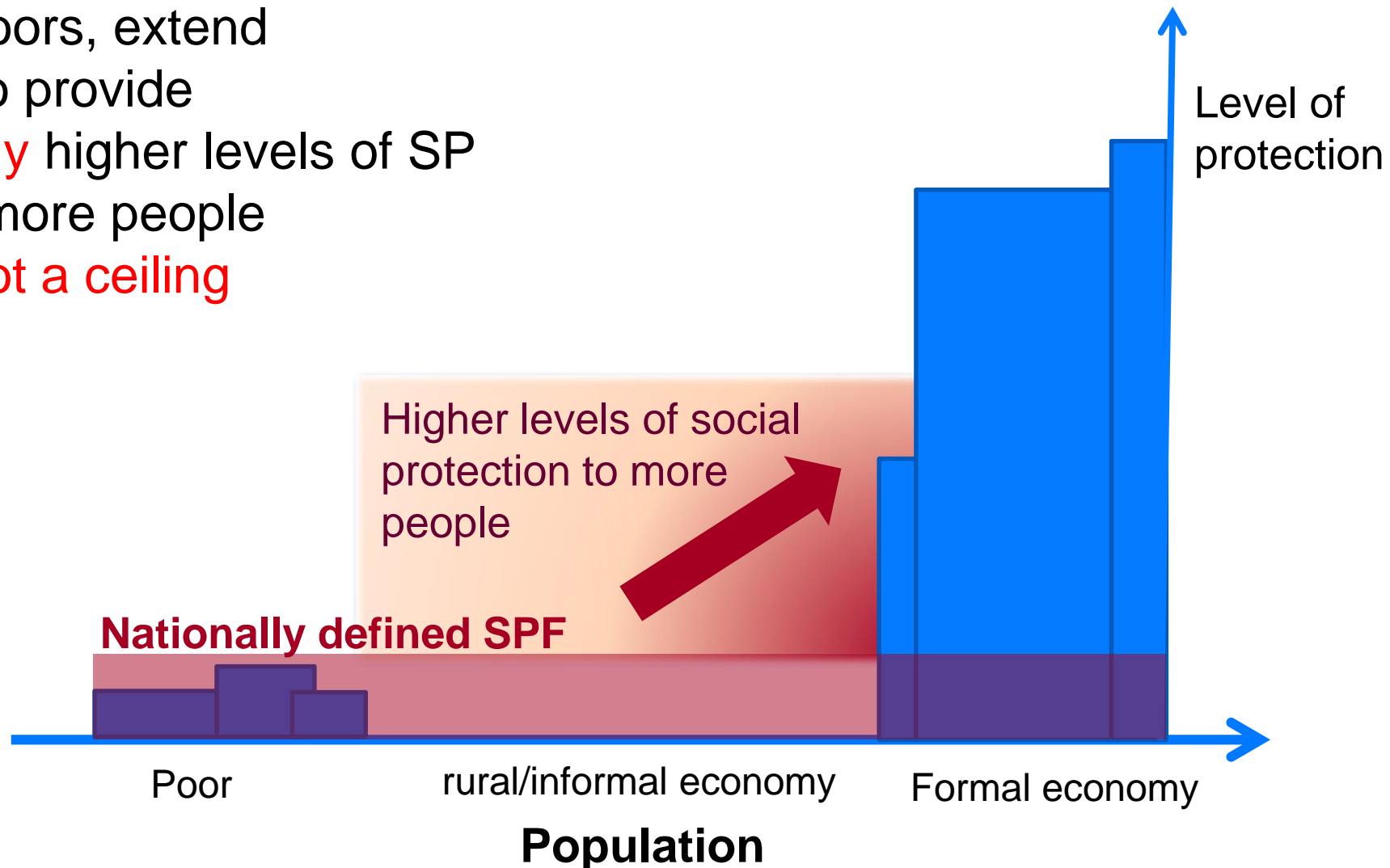
Nationally defined SP floors for all

- All residents should enjoy at least a minimum level of social protection
- Member States should **progressively** extend social protection to all (SPFs Recommendation, 2012 No. 202)

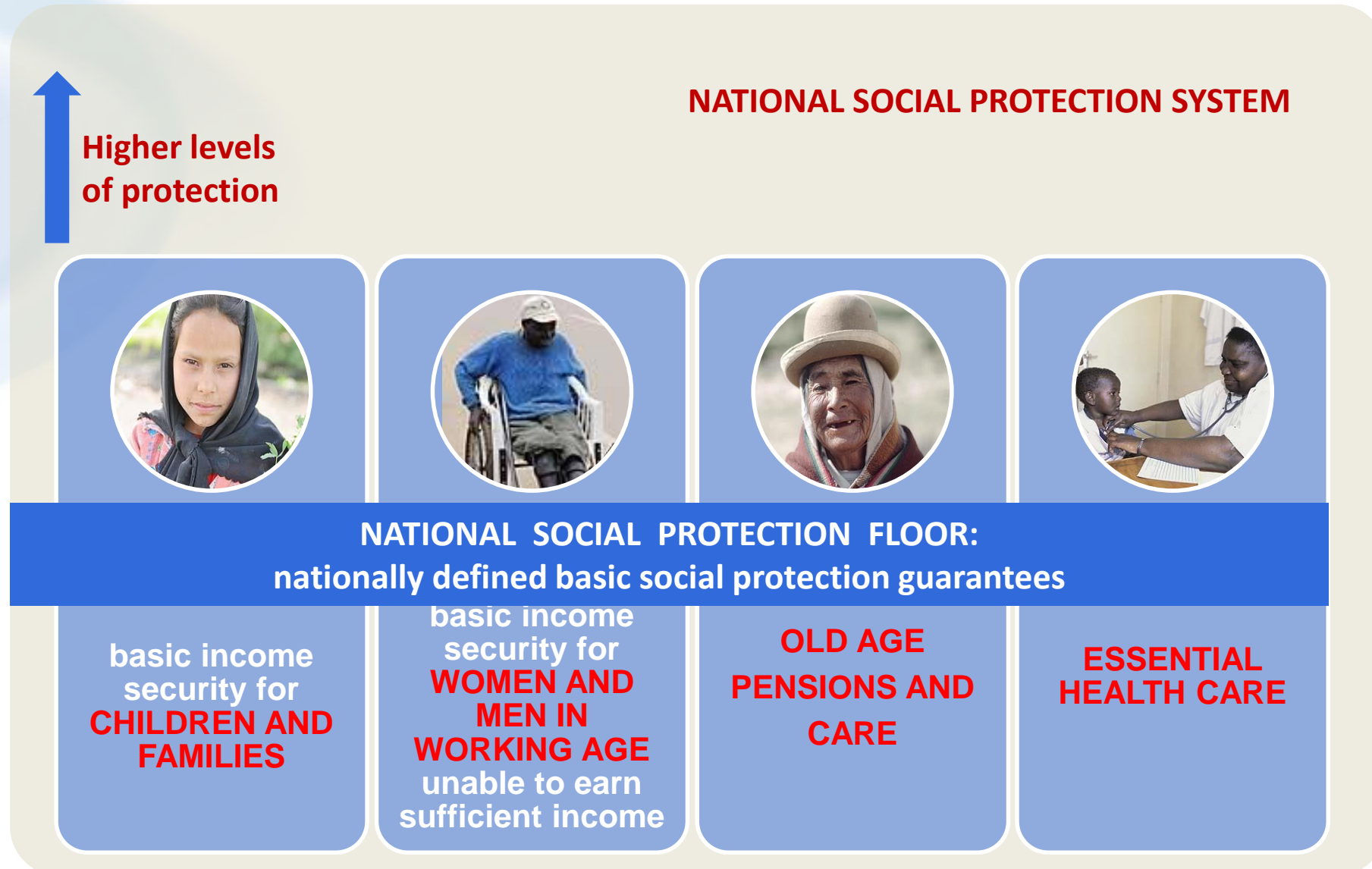


Towards higher levels of coverage and universalism

- Based on floors, extend protection to provide **progressively** higher levels of SP benefits to more people
- **SPFs are not a ceiling**



Basic Pillars of Social Protection Floors

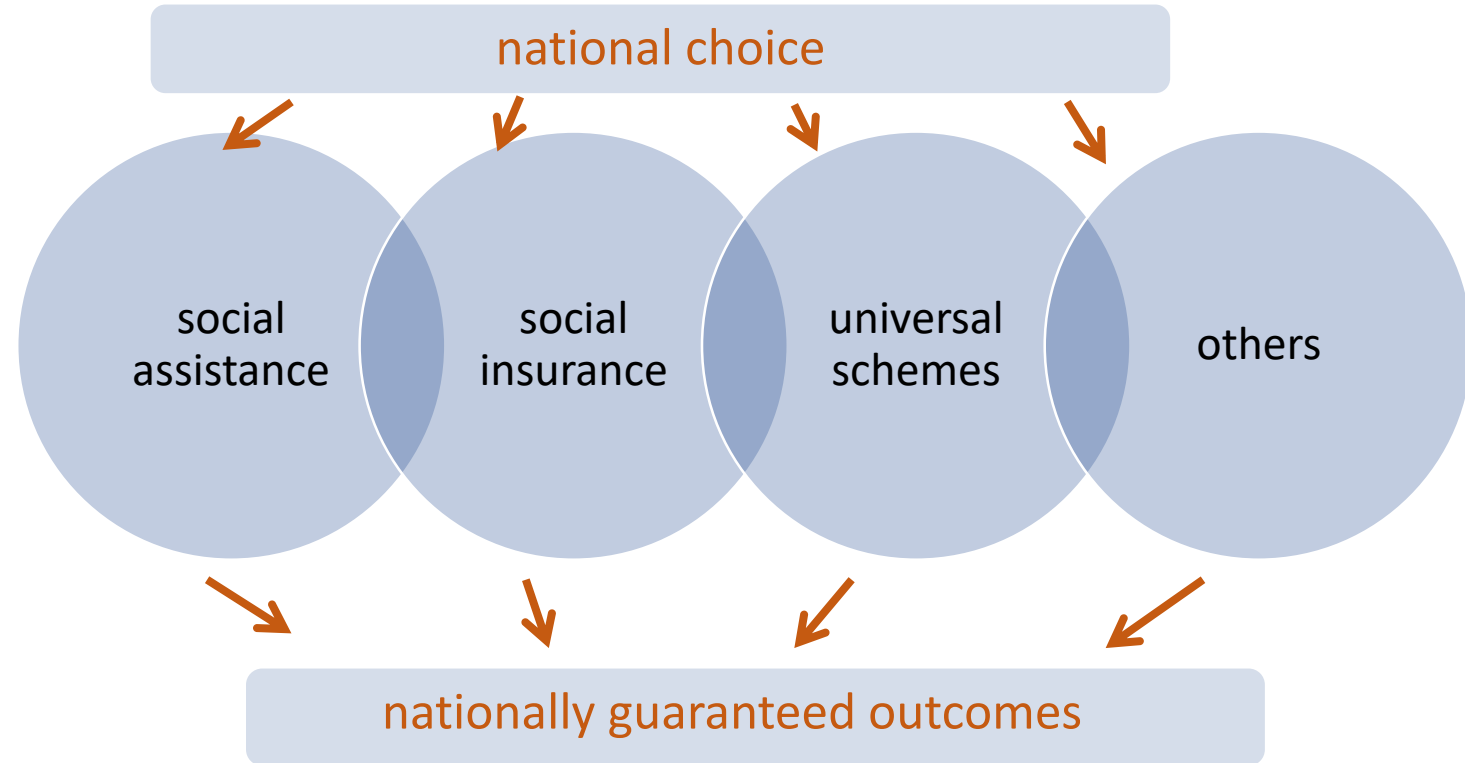


Nationally defined social protection systems and measures for all : Pluralism of approaches



Most effective and efficient combination of benefits and schemes in national context (para. 9(1))

NO ONE-SIZE-FITS-ALL



Progressive implementation of the Social Protection Floor by each country according to its circumstances and levels of development.

Nationally defined social protection systems and measures for all – **useful guidance**

Overall and primary responsibility of the State

Universal coverage

- Universality of protection, based on solidarity
- Social inclusion including persons in the **rural** and informal economy

Rights

- Adequacy and predictability of benefits
- Non-discrimination, gender equality and responsiveness to special needs
- Entitlements to benefits prescribed by national law
- Efficiency and accessibility of complaint and appeal procedures
- Respect for the rights and dignity of people covered
- Respect for collective bargaining and freedom of association

Implementation

- Progressive realization, including by setting targets and timeframes
- Coherence with social, economic and employment policies
- Regular monitoring of implementation and periodic evaluation
- Tripartite participation and consultation with representatives of persons concerned

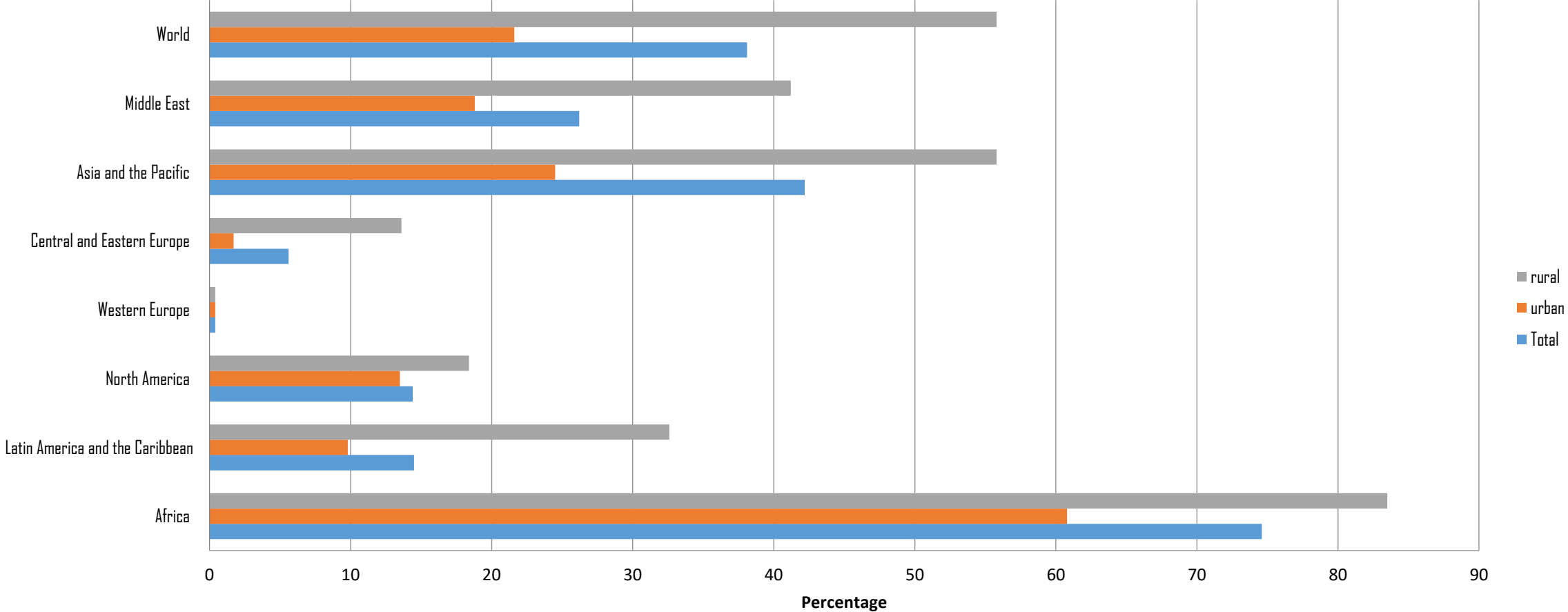
Financing and delivery

- Consideration of diversity of methods and approaches
- Solidarity in financing and fair balance of interests
- Transparent, accountable and sound financial management and administration
- Financial, fiscal and economic sustainability with regard to social justice and equity
- High-quality public services that enhance delivery of social security systems
- Coherence across institutions responsible for the delivery of social protection

Gaps/challenges in the rural areas

- Nearly half of the world's population (approximately 3.4 billion people) live in rural areas
- 62 percent of the population in low-income countries will still live in rural areas in 2030
- 736 million people lived on less than \$ 1.90 a day in 2015, of which, 80 per cent lived in rural areas (FAO 2018)
- Most of the working poor are also employed in agriculture and rural areas - 88 percent of the extreme working poor were in rural areas in 2012
- Extreme poverty rates of the employed were four times higher in rural areas than in urban areas - almost 20 per cent of people employed in rural areas live in extreme poverty, compared with just over 4 per cent in urban areas.
- Socioeconomic and human development indicators are often low in rural areas

Rural-urban deficit – popln without health protection by legislation



Rural-urban deficits

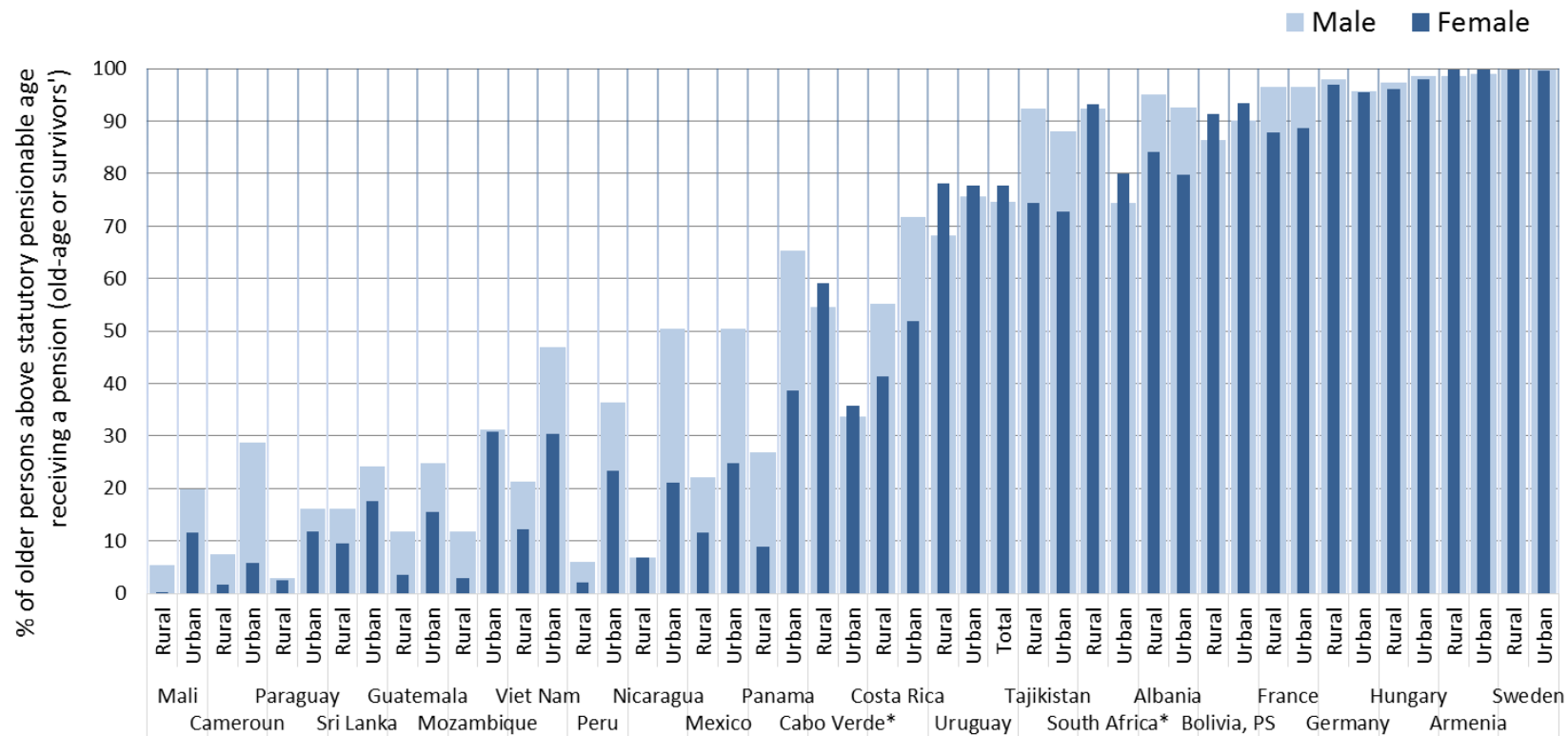


Source: Scheil-Adlung, 2015a.

Link: <http://www.social-protection.org/gimi/gess/RessourceDownload.action?ressource.ressourceId=54666>

- Rural–urban disparities are staggering: 56 per cent of the global rural population lacks health coverage as compared to 22 per cent of the urban population.
- per capita health spending are twice as high in rural areas as in urban areas.
- Rural maternal mortality are 2.5 times higher than urban maternal mortality.

Inequality in pension coverage (contributors) between urban and rural areas



Challenges – Legal barriers & SP programme design

- Contributory social insurance programmes are mainly design to cover regular/formal predictable employment
- Categories of exclusion:
 - workers in casual, seasonal or temporary employment and employment in agriculture and fishery
 - International migrants are often excluded from social protection coverage based on the principles “nationality” and “territoriality”
 - Internal migrants – countries with high rural pops, such as China and India
 - Non-contributory schemes - are mostly, not directly anchored in any legislation. In 2013, only one third of countries had social protection schemes that were established by law. **Legislation is often the basis of rights and entitlement in social protection.**

Country and current law	Legal exclusions affecting rural populations
Benin (2003)	Excludes agric workers/self-employed from social insurance pensions
Yemen (1991) – social insurance	Excludes casual workers, self-employed persons, agricultural workers, household workers, seamen, and fishermen.
Nicaragua (1982) – social insurance	Excludes seasonal agricultural workers.
Bahrain (1976) – social insurance	Excludes, certain groups of agricultural employees, casual workers, temporary noncitizen workers
Djibouti (2010) – social insurance	Excludes agricultural workers and self-employed persons
Madagascar (1994) – social insurance	Excludes farmers & agricultural workers working less than three months a year
Thailand, Work Injury (1994) Unemployment (2004 – soc. insurance)	Excludes agricultural, forestry, fishery employees; and self-employed persons. Excludes agricultural, forestry, and fishery employees; temporary and seasonal workers
Lebanon (1963) – social insurance	Excludes temporary agricultural employees, citizens of countries without reciprocal agreements with Lebanon, and self-employed persons.
Sudan (1990) - social insurance	Excludes farmers, and foresters, family labour, and home-based workers,
Vanuatu (1986), social insurance	Excludes temporary workers in agriculture and forestry with employment contracts of less than two months
South Africa (2001) – social insurance	Employees working for less than 24 hours a month, including seasonal workers

Challenges – financial barriers

- **Low contributory/financial capacity**

- Low affordability and uptake of agricultural insurance products and protection of rural farmers - studies in Malawi (Giné, 2009; Giné and Yang (2009)) and India (Cole et al., 2013)
- agricultural insurance may only be affordable to the poor, if it is free or subsidized (Cai et al. 2014; Carter et al., 2014; Cole et al., 2013; FAO 2015; Giné, 2009)
- Uganda (Basaza et al., 2008) and Rwanda (Schmidt, et; 2006) - low incomes/contributory capacity is a barrier to uptake of community health insurance schemes
- social protection may be unaffordable (or unattractive) to employers and employees, and can act as a disincentive or barrier to social protection coverage in an informal and rural economy settings (Chen, 2012; ILO 2016; World Bank, 2013; Perry, 2007).
- limits access to rural institutions that provide social protection functions

- **Irregular and unpredictable incomes**

Challenges – administrative and institutional barriers

- **Low administrative capacity and high cost of administrative services in rural areas**
 - the extension of social protection coverage and administrative capacity are closely connected (ILO 2000)
 - Effective coverage of informal and rural areas require additional administrative capacity
 - For small non-contributory schemes, the issue of administrative costs is straightforward – whatever is spent on administration is not available for benefits - potentially limiting the number of program beneficiaries.
 - In Mexico, the remoteness of millions of workers in rural areas - major barrier in accessing health facilities and the participation in the conditional cash transfer programme Proges so(Levy, 2006).
- **Administrative procedures and processes, and lack of awareness**
 - Administrative procedures and requirements (e.g. registration, identification) can pose barriers (may represent high opportunity costs in some cases)
 - Limited awareness or knowledge of social protection programs also limits access

ADDRESSING THE BARRIERS AND GAPS

Legal reforms to cover rural populations

- China - reforms in 2011, 2014 and 2015, an old-age pension scheme was established for the rural and urban. In 2015, 850 million people were covered under the pension system; by 2017, universal coverage had been achieved (ILO 2017).
- Vietnam: In 2006, the Vietnam Social Insurance Law expanded the coverage of the pension system to farmers
- Kyrgyzstan: coverage of workers in informal economy and agricultural workers. More than 90 per cent of the population over the age of 65 receives a pension, which has a major impact on reducing poverty in old age (ILO 2017)
- Kenya (2018) and Zanzibar (2016) – recent legislation for universal old age pension coverage.

ADDRESSING THE BARRIERS AND GAPS

- **Introducing flexible contributions, subsidized contributions/pillar and payment arrangements**
 - Brazil rural pension
 - Costa Rica, Argentina
- **Simplifying administrative procedures and Innovative institutional arrangements**
 - Uruguay - Monotax (Monotrubuto)
 - Building on existing rural institutions and network - Examples from Ethiopia, Rwanda, Lesotho, Zambia, (Vinci et al., 2016).
- **Establishing social protection floors**

ADDRESSING THE BARRIERS AND GAPS

- **Establishing special schemes that respond to the needs of different segments of the rural population**
 - China rural New Cooperative Medical Scheme (NCMS) and the Medical Assistance Scheme (MAS)
 - The Yeshasvini Health Insurance Scheme for rural farmers and peasants in Karnataka, India
 - Introducing weather-indexed and agriculture insurance to protect incomes and livelihoods of rural farmers and households. Examples include: the Brazil Family Farming Insurance; Ethiopia, Nyala Insurance; In Malawi (tobacco, groundnut and maize farmers); India (smallholders and potato farmers), Kenya (maize and wheat smallholders); Mongolia (herders); Thailand (smallholders); Tanzania (smallholders); Rwanda (smallholders); Mexico (Agroasemex for drought-indexed insurance)
 - universal health coverage, such as China, Colombia, Rwanda and Thailand – large coverage of rural population
 - **Non-contributory safety nets** – PSNP Ethiopia, National Rural Employment Guarantee Scheme (NREGS) in India

CONCLUSION

- **Evaluation/Consideration of specific needs and characteristics rural areas**
- **Learn from successful rural programmes and experiences**
 - Establish social protection floors for all
 - Expand and adapt legal frameworks of social protection to include the rural population.
 - Link social insurance to people not employment
 - Make social protection more affordable and attractive to the rural population
 - Enhance institutional capacity to deliver
 - Ensure administrative burden is kept to a minimum.
 - Build on existing structures
 - Efficient and integrated MIS systems, Registries
- **The broader poverty and rural development context.**

THANK YOU!



Extending access to social protection
and portability of benefits
to migrant workers
and their families



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